

CONTENTS

Year in Review	03
Catchment	04
Services	04
Governance and Structure	05
Statement of Priorities Report	09
Clinical and Community	20
Clinical Services	22
Residential Aged Care	24
Community Services	26
Finance and Business Improvement	30
Human Resources	32
Corporate Services	34
Statutory Compliance	38
Summary of Financial Results	40
Significant Changes in Financial Position	40
Operational and Budgetary Objectives and Factors Affecting Performance	41
Effective Financial Management	41
Events Subsequent to Balance Date	41
Independent Auditor's Report	42
Board Member's, Accountable Officer's, and Chief Finance and Accounting Officer's Declaration	44
Disclosure Index	Inside back cover

VISION

Exceptional care of every person, every time.

MISSION

A well run and trusted organisation that engages with the community to provide high quality health services.

VALUES

Integrity

We engage with others in the highest degree of dignity, equity, honesty and trust.

Care

We treat people with respect, are compassionate, thoughtful and responsive to their needs.

Unity

We work as a team and in partnership with our communities.

Excellence

We are committed to achieve our Vision.

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:

PO Box 50, Castlemaine VIC 3450
(P) 03 5471 3401
(E) ceopa@castlemainehealth.org.au
www.castlemainehealth.org.au

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YEAR IN REVIEW

The year 2019-20 has been like no other. Right across the world, people from all walks of life have been forced to adapt and respond to the truly unprecedented experience of living through the COVID-19 pandemic. Many have faced previously unimagined sorrows of losing friends, family and colleagues to the coronavirus. Alongside this, many have lost loved ones to old age, illness and disease. They have struggled to grieve in the shadows of COVID-19 and within the confines delineated by Governments in their attempts to contain the virus.

It has been a year where each of us has travelled our own journey and attempted to find solace within the confines of social isolation. We have sought to summon the motivation needed to shape our futures as the structures of our normal lives have fallen away. In our own small area within the Mount Alexander Shire we can, on the weight of statistics and incidence, consider ourselves incredibly fortunate to have, so far, skirted the very worst of the virus' effects. Nevertheless, the unrelenting change, adaption and sustained focus required by everyone throughout these last few months has exacted a toll. We must acknowledge the effort, sometimes superhuman, that our staff, volunteers, residents, families, patients and community members have mustered to move forward and attempt to thrive in their day-to-day lives.

But the pandemic, State of Emergency and State of Disaster have unexpectedly delivered the conditions from within which our health service has not just pulled through, but prospered and flourished. We have adapted, responded, innovated and connected deeply with the community in unprecedented ways. Areas of our business that function unassumingly in normal times have come to the forefront and been recognised for an importance and excellence that was always there, but never so obvious.

Infection control is now front of mind in all of our interactions with others. Our supplies team have worked tirelessly to keep staff safe and enable us to maintain best practice. The rollout of telehealth has enabled us to maintain services for those who need them and proved that age is no barrier to accessing digitally-enabled care. Our community and much-loved local community organisations have gone above and beyond to help residents, patients and staff feel loved and remembered daily. We have all done our utmost to care for each other, demonstrated through kind words, gestures and actions.

Having always relied so much on the dedication and commitment of our volunteers, volunteering became another casualty of social distancing. Most volunteer roles are face-to-face, which presented an

unmanageable risk in a pandemic. While traditional volunteering ceased the pandemic presented new and unexpected opportunities for volunteers to find new ways to give.

Like so many other meetings and committees, our Board of Management meetings moved online. We bid farewell to several prominent and dedicated volunteers from our Board of Management – Carolyn Wallace, Sharon Fraser, Vicky Mason and Anna Skreiner, all of whom brought a depth of wisdom, experience and local connection to enrich our organisation. We welcomed new Board members Dr Nicholas Yap and Ms Nicoletta Muner, both experienced and talented professionals who bring their own expertise to our table.

We benefited, as always, from the deep generosity of donors and those who contributed to our fundraising drives. They are the Castlemaine Lions Club for enabling us to purchase new equipment to benefit patients and residents, and Run The Maine committee for their passion and energy. We would also like to thank Betty Rouch, a former resident of Penhall and passionate advocate for sustainability, whose generous bequest enabled Penhall to transition to solar energy.

As always, our heartfelt thanks go out to staff, our executive team, our medical practitioners and volunteers for their incredible efforts. We are entirely reliant on our people and their work enables us to continue delivering outstanding services, eliciting overwhelmingly positive feedback, and delivering an unmatched reputation for the quality of our services.

In accordance with the *Financial Management Act 1994*, we are pleased to present the report of operations for Castlemaine Health for the year ending 30 June 2020.



Margaret (Peggy) Ronnau
Board Chair
30 October 2020
Castlemaine



Ian Fisher
Chief Executive Officer
30 October 2020
Castlemaine

CATCHMENT

Castlemaine Health offers a comprehensive range of services for residents of Mount Alexander Shire, as well as sub-regional community services for residents of Mount Alexander, Mount Macedon and Goldfields Shires. Our surgical services also play an important role in reducing waiting times for people within the Loddon Mallee region.

SERVICES

Clinical and community services

- Quality and Risk
- Infection Control

Residential Aged Care

- High Care (90 beds)
 - Ellery House (60 beds)
 - Thompson House (30 beds)
- Low Care (67 beds)
 - Spencely (20 beds)
 - Penhall (32 beds)
 - Thompson House (15 beds)
- Transition Care (6 beds/places)
 - Bed based (4 beds)
 - Community (2 places)

Allied Health and Community Programs

- Adult Day Service
- Community Rehabilitation Centre (including Allied Health and Continence Service)
- Health Independence Programs (HIP) including Sub-acute Care Services (non-admitted SACS), Complex Care, Post-Acute Care
- Volunteer Program and Patient Transport
- Early Childhood Intervention Program
- Podiatry
- Occupational Therapy
- Physiotherapy
- Speech Pathology
- Dietetics
- Social Work
- Psychiatry
- Recreational activities
- Pastoral Care

Clinical Care

- Acute/Subacute (40 staffed beds)
 - Medical
 - Obstetric
 - Paediatric
 - Rehabilitation
 - Geriatric Evaluation and Management
 - Surgical
 - Urgent Care
- District Nursing and Palliative Care
- Pharmacy
- Pathology (provided on site by Austin Pathology)
- Radiology and ultrasonography (provided on site by Bendigo Radiology)

