

ANNUAL REPORT
2021 | 22

Dhelkaya
Dhelkaya

Dhelkaya Health



Acknowledgement of Country

Dhelkaya Health is located on the traditional lands of the Dja Dja Wurrung people. We pay our respects to their Elders past, present and emerging, and acknowledge all Aboriginal and Torres Strait Islander people as the first people of this nation. Dhelkaya Health is committed to achieving equality in health status between Aboriginal and Torres Strait Island people and non-Indigenous Australians.

Acknowledgements and Feedback

We wish to thank everyone who contributed to this report – staff, members of the community, volunteers and clients. We value your comments and feedback, so please get in touch:

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Graphic Design: Billington Prideaux Partnership
Bank: Bendigo Bank and Westpac Bank
External Auditor's agents: Richmond Sinnott and Delahunty
Internal auditor: AFS and Associates Pty Ltd



Dhelkaya Health acknowledges the support of the Victorian Government



Our services are delivered on the traditional lands of the Dja Dja Wurrung people. Artist: Kerri Douglas

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These figures represent 2021-22 full year combined activity for Castlemaine Health, Maldon Hospital and CHIRP Community Health.

Our Vision, Mission, Values and Direction

Dhelkaya Health was created on 1 March 2022, the result of an amalgamation between Castlemaine Health and Maldon Hospital, and previous amalgamation with CHIRP Community Health.

We have embarked on a process of developing a shared vision, mission, values and directions for our new organisation and anticipate this work will have concluded by 30 June 2023.

We look forward to reporting on these as part of our next annual report.

The painting 'Gadjigadi' was commissioned by CHIRP Community Health at the time of its integration with Castlemaine Health in 2021. The title 'Gadjigadi' means "regrowth: the process of growth and change". The artwork pays tribute to all those who have worked at

CHIRP since its establishment in 1984 and who have helped promote community and preventative health in the Mount Alexander area.

The commitment to community health, and to the growth and development of our community, remains strong under the leadership of Dhelkaya Health. We are continuing to work closely together and with community stakeholders, traditional owners and the wider First Nations community.

We express our deep gratitude to Arkeria for this beautiful painting, which celebrates our transformational journey with joy and hope for the future.

Arkeria's Statement

"Gadjigadi means regrowth: the process of growth and change. The colours show the change of season on Country. The

healing plants from this land are shown in a variety of colors coming to life as they have done for many generations. The water-ways flowing through the center replenishing Country and nurturing us all. Our water-ways show life, the strength and grounding that it gives. The meeting places are where we come together to meet as a community. They show what has been built and the strength that occurs when we are working together. Each place has its own history and a vibrant story that adds to the continuing journey. The wings of the butterfly show the transformational change that we have been on throughout our lifetimes."

Arkeria Rose Armstrong is a young Garmilaraay artist born in a small town in South Australia called Ceduna. Arkeria lives and works on Dja Dja Wurrung country with her partner and daughter.



'Gadjigadi' by Arkeria Rose Armstrong © 2021

This Annual Report represents the beginning of a new era for health and wellbeing in Mount Alexander Shire and its surrounds. The report has a truncated reporting period running from 1 March 2022 to 30 June 2022. This is because this report is the very first to be issued by Dhelkaya Health, an entirely new health and wellbeing organisation that represents the coming together of Castlemaine Health, Maldon Hospital and CHIRP Community Health.



While Castlemaine Health and CHIRP Community Health amalgamated on 1 October 2021, it was on 1 March 2022 when Maldon Hospital and Castlemaine Health joined forces to become Dhelkaya Health. It is no understatement to say that Dhelkaya Health is set to usher in an exciting new era of health and wellbeing for our local communities. While the three organisations each have their own long and respected local histories, it is the first time that a single entity will oversee health and wellbeing in the shire. Dhelkaya Health's remit spans the whole lifecycle, from birth to residential aged care and palliative care and almost everything in between – urgent and acute care, rehabilitation and a wide range of community health and preventative services.

Dhelkaya means 'Good' or 'Being Healthy' in the Dja Dja Wurrung language. The choice of an Indigenous name acknowledges the Dja Dja Wurrung's traditional ownership of the lands on which we live and work. It expresses our gratitude to the Dja Dja Wurrung for sharing them with us. We are deeply grateful to Dja Dja Wurrung Clans Aboriginal Corporation, trading as DJAARA, for helping us to find our new name. We are also deeply grateful to DJAARA's Language Repatriation Officer, Harley Dunolly-Lee and the Djali Balak Language committee, for their leadership in helping us to define a name in Dja Dja Wurrung language.

Strong community support for integration and a solid evidence base for enhanced services were critical to the two amalgamations that led to the creation of Dhelkaya Health. A comprehensive

community engagement process for integration with Maldon Hospital gave the Maldon community a dedicated voice in the process. Our consultative approach continues to be at the heart of our change processes and it enables us to ensure we have our communities' support as we progress. Our shared future is now set but we will continue consulting and listening as we move forward.

As a newly united organisation we have embarked on the development of a new strategic plan, work that will include a new vision and set of values to unite our workforce. Staff, volunteers and communities will once again be consulted to help define that shared future. The process is being led by Dhelkaya Health's new board, which is comprised of members from each of the previous Castlemaine Health board and Maldon Hospital board and a new director.

The new board has a skilled mix of members with strong local connections. They are proud to be at the helm of our new organisation as it takes its first steps into the future. The board will continue its role overseeing the significant program of work for the year ahead, which will include development of our first Reconciliation Action Plan (RAP). The RAP which will enable Dhelkaya Health to sustainably and strategically take meaningful action to advance reconciliation in our community.

Dhelkaya Health's program of work will include progressing the long-term masterplanning work to ensure modern health facilities are in place for current and future generations. We will also continue our work to ensure environmental inputs

are fundamental to decision-making in relation to infrastructure, for example installing solar panels to reduce our carbon footprint and focusing on recycling and reuse wherever possible in our operations.

Our Maternity Services, which recently celebrated its 1st birthday party since reopening, will continue offering its much-loved pregnancy to parenthood services for women and families. The service has proved to be a flagship model to other regional health services and it remains a testament to what can be achieved through cooperation and partnership.

Since integrating with CHIRP, Dhelkaya Health has worked to embed the social model of health principles that were so central to CHIRP's purpose into its operations. This area of work now has a dedicated focus within Dhelkaya Health's Community Services and Wellbeing directorate. The Community Services and Wellbeing directorate is taking forward the expansion of community health services to the Maldon community at Maldon Hospital. Selected community health services have already begun delivering from the Chapel Street North site and the community services team are looking at ways to further expand services for the Maldon community. A Community Health Information Hub has also been established in central Castlemaine to ensure easy access for local people. The Information Hub is co-located with Castlemaine Community House which is another agreement that underscores the vital importance and strength of our local relationships.

While the ongoing efforts to manage the impact of COVID-19 onsite will continue, two of the most high-profile COVID-19 initiatives have now come to an end. The onsite COVID-19 vaccination clinic closed in June 2022 having delivered almost 15,000 vaccinations to staff, residents and the local community. The COVID-19 testing clinic also closed its doors in June 2022. We simply could not have achieved such high vaccination rates locally, nor could we have managed the spread of COVID-19 without the efforts of these two clinics and the people behind them. Their continued dedication and efforts have been an asset to our community and helped us all stay safe throughout the COVID-19 pandemic.

Overall, the focus for the next 12 months will remain firmly on delivering the benefits of amalgamation – improving access to high quality health and aged care services; improving wellbeing, capacity and capability of the workforce; and delivering more financially sustainable and viable health services. There is much work to do but we move into the 2022-23 year with renewed energy and focus, and a drive to deliver on the promises we have made to the local community.

As Board Chair and Chief Executive Officer of Dhelkaya Health, we are both excited to be leading the new unified health service. We have a historic opportunity to shape a better health system with the scale to think big about health and wellbeing while delivering the local care that people love.

Thank you to everyone who has been involved in our historic journey to become Dhelkaya Health – our staff, volunteers, General Practitioners, Visiting Medical Officers, committee and board members, fundraising supporters, communities and First Nations people. We look forward to sharing our journey with all of you as we step together into our new future.

Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Dhelkaya Health for the year ending 30 June 2022.



Vanessa Healy
Board Chair
Dhelkaya Health
19 December 2022

I recommend our Annual Report to you and am proud to share the wonderful achievements of our team during the 2021-22 year.



Sue Race
CEO
Dhelkaya Health
19 December 2022

Dhelkaya Health is a community-oriented health service with an integrated hospital, primary care service, residential aged care and a wide range of community health services. It is predominantly a nurse and allied health-led service supported by locally credentialed General Practitioners and Visiting Medical Officers.

Dhelkaya Health is incorporated under the *Health Services Act 1988*. It has a variety of programs and services funded by the State Government.

Our responsible ministers for 2021-22 were:

- From 1 July 2021 to 27 June 2022 The Hon. Martin Foley MP, Minister for Health; Minister for Ambulance Services; Minister for Equality
- From 27 June 2022 to 30 June 2022 The Hon Mary-Anne Thomas MP, Minister for Health; Minister for Ambulance Services
- From 1 July 2021 to 11 October 2021 The Hon. Luke Donnellan, Minister for Child Protection; Minister for Disability, Ageing and Carers
- From 11 October 2021 to 6 December 2021 The Hon. James Merlino MP Minister for Disability, Ageing and Carers
- From 6 December 2021 to 27 June 2022 The Hon. Anthony Carbines MP Minister for Disability, Ageing and Carers
- From 27 June 2022 to 30 June 2022 The Hon. Colin Brooks MP Minister for Disability, Ageing and Carers.

Dhelkaya Health is located in central Victoria in the Mount Alexander Local Government Area (LGA). Its two main campuses are located in Cornish Street, Castlemaine and Chapel Street North, Maldon. Dhelkaya Health also operates a Community Health Information Hub co-located with Castlemaine Community House in Templeton Street, Castlemaine.

Dhelkaya Health provides a comprehensive range of low to moderate complexity services to a population of more than 20,000 people. Services provided include:

- Urgent Care (Castlemaine)
- Minor Injuries and Illnesses Clinic (Maldon)

- Residential aged care (Penhall, Thompson House and Ellery House in Castlemaine and Mountview Home and Jessie Bowe House in Maldon)
- Surgical Services
- Medical / Surgical Acute Inpatient Services
- Subacute Inpatient Services including Transition Care
- Allied Health Services
- Community Rehabilitation
- NDIS Services
- Maternity Services (Level 2 Midwifery Group Practice model partnered with Bendigo Health)
- Specialist Outpatient Services
- Outreach Programs (District Nursing, Palliative Care, Post-Acute Care and Hospital in the Home)
- Home and Community Care
- Community Health, Family and Housing Services

Dhelkaya Health works with Bendigo Health to provide a range of high quality, integrated healthcare services. Bendigo Health provides support through:

- an integrated regional service delivery model that supports Dhelkaya Health
- a range of in-reach services including surgery and mental health from Dhelkaya Health
- key services for complex Dhelkaya Health patients including but not limited to surgery, stroke, cardiac and cancer.
- a strong relationship and professional partnership with its Level 5 maternity service.

Dhelkaya Health is also a member agency of the Loddon Mallee Health Network and the Loddon Health Service Partnership.

Our Governance

A new Board of Directors for Dhelkaya Health was appointed on 1 March 2022. The Dhelkaya Health Board comprises five members from each of the previous boards of Castlemaine Health and Maldon Hospital and a new director.

The Board of Directors is appointed by the Governor in Council on the recommendation of the Victorian Minister for Health and is governed by the principles contained within the *Health Services Act 1988* (as amended). The Board provides governance of Dhelkaya Health and is responsible for its financial performance, strategic directions, the quality of its health care services and strengthening community involvement through greater partnerships.

Dhelkaya Health's by-laws enable the Board to delegate certain responsibilities. The by-laws are supported by the delegations of executive and operational responsibility, enabling designated executives and staff to perform their duties through the exercise of specified authority.

The Act requires directors to act with integrity and objectivity at all times. They must declare a pecuniary interest during Board debate when applicable and withdraw from proceedings. There were no occasions that required declaration this year. Conflict of interest is declared during Board proceedings, in accordance with Dhelkaya Health's by-laws.

The Board of Directors meets on the last Thursday (excluding January) of each month to deal with a formal agenda and the Chief Executive Officer reports on the health service's performance. In addition to general Board meetings Directors also meet annually to review the strategic plan. The Board endeavours to hold one open access Board meeting per year which the general public may attend. This is in addition to the Annual General Meeting. The Dhelkaya Health Board has met on five occasions since convened on 1 March 2022.

Board member	Position	First appointment	Appointment expires	2021-22 Attendance
Ms Vanessa Healy	Board Chair	1 March 2022	30 June 2024	5
Ms Margaret (Peggy) Ronnau	Deputy Chair	1 March 2022	30 June 2023	5
Ms Margaret Lewis	Board Director	1 March 2022	30 June 2023	5
Mr Jeffrey Rigby	Board Director	1 March 2022	30 June 2025	5
Ms Cindy Schultz-Ferguson	Board Director	1 March 2022	30 June 2024	4
Ms Shan Wellham	Board Director	1 March 2022	30 June 2025	5
Ms Alexandra (Lexi) Randall L'Estrange	Board Director	1 March 2022	30 June 2025	5
Ms Linda McNeill	Board Director	1 March 2022	30 June 2023	5
Dr Heather Holst	Board Director	1 March 2022	30 June 2024	5
Mr James Downing	Board Director	1 March 2022	30 June 2024	5
Ms Libby Fifis	Board Director	1 March 2022	30 June 2025	5

Governance and Remuneration Committee

The Governance and Remuneration Committee includes the following Board Directors: Ms Margaret (Peggy) Ronnau (Chair), Ms Vanessa Healy and Mr Jeffrey Rigby. The Governance and Remuneration Committee meets up to three times per year and is responsible for advising and making recommendations to the Board in relation to matters involving the performance of the Chief Executive Officer, executive staff remuneration; and executive recruitment and terms and conditions of employment.

Audit and Risk Management Committee

The Audit and Risk Management Committee membership comprises three Board Directors and at least one member independent of the agency, in accordance with the independence requirements of the Standing Directions of the Minister of Finance under the *Financial Management Act 1994*. The Committee comprises Mr Jeffrey Rigby (Chair), Ms Linda McNeill, Ms Cindy Schultz-Ferguson and Mr Stephen Bigarelli (Independent member). All the Committee members are independent of management.

The Audit and Risk Management Committee meets quarterly and assists the Board in monitoring compliance with laws, regulations, standards and internal controls. Key responsibilities include monitoring the hospital's strategic and operational risks, developing and overseeing the hospital's internal audit plan, review of the draft annual accounts and review of the relevant risk policies and procedures.

Finance and Infrastructure Committee

The Finance and Infrastructure Committee membership comprises three

Board Directors including Mr James Downing (Chair), Dr Heather Holst and Ms Linda McNeill. The Dhelkaya Health Board requires frequent review of the financials of the organisation in order to closely monitor the risks associated with financial management including, liquidity risk, solvency risk and long-term sustainability risk. The Committee also has oversight of the capital equipment replacement program and all major capital projects.

