

# Annual Report 2023



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## Acknowledgement of Country

We acknowledge the Yorta Yorta people of the land and pay our respects to their Elders past, present and emerging.

We also acknowledge their spiritual connection to country.



# Report of Operations

## Manner of Establishment

The original Echuca District Hospital opened in 1882 and was renamed Echuca Regional Health (ERH) in November 1993 following amalgamation with Echuca Community Health Service. The Governor-in-Council issued an order on 26 October 1993 declaring Echuca Regional Health to be a public hospital. The order took effect on 1 November 1993 and Schedule 1 of the *Health Services Act 1988* was amended accordingly.

## Our Purpose

*'Supporting Everyone To Be Healthy And Live Well'*

## Our Values

Echuca Regional Health has adopted a common set of values across the organisation and developed associated behaviours around these values.



# Relevant Ministers

## **MINISTER FOR HEALTH**

**The Hon. Mary-Anne Thomas** From 1 July 2022 to 30 June 2023

## **MINISTER FOR AMBULANCE SERVICES**

**The Hon. Mary-Anne Thomas** From 1 July 2022 to 5 December 2022

**The Hon. Gabrielle Williams** From 5 December 2022 to 30 June 2023

## **MINISTER FOR MENTAL HEALTH**

## **MINISTER FOR TREATY AND FIRST PEOPLES**

**The Hon. Gabrielle Williams** From 1 July 2022 to 30 June 2023

## **MINISTER FOR DISABILITY, AGEING AND CARERS**

**The Hon. Colin Brooks** From 1 July 2022 to 5 December 2022

**The Hon. Lizzie Blandthorn** From 5 December 2022 to 30 June 2023



# Chairperson and Chief Executive Report

On behalf of the Board and the team of staff at ERH, we are proud to present the 141st Report of Operations and Annual Report for the year ended 30 June 2023.

The dominant event that impacted our community in this year was the devastating floods of October 2022. ERH enacted a Code Brown Emergency response and ensured continuity of critical services throughout the period despite many staffing and logistical challenges. ERH contributed to the provision of care to community members who took shelter in evacuation centres and addressed public health priorities such as mental health, water borne and mosquito borne diseases. Our team, despite the significant impacts the emergency was having on them personally, rose to the challenge to support the community, in great alignment with our values. ERH then transitioned to providing flood recovery support services, collaborating with other service providers to provide case management and primary mental health and well-being services.

Throughout the year our community continued to be affected by the COVID-19 pandemic and ERH played a role in providing care in people's homes, in the Emergency Department and in an inpatient environment, transitioning to a decreased role in testing and immunisations.

The year also brought a number of significant positive milestones with the opening of the Cancer and Wellness Centre by the Minister for Health, the first birthday for the headspace facility, many staff reaching substantial service milestones and the ongoing provision of safe, calm and connected care to the community. ERH was particularly proud to be the first regional health service in Victoria to be accredited as a stroke unit through the Stroke Foundation certification process.

Whilst focusing on the immediate priorities of 2022-2023 the ERH team have also remained committed to achieving our strategic vision of "Supporting everyone to be healthy and live well".

Across the six (6) key priorities the following are highlights of some of the progress made:

## **1. Reliable, Safe, Person-Centred Care**

- Consumer driven Cancer Model of Care developed.
- Governance improvement program implemented to ensure best practice Health Governance. Improvements include provision of performance dashboards for quality, finance and people and culture.
- 2023 Regional Research Symposium successfully conducted.
- ERH recruitment and retention strategy completed.
- Cancer and Wellness Centre developed and opened.
- Bridging the Urban and Regional Divide (BUILDS) program in stroke care embedded and stroke service accredited by Stroke Foundation.

## **2. Innovation in Care**

- Emergency Recovery Victoria (ERV) funded flood recovery services delivered.
- Expansion of Primary Mental Health and Wellbeing Program.
- Department of Health surgical reform program implemented at ERH includes increase in surgical activity and non-surgical alternative pathways.
- Safer Care Victoria, Timely Emergency Care Collaborative (TECC) commenced to ensure patient care provided in the right place and the right time.

## **3. Community Integration and Collaboration**

- Memorandum of Understanding renewed with Njernda (ACCHO) to support provision of culturally safe care.
- Aboriginal health worker (Men's Business) role developed and advertised.
- Possum Skin Project launched to connect newborn First Nation babies and their families with Elders and Country.
- Partnerships strengthened across the North Central Victorian Family Services Alliance (NCVFSA) through the development of the Infant, Child and Family (ICF) Mental Health and Wellbeing Hub for the Loddon Catchment.
- Recognised important inclusion events such as Harmony week, Pride month and IDAHOBIT day.
- Implemented Gender Equity Plan.

## **4. Digital Transformation**

- Initiated membership to Health Roundtable to support performance reporting and use of health analytics.
- Remote patient monitoring devices integrated into ERH at home model of care.
- Worked with the Loddon Mallee Health Network to progress towards an Electronic Patient Record.
- Continued to enhance and implemented our digital health strategy including a strong focus on cybersecurity.

## **5. Outer Regional Educational Leader**

- ERH lead agents for Murray Subregion for Emerging Leaders and Established Leaders (Invigorate) education programs.
- Values aligned executive leadership program delivered in 2023.
- Speaking up for safety program implemented.
- Multiple allied health and nursing scholarship programs established to support upskilling.

## **6. Talented, Capable, Engaged People**

- The development of the ERH Leadership Capability Framework.
- 2023 People Matter Survey completed with 62% response rate.
- Staff Health and Wellbeing strategy launched.
- Refreshed Workforce Support Officer program implemented.
- Became Pilot site for Australian Nursing & Midwifery Federation/Safer Care Victoria Nursing Flexible Rostering Project.
- CARE Values program refreshed for all staff.

## The Board

In July 2022 the Minister for Health appointed new Board Directors Mrs Janet Chapman and Mr Warren Jose. In 2023 we bid farewell to Board Directors Ms Larna Tarrant and Mrs Suzanne Mulcahy after 9 and 6 years of service respectively. We thank all Board Directors for their valuable contributions.

## The Executive

In May 2023, Dr Glenn Howlett resigned from the role of Executive Director Medical Services / Chief Medical Officer, a role he held for 10 years. ERH is very grateful to Dr Howlett for the significant contribution he made over that time and appreciate his ongoing contribution in a Senior Medical Advisor role.

In June 2023, ERH welcomed Dr Annemarie Newth as the newly appointed Executive Director Medical Services / Chief Medical Officer.

## Conclusion

ERH continues to strive to "Support everyone to be healthy and live well", through floods, pandemics and in response to high levels of demand for services. The Board is extremely grateful to the ERH team this year for again providing such a high-quality service to the community that was also in alignment with our values of Collaboration, Accountability, Respect and Excellence.

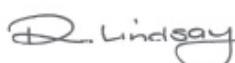
Thanks also to the community for your ongoing support and your collaboration to continually improve our services and we look forward to continuing to grow together.

## Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, we are pleased to present the Echuca Regional Health report of operations for 30 June 2023.



**Larna Tarrant**  
Board Chairperson  
30 June 2023



**Robyn Lindsay**  
Chief Executive Officer  
30 June 2023



## About Us

Echuca Regional Health (ERH) is located within the regional town of Echuca, 208km north of Melbourne on the banks of the Murray (Dungula) and Campaspe (Yalooka) Rivers.

ERH services the Campaspe Shire in Northern Victoria and the Murray Shire along the southern border of NSW. The Campaspe Shire encompasses an area of 4,518 square kilometres, and the cross-border Murray River Council, with an area of 11,865 square kilometres. Townships in Campaspe Shire include Echuca, Kyabram, Tongala and Rochester. The estimated catchment population is approximately 50,000.

ERH lies within traditional Yorta Yorta country. The town's name is a Yorta Yorta word meaning "Meeting of the Waters". ERH proudly integrates with local Aboriginal Community Controlled Health Organisations such as Njernda and Viney Morgan Aboriginal Medical Services to provide culturally safe care to the community.

Murray River Council had an estimated population of 12,850 in 2021. Approximately 53 per cent of the Murray River Council population reside in Moama. Townships in the shire of Murray River include Moama, Barham, Mathoura, Moulamein, Murray Downs, Tooleybuc and Wakool.

First established in 1882, the hospital has been delivering health services to its community for over 141 years.

ERH provides a comprehensive range of acute, medical, surgical and sub-acute services, a cancer and wellness centre, education and training, a residential aged care facility and a broad range of community services.

# Our Care At A Glance

1 July 2022 - 30 June 2023

**26,671**

People attended  
our Emergency  
Department



**4,153**

Ambulances arrived  
at our Emergency  
Department



**988**

Staff  
Employed



## Our Care

**3,439**

Operations  
were performed



**15,757**

People were  
admitted  
to Hospital



**431**

Babies were  
delivered



Echuca Regional Health

Supporting everyone to be healthy and live well

# Nature and range of our services at ERH

## Acute Services

- High Dependency
- Medical
- Obstetric
- Paediatric
- Surgical
- Emergency Department
- Short Stay Unit
- Theatre
- Pharmacy

## Sub-acute Hospital

- Palliative Care
- Rehabilitation
- Geriatric Evaluation and Management

## Residential Aged Care

- Glanville Village

## Education, Training and Research

- Accommodation Services (staff and students)

## Community Based Services

- Alcohol and Other Drugs
- Cardiac Rehabilitation
- Cervical Screening and Reproductive Health
- Chemotherapy/Cancer Support Services
- Cognitive, Dementia and Memory Service
- Community Palliative Care
- Community Rehabilitation
- Complex Care
- Dental
- Diabetes
- Enhanced Maternity Care Program
- Falls and Balance
- Family Services
- Flood Recovery
- Geriatric Evaluation and Management
- Haemodialysis
- headspace
- Hospital in the Home
- Maternity Care
- McGrath Breast Care Nurse
- Medical Consulting
- NDIS
- Occupational Therapy
- Physiotherapy
- Podiatry
- Population Health
- Primary Care Clinic
- Prostate Care Specialist Nurse
- Fracture Clinic
- Pulmonary Rehabilitation
- Smiles 4 Miles
- Specialist Continence
- Speech Pathology
- Strengthening Hospital Response to Family Violence
- Transition Care Program
- Volunteers
- Wellbeing and Primary Mental Health





## Executive Officers

**ROBYN LINDSAY  
CHIEF EXECUTIVE  
OFFICER  
BPhysio, MHlthSci,  
ProfCertHSM, GAICD**

The Chief Executive Officer role leads the ERH staffing team to deliver the strategic vision of the health service. This is achieved by ensuring high levels of operational performance, staff engagement and strong partnerships. Through the delegation provided by the Board to the CEO the role provides oversight to the safety of staff and patients, the planning for services and infrastructure, and the compliance with all relevant legislative and compliance frameworks. The role ensures appropriate risk management frameworks are in place and that ERH delivers our priorities in a manner aligned to our organisational values.

**MAREE WOODHOUSE  
EXECUTIVE DIRECTOR  
NURSING MIDWIFERY /  
CHIEF NURSING OFFICER  
RN, RM, BN, GCAdvNurs,  
GradDipMid, DipMgt,  
MHA, GAICD**

The Executive Director of Nursing and Midwifery/ Chief Nursing Officer is responsible for nursing professional standards across all services and has operational responsibility for Acute Inpatient Services; Sub-Acute, Maternity, Emergency Department, Perioperative Services, Glanville Village Aged Care, Cancer and Wellness, and After Hours Management. Responsibility also includes Infection Prevention and Control and the Quality, Risk and Innovation Unit and ensures quality standards are maintained and ERH continues to meet accreditation requirements for each service.

**DR ANNEMARIE NEWTH  
(APPOINTED 1 JUNE  
2023)  
EXECUTIVE DIRECTOR  
MEDICAL SERVICES /  
CHIEF MEDICAL OFFICER  
BSc BHB MSc (Hons)  
MBChB**

**DR GLENN HOWLETT  
(RESIGNED 30 MAY  
2023)  
MBBS LLB  
GradDipHlthServMt  
FRACGP AFRACMA**

The Executive Director of Medical Services/Chief Medical Officer is responsible for medical professional standards across all services. The Executive Director Medical Services portfolio also includes the Medical Workforce Unit, Medico-Legal Services (including Freedom of Information), Pharmacy, Medical Consulting Suites, and the contracted services of Pathology (Austin Pathology) and Medical Imaging (I-MED).

**CYNTHIA ROBINS**  
**EXECUTIVE DIRECTOR**  
**COMMUNITY SERVICES**  
**MPH/TM, BaPH, BaNursing,**  
**RN, Ass.Dip.App. Sci**  
**(Myotherapy)**

The Executive Director of Community Services leads a comprehensive range of services including Aboriginal Health, paediatric and adult Allied Health, Dental, Alcohol and Other Drugs, Pharmacotherapy, Wellbeing Primary Mental Health, headspace, Flood Recovery, Community Rehabilitation, Community Nursing, Community Palliative Care, Hospital in the Home, Residential-In-Reach, Post-Acute Care and Complex Care teams, to enable continued health and wellbeing across the lifespan. Home and centre-based care are now recognised as 'ERH at Home' to highlight the value of care delivered in home or community based settings. Key to the success of positive health outcomes, is a continued focus on population health and primary prevention (healthy eating, active living, gender equity and a reduction in tobacco related harm, including vaping), initiatives that are led and driven by the Community Services Division across the ERH catchment.

**ROBYN RUDGE**  
**EXECUTIVE DIRECTOR**  
**FINANCE AND CORPORATE**  
**SERVICES, CHIEF**  
**PROCUREMENT AND**  
**FINANCIAL OFFICER**  
**B.Comm, CPA**

The Executive Director of Finance and Corporate Services is responsible for the day to day provision of non-clinical support services throughout the health service, including Finance and Governance, Information and Communication Technology, Payroll, Engineering, Health Information Services, Food and Café Services, Fleet, Cleaning, Procurement and Supply, Environmental and Security Service.