Finance and Business Improvement

- Health Information Services
- Finance
- Payroll
- Business Development

Corporate Services

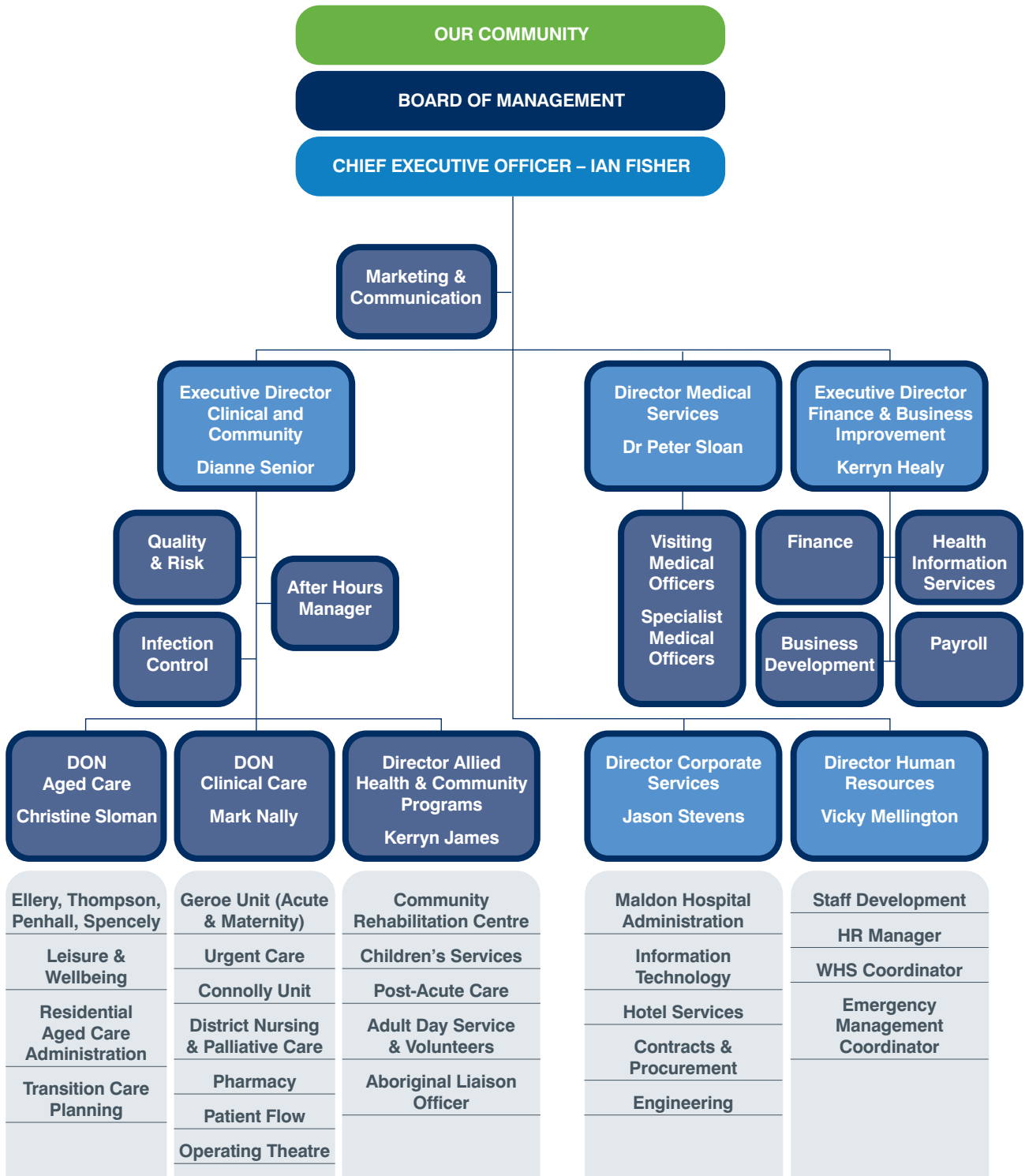
- Engineering
- Hotel Services
- Information Technology
- Contracts and procurement
- Maldon Hospital administration

Human Resources

- Human Resources
- Occupational Health and Safety
- Emergency and Security
- Training and Development
 - Staff education and professional development
 - Traineeships
 - Graduate Nurse Program
 - Goldfields Hub, Monash University 4th Year MBBS
 - Student placement program with universities and registered training organisations
 - Work Experience Program

GOVERNANCE AND STRUCTURE

Organisation Chart



GOVERNANCE AND STRUCTURE

Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for Castlemaine Health for the year ending 30 June 2020.



Margaret (Peggy) Ronnau,
Board Chair
30 October 2020, Castlemaine

Manner of Establishment and Relevant Ministers

Castlemaine Health is a public hospital incorporated under the Health Services Act 1988. It has a variety of programs and services funded by the State Government. Our ministers for 2019-20 are the Hon. Jenny Mikakos, Minister for Health and Minister for Ambulance Services; the Hon. Martin Foley MP, Minister for Mental Health; and the Hon. Luke Donnellan, Minister for Disability, Ageing and Carers.

Board of Management

The Board of Management oversees the governance of the health service and ensures that services provided comply with *Health Act 1988* requirements and Castlemaine Health by-laws.

The Act requires members 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 Castlemaine Health's by-laws.

Board members serve in a voluntary capacity and are paid expenses incurred in holding office as a member of the board. A number of sub-committees consisting of board members, staff, Visiting Medical Officers and community members advise and recommend on relevant matters.

The Board of Management meets on the last Monday of each month to deal with a formal agenda and the Chief Executive Officer reports on the health service's performance. Meetings commence at 6.30pm normally in the Board Room but remotely through 2020. The Board of Management holds one open access board meeting per year which the general public may attend. This is in addition to the Annual General Meeting.

Board Members



Ms Peggy Anne Ronnau

Chair

Bachelor of Social Science, GAICD

With a Bachelor Degree in Social Science and a keen interest in community wellbeing, Peggy brings strong knowledge of the service sector and experience as a corporate services executive. She has long been an advocate for improved mental services and has worked with homeless people in inner Melbourne who experience mental illness and in the Local Government sector, encouraging others to redesign their work roles to build better jobs.

Peggy's appointment expires 30 June 2021.



Ms Kerry Anderson

Vice Chair

Grad. Dip. Direct Marketing, Dip. Training & Assessment, GAICD

Kerry is a central Victorian author, businesswoman, and community advocate. She is passionate about rural and regional Australia. She empowers businesses, groups and communities to embrace change and create new opportunities for themselves.

Kerry's appointment expires 30 June 2023.



Mr Garry Fehring

Bachelor of Nursing, Grad. Dip. Nursing Management, Registered Nurse, Cert. Oncology Nursing, Cert. Rehabilitation Nursing

Garry is a Registered Nurse whose background includes professional experience at The Alfred, Peter MacCallum Institute, Royal Talbot Rehabilitation Centre (Austin Health) and the Epworth Hospital.

Garry's appointment expires 30 June 2023.

Board Members (continued)



Ms Margaret Lewis

Diploma of Teaching

Margaret has wide-ranging experience on community boards and committees, and extensive experience in education, having been a teacher for 21 years and a Principal for 18 years.

Margaret's appointment expires 30 June 2021.



Mr Jeffrey Rigby

Grad. Dip. Applied Corporate Governance; Adv. Cert. Risk Management; MBA; Master of Engineering Science; Bachelor of Engineering.

An accomplished leader with 35 years' experience in the water sector, Jeffrey has led transformational change, delivered significant infrastructure projects and has proven leadership at sector level, with numerous national and state appointments to industry boards, committees and taskforces.

Jeffrey's appointment expires 30 June 2023.



Ms Anna McLeod

Grad. Dip. Legal Practice; Bachelor of Laws; Masters of Applied Science; Bachelor of Science; Dip. Applied Science.

Anna is an experienced strategic and operational leader, with extensive experience in risk management, governance, and legal and indemnity matters. Anna brings over 20 years' experience in health and insurance industries.

Anna's appointment expires 30 June 2021.



Ms Nicoletta Muner

Corporate Governance; MPharmSci (Pharmacy); Bachelor (Hons) Pharmaceutical Chemistry and Technology; Pharmacy, Pharmaceutical Biology, GAICD.

Nicoletta is a pharmaceutical executive with more than 20 years' experience in international markets. She has managed diverse, cross-functional international teams across different organisations. She has a broad understanding of the business imperatives that govern complex organisations, encompassing strategy development, risk management, funding, investor relations and media communication.

Nicoletta's appointment expires 30 June 2022.



Dr Nicholas Yap

Bachelor of Medicine, Surgery and Medical Science; Master of Health Management and Public Health; Royal Australasian College of Medical Administration Fellow; Graduate Diploma of Divinity.

Nicholas is a specialist medical administrator with extensive experience across clinical governance, medical management and hospital operations in both public and private organisations.

Nicholas' appointment expires 30 June 2022.