Clinical Governance, Quality and Safety Committee

The Clinical Governance, Quality and Safety Committee membership comprises three Board Directors and three independent members. The membership included the following Board Directors: Ms Shan Welham (Chair), Mr James Downing (Board Director), Ms Libby Fifis (Board Director), Ms Elizabeth Grainger (Independent Member), Dr Helen McBurney (Independent Member) and Dr Louise Bettiol (Medical Staff Group representative).

The Clinical Governance, Quality and Safety Committee aims to ensure that the community receives high-quality and safe care close to home and that Dhelkaya Health is committed to the constant improvement of all clinical and care services. The Committee meets bi-monthly to review and analyse information detailing the clinical care activities undertaken at Dhelkaya Health.

Community Consultative Committee

The Castlemaine Community Consultative Committee meets every two months to discuss and progress matters relating to consumer participation, community engagement, and how best to maintain responsive and inclusive services for patients, families and the wider community. The Committee comprises

two Board directors and independent members of the community.

The Community Consultative Committee membership includes Ms Peggy Ronnau (Deputy Board Chair), Ms Margaret Lewis (Board Director), Ms Elizabeth Grainger (Chair, Independent Member), Ms Ann Roman (Independent Member), Mr Bob Forde (Independent Member), Ms Marlene Bell (Independent Member), Ms Bev Orgill (Independent Member), Ms Joan Casley (Independent Member), Mr Paul Kent (Independent Member) and Mr Kevin Saide (Independent Member).

The Maldon Community Consultative Committee will be reconvened in 2022-23.

Community Health and Wellbeing Committee

The Community Health and Wellbeing Committee membership comprises three Board Directors, three agency stakeholder members and at least three independent members. Membership includes Ms Lexi Randall L'Estrange (Chair), Ms Cindy Schultz-Ferguson (Board Director) and Dr Heather Holst (Board Director). Recruitment to the independent member roles commenced in June 2022. The Committee will be formally convened in September 2022.

The Community Health and Wellbeing Committee aims to ensure services provided by Dhelkaya Health meet the current and emerging needs of our communities and that the views of the community, users and providers are considered. The Committee will also support effective links and strategic relationships between Dhelkaya Health and other local health and community services, promote environments in which people can be healthy, with a focus on prevention and guide service planning that reduces inequalities in health status and outcomes.

Our Leadership Team



Top row (L to R): Board Members Ms Shan Wellham, Dr Heather Holst, Ms Cindy Schultz-Ferguson, Ms Lexi Randall L'Estrange, Ms Libby Fifis and Deputy Chair Ms Margaret (Peggy) Ronnau. Bottom row (L to R): Board Member Ms Linda McNeil, Board Chair Ms Vanessa Healy and Board Member Ms Margaret Lewis. Board members absent for photo: Mr James Downing and Mr Jeffrey Rigby.

Chief Executive Officer

Mrs Sue Race

BAgrSc (Hons), BNutDiet, MPPM, FCHSM, CHE, GAICD

The Chief Executive Officer is accountable to the Board for the efficient and effective management of Dhelkaya Health. Primary responsibilities include executive leadership, development and management of operational policy and strategic priorities agreed with the Board and in accordance with the funding, planning and regulatory framework of the Victorian Department of Health and Victorian Department of Families, Fairness and Housing.

Executive Director Clinical and Aged Care Services and Chief Nursing and Midwifery Officer

Dianne Senior

RN, GradDip (CH), MHIthSc, FCHSM

The Executive Director Clinical and Aged Care Services is responsible for overseeing the inpatient clinical services, after-hours coordination, clinical support, infection control, aged care services and Aboriginal liaison. The role also has professional responsibility and leadership for all nursing and midwifery staff, the clinical competence framework and education.

Executive Director Finance, Performance and Infrastructure and Chief Financial Officer

Mr Jason Stevens

BBus (Acc), MIPA AFA

The Executive Director Finance, Performance and Infrastructure oversees delivery of a range of support services in a safe, positive and sustainable manner. These include financial management, health information management, hospitality (hotel services, food production and resident laundry), Contracts and Procurement, Information Technology, Infrastructure Maintenance, Engineering and Project Management.

Executive Director Community Services and Wellbeing and Chief Allied Health Officer

Ms Kerryn James

BSPath

The Executive Director Community Services and Wellbeing is responsible for leading community health and wellbeing, continuing care and social support services. This includes outreach and in-home services, family services and volunteers.

Director Medical Services

Dr Peter Sloan

MB, BS, MBA, FRACMA

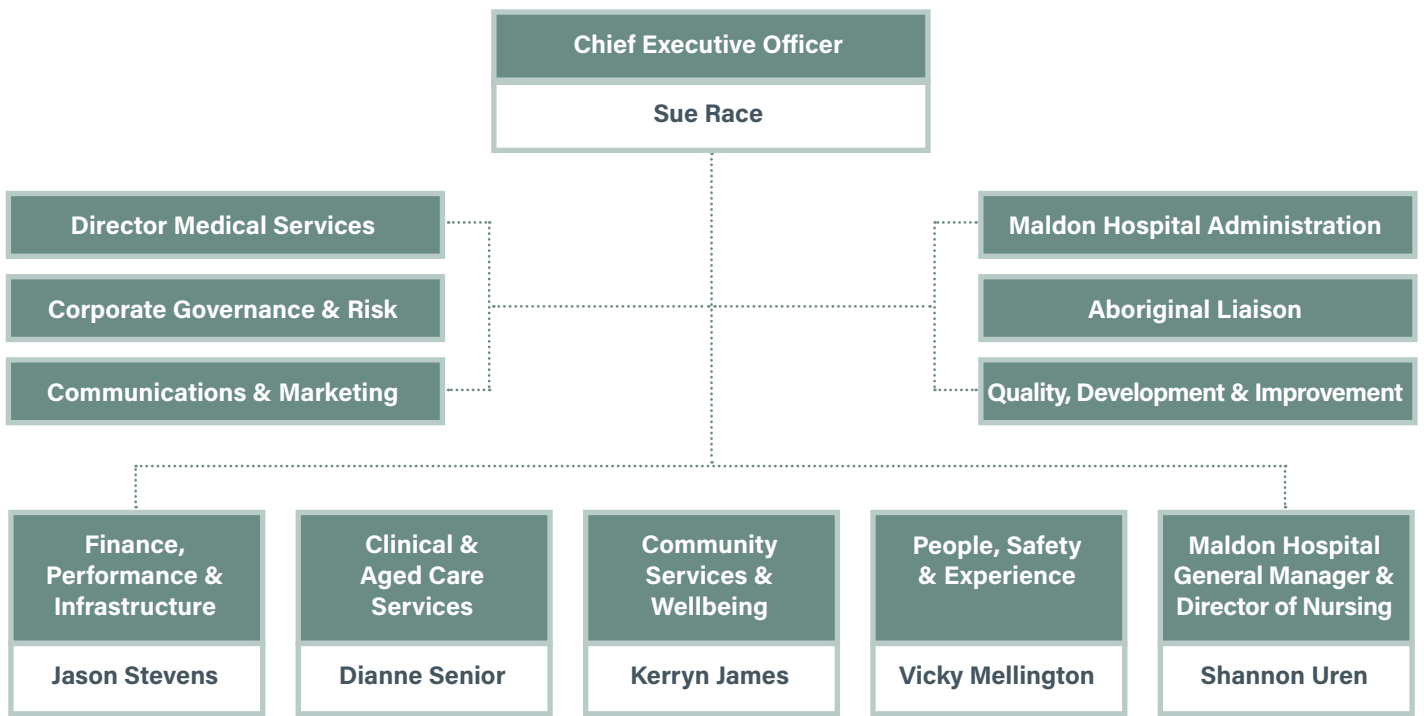
The Director Medical Services is responsible for professional leadership of the medical workforce. This role is accountable for the maintenance of professional standards of medical staff ensuring best practice guidelines and patient-centred care philosophies are followed.

Executive Director People, Safety and Experience

Ms Vicky Mellington

GDipMan

The Executive Director People, Safety and Experience drives organisational-wide programs to successfully translate our approach of person-centred care for clients into support initiatives for our staff. The role coordinates the implementation of services, policies, and programs, and advises on human resources issues, as well as overseeing payroll, pastoral care and occupational health and safety.



FUNCTIONS				
Finance	After Hours Management	Allied Health	Human Resources	Residential aged care (Jessie Bowe House and Mountview Home)
Health Information Services	Residential aged care (Penhall, Ellery House & Thompson House)	Health Independence Programs	Payroll	Minor Injuries and Illnesses Clinic
Support Services	Infection Control	Children's Services & NDIS	Work Health & Safety	Adult Day Service
Information Technology	Pharmacy	District Nursing & Palliative Care	Pastoral Care	District Nursing Service
Contracts & Procurement	COVID-19 Response Coordination	Outpatient Services	Industrial Relations	Pain Management
Engineering & Project Management	Urgent Care Centre	Community Health, Family & Housing Services	Emergency Management & Security	Leisure & Wellbeing
Property Services	Geroe Acute Services	Adult Day Services & Volunteers	Organisational Development	Medical Clinic
	Connolly Subacute Services			Acute & Transition Care
	Maternity Services			Community Services

Our People

Hospitals labour category	June current month FTE	June YTD FTE
	2022	2022
Nursing	237.79	234.31
Administration and Clerical	89.22	89.04
Medical Support	2.20	2.05
Hotel and Allied Services	120.33	118.86
Medical Officers (including Hospital Medical Officers)	1.86	1.78
Sessional Clinicians	0	0
Ancillary Support (Allied Health)	43.04	45.08
Total	494.44	491.12

Application of employment and conduct principles

Dhelkaya Health is committed to upholding the principles of merit and equity in all aspects of the employment relationship. To this end, we have policies and practices in place to ensure all employment-related decisions, including recruitment, promotion, training and retention, are based on merit. Any complaints, allegations or incidents involving discrimination, vilification, bullying or harassment are taken seriously and addressed. All staff are provided with education and training on their rights and responsibilities and are provided with the necessary resources to ensure equal opportunity principles are upheld.

Workplace wellbeing

Early in the year a small grant was secured from the Victorian Government to support the wellbeing of staff. The funding was for place-based wellbeing and extended supports for staff and their families. Staff were surveyed to help inform how best to target the spending.

The grant was rolled out in two phases. Phase 1 delivered targeted initiatives in response to survey findings, which included free fresh fruit daily, filtered water stations throughout the Castlemaine site and meals for shift workers, night staff and non-emergency patient transport drivers. A coffee machine was sourced for Maldon Hospital due to the lack of access to a café on site. Massage chairs were purchased and installed in each unit across Castlemaine and Maldon sites. Phase 2 focused on mental wellbeing with budget for improving break spaces, upgrading the gym equipment and multimedia, training Mental Health First Aiders and creating mental health peer support groups at the Castlemaine site. Free wellness packs for staff were provided for staff across all sites. Meals and morning/afternoon teas for staff of Maldon Hospital, both on-site and off-site, provided valuable opportunities for staff to connect socially. The initiatives have been well-received and will continue to be rolled out in 2022-23.

Fitness Passport continues to be valued because it enables members to access a

wide range of local health and fitness suppliers to help inspire them to improve their overall health. With COVID-19 restrictions no longer impacting on gyms and fitness centres, the Fitness Passport program is once again running without interruption.

Employee Assistance Program

The Employee Assistance Program continues to be well-used by staff. All staff at the Castlemaine site have access to an on-site counsellor for confidential appointments each Friday. The service moved to a phone-based appointment system during COVID-19. With some of the Wellbeing grant funding a 12-month 24/7 service will be trialled.

Developing our people

The Staff Development team run regular online and in-person training to continually improve the performance and capability of our staff. Education programs are specific for nursing, medical, allied health, support services and administrative staff. The mandatory training framework

outlines training requirements by role. The online learning system profiles individual training schedules of mandatory and professionally recommended education courses for staff to ensure they maintain the knowledge and skills to perform their role safely.

Workplace training experience

From 1 March 2022 to 30 June 2022, Dhelkaya Health provided placement opportunities for 135 students.

Dhelkaya Health has formal relationships with many universities and training organisations including LaTrobe University, Bendigo Kangan Institute, Federation University and Monash University. Students attend placement for one to eighteen weeks depending on the course requirements and each placement is tailored to ensure the student achieves agreed upon objectives.

The year 2022 is the 13th year of co-ordinating the Monash University 4th Year Goldfields Hub. A total of 15 medical students attended during Semester 1 and 2 for a weekly education day facilitated mainly by Castlemaine GPs and also attend two days per week in a GP Medical Centre in Castlemaine, Kyneton or Maryborough. The remaining two days per week are for integrated study when the students attend community health activities and programs.

Dhelkaya Health takes part in annual placement planning activities by the Department of Health to support ongoing facilitation of student placement, support and best practice in learning and education.

Dhelkaya Health also continues its collaboration with leading global medical supplier and medical solutions company, ARJO as the Australasian trial site for a clinical manual handling program. The program aims to improve consumer comfort and independence as well as reduce injury incidents for our clinicians. It is expected that the ARJO program will be rolled out to the Maldon site over the next 12 months.

The program began in October 2019 with 27 staff trained as Ergo coaches since. The Ergo coaches undergo a 5-day training program, have been selected for their communication abilities and are tasked with ensuring the staff within their unit have received training on manual handling techniques and the various pieces of equipment used. Ergo coaches are identifiable by staff as they wear a different coloured uniform. 100% of Dhelkaya Health clinicians have completed the ARJO training modules and over \$250,000 has been invested in new manual handling equipment to reduce the static overload experienced when performing tasks such as personal care.

At Maldon Hospital, all staff are required to attend a mandatory training session once a year. This session covers our yearly mandated sessions No-Lift/Manual Handling, Basic Life Support, Fire Evacuation Training and Hand Hygiene. We also include important education such as Multi-Agency Risk Assessment and Management (MARAM) education for family violence or training for occupational violence when this additional education is required.

This year our program has been run over four days, with each staff member required to attend a session. Staff find that this is a valuable day and it allows staff to collaborate outside of the ward environment.

Workplace Health and Safety

A full review of the Work Health and Safety Committee membership and terms of reference has occurred, alongside promotion of the Health and Safety Representative roles. There are currently four vacancies on the committee at Castlemaine and one at Maldon. A review of health and safety documentation post-amalgamation has also taken place with the goal to streamline guidance documentation. We continue working towards reducing harm in our three key risk areas:

- manual handling (patient and client related)
- slips, trips and falls
- psychosocial.

From 1 March 2022 to 30 June 2022 Dhelkaya Health recorded one WorkSafe notifiable incident. This incident involved a worker falling on uneven ground and sustaining an injury that required medical attention.

We continue to implement a range of targeted actions to continually improve our workplace health and safety management and culture. These include:

- continuation of the Respiratory Protection Program (Fit Testing) with advertisement of a full-time position to assist with the program
- Team leader training for emergency management preparedness.

Occupational Health and Safety

Occupational Health and Safety Statistics	1 March 2022 to 30 June 2022
Total number incident reports (including hazard and near miss) for the year per 100 EFT staff members	17.1
Number 'lost time' standard claims for year per 100 EFT staff members	1.27
Average cost per claim for year	\$9,024

Occupational Violence

Occupational Violence Statistics	1 March 2022 to 30 June 2022
WorkCover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	29
Number of occupational violence incidents reported per 100 FTE	5.24
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

Definitions

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 from 1 March 2022 to 30 June 2022.

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.

The financial donations and funding we receive enable us to improve our services to patients through the purchase of new equipment. From 1 July 2021 to 30 June 2022 we received a total of \$113,225.57 through donations, fundraising and bequests.