**ANGELA HUSSEY**  
**EXECUTIVE DIRECTOR**  
**PEOPLE CULTURE**  
**Grad Cert (HR)**

The Executive Director of People and Culture is responsible for the provision of leadership across the organisation in the areas of Human Resources, Education, Training and Research, Occupational Health and Safety, and Volunteers. Our key focus is to develop a strong values based culture, build leadership capability and plan and develop our future workforce. The education and research centre continues to provide pathways, investing in the future talent pipeline for ERH and the health sector.

# Organisational Chart

## Board of Directors

**Robyn Lindsay**  
Chief Executive

**Cynthia Robins**  
Executive Director  
Community Services

**Maree Woodhouse**  
Executive Director  
Nursing and Midwifery/  
Chief Nursing Officer

**Dr Annemarie Newth**  
Executive Director  
Medical Services/  
Chief Medical Officer

**Robyn Rudge**  
Executive Director  
Finance and Corporate  
Services

**Angela Hussey**  
Executive Director  
People and Culture

- Aboriginal Liaison
- Alcohol and Other Drugs
- Allied Health Services
- Community Rehabilitation
- Dental
- headspace
- National Disability Insurance Scheme/Early Childhood Intervention
- Population Health
- Residential In-Reach, Post-Acute Care and Complex Care
- Wellbeing and Primary Mental Health

- Acute Inpatient Services
  - Maternity
  - Surgical
  - Medical
- Cancer and Wellness
- Emergency
- Infection Prevention and Control
- Inpatient Rehabilitation
- Perioperative
- Residential Aged Care

- Consulting Suites
- Diagnostic Services
- Medical Workforce
- Medico-Legal
- Pharmacy

- Engineering and Facilities Management
- Environmental Services
- Food Services
- Security

- Education, Training and Research
- People and Culture
- Occupational Health and Safety
- Volunteers

- Finance
- Health Information Services
- Information, Communication and Technology
- Procurement and Supply
- Payroll

# Board Directors

## **Larna Tarrant**

(Chairperson)

Appointed Board 1 July 2014

## **Stacy Williams**

(Senior Vice Chairperson)

Appointed 11 August 2022

Appointed Board 1 July 2021

## **Daniel Butel**

(Junior Vice Chairperson)

Appointed 8 December 2022

Appointed Board 1 July 2020

## **Scott Webb**

(Treasurer)

Appointed Board 1 July 2020

## **Suzanne Mulcahy**

Senior Vice Chairperson from  
1 July - 11 August 2022

Appointed Board 1 July 2017

## **Dr Sydney Paul**

Junior Vice Chairperson from  
1 July 2022 - 8 December 2022

Appointed Board 1 July 2018

## **Jillian Hamit**

Appointed Board 1 July 2016

## **Michelle Johns**

Appointed Board 6 August 2019

## **Christopher Sykes**

Appointed Board 1 July 2020

## **Janet Chapman**

Appointed Board 1 July 2022

## **Warren Jose**

Appointed Board 1 July 2022

# Audit and Risk Committee

The purpose of the Audit and Risk Committee is to assist the Board in fulfilling its corporate governance responsibilities in regards to the integrity of financial reporting, risk management, the internal control environment, compliance with legal and regulatory obligations, oversight of the internal and external audit functions and other matters, within scope, referred by the Board.

The Audit and Risk Committee is an advisory Committee to the Board of Directors appointed pursuant to the By-Laws of ERH and in accordance with the purpose of the *Health Services Act 1988*.

Members of ERH's Audit Committee for the 2022-23 financial year were:

## **Daniel Butel**

Committee Chair

(*Board Director*)

## **Simone Knight**

(*External Member*)

## **Carmel Britt**

(*External Member*)

Resigned April 2023

## **Rachel McAsey**

(*External Member*)

## **Warren Jose**

(*Board Director*)

## **Scott Webb**

(*Board Director*)

## **Dr Sydney Paul**

(*Board Director*)

# Workforce data, employment and conduct principles

ERH is committed to upholding the principles of fair, equal and transparent recruitment including accurate role classification. We have a suite of policies and practices in place to ensure all employment related decisions, are based on merit and are non-discriminatory. Additionally, our employment contracts ensure that all employees are engaged within the terms and conditions set out in the relevant Enterprise Bargaining Agreement (EBA) or Award with remuneration and associated employment benefits described and regularly reviewed.

With staff numbers now reaching upwards of 1000 we continue to lean on our values of Collaboration, Accountability, Respect and Excellence to create an engaged and supportive culture. Our health and wellbeing strategy has become instrumental in providing a structure to address key areas that will provide positive and sustainable outcomes for ERH.

Building leadership capability has also been a large focus through 2022-23 to help drive improvement in key workforce issues such as bullying, harassment, discrimination and OHS. This effort, alongside learning and development and supportive HR frameworks we continue to progress on our journey of towards zero.



**Collaboration**



**Accountability**



**Respect**



**Excellence**



<p><b>Inspires Direction &amp; Purpose</b> Articulates vision with clarity, sharing organisational, team and individual goals</p>	<p><b>Acts With Integrity</b> Takes ownership, demonstrating integrity</p>	<p><b>Accessible Communicator</b> An approachable, active listener who communicates effectively and respectfully</p>	<p><b>Delivers Results</b> Identifies outcomes that are pragmatic and sustainable</p>
<p><b>Turns challenges into opportunities</b> Takes a positive approach to challenges, utilising them as an opportunity to grow, learn and improve</p>	<p><b>Demonstrates Accountability</b> Consistently models our values and prioritises staff and patient safety</p>	<p><b>Values Difference</b> Values difference and actively promotes equality</p>	<p><b>Plans and Prioritises</b> Takes a pragmatic approach to the use of resources, including workforce planning</p>
<p><b>Communicates Effectively</b> Communicates in a way that is ordered and suited to the audience</p>	<p><b>Drives Accountability</b> Fosters talent and builds capability while delivering results through supportively promoting accountability</p>	<p><b>Consistently Articulates Direction</b> Inspires direction and purpose through transparent articulation of direction and reason for decision</p>	<p><b>Thinks and Solves Problems</b> Thinks in a realistic way to work through issues and solve problems</p>
<p><b>Builds Relationships</b> Brings people together and provides an environment for people to thrive</p>	<p><b>Manages Self</b> Can self-reflect and be adaptable</p>	<p><b>Empowers People</b> Empowers staff and colleagues through supporting wellbeing, as well as coaching, developing and challenging</p>	<p><b>Consumer Focus</b> Ensures the needs of the internal and external consumer are at the centre of delivering and continuously improving a quality service</p>
<p><b>Works Collaboratively</b> Networks effectively and brings groups together to achieve shared objectives</p>	<p><b>Promotes Innovations</b> Is accountable for driving ongoing innovation to create value and improve what we do</p>	<p><b>Respectfully Influences</b> Gain consensus and commitment from others and resolve issues and conflicts. Influences and negotiates to achieve results</p>	<p><b>Innovation and Change Leader</b> Delivers excellence by leading innovative change</p>

# Workforce Information

LABOUR CATEGORY	JUNE Current Month FTE		AVERAGE Monthly FTE	
	2022	2023	2022	2023
Nursing	242	263	243	262
Administration and Clerical	85	98	77	98
Medical Support	61	52	57	55
Hotel and Allied Services	63	80	60	83
Medical Officers	2	1	2	2
Hospital Medical Officers	25	38	28	34
Sessional Clinicians	8	10	9	10
Ancillary Staff (Allied Health)	74	84	68	76

FTE excludes agency staff and fee for services Visiting Medical Officers.

## Occupational Health and Safety

Echuca Regional Health continues to manage the risk of all health and safety of all employees, volunteers, and visitors where practicable to do so, complying with our obligations under the *Occupational Health and Safety Act 2004*, Occupational Health and Safety Regulations 2017 and other legislation and standards that support safety.

We have also been working towards improving safety in the following priority areas:

- By enhancing the culture of reporting, fostering an environment where staff feel comfortable reporting safety issues without fear of repercussions.
- Prevention and management of Occupational Violence. In response to the increase in severity of occupational violence incidents across the state, we are encouraging all reporting and revising and improvements in our processes across departments to restrict/ limit OVA occurrences from the use of duress alarms, PPE for security, procedure changes, training and communication.
- Supporting the wellbeing of our workforce. We have partnered with the Black Dog Institute and provided training to our people leaders in "managing their teams wellbeing" workshops in the psychosocial risk in the workplace.

The following table sets out the number of reported hazards and incidents reported over the past four financial years. There is a significant drop from last year's hazard reporting and a significant uprise in incident reporting across the last two years.

OCCUPATIONAL HEALTH AND SAFETY STATISTICS	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023
The number of reported hazards/ incidents for the year per 100 FTE	13.84	6.86	23.81	6.65
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.56	.79	1.043	0.83
The average cost per WorkCover claim for the year	\$113,050	\$22,538	\$59,719	\$26,021



## Occupational Violence Statistics

OCCUPATIONAL VIOLENCE STATISTICS	2022 - 2023
Workcover accepted claims with an occupational violence cause per 100 FTE	0.067
Number of accepted Workcover claims with lost time injury with an occupational cause per 1,000,000	0.49
Number of occupational violence incidents reported	64
Number of occupational violence incidents reported per 100 FTE	10.64
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	8%

## 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 2022-23.

### **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.

# Financial Information

	2023 \$000	2022 \$000	2021 \$000	2020 \$000	2019 \$000
<b>Operating Result*</b>	373	246	-	1,988	(487)
Total revenue	128,400	115,654	96,659	89,045	83,827
Total expenses	(130,857)	(112,576)	(99,931)	(92,254)	(88,124)
<b>Net result from transactions</b>	(2,457)	3,078	(3,272)	(3,209)	(4,297)
Total other economic flows	(442)	77	264	(69)	(1,280)
<b>Net result</b>	(2,899)	3,155	(3,008)	(2,621)	(5,577)
Total assets	163,821	114,651	137,067	139,806	137,816
Total liabilities	(37,933)	(32,865)	(29,583)	(30,235)	(24,967)
<b>Net assets/Total equity</b>	125,888	111,786	107,484	109,571	112,849

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

ERH's financial and strategic objective is to provide the necessary resources to achieve activity levels, address essential capital needs and ensure cash sustainability. ERH achieved a small surplus for the 2023 Financial Year as a result of continued cash support from the Department of Health.

## Operating Result\*

Reconciliation between the Net result from transactions to the Statement of Priorities Operating Result.

	2022 - 2023
<b>Net operating result *</b>	373
Capital purpose income	4,539
Specific income	-
COVID 19 State Supply Arrangements	569
- Assets received free of charge or for nil consideration under the State Supply	
State supply items consumed up to 30 June 2023	(569)
Assets provided free of charge	-
Assets received free of charge	-
Expenditure for capital purpose	(504)
Depreciation and amortisation	(6,809)
Impairment of non-financial assets	(67)
Other	(431)
<b>Net result from transactions</b>	(2,899)

# Consultancies Information

## Details of consultancies (under \$10,000)

In 2022-2023, there were nil consultancies where the total fees payable to the consultants were less than \$10,000.

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

In 2022-23, there were nil consultancies where the total fees payable to the consultants were \$10,000 or greater.

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)
\$2.3 million	-	-	-

# Disclosures required under legislation

## Freedom of Information Act 1982

The Freedom of Information (FOI) Act gives you the right to request information and access your medical record and, in certain cases, our activities.

FOI requests from the public can be made on an ERH FOI application form, which is available from the ERH Freedom of Information Officer. The FOI application fee as at 1 July 2022 was \$31.80 with a search fee of \$20.00 and 20c per page for photocopying and postage cost.

The FOI requests should be forwarded to the ERH FOI Officer or emailed to [foi@erh.org.au](mailto:foi@erh.org.au).

For the 2022-23 financial year, ERH received 150 requests from the public and all requests were completed.

Further information about FOI can be found on the Office of Victorian Information Commissioner's website [www.foi.vic.gov](http://www.foi.vic.gov) or email [enquiries@ovic.vic.gov.au](mailto:enquiries@ovic.vic.gov.au)

## Building Act 1993

ERH complies with the building and maintenance provisions of the *Building Act 1993*, inclusive of the relevant provisions in the National Construction Code.

ERH and Glanville Village Aged Care Facility maintain essential safety measures and maintenance.

## Public Interest Disclosure Act 2012 (Vic)

Echuca Regional Health (ERH) is committed to the aims and objectives of the *Public Interest Disclosures Act 2012 (Vic)*.

ERH does not tolerate detrimental action being taken against any person in relation to the making of a public interest disclosure or any other 'whistleblower' disclosure protected by law.

ERH has developed procedures for the protection of persons from detrimental action being taken against them by ERH's officers and employees.

The procedures are readily available to ERH's officers and employees through ERH's intranet. The procedure accessible to members of the public is available at [www.erh.org.au](http://www.erh.org.au).

The ERH website search function also points to the relevant procedure through the search terms of 'whistleblower', 'protected disclosure' and 'public interest disclosure'.

Nil disclosures have been made during the financial year 2022 - 2023.

## Statement on National Competition Policy

ERH complies with the National Competition Policy, including compliance with the requirements of the policy statement 'Competitive Neutrality Policy Victoria'.

## Carers Recognition Act 2012

ERH, its employees and agents take all practical measures to reflect the care relationship principles when developing, providing or evaluating support and assistance for persons in care relationships.

# Environmental Performance

ERH monitors and reports on environmental and sustainability practices to help the Health Service better integrate and gain strategic value from existing sustainability efforts.

When developing changes or making improvements, consideration is given to conserving energy and water, reducing greenhouse emissions and improving waste management.

Echuca Regional Health is committed to protecting the environment.

	2022 - 2023	2021 - 2022	2020 - 2021	2019 - 2020
Peak kWh	1,773,694	1,640,480	1,927,047	1,903,658
Off Peak kWh	1,736,462	1,570,856	1,713,579	1,703,423
Mj	24,017,096	25,035,652	26,804,511	24,802,055
kL	31,634	44,454	42,719	43,278
Recycled kL	8,476	9,163	8,434	6,312

# Environmental Sustainability

In 2022-23, ERH established an Environmental Sustainability Group. The purpose of this working group is to support ERH to be focused on taking effective action to achieve net zero emissions, mitigate and adapt to climate change, promote environmental sustainability and social responsibility within the Health Service and to foster an environment that promotes the health and wellbeing of our staff and community.