Mr Robert Delmenico

Bachelor of Commerce; Bachelor of Accounting.

Robert is a specialist in accounting and administration for agriculture, trades and micro-business. He's also a resident in our shire so brings his all-important local experience and connections with him.

Robert's appointment expires 29 June 2023.



Mr Peter Rushen

Bachelor of Economics and Politics; Certified Practising Accountant.

Peter has a wealth of experience in public health leadership, as well as diverse and extensive experience in the public and corporate sectors.

Peter's appointment expires 29 June 2023.

GOVERNANCE AND STRUCTURE

Sub-Committees

Board Executive

Ms Margaret (Peggy) Anne Ronnau (Chair)
 Ms Kerry Anderson (Vice Chair and Chair – Finance Committee)
 Mr Garry Fehring (Chair – Clinical Governance & Quality)

Credentials and Medical Appointments Advisory Committee

Ms Margaret (Peggy) Anne Ronnau (Chair)
 Mr Garry Fehring
 Dr Gavin Rowland (Medical Staff Group Member)

Chief Executive Officer Evaluation Committee

Ms Peggy Ronnau
 Mr Garry Fehring
 Ms Kerry Anderson

Finance Committee

Ms Kerry Anderson
 Mr Jefferey Rigby
 Mr Venkata Peteti
 Mr Rod Lester (Independent Member – from July 2019 to December 2019)

Community Consultation Committee

Ms Elizabeth Grainger (Independent Chair)
 Ms Margaret Lewis
 Ms Kerry Anderson
 Ms Ann Roman (Independent Member)
 Mr Bob Forde (Independent Member)
 Ms Marleen Bell (Independent Member)
 Ms Margaret Rasa (Independent Member)
 Ms Bev Orgill (Independent Member)
 Ms Moira Kean (Independent Member)
 Ms Joan Casley (Independent member)
 Mr Paul Kent (Independent Member)

Audit and Risk Management Committee

Mr Stephen Bigarelli (Independent Member - Jan 2020 – June 2020)
 Mr Jeffrey Rigby (Chair - from January 2020)
 Mr Venkata Peteti
 Ms Nicoletta Muner
 Mr Rod Lester (Independent Chair – from July 2019 to December 2019)

Clinical Governance and Quality Committee

Mr Garry Fehring
 Dr Nicholas Yap
 Ms Anna MacLeod
 Ms Liz Grainger (Independent Member)
 Dr Terry Luscombe (Medical Staff)
 Dr Helen Dewhurst (Medical Staff Group) (Oct 2015 – Dec 2019)

Executive Management

Executive Directors meet with the Chief Executive Officer weekly to discuss strategic and operational issues relating to the management of the organisation. Our directors are:

Mr Ian Fisher, Chief Executive Officer
 Ms Kerry Healy, Executive Director of Finance & Business Improvement
 Ms Dianne Senior, Executive Director of Clinical & Community
 Dr Peter Sloan, Executive Director of Medical Services
 Mr Jason Stevens, Director of Corporate Services
 Mr Mark Nally, Director of Nursing – Clinical
 Ms Christine Sloman, Director of Nursing – Residential Aged Care
 Ms Vicky Mellington, Director of Human Resources
 Ms Kerry James, Director of Allied Health and Community Programs

STATEMENT OF PRIORITIES REPORT

Part A: Strategic Priorities

Goals	Strategies	Health Service Deliverables	Outcome
Better Health			
<p>A system geared to prevention as much as treatment Everyone understands their own health and risks Illness is detected and managed early.</p> <p>Healthy neighbourhoods and communities encourage healthy lifestyles</p>	<p>Reduce Statewide Risks</p> <p>Build Healthy Neighbourhoods</p> <p>Help people to stay healthy</p>	<p>Improve the health of our staff, volunteers and participants of our community programs by supporting smokers to quit through greater access to and uptake of smoking cessation pathways.</p>	<p>Achieved and continuing</p> <p>Castlemaine Health has developed and implemented a staff Live Well program aimed at improving the health and wellbeing of staff. This program included incentives and assistance to help staff quit smoking.</p>
		<p>Collaborate with other local agencies as part of the Healthy Hearts Initiative to identify and develop options that promote active living through improved infrastructure and activation programs.</p>	<p>Achieved and continuing</p> <p>Castlemaine Health is a member of the Mount Alexander Shire Healthy Hearts Committee. To date this committee has been successful in:</p> <ul style="list-style-type: none"> • resourcing transport to enable community members to access the Gurri Wanyarra Wellbeing Centre • installing water fountains in the botanical gardens • upgrading the Campbells Creek walking track and access to the track • installing seating along Gingell Street. <p>All the upgrades have had a strong focus on disability access.</p>
		<p>Continue to train staff and develop a clinical champion model in Family Violence prevention, and work in partnership with other agencies on suicide prevention.</p>	<p>Achieved and continuing</p> <p>Work with Mount Alexander Family Violence prevention network continues. Castlemaine Health has a regional representative for the Strengthening Hospital Response to Family Violence cluster</p> <p>Inservice program developed and family violence training now a part of corporate induction.</p> <p>Work with the Central Victorian Primary Care Partnership in relation to expanding strategies in the three shires to prevent suicides.</p>

STATEMENT OF PRIORITIES REPORT

Part A: Strategic Priorities (continued)

Goals	Strategies	Health Service Deliverables	Outcome
Better Access			
<p>Care is always being there when people need it.</p> <p>Better access to care in the home and community.</p> <p>People are connected to the full range of care and support they need.</p> <p>Equal access to care.</p>	<p>Plan and invest</p> <p>Unlock innovation</p> <p>Provide easier access</p> <p>Ensure fair access</p>	<p>Increase access to health care across rural and regional communities by participating in the review and development of the Loddon Mallee Telehealth Plan.</p>	<p>Achieved and continuing</p> <p>The Loddon Mallee Telehealth Plan was replaced by a Loddon Mallee Virtual Care Strategic Plan. Development work paused during 2020 due to COVID-19.</p> <p>The Loddon Mallee Virtual Care three-year plan will incorporate governance, sustainability, operating models, new technology enablers, patient experience, clinical outcomes and business challenges. Leveraging the Royal Commission into Aged Care Quality and Safety findings, the focus will be on helping consumers to stay in their home for longer.</p>
		<p>Engage with local Aboriginal and Torres Strait Islander people to improve access to health services by ensuring staff are adequately trained in identifying Aboriginal and Torres Strait Islander people and cultural care, and that we continue to provide a culturally safe environment.</p>	<p>Achieved and continuing</p> <p>Additional internal Aboriginal and Torres Strait Islander (ATSI) cultural awareness training being provided. Admission and Ward Clerk staff have been further trained to identify ATSI people.</p> <p>Human Resources are developing an ATSI employment and support plan. Nalderun have acknowledged Castlemaine Health's employment of Aboriginal people.</p> <p>Castlemaine Health participates in the local Nalderun Aboriginal Services committee to gain a better understanding of how we can improve a culturally safe environment.</p> <p>Aboriginal Liaison Officer has attended a Board meeting and discussed developing a Reconciliation Action Plan.</p>

STATEMENT OF PRIORITIES REPORT

Part A: Strategic Priorities (continued)