We would like to acknowledge the very special efforts of our supporters from Run the Maine, who celebrated their 14th run in 2021. The talented and dedicated volunteer team led by Run The Maine Director Gavin Krasner once again held a highly successful virtual run. The event allowed supporters of the race and running community to support each other and continue to recognise the value that our much-loved run brings to Mount Alexander Shire. The event raised \$20,000, which enabled the purchase of a Sozo machine. The machine is used for early detection and monitoring of fluid accumulation and tissue status. It allows cancer patients and those suffering from fluid-related conditions to access monitoring and support closer to home. It is a key piece of equipment that means we can help improve quality of life for those suffering from fluid-related conditions.

We would also like to acknowledge the unwavering support from our Murray to Moyne riders for both Maldon and Castlemaine campuses. Both teams were once again thrilled to be on their bikes for the 520km ride from Echuca to Port Fairy.

Together the teams raised \$4,258.37 which has gone towards equipment upgrades.

We are deeply grateful for the very generous bequests for the year, which came to \$70,602.74 in total. This includes the very generous bequest from Melva Adamson of \$62,581.11, the generous bequest of \$5,000 from Gwenda Beare and the bequest of \$3,021.63 from G L Godfree.

We would like to thank our donors, committees, supporters and the local community who have supported our fundraising efforts over the past 12 months.

Volunteers

Dhelkaya Health has 122 dedicated volunteers supporting our operations across our Maldon and Castlemaine campuses, and in the community. We have 17 volunteers at Maldon Hospital, 46 volunteering at Castlemaine Health in residential care, Patient Transport Service and the Adult Day Service. There are 59 volunteers in Castlemaine supporting community programs. We plan to increase our numbers of volunteers and are developing plans for advertising and recruitment when the risk of COVID-19 is reduced.

Our volunteers provide support to activity groups in the community, drive patients to appointments and residents to events, as well as assisting in a range of roles

within residential, acute and community settings. They also sit on committees, support fundraisers, and help in many other settings across Dhelkaya Health.

Our community health volunteers assist with programs and activities out in the community including walking groups, companion walking, youth mentoring, Tai Chi groups, the TAC L2P program and many more.

All volunteers are required to maintain a satisfactory Criminal Record Check and an additional NDIS check is now required for residential aged care volunteers. Some roles also require a Working with Children Check.

We continue to support those volunteers who have not yet returned due to the impacts of COVID-19. We keep in touch with our valued volunteers through regular newsletters, emails and updates. We sincerely thank all our volunteers for their commitment to Dhelkaya Health and look forward to continuing our relationship with them over the next 12 months.

We are also grateful to the many consumers and community members who dedicate their time as volunteers to sit on our Community Consultative Committee and First Nations Advisory Group.

Capital projects

Dhelkaya Health has 10 major State-funded projects underway at 30 June 2022.

Castlemaine campus - Main Entry Works Project (\$1,483,225) involving new demountable office building, demolition of the existing property services building, re-surfacing of asphalted areas, creation of new car parking areas, and improved signage and wayfinding.

Castlemaine campus - Residential Aged Care Quality and Safety Improvement Project (\$2,020,690) to upgrade each of the three facilities at Castlemaine covering interior fit-out works and improvements, and enhancements to external landscape areas and grounds.

Castlemaine campus - Steam Condensate Tank Project (\$291,072) to replace the reticulated steam condensate tank, domestic hot water heat exchanger, condensate return pumps, and repairs to the building automation monitoring system.

Castlemaine campus - Nurse Call System and Security Project (\$171,918) to improve residential aged care facilities through the procurement and installation of a new nurse call system at Ellery House and replacement of the perimeter gate and fence at Penhall.

Castlemaine campus - Solar Panels (\$55,043) to supply and install a solar array at Ellery House and further contribute to the sustainability objectives and performance at Castlemaine.

Castlemaine campus - Electrical Infrastructure Works Project (\$420,000) to design and install transfer switches and additional back-up systems for the supply of power and to develop a scoping study and asset replacement strategy in relation to the main distribution board and other critical equipment and systems.

Maldon Hospital - Staff Amenities Facility Project (\$225,000) to develop a new staff amenities room including handwashing facilities, change room, kitchenette and seating facilities.

Maldon Hospital - Bushfire Resistance Project (\$175,375) to conduct a program of passive fire management works and commission a scoping study for the acquisition of major infrastructure and fire management improvements.

Maldon Hospital - Jessie Bowe Garden Annex Room Project (\$341,000) to design and construct a new garden annex room for residential aged care residents and mixed purposes.

Maldon Hospital - Mountview Home Garden Project (\$55,000) to design and develop a dementia-friendly outdoor courtyard and garden for high care residents.

Castlemaine Health Energy consumption

Greenhouse gas emissions

The reduction in CO² from 1 March 2022 to 30 June 2022 was 5.6%, which was above target set for the year because of the removal of natural gas heaters and the installation of new solar power generating system.

Greenhouse gas emissions	1 March 2022 to 30 June 2022
CO ² (tonnes)	1,105

Energy and water

From 1 March 2022 to 30 June 2022 there has been a 4% reduction in energy use compared to the same period last year. However, water consumption has increased by 10%.

Energy	1 March 2022 to 30 June 2022
Gas (GJ)	7,605
Electricity (kWh)	597,165
Water (KL)	7,618

Waste

There has been no reportable difference in clinical and general waste compared to the previous financial year.

Energy	1 March 2022 to 30 June 2022
Clinical Waste (KG)	2,709
General Waste (KG)	40,933
Recycling (KG)	15,678

Maldon Hospital Energy consumption

Maldon Hospital is a member of Global Green and Healthy Hospitals, which is an international network of hospitals, health care facilities, health systems, and health organisations dedicated to reducing their environmental footprint and promoting public and environmental health.

Greenhouse gas emissions

The reduction in CO² from 1 March 2022 to 30 June 2022 was 3% compared to the same time last year.

Greenhouse gas emissions	1 March 2022 to 30 June 2022
CO ² (tonnes)	97

Energy and water

From 1 March 2022 to 30 June 2022 there has been an increase in consumption of electricity of 1% and a 29% increase in water usage.

Energy	1 March 2022 to 30 June 2022
LPG (KL)	19
Electricity (kWh)	56,212
Water (KL)	649

Waste

There has been a 38% increase in general waste and a 36% decrease in clinical waste.

Energy	1 March 2022 to 30 June 2022
Clinical Waste (KG)	85
General Waste (KG)	6,123
Recycling (KG)	2,077

Our Strategic Priorities

Part A: Strategic Priorities

COVID-19 Outcomes

COVID-19 readiness and response

Dhelkaya Health continues to maintain a responsive and effective model for managing COVID-19 on both Maldon and Castlemaine campuses. Dhelkaya Health has now moved into a 'business as usual' approach whereby COVID-19 risk is carefully managed within existing procedures and policy. The COVID-19 Hospital Incident Management Team, which met regularly throughout the pandemic, has now moved its reporting process into the daily Tier 2 Safety Huddle. Our COVID-19 Code Yellow Response Plan, Staff Furlough Protocol and COVID Safe Plan remain in place and are regularly reviewed and updated.

COVID-19 testing

The COVID-19 testing clinic moved its operations to the Castlemaine Stadium in late 2021 and continued to offer PCR tests to the local community, as well as distributing Rapid Antigen (RATs) when they became widely available. With demand for COVID-19 testing reduced in the final months of 2021-22, the COVID-19 Testing Clinic held its last testing day on 16 June 2022. The Victorian Department of Health officially decommissioned the site on 17 June 2022. Since its opening, the clinic completed 16,754 PCR tests and distributed 21,021 RATs to the local community. The clinic regularly scaled its operations up and down in response to demand. In October 2021 the clinic tested 432 people in one day, the highest number of tests in any single day since the clinic opened.

Front line infection control

Changes to visitor policy were managed through the COVID-19 Hospital Incident Management Team meetings (now Tier 2 Safety Huddle) and communications issued promptly to staff, residents and families, as well as the community. All visitors to the Castlemaine and Maldon

campuses must follow procedures in relation to sign in and RAT testing. Visitor policies and sign-in procedures have evolved over time to reflect changing departmental policy but the requirement to wear a mask remains standard across both sites for staff and visitors alike.

Targeted Vaccination Program

We were funded by the Department of Families, Fairness and Housing (DFFH) to reduce COVID-19 vaccine misinformation and hesitancy, remove practical barriers to accessing vaccine and support and increase uptake of the COVID-19 vaccine amongst vulnerable priority cohorts.

Our set targets for this Project were:

	Target	Actual
Numbers engaged	24	72
Numbers vaccinated	16	19

The number of people vaccinated through this program resulted from a broad range of engagement activities including:

- 30 staff trained in Building Confidence in Talking about COVID-19 Vaccinations
- Door-knocked 72 properties to provide information and support to be vaccinated
- Surveys from the Door-Knock project showed success in encouraging household members to be vaccinated
- Liaison with the COVID-19 High Risk Accommodation Response (HRAR) Project
- Worked with the Mount Alexander Shire Council's Healthy Ageing Officer to support some older people with their vaccinations
- Attended Castlemaine's LGBTIQ+ Pride Picnic and engaged with participants around vaccinations

- Met with 72 clients of eight different walking groups, older persons' exercise groups, and social support groups

COVID Positive Pathways Program

The Dhelkaya Health COVID-19 Home Monitoring service is part of the Loddon Mallee COVID Positive Pathways Program (CPP). It commenced in October 2021 in response to the rapidly rising number of COVID cases in the Mount Alexander Shire. The service is staffed by Dhelkaya Health Registered Nurses (RNs), runs seven days a week and works closely with local General Practitioners and our Director of Medical Services.

As the numbers of COVID patients across Victoria has grown, new intake and assessment systems have been developed by the Department of Health to ensure higher acuity risk patients are identified and admitted into monitoring programs. People at a lower risk are admitted into an SMS or self-care pathway. The RNs undertake the initial screening of patients referred to the program and determine the most appropriate pathway and other supports. Since introduction of the service in October 2021, the COVID Home Monitoring team has supported over 1,200 people across the Mount Alexander Shire.

COVID-19 Vaccination Sub Hub

Dhelkaya Health's COVID-19 Vaccination Clinic played a vital role in our local COVID-19 response and greatly contributed to the high vaccination rates in our shire. Much like the experience of the COVID-19 Testing Centre, demand for its service reduced over time and the COVID-19 Vaccination Clinic held its last day of vaccinations on 22 June 2022. Closure of the clinic has enabled staff to move back into frontline nursing roles to support the healthcare system. Since opening, the clinic administered almost 15,000 COVID-19 vaccinations to staff, residents and the local community.

Deferred Care

Dhelkaya Health has actively participated in the regional approach to managing the backlog of surgical patients that have resulted from the pandemic. The Director of Nursing Clinical Care and Nurse Manager Theatre have been active participants in regional meetings to help ensure suitable cases were added to Dhelkaya Health's Theatre lists.

Our staff are proud to have undertaken 135 surgical procedures from Bendigo Health's waiting list in the full 2021-22 year.

This collaborative approach has helped individual patients by reducing delays for surgeries such as smaller abdominal operations, urology and gynaecological procedures. It has also supported Bendigo Health to continue their work as our regional COVID patient streaming hospital.

Infection control

Dhelkaya Health's Infection Prevention and Control Leads (IPC) in Penhall, Thompson House and Ellery House works closely with our Infection Control Consultant for training and support, during outbreaks, and through ongoing review of policies and procedures. Maldon Hospital has its own dedicated IPC Leads who have the same responsibilities for training, support, and policy and procedure review. All Dhelkaya Health residential aged care staff have completed Personal Protective Equipment donning and doffing competencies, COVID-19 education module and a comprehensive Fit Testing program continues.

Better@Home

The Better@Home initiative and associated funding was introduced in 2021 to enable more healthcare to be delivered within patients' homes via home-based and virtual care (i.e. via telephone, remote monitoring or telehealth). Through increased home-based funding we aim to

prevent hospital admissions where we can, or substitute inpatient beds within the hospital for inpatient beds at home where possible.

At Dhelkaya Health we initially focused our planning on increasing admissions to our Hospital In the Home (HITH) program. HITH provides admitted care for patients within their own home and we know from research that care within the home has considerable advantages such as a more restful environment and greater independence. We will continue to grow this service with further Better@Home funding to support us in the coming year.

We have also employed a Better@Home Project Manager for six months to research, plan and implement new models of care for other home-based services, and we are represented on the Loddon Mallee Better@Home Steering Committee and Working Groups. It is an exciting time for growth in '@home' services and we look forward to developing and building our services at Dhelkaya Health.

Maternity Services

Dhelkaya Health's Maternity Services have continued strongly since reopening in 2021. The much-loved service has been warmly embraced by the community, with mothers and families getting the very best start to their new baby's life with our Midwifery Group Practice Model. The Maternity Service celebrated its 1st anniversary in June 2022 with a birthday party that was well-attended by VIPs, health sector partners, committee members, staff and families whose babies had been welcomed into the world through our service. The Maternity Services Consumer Committee which originally convened in 2020 to provide consumer voice and input into the development process for the service model unanimously agreed to disband in 2021 having successfully supported and helped to deliver the newly reopened

service back to the community. The First Nations Advisory Group (FNAG) was similarly convened in 2020 to assist Dhelkaya Health's Maternity Service to provide care that is culturally safe and welcoming for First Nations families. The FNAG continues to meet with representation from senior Dhelkaya Health staff and executive, midwives and First Nations community representatives.

Skill development of midwives and General Practice Obstetricians (GPOs) was enabled through the implementation of two Service Level Agreements (SLA) between Dhelkaya Health and Bendigo Health. The SLAs form the foundation to effective clinical governance, collaborative care and workforce development and supervision. A General and Medical Rural Birthing SLA was developed to support medical supervision and clinical governance. All Dhelkaya Health GPOs are rostered to work in the Bendigo Health maternity service on a monthly basis to maintain skills in managing birth and labour and meet their credentialing requirements. A Midwifery/Nursing SLA enables Dhelkaya Health caseload midwives to attend Bendigo Health to complete Continuity Shifts each fortnight. Women transferred to Bendigo Health have continuity of care from their Dhelkaya Health midwife.

Expanding community health

The amalgamation has enabled Dhelkaya Health to expand its community health services outside of Castlemaine where they have traditionally been located. The first community health services to be made available from Maldon are diabetes education, alcohol and other drugs (AOD) counselling and child mental health counselling services. Podiatry services, which have previously been available in Maldon Hospital, are being expanded. The services are available from the consulting rooms adjacent to the GP

Our Strategic Priorities

consulting rooms at Maldon Hospital. Improved local access to services were one of the named benefits of the amalgamation, so we are delighted to have been able to make the services available so swiftly. We plan to continue assessing local demand and look forward to expanding community health services at the Maldon campus over time.

Community health services previously located at Mostyn Street in Castlemaine have now moved to Spencely House in Cornish Street. The relocation was carefully managed so that clients did not experience any changes to the services they received nor to the staff and volunteers delivering their care. The programs and groups held in community locations have continued as they were. For those clients with needs who make it difficult to access or use services at Cornish Street, help with transport and other personalised arrangements were offered in one-on-one discussions to help ensure a smooth transition.