# Greenhouse Gas Emissions

TOTAL GREENHOUSE GAS EMISSIONS (Tonnes CO2e)	2022 - 2023	2021 - 2022	2020 - 2021	2019 - 2020
Scope 1	1,354	1,322	1,428	1,301
Scope 2	2,979	3,021	3,675	3,791
<b>Total</b>	<b>4,332</b>	<b>4,344</b>	<b>5,103</b>	<b>5,092</b>
NORMALISED GREENHOUSE GAS EMISSIONS				
Emissions per unit of floor space (kgCO2e/m <sup>2</sup> )	218.43	291.03	257.29	256.75
Emissions per unit of Separations (kgCO2e/Separations)	275.42	314.80	474.34	423.67
Emissions per unit of bed-day (LOS+Aged Care OBD) (kgCO2e/OBD)	76.50	74.37	197.19	104.63

# Stationary Energy

TOTAL STATIONARY ENERGY PURCHASED BY ENERGY TYPE (GJ)	2022 - 2023	2021 - 2022	2020 - 2021	2019 - 2020
Electricity	12,615	11,952	13,500	13,380
Natural Gas	26,273	25,673	27,713	25,256
<b>Total</b>	<b>38,888</b>	<b>37,625</b>	<b>41,213</b>	<b>38,636</b>

NORMALISED STATIONARY ENERGY CONSUMPTION				
Energy per unit of floor space (GJ/m <sup>2</sup> )	1.96	1.89	2.08	1.95
Energy per unit of Separations (GJ/Separations)	2.47	2.72	3.83	3.21
Energy per unit of bed-day (LOS+Aged Care OBD)	.68	.64	1.59	0.79

TOTAL WATER CONSUMPTION BY TYPE (kL)				
(GJ/OBD)				
Potable Water	45,209	40,307	37,966	40,705
<b>Total</b>		<b>40,037</b>	<b>37,966</b>	<b>40,705</b>

NORMALISED WATER CONSUMPTION (POTABLE AND CLASS A)				
Water per unit of floor space (kL/m <sup>2</sup> )	2.27	2.01	1.91	2.05
Water per unit of Separations (kL/Separations)	2.87	2.90	3.53	3.39
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.79	90.68	1.47	0.84

WASTE	2022 - 2023	2021 - 2022	2020 - 2021	2019 - 2020
Total waste generated (kg clinical waste+kg general waste+kg recycling waste)	199,835	197,694	140,755	20,785
Total waste to landfill generated (kg clinical waste+kg general waste)	195,005	197,004	106,086	20,390
Total waste to landfill per patient treated ((kg clinical waste+kg general waste)/PPT)	0.28	0.20	1.64	0.24
Recycling rate % (kg recycling / (kg general waste+kg recycling))	97.95	100.00	28.64	100.00

# Procurement

ERH's procurement strategy aims to provide information to all employees of ERH requesting guidance and support for the planning, sourcing and contract management of procurement activities within the Health Service. This is to ensure compliance with internal procurement policy and procedures, the procurement reform polices of HealthShare Victoria (HSV) and ERH procurement objectives.

## Social Procurement

Social procurement creates an opportunity for ERH to deliver social and sustainable outcomes that help to build a fair, inclusive and sustainable Victoria through all procurement activities undertaken by, or on behalf of the Health Service.

ERH's Social Procurement Strategy is committed to advancing social and sustainable procurement objectives through procurement in accordance with the Social Procurement Framework. The strategy builds on the social policies including Response to Family Violence in the Workplace and Diversity Acceptance Policy.

All procurement activities undertaken by, or on behalf of Echuca Regional Health aim to support regional Small Medium Enterprises (SMEs) that play a critical role in the sustainability of the region's economy and its community.

ERH continues to implement the Government's objectives as part of normal market procurement activities and engage with a number of Social Benefits Suppliers. ERH will continue to identify and engage in opportunities to improve our spend with social benefit suppliers

# Additional Information on Request

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

1. a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
2. details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
3. details of publications produced by the entity about itself, and how these can be obtained;
4. details of changes in prices, fees, charges, rates and levies charged by the entity;
5. details of any major external reviews carried out on the entity;
6. details of major research and development activities undertaken by the entity;
7. details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
8. details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
9. details of assessments and measures undertaken to improve the occupational health and safety of employees;
10. a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
11. 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
12. details of all consultancies and contractors including:
  - (i) consultants/contractors engaged;
  - (ii) services provided; and
  - (iii) expenditure committed to for each engagement

## Local Jobs First Act 2003

In 2022-23 there were no contracts requiring disclosure under the *Local Jobs First Act Policy*.

## Gender Equality Act 2020

In response to the *Gender Equality Act 2020 (GE Act)* that was introduced in March 2021, Echuca Regional Health's Gender Equality Action Plan 2021-2025 is published on the ERH website.

Echuca Regional Health's objective of this plan is to support an inclusive, safe, responsive and accountable service for our community and staff by the promotion of gender equality in the workplace, taking into consideration all gender equality principles under the Act, including how intersectional gender inequality has been considered.

ERH strives to redress the known causes and contributors to violence against women, by working to create safe, respectful and equitable workplaces,

communities and environments. We commit to achieving gender equality by addressing the social, economic and political power inequalities between women and men within our Health Service, as well as among the communities we serve and work within.

ERH is a proud partner of the Campaspe Family Violence Action Group and is also an active member of the Loddon Mallee Collective Action Group for Respect and Equality (CARE) partnership.

During 2022-23, ERH lead a number of gender equity related training sessions to actively support changes in gender equity.

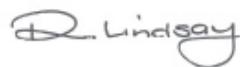
## Safe Patient Care Act 2015

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

# Attestations and Declarations

## Conflict of Interest Declaration

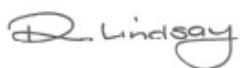
I, Robyn Lindsay, certify that Echuca Regional Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Echuca Regional 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 and Board meeting.



**Robyn Lindsay**  
Accountable Officer  
Echuca Regional Health  
30 June 2023

## Data Integrity Declaration

I, Robyn Lindsay, certify that Echuca Regional Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Echuca Regional Health has critically reviewed these controls and processes during the year.



**Robyn Lindsay**  
Accountable Officer  
Echuca Regional Health  
30 June 2023

## Financial Management Compliance Attestation

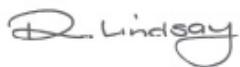
I, Larna Tarrant, on behalf of Echuca Regional Health, certify that Echuca Regional Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



**Larna Tarrant**  
Board Chairperson  
Echuca Regional Health  
30 June 2023

## Integrity, Fraud and Corruption Declaration

I, Robyn Lindsay, certify that Echuca Regional Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Echuca Regional Health during the year.



**Robyn Lindsay**  
Accountable Officer  
Echuca Regional Health  
30 June 2023

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## **Compliance with Health Share Victoria (HSV) Purchasing Policies**

Schedule 1 and 5 health services are required to comply with the requirements of the Purchasing Policies as set out in the *Health Services Act 1988 (Vic)*.

### **No compliance issues**

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

### **Material non-compliance issues**

I, Robyn Rudge, certify that Echuca Regional Health, has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the *Health Services Act 1988 (Vic)* and has critically reviewed these controls and processes during the year, except for the following material non-compliance issues:

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**Robyn Rudge**  
Chief Procurement Officer  
Echuca Regional Health  
30 June 2023



**Robyn Rudge**  
Chief Procurement Officer  
Echuca Regional Health  
30 June 2023

# Disclosure Index

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

Legislation	Requirement	Page Reference
<b>Ministerial Directions Report of Operations Charter and purpose</b>		
FRD 22	Manner of establishment and the relevant Ministers	3
FRD 22	Purpose, functions, powers and duties	3
FRD 22	Nature and range of services provided	10
<b>Management and structure</b>		
FRD 22	Organisational structure	13
FRD 22	Workforce data/employment and conduct principles	15
FRD 22	Occupational Health and Safety	16
<b>Financial information</b>		
FRD 22	Summary of the financial results for the year	18
FRD 22	Significant changes in financial position during the year	18
FRD 22	Operational and budgetary objectives and performance against objectives	18
FRD 22	Subsequent events	-
FRD 22	Details of consultancies under \$10,000	19
FRD 22	Details of consultancies over \$10,000	19
FRD 22	Disclosure of ICT expenditure	19

Legislation	Requirement	Page Reference
<b>Legislation</b>		
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	19
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	19
FRD 22	Application and operation of <i>Public Interest Disclosure Act 2012</i>	19
FRD 22	Statement on National Competition Policy	19
FRD 22	Application and operation of <i>Carers Recognition Act 2012</i>	19
FRD 22	Additional information available on request	23
FRD 24	Environmental data reporting	20
FRD 25	Local <i>Jobs First Act 2003</i> disclosures	23
SD 5.1.4	Financial Management Compliance attestation	24
SD 5.2.3	Declaration in report of operations	7

<b>Attestations</b>		
Attestation on Data Integrity		24
Attestation on managing Conflicts of Interest		24
Attestation on Integrity, fraud and corruption		24
Attestation of Financial Management Compliance		24
Compliance with HealthShare Victoria (HSV) Purchasing Policies		25
<b>Other reporting requirements</b>		
· Reporting of outcomes from Statement of Priorities 2022-2023		28
· Occupational Violence reporting		17
· <i>Gender Equality Act 2020</i>		23
· Reporting obligations under the <i>Safe Patient Care Act 2015</i>		23
· Reporting of compliance regarding Car Parking Fees (if applicable)		-

# Reporting against Statement of Priorities

## Part A

Priority	2022 - 2023 Outcome
<b>Keep people healthy and safe in the community</b>	
<b>Maintain COVID-19 readiness</b> - Maintain a robust COVID-19 readiness and response, working with the department, Health Service Partnership and Local Public Health Unit (LPHU) to ensure effective responses to changes in demand and community pandemic orders. This includes, but is not limited to, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing.	<p>ERH provided:</p> <ul style="list-style-type: none"> <li>COVID-19 tests via the ERH led community testing site until December 2022.</li> <li>COVID-19 vaccinations through the community clinic until transitioned to primary care.</li> <li>Supported people with COVID-19 through the Hospital in the Home program.</li> <li>Active participation and local resourcing of COVID-19 positive remote patient monitoring.</li> <li>Respiratory Emergency Department services.</li> <li>Managed residential aged care outbreaks as required.</li> <li>Was a COVID-19 streaming hospital and admitted COVID-19 positive patients.</li> <li>Provided trusted and regular information to the community to maintain community health literacy and confidence.</li> </ul>
<b>Care Closer To Home</b>	
<b>Delivering more care in the home or virtually</b> - Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program.	<p>Heart Failure Collaborative completed:</p> <ul style="list-style-type: none"> <li>Rate of unplanned readmissions following a Heart Failure admission per 100 episodes of care, decreased.</li> <li>Increased monitoring of patient goals has improved through the implementation of 'What Matters to You?'</li> <li>Self-management strategies awareness reported by patients improved.</li> <li>30-to-90-day readmissions significantly reduced;</li> <li>Increased workforce capacity and capability through education.</li> <li>Heart Failure Group 'Big Hearts' - successful through strong and consistent consumer engagement.</li> <li>Heart Failure Clinical Pathway developed</li> </ul> <p>Post-Partum Haemorrhage (PPH) Collaborative completed:</p> <ul style="list-style-type: none"> <li>% of birthing parents with a PPH greater than 1500mls in vaginal births has decreased.</li> <li>Consumer survey completed shows 9/10 women reported being well informed about their PPH and felt they received an adequate debrief.</li> </ul>

Priority	2022 - 2023 Outcome
<b>Improve Emergency Department access</b> <ul style="list-style-type: none"> <li>- Improve access to emergency services by implementing strategies to reduce bed access blockage to facilitate improved whole of system flow, reduce emergency department four hour wait times, and improve ambulance to health service handover times.</li> </ul>	Timely Emergency Care Collaborative (TECC) Project commenced. Improved emergency department flow as demonstrated by improved four hour target performance in overall four hour wait times, admitted and non-admitted wait times.
<b>Plan update to nutrition and food quality standards</b> <ul style="list-style-type: none"> <li>- Develop a plan to implement nutrition and quality of food standards in 2022-23, implemented by December of 2023.</li> </ul>	Gap analysis is underway, led by the Nutrition and Dietetics team, in preparation for the implementation of the Nutrition and Quality Safety Standards. Resources being recruited to ensure standard implemented by December 2023.
<b>Climate Change Commitments</b> <ul style="list-style-type: none"> <li>- Contribute to enhancing health system resilience by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.</li> </ul>	ERH Environmental Sustainability Committee established. ERH Climate Risk Assessment commenced through participation in the Climate Risk Assessment of Victorian Hospitals project.
<b>Asset Maintenance and Management</b> <ul style="list-style-type: none"> <li>- Improve health service and Department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.</li> </ul>	ERH are continuing to work with the DH to collaborate to improve the effectiveness of asset maintenance and its impact on service delivery.