Goals	Strategies	Health Service Deliverables	Outcome
Better Care			
Targeting zero avoidable harm	Put quality first	Partner with patients and carers to provide better care by working within the Safer Care Victoria Partnering in Healthcare Framework with a priority focus on equity, inclusion and working together.	Achieved and continuing
Healthcare that focusses on outcomes	Join up care		A new consumer 'tick' symbol has been developed and applied to consumer information that has been reviewed by consumers.
Patients and carers are active partners in care	Partner with patients		Regular walkaround audits now occurring by Executive to engage and receive feedback from residents and inpatients.
Care fits together around people's needs	Strengthen the workforce		Community members participate in health services committees.
	Embed evidence		
	Ensure equal care		
		Participate in the development of a regional volunteering strategy to increase volunteer numbers and the quality and safety of support they provide to patients and residents.	Achieved and continuing <p>The first Loddon Mallee Health (LMH) Volunteer Project Advisory Committee Meeting was held in February 2020. Prior to COVID-19, strategy development was in early stages with preliminary research into the role of volunteers across the nine LMH services that form the partnership.</p> <p>In March, a decision was made that the project would continue as LMH Volunteer Strategy: COVID-19 Response.</p> <p>A volunteer engagement survey was completed and presented to the network CEOs. The aim of the survey was to determine whether our health services are providing appropriate care and service to its volunteers during COVID-19. A benchmark on volunteer programs was carried out for the LMH partnership and has since been completed and presented to the network CEOs.</p> <p>Bendigo Health regularly leads meetings with the LMH Volunteer Project, COVID-19 Response Committee to discuss the wellbeing and supports for volunteers and program coordinators. Liaison with key community stakeholders is underway to consider future sustainable volunteer re-engagement during and beyond the pandemic and is focused on patient and residential service roles and volunteer transport.</p> <p>Information around impacts on occupational health and safety and industrial relations is being shared with the LMH Volunteer Advisory Committee and Bendigo Health for comprehensive planning to allow for a safe and successful return of volunteers at the appropriate time.</p>

STATEMENT OF PRIORITIES REPORT

Part A: Strategic Priorities (continued)

Goals	Strategies	Health Service Deliverables	Outcome
Specific 2019–20 priorities			
Supporting the Mental Health System	Improve service access to mental health treatment to address the physical and mental health needs of consumers	Contribute to the development of a Regional Mental Health Plan for the Loddon Mallee in collaboration with the Primary Health Network .	<p>Achieved and continuing</p> <p>The Loddon Mallee Health Network (LMHN) agencies and the Murray Primary Health Network (PHN) are collaborating on the development of the Regional Mental Health and Suicide Prevention Plan.</p> <p>Bendigo Health, as the primary provider of state funded mental health services, is directly participating in the plan preparation at the operational level.</p> <p>The PHN has indicated they are very satisfied with the level of involvement of and contribution by Bendigo Health to the planning process.</p> <p>LMHN has appointed Anne McEvoy CEO of Kyabram Health Service to lead the interaction between the LMHN and the PHN. The PHN was to deliver the Foundation Plan in June 2020 followed by a second phase involving comprehensive service planning. Development of both plans has been interrupted by COVID-19.</p>
Addressing Occupational Violence	Foster an organisational-wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation.	Improve the health and safety of health service staff and volunteers by implementing and evaluating site specific occupational violence action plans.	<p>Achieved and continuing</p> <p>Reporting of occupational violence incidents is well documented by staff and responses to incidents are being actioned appropriately. The Board are informed monthly on occupational violence incidents.</p> <p>Code Grey training has occurred with two staff being certified to undertake staff training.</p> <p>Physical security measures are in place to lock down all occupied areas.</p> <p>Further work on a staff secure carpark is progressing.</p>
		Implement the department's security training principles to address identified security risks.	<p>Achieved and continuing</p> <p>Security risks have been identified. Castlemaine Health has collaborated with the Health Services Union to develop training for corporate security staff.</p>

STATEMENT OF PRIORITIES REPORT

Part A: Strategic Priorities (continued)

Goals	Strategies	Health Service Deliverables	Outcome
Specific 2019–20 priorities			
Addressing Bullying and Harassment	<p>Actively promote positive workplace behaviours, encourage reporting and action on all reports.</p> <p>Implement the department's Framework for promoting a positive workplace culture: <i>preventing bullying, harassment and discrimination and Workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services.</i></p>	<p>Undertake a gap analysis and implement required actions to meet the department's Framework for promoting a positive workplace culture: <i>preventing bullying, harassment and discrimination.</i></p>	<p>Achieved and continuing</p> <p>Gap analysis has been completed and strategies developed reduce bullying and harassment have been developed.</p> <p>Every department now has a display board with positive behaviours and under the line behaviours that were developed by staff.</p> <p>Staff are being acknowledged for their positive behaviours in relation to patients and other staff.</p>
Supporting Vulnerable Patients	<p>Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to health care.</p>	<p>Develop a Community Connector Project which uses people (connectors) identified in the community that have strong links to various groups within the shire to reach those people who may be isolated, may have poor health and are not informed about access to health and wellbeing services provided locally.</p>	<p>Achieved and continuing</p> <p>Forum held in October 2019, and two online forums in April 2020 for Community Connectors project. Connectors notice people who are not connected in the community and respond by connecting them with other people, information and resources.</p> <p>Next phase of the project is to work with those community members identified and agreed to act as connectors to develop the concept further. Project is oversighted by Castlemaine Community Consultative Committee.</p>

STATEMENT OF PRIORITIES REPORT

Part A: Strategic Priorities (continued)

Goals	Strategies	Health Service Deliverables	Outcome
Specific 2019–20 priorities			
Supporting Aboriginal Cultural Safety	Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.	Participate in the development of a regional plan for improved Aboriginal cultural safety and implement consistent local strategies to improve health outcomes of Aboriginal and Torres Strait Islander people.	<p>Achieved and continuing</p> <p>Castlemaine Health has participated in the development of regional strategies for the Loddon Mallee Region designed to improve Aboriginal cultural safety and put in place consistent local strategies to improve health outcomes of Aboriginal and Torres Strait Islander people.</p> <p>Bendigo Health's Aboriginal Hospital Liaison Officers are participating in a regional network organised by DHHS. The network aims to facilitate increased stakeholder participation in decisions around service delivery, which are critical for self-determination among Aboriginal people. It also supports improved continuum of care for patients who travel to Bendigo Health from across the region.</p> <p>Bendigo Health has purchased an online Aboriginal Cultural Safety training module from DHHS. Castlemaine Health is reviewing the module's suitability for supplementing local training.</p> <p>The Castlemaine Health Board and Executive have continued to build on our local relationships with the local Nalderun Aboriginal community service. As well as striving to improve Aboriginal cultural safety, Castlemaine Health now also has a commitment to seek their input into major organisational changes such as our revised maternity services and masterplanning for new facilities and services.</p>

STATEMENT OF PRIORITIES REPORT

Part A: Strategic Priorities (continued)

Goals	Strategies	Health Service Deliverables	Outcome
Specific 2019–20 priorities			
Addressing Family Violence	Strengthen responses to family violence in line with the Multiagency Risk Assessment and Risk Management Framework (MRAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.	Improve our health service response to family violence by undertaking a census of our workforce capabilities and aligning health service activities to be consistent with the Multiagency Risk Assessment and Risk Management Framework (MARAM).	<p>Achieved and continuing</p> <p>MARAM update received from SHRFV cluster.</p> <p>Education sessions with roll-out of education scheduled but slightly delayed due to State of Emergency.</p> <p>Castlemaine Health representative attended regional collaborative practice training in February, presented by Centre for Non-Violence.</p> <p>MARAM alignment training undertaken by senior staff. Online training promoted for staff in the absence of face-to-face learning.</p>
Implementing Disability Action Plans	Continue to build upon last year's action by ensuring implementation and embedding of a disability action plan which seeks to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of care and employment opportunities for people with disability .	Improve the quality of care and employment opportunities for people with a disability by finalising and commencing site specific Disability Action Plans.	<p>Achieved and continuing</p> <p>Engaged with local disability community members who undertook a site visit and have identified physical barriers within the health service.</p> <p>Human Resource policies are being reviewed to ensure they encourage and support people with disabilities to be recruited.</p> <p>Strategies in place around the masterplanning process to ensure it considers and minimises barriers for people with disabilities.</p>