As part of the move a new Community Health Information Hub was established at Castlemaine Community House, 30 Templeton Street. Community health staff are available from that location to offer information and support. The Information Hub is a walk-in service, so no appointment needed to visit. The Information Hub ensures that community health remains accessible to all who need it.

Residential aged care

The focus on residential aged care has continued with the careful management of visitor policy and staff wellbeing to help protect residents from COVID-19. Visitor policy has slowly relaxed over time in response to the changing risk environment and residents at Castlemaine and Maldon are once again enjoying largely restriction-free visiting arrangements, however masks remain mandatory for visitors to aged care.

In June 2022 we welcomed a small group to Maldon Hospital to officially open the Mountview Sensory Garden and Jessie Bowe Garden Room. The Ceremony began in the Sensory Garden with a Welcome to Country from Aunty Kerri followed by opening speeches, and concluded in the Jessie Bowe Garden Room. The event was catered by local Indigenous catering group Murnong Mmmas.

The opening of the Sensory Garden was a wonderful achievement some years in the making. The main garden beds were carefully designed to be set at waist height to enable residents to interact with the plantings. Walking paths are clear and flat to ensure residents can independently make their way to and around the garden. The garden also incorporates a number of quirky and playful aesthetic features. With the plantings now in place, residents enjoy walking around the central garden bed. They sit to enjoy hearing the water falling in the water tank feature. They hear the sounds of insects and birds, smell the aromatic plants, watch the various patterns of foliage from different plants, and feel the textures of leaves.

The Jessie Bowe Garden Room offers residents and their families a modern indoor space for special events and gatherings. The room is equipped with tea and coffee making facilities and other facilities to help families feel at home. The room doubles as an event space for staff so has a multi-purpose functionality that has already proved extremely valuable for staff events.

Engaging with our vulnerable communities

Community Programs continued to deliver services in alignment with COVID-19 restrictions and with consideration for the wellbeing of our clients and community.

These activities included:

- delivering individual and group rehabilitation programs via telehealth
- maintaining regular phone follow-up and welfare checks with vulnerable clients and carers in between face-to-face sessions
- keeping up contact with social support clients by phone or video calls and through regular newsletters and opportunities for online gatherings
- providing 1:1 support and education to social support clients/carers to improve their confidence and capability for telehealth.

More broadly, our team worked closely with other service providers such as Mount Alexander Shire Council to support clients to access our services. We continue to maintain formal membership in a range of local networks aimed at fostering connection and engagement with vulnerable and hard-to-reach people. These include the Mount Alexander Community Activation and Social Inclusion Network, the Mount Alexander Shire Disability Advocacy Emergency Response Working Group, the Mount Alexander Community Connectors and the Primary Care Partnership Community Resilience group.

Gender Equality

The *Gender Equality Act 2020* is intended to improve workplace gender equality in the Victorian public sector. Dhelkaya Health is not required to report on workplace gender data until 30 June 2023. Dhelkaya Health is on track to collect and report on data associated with the seven workplace gender equality indicators: gender pay equity; gender composition at all levels of the workforce; gender composition of governing bodies; workplace sexual harassment; recruitment and promotion; gendered work segregation; leave and flexibility.

Partnerships with our Aboriginal Communities

Dhelkaya Health has close and trusting relationships with the Aboriginal community. In June 2022 we were delighted to welcome Traditional Owners Aunty Kerri Douglas and Uncle Rick Nelson to Dhelkaya Health's Castlemaine campus to perform a Welcome to Country for our staff. The moving and intimate smoking ceremony was for staff only and we were incredibly grateful to experience this very special event together on our premises.

An Aboriginal community member is invited to attend Board meetings twice a year to give the Board an opportunity to actively listen, ask questions, discuss health concerns and talk together about the Cultural Safety implementation Plan. Dhelkaya Health's First Nations Advisory Group (FNAG) consists of six Aboriginal people and is overseen by a Traditional Owner.

Dhelkaya Health is a member of Nalderun, a service that supports the Aboriginal Community, led by Aboriginal people. Our CEO and Aboriginal Liaison Officer (ALO) attends the quarterly Indigenous Round Table meetings run by the shire council and works closely with the Aboriginal community to identify health issues and directly with clients helping with referrals. This has increased the use of some services which are closely monitored with the intention of improving care for Aboriginal patients.

Dhelkaya Health has actively assisted the Aboriginal community to support access to COVID-19 vaccinations by working directly with community members, arranging appointments and offering transport. This has been very successful as some members have been very reluctant to seek appointments, some needed more information and, in some cases, required transport.

Our Strategic Priorities

Aboriginal and Torres Strait Islander Cultural Safety Framework reporting

Cultural safety domains	Key actions	Deliverable
1. CEO and executive leadership	Delivery of training to managers and executive staff, which includes Aboriginal perspectives in planning and content of service delivery.	An Aboriginal Leader/community member invited to attend Board meetings. Training delivered by an Aboriginal leader in collaboration with Dhelkaya Health to address specific needs.
2. Employment of Aboriginal hospital liaison/ Aboriginal health staffing	Aboriginal Employment Plan being revised and developed. Partnership with LaTrobe and Weenthunga Health Network continuing.	School placements and monitoring Aboriginal placements within Dhelkaya Health.
3. Engagement and partnership	Attending meetings of Nalderun and the Indigenous Round Table (Shire Council). Further develop the partnership with Bendigo District Aboriginal Cooperative. Develop stronger workforce plan. All Aboriginal cultural days have a strong presence.	Aboriginal staff are given and included in engagement opportunities. Partnerships are further developed in Bendigo. Aboriginal members of the community are invited to Dhelkaya Health to further partnerships.
4. Identifying health needs of Aboriginal and/or Torres Strait Islander population and plans	Surveys continue in consultation with the Aboriginal community. An Aboriginal person invited to be part of consumer committees. FNAG continuing.	Aboriginal involvement and structures developed to progress implementation of needs of the community.
5. Cultural safety training	Delivery of training over 12 months. Work closely with Aboriginal educators to ensure best practice. E-learning module developed and being implemented for all staff. Module 1 is Cultural Awareness and Safety. Module 2 is Aboriginal Employment.	Second series of Weenthunga training underway. Modules are now complete and local content has been added in. Dhelkaya Health has worked with Aunty Kerri Douglas and Aunty Julie McHale on videos to complete the modules.
6. Creating a welcoming environment	Aboriginal artworks purchased and on display in welcoming areas.	Dhelkaya Health takes advice and leadership from Traditional Owner group.
7. Identification of Aboriginal and/or Torres Strait Islander patients	Delivery of Ask the Question Training. Including Aboriginal staff in training.	Ongoing training conducted by a local Elder.
8. Accountability, monitoring and reporting	Report to the Board. Monthly Reports. Working with the Education Department at Dhelkaya Health. Report monthly to Indigenous Round Table.	Provide monthly reports. Structures in place for joint decisions seeking advice between the local Aboriginal community and Dhelkaya Health.

Part B: Key 2021-22 Performance Priorities

High quality and safe care		
Key Performance Measure*	Target	Deliverable
Infection Prevention and Control		
Compliance with the Hand Hygiene Australia program	85%	90%
Percentage of healthcare workers immunised for influenza	92%	77%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experiences responses	95%	98%
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤1.4%	0.0
Rate of severe fetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤28.6%	Not applicable

* Reporting period is 1 March 2022 to 30 June 2022. Not applicable data is data which was finalised prior to the formation of Dhelkaya Health.

Strong governance, leadership and culture		
Key Performance Measure	Target	Deliverable
Organisational Culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey question	62%	72%

Effective financial management		
Key Performance Indicator*	Target	Deliverable
Finance		
Operating result (\$m)	\$0.00	1.603
Average number of days to pay trade creditors	60 days	27 days
Average number of days to receive patient fee debtors	60 days	41 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.93
Actual number of days available cash, measured on the last day of each month	14 days	179 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤250,000	110,000

* Reporting period is 1 March 2022 to 30 June 2022.

Our Strategic Priorities

Part C: State Funding

Dhelkaya Health's funding summary for 2021-22		
Funding Type	Activity	Budget (\$'000)
Consolidated Activity Funding		
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	5,494	27,252
Acute Admitted		
National Bowel Cancer Screening Program NWAU	14	73
Acute admitted DVA	21	117
Other Admitted		1,373
Acute Non-Admitted		
Specialist Clinics – DVA		2
Subacute/Non-Acute, Admitted and Non-admitted		
Palliative Care Non-Admitted		507
Subacute WIES - DVA	75	420
Health Independence Program – DVA		55
Aged Care		
Residential Aged Care	55,324	2,832
HACC	2,471	206
Small Rural		
Small Rural Acute	0	2,097
Small Rural Primary Health & HACC	275	22
Small Rural Residential Care	10,125	560
Other specified funding		156
Other		
Health Workforce		483
Other specified funding		2,475
Total Funding		38,629

Part D: Commonwealth Funding Contribution

Commonwealth contribution for period 1 July 2021 to 30 June 2022			
Funding Type	Number of Services (NWAU)	Victorian Average Price per NWAU	Funding Allocated (\$)
ABF Allocation			
Emergency Department	333	3,337	1,506,731
Acute Admitted	2,790	5,550	19,084,189
Sub-Acute	1,070	4,187	4,246,203
Non-Admitted	1,062	3,927	4,530,619
Total ABF Allocation	5,255		29,367,742
Block Allocation			
Teaching, Training and Research			482,601
Small and Rural Hospitals			2,234,241
Total Block Allocation			2,716,842
Grand Total Funding Allocation			32,084,583

Our Finances

Financial Information	
	2022 \$000
Operating Result*	\$1,603
Total revenue	26,375
Total expenses	26,585
Net result from transactions	(210)
Total other economic flows	245
Net result	35
Total assets	114,271
Total liabilities	49,349
Net assets/Total equity	64,922

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

Reconciliation of Net Result from Transactions and Operating Result	
	2022 (\$000)
Net operating result*	1,603
Capital purpose income	473
Specific income	0
COVID 19 State Supply Arrangements	
• Assets received free of charge or for nil consideration under the State Supply	191
State supply items consumed up to 30 June 2022	(293)
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	0
Depreciation and amortisation	(2,172)
Impairment of non-financial assets	0
Finance costs (other)	(12)
Net result from transactions	(210)

Significant Changes in Financial Position

Dhelkaya Health was established on 1 March 2022. There is no comparative financial information as the new entity was established during the financial year.

Operational and Budgetary Objectives and Factors Affecting Performance

The 2021-22 financial year has seen a transmission of business resulting in the amalgamation of Castlemaine Health and Castlemaine District Community Health which took effect on 1 October 2021. Subsequent to this Castlemaine Health and Maldon Hospital undertook a voluntary amalgamation resulting in the

establishment of the new legal entity of Dhelkaya Health on 1 March 2022.

The COVID-19 pandemic has resulted in a significant impact on the capacity of Dhelkaya Health to sustain business as usual processes and achieve operational and budgetary objectives. This together with the significant change arising from the amalgamations are factors that have affected organisational performance.

Events Subsequent to Balance Date

There are no events subsequent to Balance Sheet date.

Consultancies

Details of consultancies (under \$10,000)

From 1 March 2022 to 30 June 2022 there were three consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during this period in relation to these consultancies is \$9,344 (excl. GST).

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

From 1 March 2022 to 30 June 2022 there was one consultancy where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during this period in relation to these consultancies was \$38,000 (excl. GST).

Details of individual consultancies can be viewed at www.castlemainehealth.org.au.

Consultant	Purpose of Consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2021-22 (excluding GST)	Future Expenditure (excluding GST)
Workwell Consulting Pty Ltd	Dhelkaya Health Strategic Plan Development	June 22	June 23	\$76,000	\$38,000	\$38,000

Information and Communication Technology (ICT) Expenditure			
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)
\$827,825	\$59,932	0	\$59,932

Our Statutory Compliance

Attestations

Financial Management Compliance Attestation Statement

I, Vanessa Healy, on behalf of the Responsible Body, certify that Dhelkaya Health has the following Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions:

- Direction 4.2.3 Asset Management Accountability
- Historical non-compliance and ageing infrastructure have hampered compliance efforts
- Remedial action will be performed to support compliance by 30 June 2024.



**Vanessa Healy, Responsible Officer
Dhelkaya Health, 19 December 2022**

Data Integrity Declaration

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

Conflict of Interest

I, Sue Race, certify that Dhelkaya 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 Dhelkaya Health and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive Board meeting.

Integrity, fraud and corruption

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



**Sue Race, Accountable Officer
Dhelkaya Health, 19 December 2022**

Disclosures

Building Act 1993

All building works have been undertaken in accordance with the Department of Health Guidelines and comply with the *Building Act 1993* and the *Building Code of Australia 1996*. In order to ensure buildings are maintained in a safe and functional condition, ongoing maintenance programs are in place. In addition, Dhelkaya Health complies substantially with the Department of Health Fire Risk Management Guidelines.

Carers Recognition Act 2012

The *Carers Recognition Act 2012* recognises, promotes and values the role of carers. Dhelkaya Health understands the different needs of carers and the value they provide to the community. Dhelkaya Health takes practical measures to ensure that our staff have an awareness and understanding of the care relationship principles and this is reflected in our commitment to a model of patient- and family-centred care and to involving carers in the development and delivery of our services. Dhelkaya Health was not required to make any disclosures during the reporting period

Environmental Performance

Dhelkaya Health is committed to improving the way we manage our energy, materials and waste for a sustainable and thriving future. As a health service, we have a responsibility to contribute to a sustainable environment through planned and well managed policies and actions.

Freedom of Information Act 1982

All applications were processed in accordance with the provision of the *Freedom of Information Act 1982*, which provides a legally enforceable right of access of information held by Government agencies. Dhelkaya Health provides a report on these requests to the Department of Justice. Freedom of Information requests can be submitted in writing to the Chief Executive Officer, Dhelkaya Health, PO Box 50, Castlemaine, 3450.

Application forms are available at www.castlemainehealth.org.au or by phoning 5471 3555. Application charges and fees apply. In the period 1 March 2022 to 30 June 2022 four applications were received under Freedom of Information. These requests were all valid. All were processed within the required timeframes. More information about Freedom of Information can be found at www.foi.vic.gov.au.

Gender Equality Act 2020

The *Gender Equality Act 2020* (the Act) commenced on 31 March 2021 and is intended to improve workplace gender equality in the Victorian public sector. As a defined entity under the Act, Dhelkaya Health has an ongoing obligation to take positive action towards achieving workplace gender equality.

Local Jobs Act 2003

In 2021-22 there were no contracts requiring disclosure under the Local Jobs First Policy. Dhelkaya Health complies with the intent of the *Victorian Industry Participation Policy Act 2003* and has no requirements of disclosures for the 2021-22 financial year. The Act requires, wherever possible, local industry participation in supplies, taking into consideration the principle of value for money and transparent tendering processes.

National Competition Policy

In accordance with the Competition Principles Agreement, Victoria is obliged to apply competitive neutrality policy and principles to all significant business activities undertaken by government agencies and local authorities. Dhelkaya Health continues to comply with the National Competition Policy. The Victorian Government's competitive neutrality pricing principles for all relevant business activities have also been applied by Dhelkaya Health.

Public Interest Disclosure Act 2012

This Act enables people to make disclosures about improper conduct within the public sector without fear of reprisal. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do. The procedures established by Dhelkaya Health under Part 9 are available in the Public Interest Disclosure Policy. There were no disclosures notified to the IBAC under section 21(2) in 2021-22.