Priority	2022 - 2023 Outcome
<b>Improve Aboriginal health and wellbeing</b>	
<p><b>Improve Aboriginal cultural safety</b></p> <ul style="list-style-type: none"> <li>- Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.</li> <li>- Establish meaningful partnerships with Aboriginal Community-Controlled Health Organisations.</li> <li>- Implement strategies and processes to actively increase Aboriginal employment.</li> <li>- Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments.</li> <li>- Develop discharge plans for every Aboriginal patient.</li> </ul>	<p>Over the past year ERH has made steps forward with the commencement of the Aboriginal cultural safety project which has been codesigned by ERH team and the Aboriginal community. This project has supported us to better understand how we need to continue to improve the cultural safety of our care and is supporting a review of our Reconciliation Action Plan and the Aboriginal Employment Plan.</p> <p>We have also been supported traditional owners, Yorta Yorta people, to dual name areas of the health service in Yorta Yorta language and supported by the Campaspe Shire with a grant to provide possum skins to all Aboriginal babies born at ERH.</p> <p>We continue to maintain meaningful partnerships with our ACCHO partners with a MOU with Njernda renewed and regular on country meetings with Viney Morgan Aboriginal Medical Service.</p>
<b>Moving from Competition to Collaboration</b>	
<p><b>Foster and develop local partnerships</b></p> <ul style="list-style-type: none"> <li>- Strengthen cross-service collaboration, including through active participation in health service partnerships (HSP).</li> <li>- Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform.</li> </ul>	<p>ERH actively participates in Loddon Mallee Health Service Partnership and provides leadership to the Murray subregion.</p> <p>ERH is taking the lead on Murray sub-regional projects including leadership development, relocation and wellbeing support for new staff to the region and the expansion of remote patient monitoring across the region.</p>
<p><b>Planned Surgery Recovery and Reform Program</b></p> <ul style="list-style-type: none"> <li>- Maintain commitment to deliver goals and objectives of the Planned Surgery Recovery and Reform Program, including initiatives as outlined, agreed and funded through the HSP workplan. Health services are expected to work closely with HSP members and the department throughout the implementation of this strategy, and to collaboratively develop and implement future reform initiatives to improve the long term sustainability of safe and high quality planned surgical services to Victorians.</li> </ul>	<p>ERH have begun preoperative optimisation of patients prior to Hip and Knee replacement surgery and are participating in the region wide surgical reform program including the consideration of a regional elective surgery wait list project.</p>

Priority	2022 - 2023 Outcome
<b>A stronger workforce</b> <p><b>Improve workforce wellbeing</b></p> <ul style="list-style-type: none"> <li>- Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-23.</li> <li>- Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework.</li> <li>- Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.</li> </ul>	<p>ERH has participated in the Occupational Violence and Aggression (OVA) training commencing for high-risk staff groups. ERH continues to support the Murray Region Cluster with the implementation of SHRFV and MARAM alignment.</p> <p>All sites have embedded revised policies, procedures and practice standards.</p> <p>End of Financial Year (EOFY) reports have been submitted to Bendigo Health (Lead Agency).</p> <p>Funding has been secured for an additional 12 months, enabling ongoing Cluster support, to embed trauma informed reflective practice.</p> <p>An ERH staff health and wellbeing strategy has been launched including the implementation of a range of priority actions.</p>

# Reporting against Statement of Priorities

## Part B: Performance Priorities

### High Quality and Safe Care

Key Performance Measure	Target	Result
<b>Infection Prevention and Control</b>		
Compliance with the Hand Hygiene Australia program	85%	90.8%
Percentage of healthcare workers immunised for influenza	92%	100%
<b>Continuing Care</b>		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	2.020
<b>Patient Experience</b>		
Percentage of patients who reported positive experiences of their hospital stay	95%	97.2%
<b>Maternity and Newborn</b>		
Percentage of full-term babies (without congenital anomalies) who are considered in poor condition shortly after birth (APGAR score <7 to 5 minutes)	≤ 1.4%	2.1%
Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation	≤ 28.6%	0%
<b>Unplanned Readmissions</b>		
Unplanned readmissions to any hospital following a hip replacement	< 6%	3.9%

### People Matters Survey

Key Performance Measure	Target	Result
<b>Organisational Culture</b>		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	63%

# Timely Access to Care

Key Performance Measure	Target	Result
<b>Emergency Care</b>		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	88%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	62%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	70%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	11
<b>Mental Health</b>		
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	81%	54%
<b>Specialist Clinics</b>		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	77.90%
Percentage of routine patients referred by a GP or external specialist who attended a first appointment within 365 days	90%	99.50%

# Effective Financial Management

Key Performance Measure	Target	Result
Operating result (\$m)	\$0.00	\$0.373
Average number of days to paying trade creditors	60 days	39 days
Average number of days to receiving patient fee debtors	60 days	65 days
Adjusted current asset ratio (Variance between actual ACAR and target, including performance improvement over time or maintaining actual performance)	0.7 or 3% improvement from health service base target	0.83%
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	Achieved
Actual number of days available cash, measured on the last day of each month.	14 days	7 days

# Reporting against Statement of Priorities

## Part C:

### Activity Achieved 2022 - 2023

Funding Type	Activity Achievement
<b>Consolidated activity funding</b>	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	15,447
<b>Acute Admitted</b>	
National Bowel Cancer Screening Program NWAU	33
Acute admitted DVA	61
Acute admitted TAC	10
Other Admitted	-
<b>Subacute/Non-Acute, Admitted and Non-admitted</b>	
Palliative Care Non-admitted NWAU	229
Subacute - DVA	30
Health Independence Program - DVA	-
<b>Aged Care</b>	
Residential Aged Care	21,696
HACC	1,612
<b>Primary Health</b>	
Community Health / Primary Care Programs	5,062
Community Health Other	-
<b>Other</b>	
Health Workforce	-
Other specified funding	-

# Financial Report

# Independent Auditor's Report

**To the Board of Echuca Regional Health**

<b>Opinion</b>	<p>I have audited the financial report of Echuca Regional Health (the health service) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2023</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• Board member's, accountable officer's and chief finance &amp; accounting officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2023 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Other information</b>	<p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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

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

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

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



Dominika Ryan  
as delegate for the Auditor-General of Victoria

MELBOURNE  
25 September 2023

## Echuca Regional Health

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### Financial Statements Financial Year ended 30 June 2023

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

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2023 and the financial position of Echuca Regional Health at 30 June 2023.

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

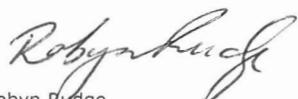
We authorise the attached Financial Statements for issue on 07/09/2023.



Stacy Williams  
Chair



Angela Hussey  
Acting Chief Executive Officer



Robyn Rudge  
Chief Finance and Accounting Officer

Echuca  
07/09/2023

Echuca  
07/09/2023

Echuca  
07/09/2023

# Echuca Regional Health

## Comprehensive Operating Statement

For the Financial Year Ended 30 June 2023

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	Note	2023 \$000	2022 \$000
<b>Revenue and income from transactions</b>			
Operating activities	2.1	<b>127,876</b>	115,603
Non-operating activities	2.1	<b>524</b>	51
<b>Total revenue and income from transactions</b>		<b>128,400</b>	115,654
<b>Expenses from transactions</b>			
Employee expenses	3.1	(91,247)	(77,183)
Supplies & consumables	3.1	(17,187)	(16,360)
Depreciation	4.4	(6,809)	(6,479)
Other administrative expenses	3.1	(10,392)	(7,801)
Other operating expenses	3.1	(5,222)	(4,753)
<b>Total expenses from transactions</b>		<b>(130,857)</b>	(112,576)
<b>Net result from transactions - net operating balance</b>		<b>(2,457)</b>	3,078
<b>Other economic flows included in net result</b>			
Net gain/(loss) on sale of non-financial assets	3.4	<b>2</b>	101
Net gain/(loss) on financial instruments at fair value	3.4	(13)	(62)
Other gain/(loss) from other economic flows	3.4	(431)	38
<b>Total other economic flows included in net result</b>		<b>(442)</b>	77
<b>Net result for the year</b>		<b>(2,899)</b>	3,155
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation reserve	4.1(b)	<b>17,001</b>	1,146
<b>Total other comprehensive income</b>		<b>17,001</b>	1,146
<b>Comprehensive result for the year</b>		<b>14,102</b>	4,301

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

## Echuca Regional Health

### Balance Sheet

as at 30 June 2023

	Note	2023 \$000	2022 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6.2	<b>15,432</b>	12,946
Receivables and contract assets	5.1	<b>3,377</b>	1,927
Inventories	4.5	<b>996</b>	853
Prepayments		<b>2,551</b>	2,154
<b>Total current assets</b>		<b>22,356</b>	17,880
<b>Non-current assets</b>			
Receivables and contract assets	5.1	<b>4,340</b>	3,701
Property, plant and equipment	4.1 (a)	<b>135,794</b>	121,617
Right of use assets	4.2 (a)	<b>1,331</b>	1,453
<b>Total non-current assets</b>		<b>141,465</b>	126,771
<b>Total assets</b>		<b>163,821</b>	144,651
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	5.2	<b>7,488</b>	7,680
Contract liabilities	5.3	<b>1,555</b>	444
Borrowings	6.1	<b>473</b>	283
Employee benefits	3.2	<b>17,327</b>	15,354
Other liabilities	5.4	<b>7,912</b>	5,844
<b>Total current liabilities</b>		<b>34,755</b>	29,605
<b>Non-current liabilities</b>			
Contract liabilities	5.3	<b>214</b>	237
Borrowings	6.1	<b>1,388</b>	1,809
Employee benefits	3.2	<b>1,576</b>	1,214
<b>Total non-current liabilities</b>		<b>3,178</b>	3,260
<b>Total liabilities</b>		<b>37,933</b>	32,865
<b>Net assets</b>		<b>125,888</b>	111,786
<b>Equity</b>			
Revaluation surplus	4.3	<b>84,175</b>	67,174
Contributed capital	SCE	<b>24,804</b>	24,804
Accumulated surpluses	SCE	<b>16,909</b>	19,808
<b>Total Equity</b>		<b>125,888</b>	111,786

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

## Echuca Regional Health

### Statement of Changes in Equity

For the Financial Year Ended 30 June 2023

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	<b>Property, Plant and Equipment Revaluation Surplus</b> <b>\$000</b>	<b>Contributed Capital</b> <b>\$000</b>	<b>Accumulated Surplus / (Deficit)</b> <b>\$000</b>	<b>Total</b> <b>\$000</b>
<b>Balance at 1 July 2021</b>	<b>66,028</b>	<b>24,804</b>	<b>16,653</b>	<b>107,485</b>
Net result for the year	-	-	3,155	<b>3,155</b>
Other comprehensive income for the year	1,146	-	-	<b>1,146</b>
<b>Balance at 30 June 2022</b>	<b>67,174</b>	<b>24,804</b>	<b>19,808</b>	<b>111,786</b>
Net result for the year	-	-	(2,899)	<b>(2,899)</b>
Other comprehensive income for the year	17,001	-	-	<b>17,001</b>
<b>Balance at 30 June 2023</b>	<b>84,175</b>	<b>24,804</b>	<b>16,909</b>	<b>125,888</b>

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

## Echuca Regional Health

### Cash Flow Statement

For the Financial Year Ended 30 June 2023

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	Note	2023 \$000	2022 \$000
<b>Cash flows from operating activities</b>			
Operating grants from State Government		<b>101,317</b>	87,815
Operating grants from Commonwealth Government		<b>11,361</b>	10,193
Capital grants from State Government		<b>2,106</b>	1,900
Capital grants from Commonwealth Government		<b>44</b>	1,471
Patient fees received		<b>4,054</b>	4,394
Donations and bequests received		<b>678</b>	874
GST received from ATO		<b>4,413</b>	3,598
Interest and investment income received		<b>524</b>	51
Other receipts received		<b>4,483</b>	3,677
<b>Total receipts</b>		<b>128,980</b>	113,973
Payments to employees		(89,214)	(75,524)
Payments for supplies and consumables		(18,262)	(14,876)
Payments for medical indemnity insurance		(2,087)	(1,717)
Payments for repairs and maintenance		(1,910)	(1,569)
GST paid to ATO		(495)	(625)
Other payments		(13,817)	(10,037)
<b>Total payments</b>		<b>(125,785)</b>	(104,348)
<b>Net cash flow from operating activities</b>	8.1	<b>3,195</b>	9,625
<b>Cash flows from investing activities</b>			
Proceeds from sale of non-financial assets		<b>2</b>	102
Purchase of non-financial assets		<b>(2,543)</b>	(2,756)
<b>Net cash flows used in investing activities</b>		<b>(2,541)</b>	(2,654)
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(324)	(3,893)
Receipt of borrowings		<b>93</b>	-
Repayment of accommodation deposits		(1,221)	(1,389)
Receipt of accommodation deposits		<b>3,284</b>	2,198
<b>Net cash flows from / (used in) financing activities</b>		<b>1,832</b>	(3,084)
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<b>2,486</b>	3,887
Cash and cash equivalents at beginning of year		<b>12,946</b>	9,059
<b>Cash and cash equivalents at end of year</b>	6.2	<b>15,432</b>	12,946

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

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 1 Basis of preparation

These financial statements represent the audited general purpose financial statements for Echuca Regional Health for the year ended 30 June 2023. The report provides users with information about Echuca Regional Health's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements.

#### Note 1.1 Basis of preparation of the financial statements

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

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 (DTF), and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

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

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

The financial statements have been prepared on a going concern basis (refer to Note 8.7 Economic Dependency).

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Echuca Regional Health on 07/09/2023.

#### Note 1.2 Impact of COVID-19 pandemic

The Pandemic (Public Safety) Order 2022 (No. 5) which commenced on 22 September 2022 ended on 12 October 2022 when it was allowed to lapse and was revoked. Long-term outcomes from COVID-19 infection are currently unknown and while the pandemic response continues, a transition plan towards recovery and reform in 2022/23 was implemented. Victoria's COVID-19 Catch-Up Plan is aimed at addressing Victoria's COVID-19 case load and restoring surgical activity.

Where financial impacts of the pandemic are material to Echuca Regional Health, they are disclosed in the explanatory notes. For Echuca Regional Health, this includes:

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services
- Note 4: Key assets to support service delivery
- Note 5: Other assets and liabilities
- Note 6: How we finance our operations
- Note 8: Other disclosures.

#### Note 1.3 Abbreviations and terminology used in the financial statements

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

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

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 1.4 Joint arrangements

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

Echuca Regional Health has a joint arrangement with the Loddon Mallee Rural Health Alliance.

Details of the joint arrangements are set out in Note 8.8.

#### Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

- Note 2.1 Revenue and income from transactions
- Note 3.2 Employee benefits and related on-costs
- Note 4.1 Property, plant and equipment
- Note 4.2 Right-of-use assets
- Note 4.4 Depreciation
- Note 5.1 Receivables
- Note 5.2 Payables
- Note 5.3 Contract liabilities
- Note 5.4 Other provisions
- Note 6.1(a) Lease liabilities
- Note 7.4 Fair value determination

#### Note 1.6 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 17: Insurance Contracts	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.