STATEMENT OF PRIORITIES REPORT

Part A: Strategic Priorities (continued)

Goals	Strategies	Health Service Deliverables	Outcome
Specific 2019–20 priorities			
Supporting Environmental Sustainability	Contribute to improving the environmental sustainability of the health system by identifying and implementing projects and/or processes to reduce carbon emissions.	Improve our environmental sustainability by participating in the development of a hospital waste management strategy across the Loddon Mallee region.	<p>Achieved and continuing</p> <p>Castlemaine Health's Environmental Sustainable Committee has been established to focus on waste, recycling and energy efficiency.</p> <p>Solar power:</p> <ul style="list-style-type: none"> • 200 KW Solar system installation complete • 30 KW solar system installed for Penhall House residential aged care • Investigating opportunity to use reusable protective gowns – cost analysis/business case being prepared. <p>Regional waste strategies for the LMHN have been defined for development. An initial waste group report was to be tabled at a meeting in March 2020 but the meeting was cancelled with activity suspended due to a need to redirect priorities to preparedness for COVID-19.</p> <p>Priorities for the future strategy include:</p> <ul style="list-style-type: none"> • identifying and categorising existing contractors • identifying waste streams being under-utilised • commencement and promotion of region-wide Kinguard recycling, organic waste collection and soft plastics recycling • increased staff education on recycling practices • working with procurement to identify eco-friendly alternative products. <p>Bendigo Health is the pilot site for a Kinguard recycling project and has implemented a recycling program. Kinguard is the sterile blue wrap enclosing medical instruments. The hospital has also started recycling soft plastics polystyrene.</p> <p>In March 2020, new bins were supplied by DHHS and installed in theatre to aid staff in segregation of wastes within the busy operating rooms. Previously this waste went to landfill. Based on preliminary figures, the amount reduced from landfill would be more than six tonnes each year.</p>

STATEMENT OF PRIORITIES REPORT

Part B: Performance Priorities

HIGH QUALITY AND SAFE CARE		
Key Performance Indicator	Target	2019-20 result
Accreditation		
Residential Aged Care Compliance	Full	Full
Infection Prevention and Control		
Hand hygiene	83.0%	90.8%
Healthcare worker immunisation	84%	87%
Patient experience		
Overall rating of care	95%	99%
Transition of care index	75%	91.7%
Perception of cleanliness	70%	90.7%
Victorian Healthcare Experience Survey – data submission	Full compliance	Full compliance
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	97%
Victorian Healthcare Experience Survey – percentage of positive responses to questions on discharge care – Quarter 1	75%	94%
Victorian Healthcare Experience Survey – percentage of positive responses to questions on discharge care – Quarter 2	75%	92%
Victorian Healthcare Experience Survey – percentage of positive responses to questions on discharge care – Quarter 3	75%	91%
Victorian Healthcare Experience Survey – patient perception of cleanliness – Quarter 1	70%	93%
Victorian Healthcare Experience Survey – patient perception of cleanliness – Quarter 2	70%	92%
Victorian Healthcare Experience Survey – patient perception of cleanliness – Quarter 3	70%	92%
Hand hygiene – Quarter 4	Data not available	Data not available
Adverse events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	100%
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤1.4%	0
Rate of severe foetal growth restriction (FGR) in a singleton pregnancy undelivered by 40 weeks	≤28.6%	N/A*
Proportion of urgent maternity patients referred for obstetric care to a level 4, 5 or 6 maternity service who were booked for a specialist clinic appointment within 30 days of accepted referral	100%	N/A*
Continuing Care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay.	≤0.645	0.982

* Less than 10 cases OR No cases of severe foetal growth restriction in singleton pregnancy recorded.

STATEMENT OF PRIORITIES REPORT

Part B: Performance Priorities (continued)

STRONG GOVERNANCE, LEADERSHIP AND CULTURE		
Key Performance Indicator	Target	2019–20 result
Organisational Culture		
People Matter survey – percentage of staff with an overall positive response to safety and culture questions	80%	91%
People Matter survey – percentage of staff with a positive response to the question “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%	95%
People Matter survey – percentage of staff with a positive response to the question “Patient care errors are handled appropriately in my work area”	80%	93%
People Matter survey – percentage of staff with a positive response to the question “My suggestions about patient safety would be acted upon if I expressed them to my manager”	80%	94%
People Matter survey – percentage of staff with a positive response to the question “The culture in my work area makes it easy to learn from the errors of others”	80%	89%
People Matter survey – percentage of staff with a positive response to the question “Management is driving us to be a safety-centred organisation”	80%	93%
People Matter survey – percentage of staff with a positive response to the question “This health service does a good job of training new and existing staff”	80%	81%
People Matter survey – percentage of staff with a positive response to the question “Trainees in my discipline are adequately supervised”	80%	85%
People Matter survey – percentage of staff with a positive response to the question “I would recommend a friend or relative to be treated as a patient here”	80%	93%

EFFECTIVE FINANCIAL MANAGEMENT		
Key Performance Indicator	Target	2019–20 result
Finance		
Operating result (\$m)	-0.00	0.94
Average number of days to paying trade creditors	60 days	42 days
Average number of days to receiving patient fee debtors	60 days	62 days
Public and Private WIES ¹ activity performance to target	100%	88%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.86
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month	14 days	1.3 days
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤\$250,000	\$330,000

¹ WIES is a Weighted Inlier Equivalent Separation

Annual Report 2019~20

Consultancies

Details of consultancies (under \$10,000)

In 2019-20, there were eight consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2019-20 in relation to these consultancies is \$34,281 (excl. GST).

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

In 2019-20, there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2019-20 in relation to these consultancies is \$93,024 (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 2019-20 (excluding GST)	Future Expenditure (excluding GST)
Cube Group	Service Integration		April 20	42,500	42,500	0
Dr R Sherwood	Maternity Services Review	June 20	June 20	13,350	13,350	0
Studer	Leadership Coaching	July 19	June 20	37,174	37,174	0

PART C: ACTIVITY AND FUNDING

Funding Type	2019-20 Activity Achievement
Acute Admitted	
Acute WIES	2,579.22
WIES DVA	28.62
WIES TAC	0.00
Other admitted	0
Acute Non-Admitted	
Specialist Clinics	2,488
Subacute & Non-Acute Admitted	
Subacute WIES – Rehabilitation Public	128.32
Subacute WIES – Rehabilitation Private	38.88
Subacute WIES – GEM Public	85.88
Subacute WIES – GEM Private	21.19
Subacute WIES – DVA	27.19
Subacute Non-Admitted	
Palliative Care Non-admitted	
Health Independence Program – Public	16,421
Health Independence Program – DVA	
Aged Care	
Residential Aged Care	51,490
HACC	4,266
Other	
Health Workforce	8
Other specified funding	
Total funding	

CLINICAL AND COMMUNITY



Di Senior

Executive Director Clinical and Community

It has been another busy and challenging year across clinical and community services at Castlemaine Health with COVID-19 affecting all areas of our operations. Throughout the year we have continued to meet the community's expectation of excellent clinical, community and residential care, while reviewing and updating current services to ensure ongoing quality and safety.