Safe Patient Care Act 2015

The *Safe Patient Care Act 2015* aims to ensure quality care and better patient outcomes. The purposes of the Act are to provide for requirements that the operators of certain publicly-funded health facilities staff certain wards with a minimum number of nurses and midwives and the reporting of compliance with and enforcement of those requirements. Dhelkaya Health understands the nurse to patient and midwife to patient ratios applicable to our organisation and takes practical measures to ensure that our service is staffed in accordance with the Act. Despite the agency's best endeavours there were a number of instances during this period that staffing shortages resulting from the COVID pandemic compromised Dhelkaya Health's obligations under section 40 of the *Safe Patient Care Act 2015*.

Our Statutory Compliance

Additional information available on request

The items listed below have been retained by Dhelkaya Health and are available to the relevant Ministers, Members of Parliament and the public on request (subject to freedom of information requirements, if applicable):

- declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by senior officers as nominee or held beneficially
- details of publications produced by Dhelkaya Health about itself, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by Dhelkaya Health
- details of major external reviews carried out on Dhelkaya Health
- details of major research and development activities undertaken by Dhelkaya Health that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken to develop community awareness of Dhelkaya Health and its services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within Dhelkaya Health and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations
- a list of major committees sponsored by Dhelkaya Health, the purposes of each committee and the extent to which those purposes have been achieved
- details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

The annual report of Dhelkaya 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
Ministerial Directions Report of Operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	6
FRD 22	Purpose, functions, power and duties	6
FRD 22	Nature and range of services provided	6
FRD 22	Activities, programs and achievements for the reporting period	11-21
FRD 22	Significant changes in key initiatives and expectations for the future	26
Management and structure		
FRD 22	Organisational structure	10
FRD 22	Workforce data/employment and conduct principles	11
FRD 22	Occupational Health and Safety	12-13
Financial information		
FRD 22	Summary of the financial results for the year	22
FRD 22	Significant changes in financial position during the year	26
FRD 22	Operational and budgetary objectives and performance against objectives	26
FRD 22	Subsequent events	26
FRD 22	Details of consultancies under \$10,000	26
FRD 22	Details of consultancies over \$10,000	26
FRD 22	Disclosure of ICT expenditure	26
Legislation		
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	28
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	28
FRD 22	Application and operation of <i>Public Interest Disclosure Act (Updated 2020-2021)</i>	28
FRD 22	Statement on National Competition Policy	28
FRD 22	Application and operation of <i>Carers Recognition Act 2012</i>	28
FRD 22	Summary of the entity's environmental performance	16
FRD 22	Additional information available on request	29
Other relevant reporting directives		
FRD 25D	<i>Local Jobs First Act 2003</i> disclosures	28
SD 5.1.4	Financial Management Compliance attestation	27
SD 5.2.3	Declaration in report of operations	5
Attestations		
	Attestation on Data Integrity	27
	Attestation on managing Conflicts of Interest	27
	Attestation on Integrity, fraud and corruption	27
Other reporting requirements		
	Reporting of outcomes from Statement of Priorities 2021-22	20-25
	Occupational violence reporting	13
	<i>Gender Equality Act 2020</i>	28
	Reporting obligations under the <i>Safe Patient Care Act 2015</i>	28

Independent Auditor's Report

To the Board of Dhelkaya Health

Opinion	<p>I have audited the financial report of Dhelkaya Health (the health service) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2022• comprehensive operating statement for the period 1 March 2022 to 30 June 2022• statement of changes in equity for the period 1 March 2022 to 30 June 2022• cash flow statement for the period 1 March 2022 to 30 June 2022• notes to the financial statements, including significant accounting policies• directors declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2022 and its financial performance and cash flows for the period 1 March 2022 to 30 June 2022 in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation 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
18 January 2023

Board Member's, Accountable Officer's, and Chief Finance & Accounting Officer's Declarations

Dhelkaya Health Financial Statements For the period 1 March 2022 to 30 June 2022

Board member's, accountable officer's, and chief finance & accounting officer's declaration

The attached financial statements for Dhelkaya 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 period 1 March 2022 to 30 June 2022 and the financial position of Dhelkaya Health at 30 June 2022.

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 19th December 2022.

Board Member



Vanessa Healy

Chair

Castlemaine
19/12/2022

Accountable Officer



Sue Race

Chief Executive Officer

Castlemaine
19/12/2022

Chief Finance & Accounting Officer



Jason Stevens

Chief Finance and Accounting Officer

Castlemaine
19/12/2022

Dhelkaya Health
Comprehensive Operating Statement
For the period 1 March 2022 to 30 June 2022

	Note	Total 2022 \$'000
Revenue and income from transactions		
Operating activities	2.1	26,318
Non-operating activities	2.1	57
Total revenue and income from transactions		26,375
Expenses from transactions		
Employee expenses	3.1	(18,991)
Supplies and consumables	3.1	(2,032)
Finance costs	3.1	(18)
Depreciation	3.1	(2,172)
Other administrative expenses	3.1	(2,301)
Other operating expenses	3.1	(1,042)
Other non-operating expenses	3.1	(29)
Total Expenses from transactions		(26,585)
Net result from transactions - net operating balance		(210)
Other economic flows included in net result		
Net gain/(loss) on sale of non-financial assets	3.2	13
Net gain/(loss) on financial instruments	3.2	13
Other gain/(loss) from other economic flows	3.2	219
Total other economic flows included in net result		245
Net result for the period		35
Other comprehensive income		
Items that will not be reclassified to net result		
Changes in property, plant and equipment revaluation surplus	4.4	2,186
Comprehensive result for the period		2,221

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

Financial Statements

Dhelkaya Health Balance Sheet As at 30 June 2022

	Note	Total 2022 \$'000
Current assets		
Cash and cash equivalents	6.2	37,387
Receivables and contract assets	5.1	949
Inventories	4.6	206
Investments and other financial assets	4.1	1,725
Prepaid expenses		297
Total current assets		40,564
Non-current assets		
Receivables and contract assets	5.1	3,145
Property, plant and equipment	4.2 (a)	69,892
Right of use assets	4.3 (b)	670
Total non-current assets		73,707
Total assets		114,271
Current liabilities		
Payables and contract liabilities	5.2	6,964
Borrowings	6.1	221
Employee benefits	3.3	11,304
Other provisions	5.4	130
Other liabilities	5.3	28,834
Total current liabilities		47,453
Non-current liabilities		
Borrowings	6.1	699
Employee benefits	3.3	1,197
Total non-current liabilities		1,896
Total liabilities		49,349
Net assets		64,922
Equity		
Property, plant and equipment revaluation surplus	4.3	2,186
Restricted specific purpose reserve	SCE	2,006
Contributed capital	SCE	60,695
Accumulated deficit	SCE	35
Total equity		64,922

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

Dhelkaya Health

Statement of Changes in Equity

For the period 1 March 2022 to 30 June 2022

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Surplus	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 March 2022	-	-	-	-	-
Net assets transferred on administrative restructure	8.10	2,006	60,695	-	62,701
Net result for the period	-	-	-	35	35
Other comprehensive income for the period	4.4	2,186	-	-	2,186
Balance at 30 June 2022	2,186	2,006	60,695	35	64,922

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

Financial Statements

Dhelkaya Health

Cash Flow Statement

For the period 1 March 2022 to 30 June 2022

	Total 2022 \$'000
Cash Flows from operating activities	
Operating grants from government - State	23,750
Operating grants from government - Commonwealth	3,958
Capital grants from government - State	247
Patient fees received	1,480
Donations and bequests received	15
Interest and investment income received	57
Commercial Income Received	103
Other receipts	2,339
Total receipts	31,949
Employee expenses paid	(16,244)
Payments for supplies and consumables	(605)
Payments for medical indemnity insurance	(197)
Payments for repairs and maintenance	(613)
Finance Costs	(18)
GST paid to ATO	(100)
Cash outflow for leases	(21)
Other payments	(14,858)
Total payments	(32,656)
Net cash flows from operating activities	(707)
	8.1
Cash Flows from investing activities	
Purchase of property, plant and equipment	(261)
Proceeds from disposal of property, plant and equipment	13
Net cash used in investing activities	(248)
Cash flows from financing activities	
Repayment of borrowings	(108)
Receipt of accommodation deposits	2,120
Repayment of accommodation deposits	(3,490)
Administration restructure	39,820
Net cash flows from financing activities	38,342
	8.10
Net increase in cash and cash equivalents held	37,387
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	37,387
	6.2

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

Dhelkaya Health

Notes to the Financial Statements

For the period 1 March 2022 to 30 June 2022

Note 1: Basis of preparation

Structure

1.1 Basis of preparation of the financial statements

1.2 Impact of COVID-19 pandemic

1.3 Abbreviations and terminology used in the financial statements

1.4 Joint arrangements

1.5 Key accounting estimates and judgements

1.6 Accounting standards issued but not yet effective

1.7 Goods and Services Tax (GST)

1.8 Reporting entity

These financial statements represent the audited general purpose financial statements for Dhelkaya Health for the period ended 30 June 2022. The report provides users with information about Dhelkaya 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*.

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.

Dhelkaya Health is a newly formed registered funded agency under the Health Services Act 1988 . It was formed effective 1 March 2022, following the voluntary amalgamation of Castlemaine Health and Maldon Hospital. The amalgamation and formation of the new agency was by an Order in Council under the Health Services Act 1988 , declared in Victoria Government Gazette No. S 94 on 22 February 2022, and is considered an administrative restructure.

Dhelkaya health acquired all the rights, responsibilities, assets, liabilities and equity of the former Castlemaine Health and Maldon Hospital on amalgamation.

Financial Statements

Dhelkaya Health

Notes to the Financial Statements

For the period 1 March 2022 to 30 June 2022

These annual financial statements represent the audited general purpose financial statements for Dhelkaya Health for the period 01 March 2022 to 30 June 2022. The report provides users with information about Dhelkaya Health's stewardship of resources entrusted to it.

Financial information for the former Castlemaine Health and Maldon Hospital service entities for the period 1 July 2021 to 28 February 2022, and position prior to amalgamation date are disclosed in Note 8.11 of the Notes to and forming part of these financial statements. The Balance sheet statements at Note 8.11(a) and 8.11(b) represent the carrying value of the net assets in these entities balance sheet's immediately before the transfer.

The net assets assumed by Dhelkaya Health as a result of the administrative restructure are recognised in the balance sheet at the carrying amount of those assets in the former entities balance sheet statements immediately before transfer. The net asset transfers were treated as a contribution of capital by the State as detailed in Note 8.10.

Dhelkaya Health is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "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 by the former health services.

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 8.9 Economic Dependency).

The financial statements are 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 Dhelkaya Health on 10th November 2022.

Note 1.2 Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. On 2 August 2020 a state of disaster was added with both operating concurrently. The state of disaster in Victoria concluded on 28 October 2020 and the state of emergency concluded on 15 December 2021.

The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the health service at the reporting date. Management recognises it is difficult to reliably estimate with certainty, the potential impact of the pandemic after the reporting date on the health service, its operations, its future results and financial position.

Dhelkaya Health

Notes to the Financial Statements

For the period 1 March 2022 to 30 June 2022

In response to the ongoing COVID-19 pandemic, Dhelkaya Health has:

- introduced restrictions on non-essential visitors
- utilised telehealth services
- deferred elective surgery and reduced activity
- performed COVID-19 testing
- established and operated vaccine clinics
- changed infection control practices
- implemented work from home arrangements where appropriate.

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

- Note 3: The cost of delivering services.

Note 1.3 Abbreviations and terminology used in the financial statements

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

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

Note 1.4 Joint arrangements

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

Dhelkaya Health has the following joint arrangements:

- Loddon Mallee Rural Health Alliance (LMRHA)

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

Note 1.5 Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

Financial Statements

Dhelkaya Health Notes to the Financial Statements For the period 1 March 2022 to 30 June 2022

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

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

Note 1.6 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-6: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-7: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.	Reporting periods on or after 1 January 2023.	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 Dhelkaya Health in future periods.

Dhelkaya Health

Notes to the Financial Statements

For the period 1 March 2022 to 30 June 2022

Note 1.7 Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except 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 or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

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

Note 1.8 Reporting Entity

The financial statements include all activities of Dhelkaya Health.

Its principal address is:
142 Cornish Street
Castlemaine VIC 3450

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

Note 2: Funding delivery of our services

Dhelkaya Health's overall objective is to provide quality health service and to be a leading regional healthcare provider delivering timely, accessible, integrated and responsive services to local community. Dhelkaya Health is predominantly funded by grant funding for the provision of outputs. Dhelkaya 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 period was 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
Identifying performance obligations	<p>Dhelkaya 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.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Dhelkaya Health to recognise revenue as or when the health service transfers promised goods or services to customers.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>Dhelkaya Health applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>
Determining timing of capital grant income recognition	<p>Dhelkaya 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.</p>

Financial Statements

Dhelkaya Health
Notes to the Financial Statements
for the period 1 March 2022 to 30 June 2022

Note 2.1 Revenue and income from transactions

	Note	Total 2022 \$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating		17,593
Government grants (Commonwealth) - Operating		3,958
Patient and resident fees		1,800
Commercial activities ¹		103
Total revenue from contracts with customers	2.1(a)	23,454
Other sources of income		
Government grants (State) - Capital		247
Other capital purpose income		209
Capital donations		15
Assets received free of charge or for nominal consideration	2.2	191
Other revenue from operating activities (including non-capital donations)		2,202
Total other sources of income		2,864
Total revenue and income from operating activities		26,318
Non-operating activities		
Income from other sources		
Capital interest		2
Other interest		55
Total other sources of income		57
Total income from non-operating activities		57
Total revenue and income from transactions		26,375

1. Commercial activities represent business activities which Dhelkaya Health enter into to support their operations.

Dhelkaya Health
Notes to the Financial Statements
for the period 1 March 2022 to 30 June 2022

Note 2.1 Revenue and income from transactions (continued)

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

	Total 2022 \$'000
Dhelkaya Health disaggregates revenue by the timing of revenue recognition.	
Goods and services transferred to customers:	
At a point in time	21,905
Over time	1,549
Total revenue from contracts with customers	23,454

How we recognise revenue and income from transactions

Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with *AASB 1058 - Income for not-for profit entities*.

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for Dhelkaya Health's goods or services. Dhelkaya 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.

Financial Statements

Dhelkaya Health
Notes to the Financial Statements
for the period 1 March 2022 to 30 June 2022

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	<p>NWAU funding commenced 1 July 2021 and supersedes WIES for acute, sub-acute and state-wide services (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services.</p> <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 Residential Aged Care Grants	<p>Funding is provided for the provision of care for aged care residents within facilities at Dhelkaya Health.</p> <p>The performance obligations include provision of residential accommodations and care from nursing staff and personal care workers.</p> <p>Revenue is recognised at the point in time when the service is provided within the residential aged care facility.</p>

Note 2.1 Revenue and income from transactions (continued)

Capital grants

Where Dhelkaya 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 Dhelkaya 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.

Commercial activities

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

Non-cash contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Dhelkaya 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 2.2 Fair value of assets and services received free of charge or for nominal

	Total 2022 \$'000
Personal protective equipment	191
Total fair value of assets and services received free of charge or for nominal consideration	191

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

Personal protective equipment

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

Generally, the State Supply Arrangement stipulates that Health Purchasing Victoria (trading as HealthShare Victoria) sources, secures and agrees terms for the purchase of PPE. The purchases are funded by the Department of Health, while Monash Health takes delivery and distributes an allocation of the products to health services. Dhelkaya Health received these resources free of charge and recognised them as income.