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

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 1.7 Goods and Services Tax (GST)

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

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

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

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

#### Note 1.8 Reporting entity

The financial statements include all the activities of Echuca Regional Health.

Echuca Regional Health's principal address is 226 Service Street, Echuca Victoria 3564.

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

#### Note 1.9 Rounding of amounts

Amounts in the financial statements have been rounded to the nearest \$1 000, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

#### Note 2 Funding delivery of our services

Echuca Regional Health's overall objective is to provide quality health services, supporting everyone to be healthy and live well.

Echuca Regional Health Service is predominantly funded by grant funding for the provision of outputs. Echuca Regional Health also receives income from the supply of services.

##### Structure

###### 2.1 Revenue and income from transactions

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

#### Telling the COVID-19 story

Revenue recognised to fund the delivery of our services during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic and scaling down the COVID-19 public health response during the year ended 30 June 2023.

#### Key judgements and estimates

This section contains the following key judgements and estimates:

##### Key judgements and estimates

Identifying performance obligations

Echuca Regional Health applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.

If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Echuca Regional Health to recognise revenue as or when the health service transfers promised goods or services to the beneficiaries.

If this criteria is not met, funding is recognised immediately in the net result from operations.

Echuca Regional Health applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

Determining timing of revenue recognition

Echuca Regional Health applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

Echuca Regional Health applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value.

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Note 2.1 Revenue and income from transactions</b>			
<b>Operating activities</b>			
<b>Revenue from contracts with customers</b>			
Government grants (State) - Operating	74,377	65,420	
Government grants (Commonwealth) - Operating	10,536	9,469	
Patient and resident fees	4,356	4,285	
Commercial activities <sup>1</sup>	914	878	
<b>Total revenue from contracts with customers</b>	<b>90,183</b>	<b>80,052</b>	
<b>Other sources of income</b>			
Government grants (State) - Operating	28,726	21,307	
Government grants (Commonwealth) - Operating	643	634	
Government grants (State) - Capital	3,426	7,257	
Government grants (Commonwealth) - Capital	40	1,337	
Other capital purpose income	24	17	
Capital donations	601	846	
Assets received free of charge or for nominal consideration	-	209	
Salary and other recoveries	1,160	1,043	
Other revenue from operating activities (including non-capital donations)	3,073	2,901	
<b>Total other sources of income</b>	<b>37,693</b>	<b>35,551</b>	
<b>Total revenue and income from operating activities</b>	<b>127,876</b>	<b>115,603</b>	
<b>Non-operating activities</b>			
Capital interest	54	6	
Other interest	470	45	
<b>Total income from non-operating activities</b>	<b>524</b>	<b>51</b>	
<b>Total revenue and income from transactions</b>	<b>128,400</b>	<b>115,654</b>	
1 Commercial activities represent business activities which Echuca Regional Health enter into to support their operations.			
<b>Note 2.1 (a) Timing of revenue from contracts with customers</b>			
Echuca Regional Health disaggregates revenue by the timing of revenue recognition.			
<b>Goods and services transferred to customers:</b>			
At a point in time	88,430	79,118	
Over time	1,753	934	
<b>Total revenue from contracts with customers</b>	<b>90,183</b>	<b>80,052</b>	
<b>How we recognise revenue and income from transactions</b>			
<b>Government operating grants</b>			
To recognise revenue, Echuca Regional Health assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: <i>Revenue from Contracts with Customers</i> .			
When both these conditions are satisfied, the health service:			
<ul style="list-style-type: none"> <li>Identifies each performance obligation relating to the revenue</li> <li>Recognises a contract liability for its obligations under the agreement</li> <li>Recognises revenue as it satisfies its performance obligations, at a point in time or over time as and when services are rendered</li> </ul>			
If a contract liability is recognised, Echuca Regional Health recognises revenue in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices.			
Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the health service:			
<ul style="list-style-type: none"> <li>Recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)</li> <li>Recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and</li> <li>Recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058.</li> </ul>			

**Note 2.1 Revenue and income from transactions (Continued)**

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

This policy applies to each of Echuca Regional Health's revenue streams, with information detailed below relating to Echuca Regional Health's significant revenue streams:

<b>Government grant</b>	<b>Performance obligation</b>
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	<p>NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.</p> <p>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
Commonwealth Aged Care funding	<p>The performance Obligations for Commonwealth Aged Care funding are the number and mix of residents in the Aged Care facility.</p> <p>Revenue is recognised at a point in time, when the Commonwealth claim is received.</p>

**Capital grants**

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

Income is recognised progressively as the asset is constructed which aligns with Echuca Regional Health's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

**Patient and resident fees**

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

**Private practice fees**

Private practice fees are recognise over time as the performance obligation, the provision of facilities, is provided to customers.

**Commercial activities**

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

**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

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

	2023 \$'000	2022 \$'000
Plant & Equipment	-	209
Personal protective equipment and other consumables	394	-
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>394</b>	<b>209</b>

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

**Donations and bequests**

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

**Personal protective equipment**

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

The general principles of the State Supply Arrangement were that Health Share Victoria sourced, secured and agreed terms for the purchase of the PPE products, funded by the Department of Health, while Monash Health were acting as an agent of the Department of Health under this arrangement.

**Contributions of resources**

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

The exception to this policy is when resources are received from another government agency or department as a consequence of a restructuring of administrative arrangements, in which case the resources will be recognised at its carrying value in the financial statements of Echuca Regional Health as a capital contribution transfer.

**Voluntary Services**

Echuca Regional Health receives volunteer services from members of the community in the following areas: fleet, administration and the gift shop.

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

Echuca Regional Health greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

**Non-cash contributions from the Department of Health**

The Department of Health makes some payments on behalf of Echuca Regional Health as follows:

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

**Note 3 The cost of delivering our services**

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

**Structure**

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

**Telling the COVID-19 story**

Expenses incurred to deliver services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

**Key judgements and estimates**

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	<p>Echuca Regional Health applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Echuca Regional Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Echuca Regional Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p> <p>Echuca Regional Health applies significant judgment when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> <li>• an inflation rate of 2.7%, reflecting the future wage and salary levels</li> <li>• durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 3.64% and 4.06%</li> <li>• discounting at the rate of 3.64%, as determined with reference to market yields on government bonds at the end of the reporting period.</li> </ul> <p>All other entitlements are measured at their nominal value.</p>

**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 3.1 Expenses from transactions**

	<b>Note</b>	<b>2023</b> \$'000	<b>2022</b> \$'000
Salaries and wages		<b>69,154</b>	<b>61,767</b>
On-costs		<b>6,789</b>	<b>5,717</b>
Agency expenses		<b>3,587</b>	<b>929</b>
Fee for service medical officer expenses		<b>10,419</b>	<b>7,898</b>
Workcover premium		<b>1,298</b>	<b>872</b>
<b>Total employee expenses</b>		<b>91,247</b>	<b>77,183</b>
Drug supplies		<b>4,808</b>	<b>4,672</b>
Medical and surgical supplies (including prostheses)		<b>4,977</b>	<b>5,259</b>
Diagnostic and radiology supplies		<b>5,226</b>	<b>4,467</b>
Other supplies and consumables		<b>2,176</b>	<b>1,962</b>
<b>Total supplies and consumables</b>		<b>17,187</b>	<b>16,360</b>
Other administrative expenses		<b>10,392</b>	<b>7,801</b>
<b>Total other administrative expenses</b>		<b>10,392</b>	<b>7,801</b>
Fuel, light, power and water		<b>1,244</b>	<b>1,119</b>
Repairs and maintenance		<b>1,415</b>	<b>1,298</b>
Maintenance contracts		<b>321</b>	<b>288</b>
Medical indemnity insurance		<b>1,583</b>	<b>1,492</b>
Expenses related to leases of low value assets		<b>155</b>	<b>128</b>
Expenditure for capital purposes		<b>504</b>	<b>428</b>
<b>Total other operating expenses</b>		<b>5,222</b>	<b>4,753</b>
<b>Total operating expenses</b>		<b>124,048</b>	<b>106,097</b>
Depreciation		<b>4.4</b>	<b>6,809</b>
<b>Total depreciation</b>		<b>6,809</b>	<b>6,479</b>
Bad and doubtful debt expense			
<b>Total other non-operating expenses</b>		<b>(55)</b>	<b>69</b>
<b>Total non-operating expenses</b>		<b>6,754</b>	<b>6,548</b>
<b>Total expenses from transactions</b>		<b>130,802</b>	<b>112,645</b>

**How we recognise expenses from transactions**

**Expense recognition**

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

**Employee expenses**

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

**Supplies and consumables**

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

**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 \$2,000).

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

**Non-operating expenses**

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

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

	2023 \$000	2022 \$000
<b>Accrued Days Off</b>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	108	95
<i>Annual Leave</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	4,500	3,800
Unconditional and expected to be settled wholly after 12 months <sup>ii</sup>	1,906	2,100
<i>Long Service Leave</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	1,100	1,000
Unconditional and expected to be settled wholly after 12 months <sup>ii</sup>	7,527	6,604
<b>Provisions related to employee benefit on-costs</b>	<b>15,141</b>	<b>13,599</b>
	<b>17,327</b>	<b>15,354</b>

	2023 \$000	2022 \$000
<b>Total current employee benefits and related on-costs</b>	<b>17,327</b>	<b>15,354</b>

	2023 \$000	2022 \$000
<b>Non-current employee benefits and related on-costs</b>		
Conditional Long Service Leave <sup>ii</sup>	1,376	1,074
Provisions related to employee benefit on-costs <sup>ii</sup>	200	140
<b>Total non-current employee benefits and related on-costs</b>	<b>1,576</b>	<b>1,214</b>
<b>Total employee benefits and related on-costs</b>	<b>18,903</b>	<b>16,568</b>

<sup>i</sup> The amounts disclosed are nominal amounts.  
<sup>ii</sup> The amounts disclosed are discounted to present values.

	2023 \$000	2022 \$000
<b>Unconditional accrued days off</b>		
Unconditional annual leave entitlements	108	95
Unconditional long service leave entitlements	7,338	6,667
<b>Total current employee benefits and related on-costs</b>	<b>9,881</b>	<b>8,592</b>
<b>Non-current employee benefits and related on-costs</b>	<b>17,327</b>	<b>15,354</b>
<b>Total employee benefits and related on-costs</b>	<b>18,903</b>	<b>16,568</b>

	2023 \$000	2022 \$000
<b>Employee benefits</b>		
Provision for related on-costs	2,386	1,895
<b>Total employee benefits and related on-costs</b>	<b>18,903</b>	<b>16,568</b>

	2023 \$000	2022 \$000
<b>Carrying amount at start of year</b>	<b>1,895</b>	<b>1,697</b>
Additional provisions recognised	44	-
Net gain/(loss) arising from revaluation of long service leave	447	198
<b>Carrying amount at end of year</b>	<b>2,386</b>	<b>1,895</b>

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 3.2 Employee benefits and related on-costs (continued)

##### How we recognise employee benefits

###### **Employee benefit recognition**

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

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

###### **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 Echuca Regional Health does not have an unconditional right to defer settlements of these liabilities.

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

- Nominal value – if Echuca Regional Health expects to wholly settle within 12 months; or
- Present value – if Echuca Regional 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 Echuca Regional 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 Echuca Regional Health expects to wholly settle within 12 months; and
- Present value – if Echuca Regional 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.

###### **Provision for on-costs related to employee benefits**

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

#### Note 3.3 Superannuation

	Paid Contribution for the Year 2023 \$'000	Paid Contribution for the Year 2022 \$'000	Contribution Outstanding at Year End 2023 \$'000	Contribution Outstanding at Year End 2022 \$'000
Aware	67	93	-	-
Defined contribution plans:				
Aware	3,064	2,834	-	-
Hesta	2,374	1,807	-	-
Other	1,284	983	-	-
<b>Total</b>	<b>6,789</b>	<b>5,717</b>		

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 3.3 Superannuation (Continued)

##### How we recognise superannuation

Employees of Echuca Regional Health are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

##### Defined benefit superannuation plans

The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Echuca Regional Health to the superannuation plans in respect of the services of current Echuca Regional 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.

Echuca Regional 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 Echuca Regional Health.

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

##### Defined contribution superannuation plans

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

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

#### Note 3.4 Other economic flows

	2023 \$'000	2022 \$'000
Impairment of property, plant and equipment	-	-
Net gain on disposal of property, plant and equipment	2	101
<b>Total net gain/(loss) on non-financial assets</b>	<b>2</b>	<b>101</b>
Allowance for impairment losses of contractual receivables	(33)	34
Other gains/(losses) from other economic flows	20	(96)
<b>Total net gain/(loss) on financial instruments</b>	<b>(13)</b>	<b>(62)</b>
Net gain / (loss) arising from revaluation of long service liability	(431)	38
<b>Total other gains/(losses) from other economic flows</b>	<b>(431)</b>	<b>38</b>
<b>Total gains/(losses) from other economic flows</b>	<b>(442)</b>	<b>77</b>

##### How we recognise other economic flows

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

- The revaluation of the present value of the long service leave liability due to changes in the bond interest rates;
- reclassified amounts relating to equity instruments from the reserves to retained surplus/(deficit) due to a disposal or derecognition of the financial instrument.

This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

**Note 4 Key assets to support service delivery**

Echuca Regional 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 the Echuca Regional Health Service to be utilised for delivery of those outputs.