Achievements

- Successful accreditation against National Standards (Acute and Subacute) August 2019
- Ensuring safety locally while planning for our COVID-19 response and aligning this with the regional emergency plan; also supporting DHHS COVID-19 initiatives including swabbing clinics for staff and the community (e.g. DON KR and education staff)
- Geroe Acute and Conolly Rehabilitation reconfiguration, with inpatient bed configuration change undertaken and embedded to appropriately match bed availability to demand
- New pathology provider (Austin Pathology)
- Continued focus on the Strengthening Hospital Responses to Family Violence with contributions continuing locally and regional initiatives supported
- Active contributor in Loddon Mallee Region projects such as regional bed management and clinical council, and dynamic participant in committees such as Maternity and Emergency Care
- Improving furnishings, fittings, heating and storage in aged care residences and delivering personalised care and support during the pandemic
- Successfully and rapidly implementing telehealth for CRC programs, introducing a new multidisciplinary wound service and completing a project with Safer Care Victoria to address frailty in the community.

Infection Control

Infection Control took centre stage with the advent of the COVID-19 pandemic. Castlemaine Health implemented changes rapidly in many areas to ensure that patients, residents and staff were all protected.

There were many challenges as we navigated a path towards the 'new normal'. Infection control protocols were foremost in staff minds while they delivered services in an environment where guidelines changed, quite literally, daily.

Rapidly implemented changes included:

- social distancing
- compulsory Influenza immunisations for staff in residential aged care
- temperature checking of staff and all visitors
- restrictions on the number and timing of visitors to Geroe Acute and Connolly Rehabilitation units
- changes in the format for meetings to move them online or teleconference
- a raft of new policies and procedures to ensure that staff had what was needed should a local COVID-19 surge occur.

The correct 'donning and doffing' (putting on and removal of) of personal Protective Equipment (PPE) became a major topic for review and education to ensure that our staff were well prepared and supplied with what was needed. Our Corporate Director and the supply department worked very hard with great results to ensure that required supplies were available where and when they were needed.

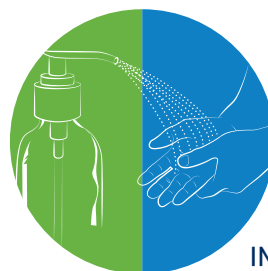
Hand hygiene and the use of alcohol-based hand sanitisers have been part of the hospital culture for a long time. However, it also became a topic of education for the general public. Our use of hand

sanitisers was reflected in the fabulous results attained in the hand hygiene auditing with a result of 96.6% compliance recorded in March, against a Government set expected minimum level of 83%.

Uptake of the influenza immunization has exceeded previous years with a current rate of around 93% of staff immunised. We will continue to promote and immunise the staff and are aiming for a rate closer to 100% by mid-August.

The Government program of voluntary testing for COVID-19 saw a series of testing clinics conducted and over 250 staff swabbed. Castlemaine health then auspiced with CHIRP Community Health to run swabbing clinics at DON KR and testing for education staff with the return of our children to school. At the time of writing all tests had returned a negative result which was very reassuring for our community.

Restrictions placed on movement in and around the health service, including the 'lockdown' in residential aged care, meant that while residents were missing their families and outings, they were cocooned from the prospect of the COVID-19 virus. The side benefit has been no outbreaks of respiratory illness or gastro enteritis in any of our homes to the time of writing. While very difficult for all it has highlighted the importance of maintaining good solid infection control principles even after the pandemic emergency has passed.



INFECTION CONTROL

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**We should always
behave like this**

CLINICAL SERVICES



Mark Nally

Director of Nursing Clinical Services

It has been a pleasure to commence my employment with Castlemaine Health, which has provided me with a wonderful welcome. The hospitality I have experienced abounds here and this is something that is importantly shared with all patients and visitors during their stays at our hospital. The quality of care provided to people is something that we can pride ourselves on. Positive feedback from people in our care is frequent. We continue to strive to meet the community's expectation of excellent clinical care whilst ensuring safety is paramount. I would like to personally acknowledge the contributions of my direct reports who lead their teams with the best interest of their patients and our community in mind. The exceptional contributions of the direct care givers in providing person-centered care provides Castlemaine Health with a strong reputation in delivering personalised, high quality care. To support our direct care givers, we have this year as an executive focused on staff engagement, providing additional avenues of communication and access to our executive team members. We have found this beneficial, as we hope our staff have.

Connolly Rehabilitation

The Connolly Unit has been redesigned with 15 beds now allocated to Rehabilitation and Geriatric Evaluation Management (GEM) and five beds allocated to acute admissions. This allows improved bed flow and helps people progress efficiently. The ward remains supported by a fantastic medical team and nurse practitioner. Occupancy remained high and was well managed until the COVID-19 restrictions began, where across all health sectors there was decrease in patient activity. This decrease in activity did not last long for the Connolly Unit and occupancy has rebounded with complex patient needs more prominent. It takes a particular team to manage such care and all staff have worked together to achieve amazing rehabilitation results. Allied Health and nursing staff have worked very closely this past year to see our patients reach their optimal level of function. This has been reflected in the positive feedback received by patients and their families.

District Nursing and Palliative Care

Our service is frequently engaged to address a specific technical task but thorough assessment often indicates complex care is required. We identify other supports that may be required and ensure the appropriate funding sources are accessed. Our aim is to develop care plans that best meet the client's needs while encouraging independence.

This year the service has moved to the new Aged Care Quality Standards. We have reviewed current practices to meet expected standards.

Our staff have supported many complex community palliative cases which has been possible due to the support from the Loddon Mallee Regional Palliative Care Consortium (LMRPCC).

COVID-19 has brought some changes to the District Nursing and Palliative Care service. We have been busy responding to a variety of community nursing needs and our district nurses support patients at home who previously may have presented to urgent care or their GPs for support. This is an example of adaption to meet the community's changing needs.

Geroe Acute

Geroe Acute has adapted to the bed capacity redesign project which was launched in November 2019 and is now working with reduced capacity, particularly on weekends. This required a focus on discharge strategies and improved communication with our referring doctors and admission processes. Additionally, long day stay surgical patients and day infusions have been streamlined and are now managed by a single staff member. COVID-19 demand planning has incorporated regional plans and a local three-step response process is ready to apply should a large cohort of patient care be required in Castlemaine.

Operating Suite

This financial year began with surgical sessions booked to capacity. We continue to work with Bendigo Health to manage the region's waiting lists. COVID-19 restrictions have recently had an impact but again regional support required Castlemaine Health to continue some surgeries to ensure essential care was provided. All the staff and surgeons worked together through this period and we have managed to slowly increase our throughput as directed by the Department of Health and Human Services. Castlemaine Health also supported staff to take up an opportunity for further education as a part of the COVID-19 State of Emergency special training plan.

We saw the commencement of two new surgeons in the past year, Ms. Chantelle Stubna (Obstetrics & Gynaecology) and Mr Broughton Snell (Plastics and Reconstructive). We are thrilled to have them provide services to our community.

The Operating Suite was a successful recipient of two grants in 2020 from the Lion's Club Castlemaine (\$7,008) and Colliers Charitable Fund (\$30,000). These generous grants provided much needed funds to purchase state-of-the-art equipment.

Two of our senior nurses were granted leave to volunteer on Mercy Ships, a volunteer organisation that uses a floating hospital to bring first world healthcare to the world's poorest people for free. Thanks to those who covered while our two staff were away.

Urgent Care Centre

Over the past few months our Urgent Care Centre staff have accepted responsibility for COVID-19 swabbing of staff and patients. This adaptability is to be commended. We have introduced telemedicine to ensure that our GPs do not need to visit the hospital as frequently during the COVID-19 crisis. Additional onsite medical support has been provided during the State of Emergency as patient complexity has increased. Coordination and cooperation with Ambulance Victoria has been enhanced over the past year and communication channels are now well established.

Maternity Services

We have had 40 babies born at Castlemaine and the positive feedback from the parents has been wonderful. A change in antenatal care has been promoted and as a result we have welcomed the part-time addition of a Maternity educator to support our wonderful midwives. We have purchased a new Cardiotocograph (CTG) with telemetry capacity to improve maternal comfort whilst safely monitoring the baby during delivery.