Voluntary Services

Dhelkaya Health receives volunteer services from members of the community in the following areas:

- meals on wheels, community transport, social support groups, residential aged care facility visitors, gardening, advisory groups, auxiliaries and special events.

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

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

Dhelkaya Health
Notes to the Financial Statements
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Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions

3.2 Other economic flows

3.3 Employee benefits in the balance sheet

3.4 Superannuation

Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial period which was partially attributable to the COVID-19 Coronavirus pandemic.

Additional costs were incurred to deliver the following additional services:

- Establish facilities within Dhelkaya Health for the treatment of suspected and admitted COVID-19 patients resulting in an increase in employment costs and additional equipment purchases.
- Implement COVID safe practices throughout Dhelkaya Health, including increased cleaning, increased security and consumption of personal protective equipment.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	<p>Dhelkaya Health applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Dhelkaya 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 Dhelkaya 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>
Measuring employee benefit liabilities	<p>Dhelkaya 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 anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period.</p> <p>All other entitlements are measured at their nominal value.</p>

Dhelkaya Health
Notes to the Financial Statements
for the period 1 March 2022 to 30 June 2022

Note 3.1 Expenses from transactions

	Note	Total 2022 \$'000
Salaries and wages		14,222
On-costs		3,361
Agency expenses		153
Fee for service medical officer expenses		962
Workcover premium		293
Total employee expenses		18,991
Drug supplies		183
Medical and surgical supplies (including Prosthesis)		1,125
Diagnostic and radiology supplies		108
Other supplies and consumables		616
Total supplies and consumables		2,032
Finance costs		18
Total finance costs		18
Other administrative expenses		2,301
Total other administrative expenses		2,301
Fuel, light, power and water		211
Repairs and maintenance		472
Maintenance contracts		141
Medical indemnity insurance		197
Expenses related to leases of low value assets		21
Total other operating expenses		1,042
Total operating expense		24,384
Depreciation	4.5	2,172
Total depreciation and amortisation		2,172
Bad and doubtful debt expense		29
Total other non-operating expenses		29
Total non-operating expense		2,201
Total expenses from transactions		26,585

Note 3.1 Expenses from transactions

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

Supplies and consumable 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.

Finance costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (interest expense is recognised in the period in which it is incurred)
- amortisation of discounts or premiums relating to borrowings
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Other operating expenses

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

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

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

Non-operating expenses

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

Dhelkaya Health
Notes to the Financial Statements
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Note 3.2 Other economic flows included in net result

	Total 2022 \$'000
Net gain/(loss) on disposal of property plant and equipment	13
Total net gain/(loss) on non-financial assets	13
Net gain/(loss) on disposal of financial instruments	13
Total net gain/(loss) on financial instruments	13
Net gain/(loss) arising from revaluation of long service liability	219
Total other gains/(losses) from other economic flows	219
Total gains/(losses) from other economic flows	245

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.

Net gain/(loss) on non-financial assets

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

- net gain/(loss) on disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Note 3.3 Employee benefits in the balance sheet

	Total 2022 \$'000
Current employee benefits and related on-costs	
<i>Accrued days off</i>	
Unconditional and expected to be settled wholly within 12 months ⁱ	89
	89
 <i>Annual leave</i>	
Unconditional and expected to be settled wholly within 12 months ⁱ	3,638
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	589
	4,227
 <i>Long service leave</i>	
Unconditional and expected to be settled wholly within 12 months ⁱ	1,108
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	4,655
	5,763
 <i>Provisions related to employee benefit on-costs</i>	
Unconditional and expected to be settled within 12 months ⁱ	564
Unconditional and expected to be settled after 12 months ⁱⁱ	661
	1,225
 Total current employee benefits and related on-costs	11,304
 Non-current provisions and related on-costs	
Conditional long service leave (i)	1,062
Provisions related to employee benefit on-costs (ii)	135
Total non-current employee benefits and related on-costs	1,197
 Total employee benefits and related on-costs	12,501

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

Dhelkaya Health
Notes to the Financial Statements
for the period 1 March 2022 to 30 June 2022

Note 3.3 (a) Employee benefits and related on-costs

	Total 2022 \$'000
Current employee benefits and related on-costs	
Unconditional accrued days off	89
Unconditional annual leave entitlements	4,741
Unconditional long service leave entitlements	6,474
Total current employee benefits and related on-costs	11,304
Conditional long service leave entitlements	1,197
Total non-current employee benefits and related on-costs	1,197
Total employee benefits and related on-costs	12,501
Attributable to:	
Employee benefits	11,141
Provision for related on-costs	1,360
Total employee benefits and related on-costs	12,501

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

	Total 2022 \$'000
Carrying amount at start of period	-
Administration restructure / additional provisions recognised	1,158
Net gain/(loss) arising from revaluation of long service liability	26
Amounts incurred during the period	176
Carrying amount at end of period	1,360

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 as an expense during the period the services are delivered.

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 recognised in the provision for employee benefits as 'current liabilities' because Dhelkaya Health does not have an unconditional right to defer settlements of these liabilities.

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

- Nominal value – if Dhelkaya Health expects to wholly settle within 12 months or
- Present value – if Dhelkaya 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 the Dhelkaya 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 Dhelkaya Health expects to wholly settle within 12 months or
- Present value – if Dhelkaya Health does not expect to wholly settle within 12 months.

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

Termination benefits

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

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

Defined benefit plans:ⁱ

Aware Super

Defined contribution plans:

Aware Super

Hesta

Other

Total

	Paid contribution for the period	Contribution outstanding at period-end
	Total 2022 \$'000	Total 2022 \$'000
Aware Super	18	-
Aware Super	716	-
Hesta	396	-
Other	337	-
Total	1,467	-

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

How we recognise superannuation

Employees of Dhelkaya 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 Dhelkaya Health to the superannuation plans in respect of the services of current Dhelkaya 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.

Dhelkaya Health does not recognise any unfunded defined benefit liability in respect of the plans because the health service 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 DTF 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 Dhelkaya Health.

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

Defined contribution superannuation plans

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

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

Note 4: Key assets to support service delivery

Dhelkaya 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 Dhelkaya Health to be utilised for delivery of those outputs.

Structure

4.1 Other financial assets

4.2 Property, plant & equipment

4.3 Right-of-use assets

4.4 Revaluation surplus

4.5 Depreciation and amortisation

4.5 Inventories

4.7 Impairment of assets

Telling the COVID-19 story

Assets used to support the delivery of our services during the financial period 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 useful life of property, plant and equipment	Dhelkaya 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	<p>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.</p> <p>Dhelkaya Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
Identifying indicators of impairment	<p>At the end of each year, Dhelkaya 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.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> ▪ If an asset’s value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. <p>Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

Note 4.1 Other financial assets

	Capital Fund	Total
	2022	2022
	\$'000	\$'000
Current		
Term deposits > 3 months	1,725	1,725
Total current financial assets	1,725	1,725
Represented by:		
Monies Held in Trust - Malcolm Archer Bequest	1,725	1,725
Total other financial assets	1,725	1,725

How we recognise investments and other financial assets

Dhelkaya Health's investments and other financial assets are made in accordance with Standing Direction 3.7.2 - Treasury Management, including the Central Banking System.

Dhelkaya Health manages its investments and other financial assets in accordance with an investment policy approved by the Board.

Investments are recognised when Dhelkaya Health enters into a contract to either purchase or sell the investment (i.e. when it becomes a party to the contractual provisions to the investment). Investments are initially measured at fair value, net of transaction costs.

Dhelkaya Health classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset. Term deposits with original maturity dates of three to twelve months are classified as current, whilst term deposits with original maturity dates in excess of 12 months are classified as non-current.

Dhelkaya Health assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

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Note 4.2: Property, plant and equipment

Note 4.2 (a) Gross carrying amount and accumulated depreciation

	Total 2022 \$'000
Land at fair value - Freehold	7,298
Total land at fair value	7,298
Buildings at fair value	73,283
Less accumulated depreciation	(15,812)
Total buildings at fair value	57,471
Total land and buildings	64,769
Plant and equipment at fair value	5,410
Less accumulated depreciation	(3,410)
Total plant and equipment at fair value	2,000
Motor vehicles at fair value	764
Less accumulated depreciation	(599)
Total motor vehicles at fair value	165
Medical equipment at fair value	7,059
Less accumulated depreciation	(4,940)
Total medical equipment at fair value	2,119
Computer equipment at fair value	1,753
Less accumulated depreciation	(1,499)
Total computer equipment at fair value	254
Furniture and fittings at fair value	821
Less accumulated depreciation	(439)
Total furniture and fittings at fair value	382
Total plant, equipment, furniture, fittings and vehicles at fair value	4,920
Work in Progress - Buildings at cost	203
Total Work in Progress - Buildings at cost	203
Total property, plant and equipment	69,892

Note 4.2 (b) Reconciliations of the carrying amounts of each class of asset

	Note	Land \$'000	Buildings \$'000	Building Work in Progress \$'000	Plant & equipment \$'000	Computers & Communication Equipment \$'000	Motor Vehicles \$'000	Medical Equipment \$'000	Furniture & Fittings \$'000	Total \$'000
Transfer on Administrative Restructure	8.10	5,112	59,244	120	2,126	236	180	2,148	407	69,573
Additions / (disposals)		-	5	83	2	68	-	109	(6)	261
Revaluation increments/(decrements)	4.4	2,186	-	-	-	-	-	-	-	2,186
Depreciation	4.5	-	(1,778)	-	(128)	(50)	(15)	(138)	(19)	(2,128)
Balance at 30 June 2022	4.2 (a)	7,298	57,471	203	2,000	254	165	2,119	382	69,892

Note 4.2 (b) Reconciliations of the carrying amounts of each class of asset

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Dhelkaya 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 2019.

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by Dhelkaya 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 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 4.2 (b) Reconciliations of the carrying amounts of each 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, Dhelkaya Health perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

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

An independent valuation of Dhelkaya Health's property was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2022 indicated an overall:

- increase in fair value of land of 43% (\$2.186 million).

As the cumulative movement was less than 10% for buildings since the last revaluation no managerial revaluation adjustment was required as at 30 June 2022.

As the cumulative movement was greater than 40% for land since the last revaluation an interim revaluation adjustment was required as at 30 June 2022.

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.

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Note 4.3 Right-of-use assets

Note 4.3 (a) Gross carrying amount and accumulated depreciation

	Total 2022 \$'000
Right-of-use land at fair value	70
Less accumulated depreciation	(36)
Total right of use land at fair value	34
Total right of use concessionary land	34
Right of use vehicles at fair value	945
Less accumulated depreciation	(309)
Total right of use vehicles at fair value	636
Total right of use vehicles at fair value	636
Total right of use assets	670

Note 4.3 (b) Reconciliations of the carrying amounts by class of asset

	Note	Right-of-use - Land \$'000	Right-of-use - Vehicles \$'000	Total \$'000
Transfer on Administrative Restructure	8.10	38	676	714
Depreciation	4.5	(4)	(40)	(44)
Balance at 30 June 2022	4.3 (a)	34	636	670

How we recognise right-of-use assets

Where Dhelkaya 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. Dhelkaya 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:

Class of right-of-use asset	Lease term
Leased land	6 years
Vehicles	3 years

Initial recognition

When a contract is entered into, Dhelkaya 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
- any initial direct costs incurred and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement

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.

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Notes to the Financial Statements
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Note 4.4 Revaluation surplus

	Note	Total 2022 \$'000
Balance at the beginning of the reporting period		-
Revaluation increment		
- Land	4.2 (b)	2,186
Balance at the end of the Reporting period*		2,186
* Represented by:		
- Land		2,186
		2,186

Note 4.5 Depreciation

	Total 2022 \$'000
Depreciation	
Buildings	1,778
Plant and equipment	128
Motor vehicles	15
Medical equipment	138
Computer equipment	50
Furniture and fittings	19
Total depreciation - property, plant and equipment	2,128
Right-of-use assets	
Right of use - land	4
Right of use - motor vehicles	40
Total depreciation - right-of-use assets	44
Total depreciation	2,172

How we recognise depreciation

All 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.

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

	2022
Buildings	
- Structure shell building fabric	45 to 80 years
- Site engineering services and central plant	30 to 40 years
Central Plant	
- Fit out	20 to 25 years
- Trunk reticulated building system	20 to 25 years
Plant and equipment	
Medical equipment	4 to 10 years
Computers and communication	6 to 10 years
Furniture and fitting	3 to 5 years
Motor vehicles	10 years
	8 years

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

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Note 4.6 Inventories

	Total 2022 \$'000
Medical and surgical consumables at cost	134
Pharmacy supplies at cost	47
General stores at cost	25
Total inventories	206

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 4.7: Impairment of assets

How we recognise impairment

At the end of each reporting period, Dhelkaya 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 Dhelkaya 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, Dhelkaya 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, Dhelkaya Health estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Dhelkaya Health did not record any impairment losses for the period ended 30 June 2022.

Dhelkaya Health
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Note 5: Other assets and liabilities

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

Structure

5.1 Receivables and contract assets

5.2 Payables and contract liabilities

5.3 Other liabilities

5.4 Other provisions

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	Dhelkaya 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 deferred capital grant income	<p>Where Dhelkaya Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed.</p> <p>Dhelkaya Health applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.</p>
Measuring contract liabilities	Dhelkaya 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.

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Dhelkaya Health
Notes to the Financial Statements
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Note 5.1 Receivables and contract assets

	Total 2022 \$'000
Notes	\$'000
Current receivables and contract assets	
Contractual	
Inter hospital debtors	198
Trade receivables	215
Patient fees	291
Provision for impairment - Patient Fees	(77)
Provision for impairment - Trade Debtors	(28)
Accrued revenue	130
Amounts receivable from governments and agencies	120
Total contractual receivables	849
Statutory	
GST receivable	100
Total statutory receivables	100
Total current receivables and contract assets	949
Non-current receivables and contract assets	
Contractual	
Long service leave - Department of Health	3,145
Total contractual receivables	3,145
Total non-current receivables and contract assets	3,145
Total receivables and contract assets	4,094
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a))</i>	
Total receivables and contract assets	4,094
Provision for impairment	105
GST receivable	(100)
Total financial assets	7.1(a) 4,099

As at 30 June 2022, Dhelkaya Health has contract assets of \$0.95 million which is net of an allowance for expected credit losses of \$0.10 million. This is included in the contractual revenue balances presented above.

Dhelkaya Health
Notes to the Financial Statements
for the period 1 March 2022 to 30 June 2022

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

	Total 2022 \$'000
Balance at the beginning of the period	-
Transfer on administrative restructure	346
Reversal of allowance written off during the period as uncollectable	(241)
Balance at the end of the period	105

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 they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. 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*.

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

Impairment losses of contractual receivables

Refer to Note 7.2 (a) for Dhelkaya Health's contractual impairment losses.