**Structure**

- 4.1 Property, plant & equipment**
- 4.2 Right-of-use assets**
- 4.3 Revaluation surplus**
- 4.4 Depreciation**
- 4.5 Inventories**
- 4.6 Impairment of assets**

**Telling the COVID-19 story**

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

**Key judgements and estimates**

This section contains the following key judgements and estimates:

<b>Key judgements and estimates</b>	<b>Description</b>
Estimating useful life of property, plant and equipment	Echuca Regional Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Echuca Regional Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires Echuca Regional Health to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
Identifying indicators of impairment	At the end of each year, Echuca Regional Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: <ul style="list-style-type: none"> <li>• If an asset's value has declined more than expected based on normal use</li> <li>• If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset</li> <li>• If an asset is obsolete or damaged</li> <li>• If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life</li> <li>• If the performance of the asset is or will be worse than initially expected.</li> </ul> Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 4.1 Property, plant & equipment

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

	2023 \$'000	2022 \$'000
Land at fair value	5,744	5,744
<b>Total land at fair value</b>	<b>5,744</b>	5,744
Buildings at fair value	120,045	112,614
Less accumulated depreciation	(131)	(14,754)
<b>Total buildings at fair value</b>	<b>119,914</b>	97,860
Leasehold improvements at fair value	1,225	1,172
Less accumulated depreciation	(130)	(15)
<b>Total leasehold improvements at fair value</b>	<b>1,095</b>	1,157
Work in progress at cost	383	8,094
<b>Total land and buildings</b>	<b>127,136</b>	<b>112,855</b>
Plant and equipment at fair value	6,144	6,542
Less accumulated depreciation	(1,994)	(1,989)
<b>Total motor vehicles at fair value</b>	<b>4,150</b>	4,553
Work in progress at fair value	1,017	656
<b>Total plant and equipment at fair value</b>	<b>5,167</b>	5,209
Motor vehicles at fair value	53	63
Less accumulated depreciation	(53)	(63)
<b>Total motor vehicles at fair value</b>	<b>-</b>	-
Medical equipment at fair value	5,550	8,938
Less accumulated depreciation	(3,107)	(6,602)
<b>Total medical equipment at fair value</b>	<b>2,443</b>	2,336
Work in progress at fair value	42	-
<b>Total computer equipment at fair value</b>	<b>2,485</b>	2,336
Computer equipment at fair value	947	5,191
Less accumulated depreciation	(545)	(4,659)
<b>Total furniture and fittings at fair value</b>	<b>402</b>	532
Work in progress at fair value	11	-
<b>Total computer equipment at fair value</b>	<b>413</b>	532
Furniture and fittings at fair value	1,328	1,952
Less accumulated depreciation	(816)	(1,375)
<b>Total other equipment at fair value</b>	<b>512</b>	577
Other equipment	365	1,097
Less accumulated depreciation	(284)	(989)
<b>Total other equipment at fair value</b>	<b>81</b>	108
<b>Total plant &amp; equipment, furniture &amp; fittings and vehicles at fair value</b>	<b>8,658</b>	8,762
<b>Total property, plant and equipment</b>	<b>135,794</b>	<b>121,617</b>

**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

<b>Note 4.1. (b) Reconciliations of the carrying amount by class of asset</b>		<b>Land</b>	<b>Buildings</b>	<b>Buildings work in progress</b>	<b>Leasenhoid improvements</b>	<b>Plant &amp; equipment</b>	<b>Motor vehicles</b>	<b>Medical equipment</b>	<b>Computer equipment</b>	<b>Furniture &amp; fittings</b>	<b>Other equipment</b>	<b>Total</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 30 June 2021</b>		4,598	102,779	2,350	-	5,038	7	2,429	389	410	148	118,148
Additions		-	5,744	1,172	539	-	380	304	316	-	8	8,463
Disposals		-	-	-	-	(1)	-	-	-	-	-	(1)
Assets provided free of charge		-	-	-	-	-	209	-	-	-	-	209
Revaluation Increments/(Decrements)		1,146	-	-	-	-	-	-	-	-	-	1,146
Depreciation		4.4	-	(4,919)	(15)	(368)	(6)	(682)	(161)	(149)	(48)	(6,348)
<b>Balance at 30 June 2022</b>		5,744	97,860	8,094	1,157	5,209	-	2,336	532	577	108	121,617
Additions		-	10,086	(7,711)	53	395	-	829	50	122	14	3,838
Revaluation increments/(decrements)		-	17,001	-	-	-	-	-	-	-	-	17,001
Depreciation		4.4	-	(5,033)	-	(115)	(437)	(680)	(169)	(187)	(41)	(6,662)
<b>Balance at 30 June 2023</b>		5,744	119,914	383	1,095	5,167	-	2,485	413	512	81	135,794

**Land and buildings carried at valuation**

The Valuer-General Victoria undertook to re-value all of Echuca Regional Health's land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2022.

**How we recognise property, plant and equipment**

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

**Initial Recognition**

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

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

**Subsequent measurement**

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

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

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

**Note 4.1 (b) Reconciliations of the carrying amount by class of asset****Revaluation**

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

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

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

An independent valuation of Echuca Regional Health's property, plant and equipment was performed by the VGV effective from 30 June 2023. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment was performed at 30 June 2023, which indicated an overall:

- increase in fair value of buildings of 18% (\$17,001,293).

As the cumulative movement was greater than 10% but less than 40% for buildings since the last revaluation, a managerial revaluation adjustment was required as at 30 June 2023.

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

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

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

Otherwise, the decrement is recognised as an expense in the net result.

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

**Note 4.2 Right-of-use assets****Note 4.2 (a) Gross carrying amount and accumulated depreciation**

	2023 \$'000	2022 \$'000
Right-of-use buildings at fair value	1,030	1,030
Less accumulated depreciation	(90)	(38)
<b>Total right of use buildings at fair value</b>	<b>940</b>	<b>992</b>
Right-of-use motor vehicles at fair value	615	590
Less accumulated depreciation	(224)	(129)
<b>Total right of use motor vehicles at fair value</b>	<b>391</b>	<b>461</b>
<b>Total right of use assets</b>	<b>1,331</b>	<b>1,453</b>

**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 4.2 (b) Reconciliations of carrying amount by class of asset**

	<b>Note</b>	<b>Right of use buildings</b> \$'000	<b>Right of use motor vehicles</b> \$'000	<b>Total</b> \$'000
<b>Balance at 1 July 2021</b>		-	368	368
Additions		1,030	185	1,216
Depreciation		(38)	(92)	(131)
<b>Balance at 30 June 2022</b>	4.4 4.2 (a)	992	461	1,453
Additions		-	25	25
Depreciation		(52)	(95)	(147)
<b>Balance at 30 June 2023</b>	4.4 4.2 (a)	940	391	1,331

**Right of use assets carried at valuation**

The Valuer-General Victoria undertook to re-value all of Echuca Regional Health Services right of use assets to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts of which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2022.

**How we recognise right-of-use assets**

Where Echuca Regional Health enters a contract, which provides the health service with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease. Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability.

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

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

<b>Class of right-of-use asset</b>	<b>Lease term</b>
Leased buildings	5 to 20 years
Leased motor vehicles	3 years

**Initial recognition**

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

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

- any lease payments made at or before the commencement date and
- any initial direct costs incurred.

Echuca Regional Health's lease agreements for buildings and motor vehicles contain purchase options which the health service is not reasonably certain to exercise at the completion of the lease.

Echuca Regional Health holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. Refer to Note 6.1 for further information regarding the nature and terms of the concessional lease, and Echuca Regional Health's dependency on such lease arrangements.

**Subsequent measurement**

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

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

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

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 4.3 Revaluation surplus

Balance at the beginning of the reporting period

##### Revaluation increment

- Land	4.1 (b)	1,146
- Buildings		-
<b>Balance at the end of the reporting period *</b>		<b>67,174</b>

##### \* Represented by:

Land	3,786	3,786
Buildings	80,389	63,388
<b>Total</b>	<b>84,175</b>	<b>67,174</b>

#### Note 4.4 Depreciation

##### Depreciation

###### Property, plant and equipment

		2023	2022
	\$'000	\$'000	\$'000
Buildings	5,033	4,919	
Leasehold improvements	115	15	
Plant & equipment	437	368	
Motor vehicles	-	6	
Medical equipment	680	682	
Computers equipment	169	161	
Furniture and fittings	187	149	
Other equipment	41	48	
<b>Total depreciation - property, plant and equipment</b>	<b>6,662</b>	<b>6,348</b>	

##### Right-of-use assets

Right-of-use - buildings

Right of use - motor vehicles

##### Total depreciations - right-of-use assets

##### Total depreciation

##### How we recognise depreciation

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

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

Assets with a cost in excess of \$2,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

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

		2023	2022
Buildings			
- Structure, shell and building fabric	2 to 47 years	2 to 47 years	
- Site engineering services and central plant	3 to 33 years	3 to 33 years	
- Fit out	1 to 17 years	1 to 17 years	
- Trunk reticulated building systems	1 to 19 years	1 to 19 years	
Plant and equipment	7 to 15 years	7 to 15 years	
Medical equipment	3 to 20 years	3 to 20 years	
Computer equipment	2 to 10 years	2 to 10 years	
Furniture and fittings	2 to 15 years	2 to 15 years	
Motor vehicles	4 to 10 years	4 to 10 years	
Leasehold improvements	5 to 20 years	5 to 20 years	

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

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 4.5 Inventories

	2023 \$'000	2022 \$'000
<b>Current</b>		
Pharmacy supplies - at cost	118	90
General stores - at cost	286	264
Theatre stores - at cost	334	294
Wards stores - at cost	246	189
Engineering stores - at cost	12	16
<b>Total current inventories</b>	<b>996</b>	<b>853</b>

#### How we recognise inventories

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

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

#### Note 4.6 Impairment of assets

##### How we recognise impairment

At the end of each reporting period, Echuca Regional Health reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired.

The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on Echuca Regional Health which changes the way in which an asset is used or expected to be used.

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

When performing an impairment test, Echuca Regional Health compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

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

Where it is not possible to estimate the recoverable amount of an individual asset, Echuca Regional Health estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Echuca Regional Health did not record any impairment losses for the year ended 30 June 2023.

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 5 Other assets and liabilities

This section sets out those assets and liabilities that arose from Echuca Regional Health's operations.

##### Structure

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

#### Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic.

#### Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Echuca Regional Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring contract liabilities	Echuca Regional Health applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

#### Note 5.1 Receivables and contract assets

	Note	2023 \$000	2022 \$000
<b>Current receivables</b>			
<b>Contractual</b>			
Inter hospital debtors	571	499	
Trade receivables	140	37	
Patient fees	840	-	
Allowance for impairment losses	744	813	
Accrued revenue	(206)	(329)	
Accrued revenue - Department of Health	641	338	
Refundable rental bonds	-	-	
<b>Total contractable receivables</b>	<b>8</b>	<b>8</b>	<b>1,359</b>
<b>Statutory</b>			
GST receivable	639	568	
<b>Total statutory receivables</b>	<b>639</b>	<b>568</b>	
<b>Total current receivables</b>	<b>3,377</b>	<b>1,927</b>	
<b>Non-current receivables</b>			
<b>Contractual</b>			
Long service leave - Department of Health	4,340	3,701	
<b>Total non-current receivables</b>	<b>4,340</b>	<b>3,701</b>	
<b>Total receivables and contract assets</b>	<b>7,717</b>	<b>5,628</b>	
(i) Financial assets classified as receivables and contract assets (Note 7.1(a))			
Total receivables and contract assets	7,717	5,628	
GST receivable	(639)	(568)	
<b>Total financial assets</b>	<b>7,078</b>	<b>5,060</b>	
<b>Note 5.1 (a) Movement in the allowance for impairment losses of contractual receivables</b>			
<b>Balance at the beginning of the year</b>	<b>(329)</b>	<b>(260)</b>	
Increase in allowance	101	(76)	
Amounts written off during the year	126	7	
Reversal of allowance written off during the year as uncollectable	(104)	(206)	
<b>Balance at the end of the year</b>	<b>(206)</b>	<b>(329)</b>	<b>0</b>

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 5.1 Receivables

##### How we recognise receivables

Receivables consist of:

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

**Statutory receivables**, includes Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition.

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

#### Note 5.2 Payables

##### Current payables

##### Contractual

	Note	2023 \$000	2022 \$000
Trade creditors		<b>2,330</b>	<b>1,773</b>
Accrued salaries and wages		<b>2,113</b>	<b>1,796</b>
Accrued expenses		<b>2,429</b>	<b>1,593</b>
Superannuation		<b>220</b>	<b>181</b>
Inter - hospital creditors		<b>91</b>	<b>189</b>
Department of Health		<b>65</b>	<b>2,040</b>
<b>Total contractual payables</b>		<b>7,248</b>	<b>7,572</b>

##### Statutory

##### GST payable

##### Total statutory payables

#### Total current payables

##### (i) Financial liabilities classified as payables (Note 7.1 (a) )

##### Total payables

##### GST payable

##### Total financial liabilities classified as payables

##### How we recognise payables

Payables consist of:

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

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

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

	Note	2023 \$000	2022 \$000
		<b>7,488</b>	<b>7,680</b>
		<b>(240)</b>	<b>(108)</b>
		<b>7,248</b>	<b>7,572</b>

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

	2023 \$'000	2022 \$'000
<b>Opening balance of contract liabilities</b>	681	321
Grant consideration for sufficiently specific performance obligations received during the year	1,238	414
Revenue recognised for the completion of a performance obligation	(150)	(54)
<b>Total contract liabilities</b>	<b>1,769</b>	<b>681</b>
<hr/>		
<b>*Represented by:</b>		
Current contract liabilities	1,555	444
Non-current contract liabilities	214	237
	<b>1,769</b>	<b>681</b>

#### How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect to supporting health programs, providing IT equipment and student accommodation.

The balance of contract liabilities was significantly higher than the previous reporting period due to flood funding from the Department of Justice and Community Safety Victoria and Murray PHN funding for Headspace.

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

#### Maturity analysis of payables

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

#### Note 5.3 Contract liabilities

	2023 \$'000	2022 \$'000
<b>Current monies held in trust</b>	<b>5</b>	<b>7</b>
Patient monies	7,855	5,792
Refundable accommodation deposits	52	25
Other monies	7,912	5,844
<b>Total current monies held in trust</b>	<b>7,912</b>	<b>5,844</b>
<b>* Represented by:</b>		
Cash Assets	7,912	5,844
<b>Total</b>	<b>7,912</b>	<b>5,844</b>

#### How we recognise other liabilities

##### Refundable Accommodation Deposit ("RAD")/accommodation bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to Echuca Regional Health. 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 Echuca Regional Health during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Echuca Regional Health. This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note: 7.1 provides additional, specific financial instrument disclosures.