The recent pause of maternity services due to an external independent review provides an important oversight that will guide our future service. We look forward to recommencing maternity services with review recommendations in place.

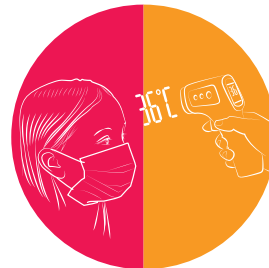
Pharmacy

Our onsite Pharmacy service dispenses medication to acute and rehabilitation services. Over 4,000 scripts were dispensed, along with medication information and education for patients on discharge.

The requirement for pharmacy to utilise the SafeScript™ platform has required significant upgrades to the pharmacy computer system and processes for dispensing. The planned implementation of electronic data exchange for prescriptions has commenced with significant work to be undertaken in the pharmacy product database.

Ongoing auditing of our service continues and is reported to the Drug and Therapeutics Committee.

This year has seen challenges relating to COVID-19 and maintaining two separate teams for our pharmacy department to decrease the risk of all staff needing to isolate at the same time.



ADAPTION

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**We've responded
creatively to restrictions**

RESIDENTIAL AGED CARE



Chris Sloman

Director of Nursing Aged Care

I have been employed at Castlemaine Health since 2010 in the Acute sector and was warmly welcomed in May 2019 when I joined the Residential Aged Care Team. The support I have received since my arrival from staff, other departments and the Executive team has been very much appreciated. It takes an entire organisation working together to ensure residents' choices are respected and as individuals they're supported to live their best lives. To this end, we strive to provide quality care for residents whilst also encouraging right to self-determine and take risks. Participation in projects and regular auditing allows us to increase our knowledge and address gaps. Many residents have complex care needs, with a highly skilled and committed workforce to deliver that care. We see that dedication every day in many ways. Our staff know their residents, their likes and dislikes, and advocate passionately for them. COVID-19 has in many ways forced us to work differently in response to the rapidly changing environment. It has had an impact on the community and a larger impact on the residents with visiting limitations. We have not had any influenza and I commend the families and staff for the precautions they have taken to keep residents safe. I would also like to acknowledge the tremendous feedback and support from families.

Thompson House (43 beds)

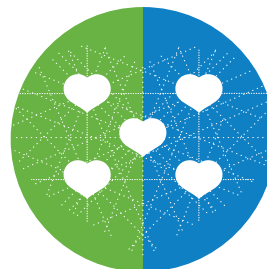
We have continued to redesign and improve Thompson House through:

- new electric beds and mattresses
- overhead bed tables
- new soft furnishings
- tables and chairs
- hot breakfasts available until 11am to accommodate residents who like to sleep in
- blue wren mural by local artist Jacqui Savin.

In January 2020 we applied for DHHS funding to undertake major renovations to improve liveability for residents. The funding would enable construction of a new entrance, bathrooms, single rooms and improved environment for residents with dementia. The outcome has been delayed due to COVID-19.

Staff have participated in a dementia readiness project (Stage 1) as well as the ARJO project to improve safe handling of residents and decrease staff occupational injuries.

In Thompson House, families and staff work collaboratively and this is reflected in many positive



COMMUNICATION

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In times like this we must look after each other

comments and acknowledgments. The addition of addition leisure and lifestyle staff, dedicated physiotherapist along with the pen pals project run with the Rotary Club of Castlemaine also helped ameliorate the isolation felt by residents as a result of COVID-19. The addition of a 'visiting window' was also implemented to help families and residents stay in touch during the pandemic.

Ellery House

Ellery House is a 60-bed facility and many improvements to support the residents in their home have occurred in the last 12 months. These include:

- improved heating to six rooms
- rectification of a major water pipe leak
- develop a schedule for regular painting and repairs
- new furnishings such as electric beds and mattresses, soft furnishings, replacement of older style palliative comfort chairs with high grade comfortable chairs, new table and chairs and quality soft furnishings
- individual medication cupboard for each resident for improved safety.

The introduction of hot breakfasts has been very well received, as has the donation of an electric wheelchair. New 'care groups' have been implemented to improve continuity of complexities of care. This includes enrolled nurses undertaking delivery of medication. During COVID-19 dedicated staff provided physiotherapy, pain management, and leisure and wellbeing activities, all of which proved a much-needed diversion for residents. A new visitor pod brought onsite to provide a dedicated visiting area will be available for use shortly.

Penhall (32 beds) and Spencely (20 beds) hostels

While the hostels traditionally provide low care over the past few years resident care needs have increased in complexity. Additional registered and enrolled nurses have been allocated to support those needs and the corresponding requirements. Over the last 12 months new beds and mattresses, soft furnishings and equipment have been purchased. Residents chose the fabric and design for all the facilities and trialled furniture for comfort prior to purchase. All hostel rooms are single and personalised for individual residents. The ARJO program has been implemented and nominated Ergo coaches selected from staff have been trained up to support their colleagues. Residents regularly participate in many activities, with extra activities available on weekends to help engage residents during the COVID-19 pandemic. A visitor pod is now in place with some final work to do before it can be put to use as a dedicated visiting space.

During the past year physiotherapists and nursing staff from the Pain Management Program have worked with residents to provide a service to reduce pain, increase mobility and engagement with life as resident's choice. Having dedicated staff working to each facility has allowed more personalised care.

The Leisure and Wellbeing Program working in aged care consists of a dedicated team with a wide range of talent and skills ranging from singing, musicians, yoga, meditation, craft and cooking. Together they run a diverse range of activities to support residents in their homes. Timetables allow residents to choose what they wish to participate in. Organising and facilitating visiting schools, kindergarten and dance troupes increased engagement with the community. External outings are usually part of the program. However, this year the COVID-19 pandemic has prevented external guests from visiting and outings from occurring. During the pandemic additional staff were allocated to support residents, particularly during weekends. The pen pal project with the Castlemaine Rotary Club also supported resident well-being and helped maintain links with the local community.

COMMUNITY SERVICES



Kerryn James

Director Allied Health and Community Programs

Castlemaine Health CRC successfully completed a project in partnership with Safer Care Victoria to address frailty in the community. Almost 100 older clients (over 65 years) were screened for frailty as part of their Podiatry service. Interventions around nutrition, exercise, and medication reviews were offered for those identified as frail. Promotional material was developed and placed around the CRC to highlight that frailty is a condition that can be improved, and with the right interventions, can reduce hospital admissions and improve wellbeing.

Allied Health graduates from Speech Pathology, Social Work, and Physiotherapy were welcomed at the start of 2020.

Community Programs staff met the challenge of providing ongoing care throughout COVID-19 lockdown period, utilising a range of service delivery options including phone calls, telehealth and face to face sessions as required. The successful and rapid implementation of telehealth video calls was a major achievement for the community programs teams, and enabled the allied health and nurses to support clients in the community and assess individual needs in an effective way without requiring people to leave their homes. Group education sessions for the Pain Management Program participants were also delivered via telehealth, and we are exploring ways to continue delivering education in this way in the future.

Allied Health and Nursing student placements have continued throughout the COVID-19 lockdown period, as we recognise the importance of providing students with experience during this challenging time in health care.

We expanded the role of one of our HARP Care Coordinators to utilise her Diabetes Education qualifications with complex clients across our Health Independence Program (HIP) catchment in response to a demand for these services.

We also successfully appointed our first Allied Health Clinical Educator.

Castlemaine Health is partnering with Bendigo Health, who hold funding for short-term restorative care. The program provides restorative care for up to eight weeks for clients and includes funding for both services and equipment. There is strict eligibility criteria and referrals must be made via My Aged Care.