Note 5.2 Payables and contract liabilities

	Note	Total 2022 \$'000
Current payables and contract liabilities		
Contractual		
Trade creditors		78
Accrued salaries and wages		2,007
Accrued expenses		739
Deferred capital grant income	5.2(a)	2,506
Inter hospital creditors		3
Amounts payable to governments and agencies		1,618
Total contractual payables		6,951
Statutory		
GST Payable		13
Total statutory payables		13
Total current payables and contract liabilities		6,964
Total payables and contract liabilities		6,964
<i>(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))</i>		
Total payables and contract liabilities		6,964
Deferred capital grant income		(2,506)
GST Payable		(13)
Total financial liabilities	7.1(a)	4,445

How we recognise payables and contract liabilities

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 the Dhelkaya Health prior to the end of the financial year that are unpaid.
- **Statutory payables** comprises 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.

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Note 5.2 (a) Deferred capital grant income

	Total 2022 \$'000
Opening balance of deferred grant income	-
Transfer on administrative restructure	1,906
Grant consideration for capital works received during the period	600
Closing balance of deferred grant income	2,506

How we recognise deferred capital grant revenue

Grant consideration was received from Department of Health Victoria to support the upgrades in order to achieve "Significant Refurbishment Status" from the Commonwealth Government - \$1.96M. The remaining funds are spread across 6 Department of Health Victoria funded projects. Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when Dhelkaya Health Service satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Dhelkaya Health has deferred recognition of a portion of the grant consideration received

Dhelkaya Health expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2023.

Note 5.3 Other liabilities

	Notes	Total 2022 \$'000
Current monies held in trust		
Patient monies		342
Refundable accommodation deposits		28,492
Total current monies held in trust		28,834
Total other liabilities		28,834
 * Represented by:		
- Cash assets	6.2	28,834

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

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

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Note 5.4 Other Provisions

	Total 2021 \$'000
Current other provisions	
Make-good provision	130
Total other current provisions	130
Balance at the beginning of the period	-
Transfer on administrative restructure	130
Total other provisions	130

How we recognise other provisions

Other provisions are recognised when Dhelkaya Health has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the estimated economic benefits to be received.

Make good provisions are recognised when Dhelkaya Health has contractual obligations to remove leasehold improvements from leased properties and restore the leased premises to their original condition at the end of the lease term. The related expenses of making good such properties are included in the measurement of the right-of-use asset.

Note 6: How we finance our operations

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	<p>Dhelkaya 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"> ▪ has the right-to-use an identified asset ▪ has the right to obtain substantially all economic benefits from the use of the leased asset and ▪ can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	<p>Dhelkaya 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>Dhelkaya 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, Dhelkaya 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>
Assessing the lease term	<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 Dhelkaya Health is reasonably certain to exercise such options.</p> <p>Dhelkaya 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"> ▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Note	Total 2022 \$'000
Current borrowings		
Lease liability - Land ⁽ⁱ⁾	6.1 (a)	12
Lease liability - Vehicles ⁽ⁱ⁾	6.1 (a)	144
Advances from government (ii)		65
Total current borrowings		221
Non-current borrowings		
Lease liability - Land ⁽ⁱ⁾	6.1 (a)	24
Lease liability - Vehicles ⁽ⁱ⁾	6.1 (a)	495
Advances from government (ii)		180
Total non-current borrowings		699
Total borrowings		920

ⁱ Secured by the assets leased.

ⁱⁱ These are arranged in a manner to fund solar panels for a loan term of 5 years which bears no interest.

How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly raised from VicFleet vehicle lease liabilities and other non interest-bearing arrangements with the Department of Health Victoria and the lease from a private landowner of land for car parking.

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Dhelkaya Health has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

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Note 6.1 (a) Lease liabilities

Dhelkaya Health's lease liabilities are summarised below:

	Total 2022 \$'000
Total undiscounted lease liabilities	696
Less unexpired finance expenses	(21)
Net lease liabilities	675

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

	Total 2022 \$'000
Not longer than one year	156
Longer than one year but not longer than five years	540
Minimum future lease liability	696
Less unexpired finance expenses	(21)
Present value of lease liability	675
* Represented by:	
- Current liabilities	156
- Non-current liabilities	519
	675

How we recognise lease liabilities

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

To apply this definition, Dhelkaya 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 Dhelkaya Health and for which the supplier does not have substantive substitution rights
- Dhelkaya 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 Dhelkaya Health has the right to direct the use of the identified asset throughout the period of use and
- Dhelkaya Health has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Dhelkaya Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased land	6 years
Leased vehicles	3 years

Note 6.1 (a) Lease liabilities (continued)

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

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

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 Dhelkaya Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 2% to 5%.

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.

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).

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.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$Nil.

Subsequent measurement

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

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

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Note 6.2 Cash and Cash Equivalents

	Total 2022 \$'000
Cash on hand (excluding monies held in trust)	5
Cash at bank (excluding monies held in trust)	6,724
Cash at bank - CBS (excluding monies held in trust)	1,824
Total cash held for operations	8,553
Cash at bank - CBS (monies held in trust)	28,834
Total cash held as monies in trust	28,834
Total cash and cash equivalents	7.1 (a) 37,387

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. The cash flow statement includes monies held in trust.

Note 6.3 Commitments for expenditure

	Total 2022 \$'000
Capital expenditure commitments	
Less than one year	621
Total capital expenditure commitments	621
Non-cancellable short term and low value lease commitments	
Less than one year	100
Longer than one year but not longer than five years	61
Total non-cancellable short term and low value lease commitments	161
Total commitments for expenditure (exclusive of GST)	782
Less GST recoverable from Australian Tax Office	(71)
Total commitments for expenditure (exclusive of GST)	711

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

How we disclose our commitments

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

Expenditure commitments

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

Short term and low value leases

Dhelkaya 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

Dhelkaya 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	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Dhelkaya 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>

Key judgements and estimates (continued)

Key judgements and estimates	Description
Measuring fair value of non-financial assets (continued)	<p>Dhelkaya Health uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> ▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Dhelkaya Health's [specialised land, non-specialised land, non-specialised buildings, investment properties and cultural assets] are measured using this approach. ▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Dhelkaya Health's [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach. <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Dhelkaya Health does not categorise any fair values within this level. ▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Dhelkaya Health categorises non-specialised land and right-of-use concessionary land in this level. ▪ Level 3, where inputs are unobservable. Dhelkaya 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.

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 Dhelkaya 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

Total		Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
30 June 2022	Note	\$'000	\$'000	\$'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	37,387	-	37,387
Receivables and contract assets	5.1	4,099	-	4,099
Total Financial Assetsⁱ		41,486	-	41,486
Financial Liabilities				
Payables	5.2	-	4,445	4,445
Borrowings	6.1	-	920	920
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	28,492	28,492
Other Financial Liabilities - Other monies held in trust	5.3	-	342	342
Total Financial Liabilitiesⁱ		-	34,199	34,199

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

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

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when Dhelkaya Health becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Dhelkaya 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.

Financial assets at amortised cost

Financial assets are measured at amortised cost 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 Dhelkaya Health solely 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 are subsequently measured at amortised cost using the effective interest method less any impairment.

Dhelkaya Health recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities are recognised when Dhelkaya 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.

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

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

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.

Dhelkaya Health recognises the following liabilities in this category:

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

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, Dhelkaya 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 Dhelkaya 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.

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired or
- Dhelkaya 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
- Dhelkaya Health has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where Dhelkaya Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Dhelkaya 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 between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Dhelkaya 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, Dhelkaya 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.

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

Dhelkaya 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.

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. Dhelkaya Health's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Dhelkaya Health. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Dhelkaya 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 associated with patient and other debtors.

In addition, Dhelkaya 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, Dhelkaya 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 Dhelkaya 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 Dhelkaya Health's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Dhelkaya Health's credit risk profile in 2021-22.

Note 7.2 (a) Credit risk (continued)

Impairment of financial assets under AASB 9

Dhelkaya Health records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes the health service'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.

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

Dhelkaya 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. Dhelkaya Health has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Dhelkaya Health's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

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

Note 7.2 (a) Contractual receivables at amortised cost

			Current	30 Days	60 Days	90 Days	180 Days	365 + Days	Total
30 June 2022									
Expected loss rate			0.0%	5.0%	15.0%	30.0%	50.0%	100.0%	
Gross carrying amount of contractual receivables	\$000	5.1	625	49	44	112	123	1	954
Loss allowance			-	(2)	(7)	(34)	(62)	(1)	(105)

Note 7.2 (a) Contractual receivables at amortised cost

Statutory receivables and debt investments at amortised cost

Dhelkaya 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.

Dhelkaya Health also has investments in term deposits.

Both the statutory receivables and investments in term deposits 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.

Note 7.2 (b) Liquidity risk

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

Dhelkaya 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.

Dhelkaya 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.

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

Note 7.2 (b) Payables and borrowings maturity analysis

	Note	Maturity Dates						
		Carrying Amount \$'000	Nominal Amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	Over 5 years \$'000
Total								
30 June 2022								
Payables	5.2	4,445	4,445	2,929	-	1,516	-	-
Borrowings	6.1	920	-	13	39	169	699	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	28,492	28,492	1,425	2,849	12,821	9,972	1,425
Other Financial Liabilities - Patient monies held in trust	5.3	342	342	17	34	154	120	17
Total Financial Liabilities		34,199	33,279	4,384	2,922	14,660	10,791	1,442

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

ⁱⁱ Ageing of Refundable Accommodation Deposits are based upon historical redemption rates.

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Note 7.2 (c) Market risk

Dhelkaya Health's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

Dhelkaya Health's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Dhelkaya 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% to 2.5% up.

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. Dhelkaya 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. Dhelkaya Health has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

Note 7.3: Contingent assets and contingent liabilities

At the date of this report, 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:

- 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.

Dhelkaya 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.

Dhelkaya 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 Dhelkaya Health's independent valuation agency for property, plant and equipment.

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

	Note	Total carrying amount 30 June 2022 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		1,086	-	1,086	-
Specialised land		6,212	-	-	6,212
Total land at fair value	4.2 (a)	7,298	-	1,086	6,212
Non-specialised buildings		602	-	602	-
Specialised buildings		56,869	-	-	56,869
Total buildings at fair value	4.2 (a)	57,471	-	602	56,869
Plant and equipment at fair value	4.2 (a)	2,000	-	-	2,000
Motor vehicles at fair value	4.2 (a)	165	-	-	165
Medical equipment at Fair Value	4.2 (a)	2,119	-	-	2,119
Computer equipment at fair value	4.2 (a)	254	-	-	254
Furniture and fittings at fair value	4.2 (a)	382	-	-	382
Total plant, equipment, furniture, fittings and vehicles at fair value		4,920	-	-	4,920
Right of use assets at fair value - land	4.3 (a)	34	-	-	34
Right of use assets at fair value - vehicles	4.3 (a)	636	-	-	636
Total right-of-use assets at fair value		670	-	-	670
Total property, plant and equipment at fair value		70,359	-	1,688	68,671

ⁱ Classified in accordance with the fair value hierarchy.

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.

In accordance with AASB 13 Fair Value Measurement paragraph 29, Dhelkaya 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 is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

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

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

Vehicles

The Dhelkaya 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 2022

7.4 (b): Reconciliation of level 3 fair value measurement

	Note	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Motor vehicles \$'000	Medical equipment \$'000	Computer equipment \$'000	Furniture & fittings \$'000	Right of use assets \$'000
Total									
Transfer on Administrative Restructure	7.4 (a)	4,162	58,642	2,126	180	2,148	236	407	714
Additions/(Disposals)		-	5	2	-	109	68	(6)	-
- Depreciation		-	(1,778)	(128)	(15)	(138)	(50)	(19)	(44)
Items recognised in other comprehensive income									
- Revaluation		2,050	-	-	-	-	-	-	-
Balance at 30 June 2022	7.4 (a)	6,212	56,869	2,000	165	2,119	254	382	670

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

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised land (Freehold)	Market approach	Community Service Obligations Adjustments ⁽ⁱ⁾
Specialised buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and equipment	Depreciated replacement cost approach	- Cost per unit - Useful life

(i) A community service obligation (CSO) of 30% was applied to the Dhelkaya Health's specialised land.

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 period to net cash flow from operating activities

8.2 Responsible persons disclosure

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Jointly controlled operations

8.8 Equity

8.9 Economic dependency

8.10 Net assets transferred on administrative restructure

8.11 Financial information of Castlemaine Health and Maldon Hospital

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 period to net cash flows from operating activities

	Note	Total 2022 \$'000
Net result for the period		35
Non-cash movements:		
(Gain)/Loss on sale or disposal of non-financial assets	3.2	(13)
Depreciation and amortisation of non-current assets	4.4	2,172
Movement in Allowance for impairment losses	5.1	105
(Gain)/Loss on revaluation of long service leave liability	3.2	219
Discount (interest) / expense on loan	3.2	(13)
Movements in Assets and Liabilities:		
(Increase)/Decrease in receivables and contract assets		1,122
(Increase)/Decrease in inventories		186
(Increase)/Decrease in prepaid expenses		455
Increase/(Decrease) in payables and contract liabilities		(5,736)
Increase/(Decrease) in employee benefits		289
Increase/(Decrease) in other liabilities		472
Net cash inflow from operating activities		(707)

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Note 8.2 Responsible persons

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

	Period
Minister for Health	
The Honourable Martin Foley MP	1 Jul 2021 - 27 Jun 2022
The Honourable Mary-Anne Thomas MP	27 Jun 2022 - 30 Jun 2022
Minister for Ambulance Services	
The Honourable Martin Foley	1 Jul 2021 - 27 Jun 2022
The Honourable Mary-Anne Thomas	27 Jun 2022 - 30 Jun 2022
Minister for Mental Health	
The Honourable James Merlino MP	1 Jul 2021 - 27 Jun 2022
The Honourable Gabrielle Williams MP	27 Jun 2022 - 30 Jun 2022
Minister for Disability, Ageing and Carers	
The Honourable Luke Donnellan MP	1 Jul 2021 - 11 Oct 2021
The Honourable James Merlino MP	11 Oct 2021 - 06 Dec 2021
The Honourable Anthony Carbines MP	06 Dec 2021 - 27 Jun 2022
The Honourable Colin Brooks MP	27 Jun 2022 - 30 Jun 2022
Governing Boards	
Vanessa Healy (Board Chair)	1 Mar 2022 - 30 Jun 2022
Margaret Ronnau	1 Mar 2022 - 30 Jun 2022
Lexi Randall-L'Estrange	1 Mar 2022 - 30 Jun 2022
Shan Welham	1 Mar 2022 - 30 Jun 2022
Jeffrey Rigby	1 Mar 2022 - 30 Jun 2022
Libby Fifis	1 Mar 2022 - 30 Jun 2022
Cindy Schultz-Ferguson	1 Mar 2022 - 30 Jun 2022
Heather Holst	1 Mar 2022 - 30 Jun 2022
James Downing	1 Mar 2022 - 30 Jun 2022
Linda McNeil	1 Mar 2022 - 30 Jun 2022
Margaret Lewis	1 Mar 2022 - 30 Jun 2022
Accountable Officers	
Sue Race (Chief Executive Officer)	1 Mar 2022 - 30 Jun 2022

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Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band	Total 2022 No
\$0,000 - \$9,999	11
\$90,000 - \$99,999	1
Total Numbers	12

Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	Total 2022 \$'000
	111

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

Note 8.3 Remuneration of executives

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

**Remuneration of executive officers
(including Key Management Personnel disclosed in Note 8.4)**

Short-term benefits
Post-employment benefits
Other long-term benefits
Total remunerationⁱ

Total Remuneration	
2022	
\$'000	
	334
	23
	6
	364
<hr/>	
Total number of executives	5
Total annualised employee equivalent ⁱⁱ	4.3

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

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

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

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

Termination Benefits

Termination of employment payments, such as severance packages.