**Structure**

- 6.1 Borrowings**
- 6.2 Cash and cash equivalents**
- 6.3 Commitments for expenditure**

**Telling the COVID-19 story**

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

**Key judgements and estimates**

This section contains the following key judgements and estimates:

<b>Key judgements and estimates</b>	<b>Description</b>
Determining if a contract is or contains a lease	<p><b>Key judgements and estimates</b></p> <p>Echuca Regional Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> <li>• has the right-to-use an identified asset</li> <li>• has the right to obtain substantially all economic benefits from the use of the leased asset and</li> <li>• can decide how and for what purpose the asset is used throughout the lease.</li> </ul>
Determining if a lease meets the short-term or low value lease exemption	<p>Echuca Regional Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria</p> <p>The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>
Discount rate applied to future lease payments	<p>Echuca Regional Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Echuca Regional Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.</p> <p>For leased land and buildings, Echuca Regional Health estimates the incremental borrowing rate to be between 3% and 4%.</p> <p>For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 1% and 3%.</p> <p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Echuca Regional Health is reasonably certain to exercise such options.</p> <p>Echuca Regional Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> <li>• If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>• If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>• The health service considers historical lease durations and the costs and business disruption to replace such leased assets.</li> </ul>

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
<b>Note 6.1 Borrowings</b>			
<b>Current borrowings</b>			
Loan <sup>(i)</sup>	6.1 (a)	164	164
Lease liability <sup>(ii)</sup>		309	119
<b>Total current borrowings</b>		<b>473</b>	<b>283</b>
<b>Non-current borrowings</b>			
Loan <sup>(i)</sup>	6.1 (a)	321	453
Lease liability <sup>(ii)</sup>		1,067	1,356
<b>Total non-current borrowings</b>		<b>1,388</b>	<b>1,809</b>
<b>Total borrowings</b>	7.1 (a)	<b>1,861</b>	<b>2,092</b>

(i) The Department of Health have provided a six year loan maturing on June 2026.

(ii) The headspace building and motor vehicles are secured by the assets leased.

#### How we recognise borrowings

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

#### Initial recognition

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

#### Subsequent measurement

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

#### Maturity analysis

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

#### Defaults and breaches

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

#### Note 6.1(a) Lease liabilities

Echuca Regional Health's lease liabilities are summarised below:

	2023 \$'000	2022 \$'000
Total undiscounted lease liabilities	1,730	1,907
Less unexpired finance expenses	(354)	(432)
<b>Net lease liabilities</b>	<b>1,376</b>	<b>1,475</b>

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

	2023 \$'000	2022 \$'000
Not longer than one year	349	163
Longer than one year but not longer than five years	470	701
Longer than five years	911	1,043
<b>Minimum future lease liability</b>	<b>1,730</b>	<b>1,907</b>
Less unexpired finance expenses	(354)	(432)
<b>Present value of lease liability</b>	<b>1,376</b>	<b>1,475</b>
<b>*Represented by:</b>		
- Current liabilities	309	119
- Non-current liabilities	1,067	1,356
	<b>1,376</b>	<b>1,475</b>

**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 6.1(a) Lease liabilities (continued)**

**How we recognise lease liabilities**

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

To apply this definition, Echuca Regional Health ensures the contract meets the following criteria:

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

Echuca Regional Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased buildings	5 to 20 years
Leased motor vehicles	3 to 5 years
Leased equipment	3 to 5 years

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

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

**Separation of lease and non-lease components**

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

**Initial measurement**

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Echuca Regional Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 2.23% to 3.55%.

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

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

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

- Headspace building lease - extension option for up to three further terms of five years each and termination options for breaching the agreement including unpaid rent and destruction or damage.

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the health service and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

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

**Subsequent measurement**

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

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

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 6.2 Cash and cash equivalents

	<b>Note</b>	<b>2023</b> \$'000	<b>2022</b> \$'000
Cash on hand (excluding monies held in trust)		2	3
Cash at bank (excluding monies held in trust)		1,357	887
Cash at bank - CBS (excluding monies held in trust)		6,161	6,212
<b>Total cash held for operations</b>		<b>7,520</b>	<b>7,102</b>
Cash on hand (monies held in trust)		2	2
Cash at bank (monies held in trust)		4	5
Cash at bank - CBS (monies held in trust)		7,906	5,837
<b>Total cash held as monies held in trust</b>		<b>7,912</b>	<b>5,844</b>
<b>Total cash and cash equivalents</b>	<b>7.1 (a)</b>	<b>15,432</b>	<b>12,946</b>

#### How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity date of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

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

#### Note 6.3 Commitments for expenditure

	<b>2023</b> \$'000	<b>2022</b> \$'000
<b>Capital expenditure commitments</b>		
Less than 1 year	3,475	4,177
Longer than one year but not longer than five years		-
<b>Total capital expenditure commitments</b>	<b>3,475</b>	<b>4,177</b>

#### How we disclose our commitments

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

#### Expenditure commitments

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

#### Short term and low value leases

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

**Note 7 Risks, contingencies and valuation uncertainties**

Echuca Regional 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.

**Structure****7.1 Financial instruments****7.2 Financial risk management objectives and policies****7.3 Contingent assets and contingent liabilities****7.4 Fair value determination****Key judgements and estimates**

This section contains the following key judgements and estimates:

**Key judgements and estimates****Measuring fair value of non-financial assets****Description**

<b>Key judgements and estimates</b> <b>Measuring fair value of non-financial assets</b>	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Echuca Regional Health has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>Echuca Regional Health uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> <li>Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Echuca Regional Health's [specialised land, non-specialised land, non-specialised buildings, investment properties and cultural assets] are measured using this approach.</li> <li>Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Echuca Regional Health's [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach.</li> <li>Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Echuca Regional Health does not this use approach to measure fair value. The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes: <ul style="list-style-type: none"> <li>Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Echuca Regional Health does not categorise any fair values within this level.</li> <li>Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Echuca Regional Health categorises non-specialised land and right-of-use concessionary land in this level.</li> <li>Level 3, where inputs are unobservable. Echuca Regional Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.</li> </ul> </li> </ul>
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**Note 7.1 Financial instruments**

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

**Note 7.1(a) Categorisation of financial instruments**

	Note	Financial assets at amortised cost		Financial liabilities at amortised cost		Financial assets at amortised cost		Financial liabilities at amortised cost	
		2023	\$'000	2023	\$'000	2022	\$'000	2022	\$'000
						Total		Total	
<b>Contractual financial assets</b>									
Cash and cash equivalents	6.2	15,432	-	15,432	-	12,946	-	12,946	
Receivables and contract assets	5.1	7,078	-	7,078	-	5,060	-	5,060	
<b>Total financial assets (i)</b>		<b>22,510</b>	-	<b>22,510</b>	-	<b>18,006</b>	-	<b>18,006</b>	
<b>Contractual financial liabilities</b>									
Payables and contract liabilities	5.3	-	7,462	7,462	-	7,809	7,809		
Borrowings	6.1	-	1,861	1,861	-	2,092	2,092		
Refundable accommodation deposits	5.5	-	7,855	7,855	-	5,792	5,792		
Other liabilities	5.5	-	57	57	-	52	52		
<b>Total financial liabilities (i)</b>		<b>-</b>	<b>17,235</b>	<b>17,235</b>	-	<b>15,745</b>	<b>15,745</b>		

(i) The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. GST payable and revenue in advance).

**How we categorise financial instruments****Categories of financial assets**

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

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

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

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

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 7.1(a) Categorisation of financial instruments (Continued)

##### 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 Echuca Regional 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 on the principal amount outstanding on specific dates.

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

Echuca Regional Health recognises the following assets in this category:

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

##### Financial assets at fair value through other comprehensive income

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the assets are held by Echuca Regional Health to achieve its objective both by collecting the contractual cash flows and by selling the financial assets and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

##### Financial assets at fair value through net result

Echuca Regional Health initially designates a financial instrument as measured at fair value through net result if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or recognising the gains and losses on them, on a different basis
- it is in accordance with the documented risk management and information about the groupings was documented appropriately, so the performance of the financial asset can be managed and evaluated consistently on a fair value basis or
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through net result is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

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

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

##### Financial liabilities at fair value through net result

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

- held for trading or
- initially designated as at fair value through net result.

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

##### Financial liabilities at amortised cost

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

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

Echuca Regional Health recognises the following liabilities in this category:

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

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 7.1(a) Financial instruments: categorisation (continued)

##### Derivative financial instruments

A derivative financial instrument is classified as a held for trading financial asset or financial liability. They are initially recognised at fair value on the date on which a derivative contract is entered. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives after initial recognition, are recognised in the consolidated comprehensive operating statement as an other economic flow included in the net result.

##### **Offsetting financial instruments**

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Echuca Regional Health has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Echuca Regional Health does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

##### **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
- Echuca Regional 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
- Echuca Regional Health has transferred its rights to receive cash flows from the asset and either:
  - has transferred all the risks and rewards of the asset, or
  - has neither transferred substantially all the risks and rewards of the asset but has transferred control of the asset.

Where Echuca Regional Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Echuca Regional 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**

A financial asset is required to be reclassified between fair value through net result and fair value through other comprehensive income when, and only when, Echuca Regional Health's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

#### Note 7.2 Financial risk management objectives and policies

As a whole, Echuca Regional Health's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

Echuca Regional Health's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. Echuca Regional Health manages these financial risks in accordance with its financial risk management policy.

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

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 7.2 (a) Credit risk

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

Credit risk associated with Echuca Regional Health's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, the health service is exposed to credit risk. In addition, Echuca Regional Health does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, Echuca Regional Health's policy is to only deal with banks with high credit ratings.

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

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

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

There has been no material change to Echuca Regional Health's credit risk profile in 2022-23.

#### Impairment of financial assets under AASB 9

Echuca Regional Health records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes Echuca Regional Health's contractual receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9.

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

#### Contractual receivables at amortised cost

Echuca Regional Health applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Echuca Regional Health has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Echuca Regional Health's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, Echuca Regional Health determines the closing loss allowance at the end of the financial year as follows:

	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	3 months - 1 year	1-5 years	Total
<b>30 June 2023</b>			0%	3%	7%	20%	80%	
<b>Expected loss rate</b>		5,488	1,061	123	266	140	7,078	
Gross carrying amount of contractual receivables	5.1	-	(32)	(9)	(53)	(112)	(206)	

	Note	Current	Less than 1 month	1-3 months	3 months - 1 year	3 months - 1 year	1-5 years	Total
<b>30 June 2023</b>			0%	4%	12%	50%	95%	
<b>Expected loss rate</b>		3,413	983	308	191	165	5,060	
Gross carrying amount of contractual receivables	5.1	-	(39)	(37)	(96)	(157)	(329)	

#### Statutory receivables and debt investments at amortised cost

Echuca Regional 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.

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term.

As a result, no loss allowance has been recognised.

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 7.2 (b) Liquidity risk

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

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

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

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

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

30 June 2023	Note	Carrying amount \$'000	Nominal amount \$'000	Maturity Dates			
				Less than 1 month \$'000	1-3 months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
<b>Financial liabilities at amortised cost</b>							
Payables	5.2	7,462	7,462	7,273	189	-	-
Borrowings	6.1	1,861	1,861	9	23	440	1,389
Other financial liabilities (i)							
- Refundable accommodation deposits	5.5	7,855	7,855	-	1,285	6,570	-
- Other	5.5	58	58	-	3	27	28
<b>Total financial liabilities</b>		<b>17,236</b>	<b>17,236</b>	<b>7,282</b>	<b>1,500</b>	<b>7,037</b>	<b>1,417</b>
<b>30 June 2022</b>							
<b>Financial liabilities at amortised cost</b>							
Payables	5.2	7,809	7,809	7,657	152	-	-
Borrowings	6.1	2,092	2,092	9	23	1,238	822
Other financial liabilities (i)							
- Refundable accommodation deposits	5.5	5,792	5,792	-	725	5,067	-
- Other	5.5	53	53	-	3	19	31
<b>Total financial liabilities</b>		<b>15,746</b>	<b>15,746</b>	<b>7,666</b>	<b>903</b>	<b>6,324</b>	<b>853</b>

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

#### Note 7.2 (c) Market risk

Echuca Regional Health's exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

#### Sensitivity disclosure analysis and assumptions

Echuca Regional Health's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Echuca Regional Health's fund managers cannot be expected to predict movements in market rates and prices. The following movements are 'reasonably possible' over the next 12 months:

- a change in interest rates of 2% up or down and
- a change in the top ASX 200 index of 1.5% up or down.

#### Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Echuca Regional Health does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Echuca Regional Health has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

#### Foreign currency risk

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

Echuca Regional Health has minimal exposure to foreign currency risk.

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 7.3 Contingent assets and contingent liabilities

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

#### How we measure and disclose contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

#### Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service. These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

#### Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service or
- present obligations that arise from past events but are not recognised because:
  - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations or
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

#### Note 7.4 Fair value determination

##### How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through net result
- Financial assets and liabilities at fair value through other comprehensive income
- Property, plant and equipment
- Right-of-use assets

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

#### Valuation hierarchy

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

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

Echuca Regional 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. There have been no transfers between levels during the period.

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

#### Identifying unobservable inputs (level 3) fair value measurements

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

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

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

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

	Fair value measurement at end of Reporting period using:			
	Level 1 <sup>1</sup> \$'000	Level 2 <sup>1</sup> \$'000	Level 3 <sup>1</sup> \$'000	Carrying amount as at 30 June 2023 \$'000
Specialised land	4.1 (a) <b>5,744</b>	-	-	<b>5,744</b>
Specialised buildings	4.1 (a) <b>111,017</b>	-	-	<b>111,017</b>
Plant and equipment at fair value	4.1 (a) <b>4,150</b>	-	-	<b>4,150</b>
Medical equipment at fair value	4.1 (a) <b>2,443</b>	-	-	<b>2,443</b>
Computer equipment at fair value	4.1 (a) <b>402</b>	-	-	<b>402</b>
Furniture and fittings at fair value	4.1 (a) <b>512</b>	-	-	<b>512</b>
Other equipment at fair value	4.1 (a) <b>81</b>	-	-	<b>81</b>
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>	<b>7,588</b>	-	-	<b>7,588</b>
Right-of-use buildings	4.2 (a) <b>940</b>	-	-	<b>940</b>
<b>Total non-financial physical assets at fair value</b>	<b>125,289</b>	-	-	<b>125,289</b>
		992	-	992
			-	112,702
			-	<b>112,702</b>

#### How we measure fair value of non-financial physical assets

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

Judgements about highest and best use must 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.