Note 8.4: Related Parties

The Board of Directors and Chief Executive Officer of Dhelkaya Health's are deemed to be KMPs.

KMPs	Position Title
Vanessa Healy	Chair of the Board
Margaret Ronnau	Board Member
Lexi Randall-L'Estrange	Board Member
Shan Welham	Board Member
Jeffrey Rigby	Board Member
Libby Fifis	Board Member
Cindy Schultz-Ferguson	Board Member
Heather Holst	Board Member
James Downing	Board Member
Linda McNeil	Board Member
Margaret Lewis	Board Member
Sue Race	Chief Executive Officer
Jason Stevens	Executive Director Finance, Performance and Infrastructure
Vicky Mellington	Executive Director People, Safety and Experience
Kerryn James	Executive Director Community Services and Wellbeing
Dianne Senior	Executive Director Clinical and Aged Care Services
Peter Sloan	Director Medical Services

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

	Total 2022 \$'000
Compensation - KMPs	
Short-term Employee Benefits ⁱ	89
Post-employment Benefits	7
Other Long-term Benefits	2
Total ⁱⁱ	98

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.

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Note 8.4: Related Parties (continued)

Significant transactions with government related entities

Dhelkaya Health received funding from the Department of Health of \$16.0 million and indirect contributions of \$1.2 million. Balances recallable as at 30 June 2022 are \$1.6 million and receivable amounts total \$3.1M.

Expenses incurred by Dhelkaya 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 the Dhelkaya Health to hold cash (in excess of working capital) in accordance with the State of Victoria's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health and the Treasurer.

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with Dhelkaya Health, there were no related party transactions that involved key management personnel, 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 2022 (2021: none).

There were no related party transactions required to be disclosed for the Dhelkaya Health Board of Directors, Chief Executive Officer and Executive Directors in 2022 (2021: none).

Note 8.5: Remuneration of Auditors

	<u>Total 2022 \$'000</u>
Victorian Auditor-General's Office	
Audit of the financial statements	<u>43</u>
Total remuneration of auditors	<u><u>43</u></u>

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

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Note 8.7 Joint arrangements

Principal Activity	Ownership Interest 2022 %
Loddon Mallee Rural Health Alliance Provision of Information Technology Services	10.10

Dhelkaya Health's interest in the above joint arrangement is detailed below. The amounts are included in the financial statements under their respective categories:

	2022 \$'000
Current assets	
Cash and cash equivalents	804
Receivables	55
Prepaid expenses	246
Total current assets	1,105
Non-current assets	
Property, plant and equipment	83
Total non-current assets	83
Total assets	1,188
Current liabilities	
Payables	411
Other Current Liabilities	24
Total current liabilities	435
Total liabilities	435
Net assets	753
Equity	
Accumulated surplus	753
Total equity	753

Note 8.7 Joint arrangements

Dhelkaya Health's interest in revenues and expenses resulting from joint arrangements are detailed below:

	<u>2022</u> <u>\$'000</u>
Revenue	
Grants	1,253
Other income	19
Total revenue	<u>1,272</u>
Expenses	
Other Expenses from Continuing Operations	1,211
Depreciation	20
Total expenses	<u>1,231</u>
Net result	<u><u>41</u></u>

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the joint arrangements at balance date.

Note 8.8: 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 the Dhelkaya Health.

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

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

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

Specific restricted purpose reserves

The specific restricted purpose reserve is established where Dhelkaya Health has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

Note 8.9: Economic dependency

Dhelkaya 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 has no reason to believe the Department of Health will not continue to support Dhelkaya Health.

Financial Statements

Dhelkaya Health
Notes to the Financial Statements
for the period 1 March 2022 to 30 June 2022

Note 8.10: Net assets transferred on administrative restructure As at 28 February 2022

The table below represents the carrying value of the net assets in the balance sheet of the former entities of Castlemaine Health and Maldon Hospital immediately before the transfer.

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

	Castlemaine Health \$'000	Maldon Hospital \$'000	Total \$'000
Current assets			
Cash and cash equivalents	31,338	8,482	39,820
Receivables and contract assets	3,124	224	3,348
Inventories	392	-	392
Investments and other financial assets	1,725	-	1,725
Prepaid expenses	657	95	752
Total current assets	37,236	8,801	46,037
Non-current assets			
Receivables and contract assets	1,611	362	1,973
Property, plant and equipment	62,454	7,119	69,573
Right of use assets	714	-	714
Total non-current assets	64,779	7,481	72,260
Total assets	102,015	16,282	118,297
Current liabilities			
Payables and contract liabilities	11,732	968	12,700
Borrowings	214	-	214
Employee benefits	9,616	718	10,334
Other liabilities	23,933	5,929	29,862
Total current liabilities	45,495	7,615	53,110
Non-current liabilities			
Borrowings	827	-	827
Employee benefits	1,586	73	1,659
Total non-current liabilities	2,413	73	2,486
Total liabilities	47,908	7,688	55,596
Net assets	54,107	8,594	62,701
Equity			
Restricted specific purpose reserve	2,006	-	2,006
Contributed capital	52,101	8,594	60,695
Total equity	54,107	8,594	62,701

Dhelkaya Health
Notes to the Financial Statements
for the period 1 March 2022 to 30 June 2022

Note 8.11(a) Financial information of Castlemaine Health and Maldon Hospital

**Castlemaine Health
Comprehensive Operating Statement
For the Period 1 July 2021 to 28 February 2022**

	Part Year 2022 \$'000	Full Year 2021 \$'000
Revenue and income from transactions		
Operating activities	40,248	60,309
Non-operating activities	49	120
Total revenue and income from transactions	40,297	60,429
Expenses from transactions		
Employee expenses	(33,152)	(47,550)
Supplies and consumables	(2,991)	(4,451)
Finance costs	(22)	(38)
Depreciation and amortisation	(3,928)	(5,952)
Other administrative expenses	(1,584)	(3,670)
Other operating expenses	(1,838)	(2,328)
Other non-operating expenses	(360)	(465)
Total Expenses from transactions	(43,875)	(64,454)
Net result from transactions - net operating balance	(3,578)	(4,025)
Other economic flows included in net result		
Net gain/(loss) on sale of non-financial assets	-	63
Other gain/(loss) from other economic flows	-	657
Total other economic flows included in net result	-	720
Net result for the year	(3,578)	(3,305)
Other comprehensive income		
Items that will not be reclassified to net result		
Changes in property, plant and equipment revaluation surplus	-	792
Total other comprehensive income	-	792
Comprehensive result for the year	(3,578)	(2,513)

Note 8.11(a) Financial information of Castlemaine Health and Maldon Hospital

Castlemaine Health Balance Sheet As at 28 February 2022

	28 Feb 2022 \$'000	30 Jun 2021 \$'000
Current assets		
Cash and cash equivalents	31,338	24,833
Receivables and contract assets	3,124	1,717
Inventories	392	317
Investments and other financial assets	1,725	1,725
Prepaid expenses	657	587
Total current assets	37,236	29,179
Non-current assets		
Receivables and contract assets	1,611	1,676
Property, plant and equipment	62,454	65,540
Right of use assets	714	588
Total non-current assets	64,779	67,804
Total assets	102,015	96,983
Current liabilities		
Payables and contract liabilities	11,732	5,542
Borrowings	214	166
Employee benefits	9,616	9,078
Other liabilities	23,933	22,528
Total current liabilities	45,495	37,314
Non-current liabilities		
Borrowings	827	746
Employee benefits	1,586	1,519
Total non-current liabilities	2,413	2,265
Total liabilities	47,908	39,579
Net assets	54,107	57,404
Equity		
Property, plant and equipment revaluation surplus	59,768	59,768
Restricted specific purpose reserve	2,006	1,725
Contributed capital	21,202	21,202
Accumulated deficit	(28,869)	(25,291)
Total equity	54,107	57,404

Note 8.11(a) Financial information of Castlemaine Health and Maldon Hospital

**Castlemaine Health
Statement of Changes in Equity
For the Period 1 July 2021 to 28 February 2022**

Total	Property, Plant and Equipment Revaluation Surplus \$'000	Restricted Specific Purpose Reserve \$'000	Contributed Capital \$'000	Accumulated Deficit \$'000	Total \$'000
Balance at 30 June 2020	58,976	1,725	21,202	(21,986)	59,917
Net result for the year	-	-	-	(3,305)	(3,305)
Other comprehensive income for the year	792	-	-	-	792
Balance at 30 June 2021	59,768	1,725	21,202	(25,291)	57,404
Net result for the year	-	-	-	(3,578)	(3,578)
Other comprehensive income for the year	-	-	-	-	-
Administrative restructure - net assets	-	281	-	-	281
Balance at 28 February 2022	59,768	2,006	21,202	(28,869)	54,107

Note 8.11(a) Financial information of Castlemaine Health and Maldon Hospital

Castlemaine Health

Cash Flow Statement

For the Period 1 July 2021 to 28 February 2022

	Part Year 2022 \$'000	Full Year 2021 \$'000
Cash Flows from operating activities		
Operating grants from government - State	31,282	37,113
Operating grants from government - Commonwealth	6,301	10,114
Capital grants from government - State	268	861
Patient fees received	3,708	5,649
Donations and bequests received	95	150
GST received from/(paid to) Australian Taxation Office	47	820
Interest and investment income received	49	120
Commercial Income Received	220	242
Other receipts	2,645	5,099
Total receipts	44,615	60,168
Employee expenses paid	(31,363)	(46,453)
Payments for supplies and consumables	(4,140)	(4,277)
Payments for medical indemnity insurance	(410)	(347)
Payments for repairs and maintenance	(911)	(818)
Finance Costs	(22)	(38)
Other payments	(2,399)	(5,135)
Total payments	(39,265)	(57,068)
Net cash flows from/(used in) operating activities	5,350	3,100
Cash Flows from investing activities		
Purchase of property, plant and equipment	(597)	(1,938)
Proceeds from disposal of property, plant and equipment	-	280
Net cash flows from/(used in) investing activities	(597)	(1,658)
Cash flows from financing activities		
Proceeds from borrowings	235	-
Repayment of borrowings	(106)	(807)
Receipt of accommodation deposits	3,279	8,366
Repayment of accommodation deposits	(1,937)	(10,714)
Administrative restructure - receipt of specific purpose reserve	281	-
Net cash flows from /(used in) financing activities	1,752	(3,155)
Net increase/(decrease) in cash and cash equivalents held	6,505	(1,713)
Cash and cash equivalents at beginning of year	24,833	26,546
Cash and cash equivalents at end of year	31,338	24,833

Note 8.11(b) Financial information of Castlemaine Health and Maldon Hospital

**Maldon Hospital
Comprehensive Operating Statement
For the Period 1 July 2021 to 28 February 2022**

	Part Year 2022 \$'000	Full Year 2021 \$'000
Revenue and income from transactions		
Operating activities	3,989	6,259
Non-operating activities	12	21
Total revenue and income from transactions	4,001	6,280
Expenses from transactions		
Employee expenses	(2,850)	(4,296)
Supplies and consumables	(308)	(459)
Finance costs	-	(5)
Depreciation and amortisation	(318)	(488)
Other administrative expenses	(495)	(1,090)
Other operating expenses	(190)	(262)
Other non-operating expenses	(12)	-
Total Expenses from transactions	(4,173)	(6,600)
Net result from transactions - net operating balance	(172)	(320)
Other economic flows included in net result		
Net gain/(loss) on financial instruments	-	13
Other gain/(loss) from other economic flows	-	24
Total other economic flows included in net result	-	37
Net result for the year	(172)	(283)
Other comprehensive income		
Items that will not be reclassified to net result		
Changes in property, plant and equipment revaluation surplus	-	48
Total other comprehensive income	-	48
Comprehensive result for the year	(172)	(235)

Note 8.11(b) Financial information of Castlemaine Health and Maldon Hospital

Maldon Hospital Balance Sheet As at 28 February 2022

	28 Feb 2022 \$'000	30 Jun 2021 \$'000
Current assets		
Cash and cash equivalents	8,482	6,886
Receivables and contract assets	224	268
Prepaid expenses	95	67
Total current assets	8,801	7,221
Non-current assets		
Receivables and contract assets	362	304
Property, plant and equipment	7,119	7,086
Total non-current assets	7,481	7,390
Total assets	16,282	14,611
Current liabilities		
Payables and contract liabilities	968	668
Employee benefits	718	668
Other liabilities	5,929	4,451
Total current liabilities	7,615	5,787
Non-current liabilities		
Employee benefits	73	58
Total non-current liabilities	73	58
Total liabilities	7,688	5,845
Net assets	8,594	8,766
Equity		
Property, plant and equipment revaluation surplus	6,352	6,352
Contributed capital	3,890	3,890
Accumulated deficit	(1,648)	(1,476)
Total equity	8,594	8,766

Dhelkaya Health
Notes to the Financial Statements
for the period 1 March 2022 to 30 June 2022

Note 8.11(b) Financial information of Castlemaine Health and Maldon Hospital

Maldon Hospital Statement of Changes in Equity For the Period 1 July 2021 to 28 February 2022

Total	Property, Plant and Equipment	Contributed	Accumulated	Total
	Revaluation Surplus	Capital	Deficit	
	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2020	6,304	3,890	(1,193)	9,001
Net result for the year	-	-	(283)	(283)
Other comprehensive income for the year	48	-	-	48
Balance at 30 June 2021	6,352	3,890	(1,476)	8,766
Net result for the year	-	-	(172)	(172)
Other comprehensive income for the year	-	-	-	-
Balance at 28 February 2022	6,352	3,890	(1,648)	8,594

Note 8.11(b) Financial information of Castlemaine Health and Maldon Hospital

Maldon Hospital

Cash Flow Statement

For the Period 1 July 2021 to 28 February 2022

	Part Year 2022 \$'000	Full Year 2021 \$'000
Cash Flows from operating activities		
Operating grants from government - State	1,962	2,903
Operating grants from government - Commonwealth	1,299	1,985
Capital grants from government - State	141	22
Patient fees received	719	802
Donations and bequests received	-	6
GST received from/(paid to) Australian Taxation Office	198	179
Interest and investment income received	12	21
Commercial Income Received	3	-
Other receipts	383	73
Total receipts	4,717	5,991
Employee expenses paid	(2,853)	(4,218)
Payments for supplies and consumables	(487)	(494)
Payments for medical indemnity insurance	(20)	-
Payments for repairs and maintenance	(132)	-
Finance Costs	-	(3)
Other payments	(729)	(1,180)
Total payments	(4,221)	(5,895)
Net cash flows from/(used in) operating activities	496	96
Cash Flows from investing activities		
Purchase of property, plant and equipment	(351)	(149)
Capital donations and bequests received	5	-
Net cash flows from/(used in) investing activities	(346)	(149)
Cash flows from financing activities		
Receipt of accommodation deposits	1,478	2,378
Repayment of accommodation deposits	(32)	(1,521)
Net cash flows from / (used in) financing activities	1,446	857
Net increase/(decrease) in cash and cash equivalents held	1,596	804
Cash and cash equivalents at beginning of year	6,886	6,082
Cash and cash equivalents at end of year	8,482	6,886



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