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

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

#### 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 uses.

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

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

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

An independent valuation of Echuca Regional Health's specialised land was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019.

#### Vehicles

The Echuca Regional 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 the health service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

#### Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2023.

	Fair value measurement at end of Reporting period using:			
	Level 1 <sup>1</sup> \$'000	Level 2 <sup>1</sup> \$'000	Level 3 <sup>1</sup> \$'000	Carrying amount as at 30 June 2022 \$'000
Specialised land	4.1 (a) <b>5,744</b>	-	-	<b>5,744</b>
Specialised buildings	4.1 (a) <b>111,017</b>	-	-	<b>111,017</b>
Plant and equipment at fair value	4.1 (a) <b>4,150</b>	-	-	<b>4,150</b>
Medical equipment at fair value	4.1 (a) <b>2,443</b>	-	-	<b>2,443</b>
Computer equipment at fair value	4.1 (a) <b>402</b>	-	-	<b>402</b>
Furniture and fittings at fair value	4.1 (a) <b>512</b>	-	-	<b>512</b>
Other equipment at fair value	4.1 (a) <b>81</b>	-	-	<b>81</b>
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>	<b>7,588</b>	-	-	<b>7,588</b>
Right-of-use buildings	4.2 (a) <b>940</b>	-	-	<b>940</b>
<b>Total non-financial physical assets at fair value</b>	<b>125,289</b>	-	-	<b>125,289</b>
	992	-	-	992
		-	-	112,702
			-	<b>112,702</b>

**Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 7.4 (a) Fair value determination of non-financial physical assets (Continued)****Reconciliation of level 3 fair value measurement**

		<b>Land</b> <b>\$'000</b>	<b>Buildings</b> <b>\$'000</b>	<b>Plant, equipment, furniture, fittings and vehicles</b> <b>\$'000</b>	<b>Right-of-use buildings</b> <b>\$'000</b>	<b>Right-of-use vehicles</b> <b>\$'000</b>
<b>Balance at 1 July 2021</b>		4,598	102,749	5,472	-	-
Additions / (disposals)		-	1,161	3,839	1,031	185
Assets provided free of charge		-	-	209	-	-
Gains / (losses) recognised in net result		-	(4,919)	(1,414)	(39)	(92)
- Depreciation		-	-	-	-	-
Items recognised in Other Comprehensive Income		-	-	-	-	-
- Revaluation		1,146	-	-	-	-
<b>Balance at 30 June 2022</b>		<b>5,744</b>	<b>98,991</b>	<b>8,106</b>	<b>992</b>	<b>461</b>
Additions / (Disposals)		-	53	996	-	25
Gains / (losses) recognised in net result		-	(5,028)	(1,514)	(52)	(95)
- Depreciation		-	-	-	-	-
Items recognised in other comprehensive income		-	-	-	-	-
- Revaluation		-	17,001	-	-	-
<b>Balance at 30 June 2023</b>		<b>5,744</b>	<b>111,017</b>	<b>7,588</b>	<b>940</b>	<b>391</b>

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

**Fair value determination of level 3 fair value measurement**

<b>Asset Class</b>	<b>Likely valuation approach</b>	<b>Significant inputs (Level 3 only)</b>
Specialised land (Crown / freehold)	Market approach	Community Service Obligations Adjustments <sup>(a)</sup>
Specialised buildings	Current replacement cost approach	Cost per square metre. Useful life.
Plant and equipment	Current replacement cost approach	Cost per unit. Useful life.
Vehicles	Current replacement cost approach	Cost per unit. Useful life.

<sup>a</sup> A Community Service Obligation (CSO) of 20% was applied to Echuca Regional Health's specialised land.

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 8 Other disclosures

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

##### **Structure**

- 8.1 Reconciliation of net result for the year to net cash flow from operating activities
- 8.2 Responsible persons disclosures
- 8.3 Remuneration of executives
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Events occurring after the balance sheet date
- 8.7 Economic dependency
- 8.8 Jointly controlled operations
- 8.9 Equity

#### Telling the COVID-19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic.

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

##### **Net result for the year**

	2023 \$'000	2022 \$'000
<b>Net result for the year</b>	<b>(2,899)</b>	<b>3,155</b>

##### **Non-cash movements:**

Depreciation	6,809	6,479
Discount (interest) / expense on loan	13	(7)
Assets received free of charge	-	(209)
(Gain)/loss on revaluation of long service leave liability	(431)	38
Net (gain)/loss from sale of assets	(2)	(101)
Other non-cash movements (i)	(1,320)	(5,357)

##### **Movements in assets and liabilities**

(Increase)/decrease in receivables	(2,089)	1,114
(Increase)/decrease in inventories	(143)	(30)
(Increase)/decrease in prepayments	(397)	(227)
Increase/(decrease) in payables	896	3,774
Increase/(decrease) in employee benefits	2,758	996
<b>Net cash inflow/(outflow) from operating activities</b>	<b>3,195</b>	<b>9,625</b>

(i) Department of Health funded directly the Cancer and Wellness Centre building.

**Notes to the Financial Statements for the Financial Year Ended 30 June 2023****Note 8.2 Responsible persons disclosures**

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

A caretaker period was enacted during the year ended 30 June 2023 which spanned the time the Legislative Assembly expired, until the Victorian election results were clear or a new government was commissioned. The caretaker period for the 2022 Victorian election commenced at 6pm on Tuesday the 1st of November and new ministers were sworn in on the 5th of December.

**Responsible Ministers:**

	<b>Period</b>
The Honourable Mary-Anne Thomas MP: Minister for Health Minister for Health Infrastructure Minister for Medical Research Former Minister for Ambulance Services	01/07/2022 - 30/06/2023 05/12/2022 - 30/06/2023 05/12/2022 - 30/06/2023 01/07/2022 - 05/12/2022
The Honourable Gabrielle Williams MP: Minister for Mental Health Minister for Ambulance Services	01/07/2022 - 30/06/2023 05/12/2022 - 30/06/2023
The Honourable Lizzy Blandthorn MP: Minister for Disability, Ageing and Carers	05/12/2022 - 30/06/2023
The Honourable Colin Brooks MP: Former Minister for Disability, Ageing and Carers	01/07/2022 - 05/12/2022
Ms L Tarrant (Chair) Mr S Webb Mrs J Hamit Mrs S Mulcahy Dr S Paul Mrs M Johns Mr D Butel Mr C Sykes Ms S Williams Mr W Jose Mrs J Chapman	01/07/2022 - 30/06/2023 01/07/2022 - 30/06/2023
Ms Robyn Lindsay - Chief Executive Officer	01/07/2022 - 30/06/2023

**Governing Boards:****Accountable Officers:**

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 8.2 Responsible persons disclosures (continued)

##### Remuneration of responsible persons

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

Income band	2023 No.	2022 No.
\$0-\$9,999	-	2
\$10,000-\$19,999	11	10
\$30,000 - \$39,999	-	1
\$240,000 - \$249,999	-	1
\$340,000 - \$349,999	1	-
<b>Total numbers</b>	<b>12</b>	<b>14</b>

#### Total remuneration received or due and receivable by responsible persons from the reporting entity amounted to:

	2023 \$'000	2022 \$'000
	<b>496</b>	<b>426</b>

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in Echuca Regional Health's financial statements.

Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

#### Note 8.3 Remuneration of executives

(including Key Management Personnel disclosed in Note 8.4)

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

##### Remuneration of executive officers

##### (including Key Management Personnel disclosed in Note 8.4)

Short-term benefits	2023 \$'000	2022 \$'000
Post-employment benefits	<b>1,061</b>	1,006
Other long-term benefits	128	100
<b>Total remuneration (i)</b>	<b>1,221</b>	248

#### Total number of executives

#### Total annualised employee equivalent (ii)

	2023 6	2022 5.0
		4.9

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Echuca Regional Health under AASB 124 *Related Party Disclosures* and are also reported within Note 8.4 Relates Parties.

(ii) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

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

##### Short-term employee benefits

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

##### Post-employment benefits

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

##### Other long-term benefits

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

##### Termination benefits

Termination of employment payments, such as severance packages.

##### Other factors

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

## Echuca Regional Health

### Notes to the Financial Statements for the Financial Year Ended 30 June 2023

#### Note 8.4 Related parties

Echuca Regional 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 and personal business interests
- cabinet ministers (where applicable) and their close family members; and
- all health services and public sector entities that are controlled and consolidated into the whole of State of Victoria financial statements.

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

#### Key management personnel

The Board of Directors and the Executive Directors of Echuca Regional Health are deemed to be KMPs. This includes the following:

Entity	KMPs	Position title
Echuca Regional Health	Ms Larra Tarrant	Chair of the Board
Echuca Regional Health	Mr Scott Webb	Board Member
Echuca Regional Health	Mrs Julian Hamit	Board Member
Echuca Regional Health	Mrs Suzanne Mulcahy	Board Member
Echuca Regional Health	Dr Sydney Paul	Board Member
Echuca Regional Health	Mrs Michelle Johns	Board Member
Echuca Regional Health	Mr Daniel Butel	Board Member
Echuca Regional Health	Mr Christopher Sykes	Board Member
Echuca Regional Health	Mrs Stacy Williams	Board Member
Echuca Regional Health	Mr W Jose	Board Member
Echuca Regional Health	Mrs J Chapman	Chief Executive Officer
Echuca Regional Health	Mrs Robyn Lindsay	Executive Director of Finance & Corporate Services
Echuca Regional Health	Mrs Robyn Rudge	Executive Director Nursing and Midwifery
Echuca Regional Health	Mrs Maree Woodhouse	Executive Director of Medical Services (Resigned 31 May 2023)
Echuca Regional Health	Dr Glenn Howlett	Executive Director of Medical Services (Commenced 1 June 2023)
Echuca Regional Health	Dr Annemarie Newth	Executive Director People and Culture
Echuca Regional Health	Mrs Angela Hussey	Executive Director Community Services
Echuca Regional Health	Mrs Cynthia Opie	

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

#### Compensation - KMPs

	2023 \$'000	2022 \$'000
Short-term employee benefits (i)	\$1,519	\$1,288
Post-employment benefits	\$154	\$124
Other long-term benefits	\$45	\$280
Termination benefits	-	\$88
<b>Total</b>	<b>\$1,718</b>	<b>\$1,760</b>

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

(ii) KMPs are also reported in Note 8.2 Responsible persons or Note 8.3 Remuneration of executives.

#### Significant transactions with government related entities

Echuca Regional Health received funding from the Department of Health of \$96.3M (2022: \$84.3M) and indirect contributions of \$207K (2022: \$140K).

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

Professional medical indemnity insurance and other insurance products are obtained from the Victorian Managed Insurance Authority.

The Standing Directions of the Assistant Treasurer require Echuca Regional 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.

**Note 8.4 Related parties (continued)****Transactions with key management personnel 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 Government Procurement Board requirements. Outside of normal citizen type transactions with Echuca Regional Health, there were no related party transactions that involved KMPs, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2023 (2022: none).

There were no related party transactions required to be disclosed for Echuca Regional Health Board of Directors, Chief Executive Officer and Executive Directors in 2023 (2022: none).

**Note 8.5 Remuneration of auditors**

	2023 \$'000	2022 \$'000
<b>Victorian Auditor-General's Office</b>	40	25
Audit of the financial statements		
<b>Total remuneration of auditors</b>	40	25

**Note 8.6 Events occurring after the balance sheet date**

There are no events occurring after the Balance Sheet date.

**Note 8.7 Economic dependency**

Echuca Regional Health is dependent on the Department of Health for the majority of its revenue used to operate the health service. At the date of this report, the Board of Directors believes the Department of Health will continue to support Echuca Regional Health.

**Notes to the Financial Statements for the Financial Year Ended 30 June 2023**

**Note 8.8 Jointly controlled operations**

Echuca Regional Health has entered into a joint operation called the Loddon Mallee Rural Health Alliance which was established to improve the operations' joint capability and capacity to use and acquire information and communication technology products and services. Echuca Regional Health has a 9.07% (2022: 9.21%) participating interest in this joint operation and is entitled to share in its output of services. Echuca Regional Health's interest in assets and liabilities in the joint operation are detailed below:

	<b>2023</b>	<b>2022</b>
<b>Current assets</b>	<b>\$000 *</b>	<b>\$000 *</b>
Cash and cash equivalents	1,278	733
Receivables	187	50
Other assets	262	225
<b>Total current assets</b>	<b>1,727</b>	<b>1,008</b>
<b>Non-current assets</b>		
Computers	200	182
Accumulated depreciation	(125)	(107)
<b>Total non-current assets</b>	<b>75</b>	<b>75</b>
<b>Current liabilities</b>		
Payables	987	396
<b>Total current liabilities</b>	<b>987</b>	<b>396</b>
<b>Net share of assets employed in joint operation</b>	<b>815</b>	<b>687</b>

Echuca Regional Health interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Income from operating activities	1,461	1,122
Capital purpose	24	17
<b>Total revenue</b>	<b>1,485</b>	<b>1,139</b>
<b>Expenses</b>		
Expenses from operating activities	1,326	1,104
Capital purpose	10	5
Depreciation	21	18
<b>Total expenses</b>	<b>1,357</b>	<b>1,127</b>
<b>Net result</b>	<b>128</b>	<b>32</b>

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

**Contingent liabilities and capital commitments**

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

**Note 8.9 Equity**

**Contributed capital**

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

**Financial assets at fair value through comprehensive income revaluation reserve**

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

**Restricted specific purpose reserves**

The specific restricted purpose reserve is established where Echuca Regional 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.

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Echuca Regional Health

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