Nearing completion is a project funded by Loddon Mallee Integrated Cancer Services (LMICS). The project has explored ways in which Castlemaine Health HIP services can support cancer care in the Macedon Ranges. A trial of providing cancer rehabilitation care coordination on a fortnightly basis alongside the medical oncologist and cancer service at Kyneton Health has commenced. This collaborative project involves Cobaw Community Health, Macedon Ranges Shire Council, Macedon Ranges Health, and Kyneton Health.

The multidisciplinary wound service was introduced in the CRC which uses a collaborative and holistic approach to support healing and prevention of chronic wounds for people with chronic and complex health conditions. The team includes District Nursing, Occupational Therapy, Dietitian, Podiatrist and HARP-Complex Care Coordinator.



TELEHEALTH

“Age is no barrier

Health Independence Program

Health Independence Programs (HIP) at Castlemaine Health include a range of allied health and nurse-led outpatient programs, and services are open to people from across Macedon Ranges, Mount Alexander and Central Goldfields Shires. A key aspect of HIP services is the provision of goal-directed care coordination and multidisciplinary intervention.

These services are specifically designed to support those who require rehabilitation following injury, surgery or illness, or who need coordinated multidisciplinary support to manage chronic health conditions. Our multidisciplinary teams provide highly coordinated care and expertise in specific clinical rehabilitation areas such as:

- neurological rehabilitation
- cancer rehabilitation and survivorship
- musculoskeletal/orthopaedic rehabilitation
- cardiac rehabilitation
- pulmonary rehabilitation
- falls and balance
- cognitive rehabilitation
- pain management
- hand therapy
- continence management
- lymphoedema management
- chronic wound service
- vestibular rehabilitation
- cardiac failure program.

In addition, HARP-Complex Care and Post-Acute Care services continue to be offered throughout our HIP catchment to support discharge home from hospital and for support, education and care coordination for people with complex and chronic health needs.

This year saw significant demand for services during the COVID-19 lockdown period, as many people in the community were continuing to require support to manage their chronic health conditions. Alternative service delivery options such as phone coaching and telehealth proved to be beneficial in reducing the need for many older people to venture out of their homes for face to face sessions.

Children's Services

The Children's Services team continues to adapt and evolve to meet the needs of the community. While the service continues to see children aged 0-6 years, the service has expanded in such a way that school age children are now a growing part of our clientele.

Staff are also continuing to upskill. Autism training provided through the Child and Adolescent Mental Health Service (CAMHS) has provided staff with an opportunity to assist with providing input into an "ASD" diagnosis for young children and teenagers. The ability to contribute to the assessment will help to decrease waiting times for families seeking help for their child.

Children's Services has seen an ongoing demand for NDIS services over the past 12 months and the recruitment of an additional Speech Pathologist. The use of Telehealth over recent months enabled access to ongoing therapy and support for many families during the COVID-19 lockdown period.

Diversity

Castlemaine Health has been attending the Let's Get Proud project working group with CHIRP, Community House, Mount Alexander Shire and the Primary Care Partnership. This project aims to carry out the actions of the Mount Alexander Shire's first ever LGBTIQ+ Strategic Plan. Castlemaine Health has also been working with CHSP Diversity Advisor, Virginia Harkin, and other regional health services to unpack the Rainbow Tick. This aims to make changes across our organisation to be more inclusive to LGBTI residents and clients.

As a result of this work the Kiss the Kitty LGBTI bowling group commenced as a trial from December until the end of February. The group is an LGBTI specific group with the aim of supporting people to connect in a fun and active way. The trial had been successful, although with COVID 19 the group is currently on hold, with plans to recommence once it is safe to do so.

Volunteer program

Castlemaine Health has over 100 registered volunteers who work across all areas of the organisation in diverse roles such as:

- one-to-one visiting
- pet therapy
- assisting with resident activities and gardening
- lolly trolley
- administration support
- help with fundraising events
- picking up library books for residents
- providing support on client social support outings.

Pastoral Care volunteers work with Danni Moore and provide spiritual support at a much-needed time and work across both hospital and residential aged care. One of the busiest programs is the Volunteer Medical Appointment Transport service, which operates daily and can make multiple trips each day.

The COVID-19 pandemic has put many of our usual volunteer programs on hold. Castlemaine Health worked with local organisations such as Castlemaine Community House, CHIRP Community Health, Mount Alexander Shire and Central Victorian Primary Care Partnership to consider how we could support our volunteers and community. It has also provided us with an opportunity to develop roles that have a lower risk to both residents and volunteers. Presently we have volunteers who are helping visitors to residential care check in, phoning clients and residents for a chat and gardening outside Penhall and Spencely. The Patient Transport service is continuing at a reduced capacity. We are using only one driver who takes only one patient at a time. Pastoral care is continuing via phone calls.

Throughout this period, Castlemaine Health has also been involved in a Volunteer Project Advisory Group. The group was initially working on recruitment of volunteers, but the focus has moved to Volunteer strategy and COVID-19 response.

International Volunteers day was celebrated in December with an afternoon tea at Goldfields Track Café in Harcourt. This provided a wonderful opportunity to thank our amazing volunteers and acknowledge the service that they provide to our health service and in turn the wider community. Celebrating and thanking our volunteers is so important as they make such a difference to the lives of many. We would like to thank the many volunteers who have contributed to our organisation in the past year.

Adult Day Services

During COVID-19 the Adult Day Services program could not continue with face-to-face groups. Group participants have received a weekly newsletter to maintain the group's sense of connection. Staff have also been keeping up regular contact with many group members by phone. Group telehealth and phone conferencing sessions have been used with success as a means of connecting groups and allowing conversations and catchups between participants.

The "In Home Foot Care Program" has now been running for over 10 years. This program allows many people in the community to have foot care via our partnership with Mount Alexander Shire. Podiatry staff recently trained an additional four shire workers who are now able to provide in home footcare for eligible community members.

In October 2019 we held our first Spring Concert. The show was a huge success and the Auditorium was packed to capacity. The day started with an Acknowledgement of Country from a Castlemaine Secondary College student, Al Coff. Acknowledgement of Country is an opportunity to acknowledge and show respect for the Traditional Owners and ongoing custodians of the land, the Aboriginal and Torres Strait Islander people. Here is Al's acknowledgement:

I would like to Acknowledge the Dja Dja Wurrung people whose land we are all upon. I would like to thank them for the care they have taken for Country, the rivers, oceans, mountains, trees and animals over countless generations. I would particularly like to acknowledge Uncle Rick Nelson and Aunty Julie McHale, my mum and all other Elders here today. I would like to also Acknowledge all other Indigenous



COMMUNITY

“
**The letter was lovely
and made me feel good**

people who work live and love this Country we are all on. I would like to Acknowledge Country and the pain that she holds. I would like to Acknowledge her resilience and her knowledge. I would like to Acknowledge my Ancestors and those of all First Nations people, especially those who are sharing with us today, they remind us every day as to who we are and what we need to do. I would like to Acknowledge the Elders who are here now holding strong to what is important. I would like to Acknowledge non-Indigenous.

Our Monday Alex Club ladies had worked hard over many weeks and dazzled us with their performance of 'Dip-a-Dee-Doo-Dah' accompanied by our very own Colin Appleby on guitar. Their performance was inspired by their viewing of the movie 'Poms'. The group designed and made the birds and pom poms on their costumes. They followed this up with the perfect Spring song 'You are my Sunshine'.

Mount Alexander Shire social support staff had some fun dressing up and miming to Whip Crack Away from Calamity Jane. Frances Fealy from Penhall Hostel and Leisure and Wellbeing staff member Jason entertained everyone with some oldies but goodies on harmonica and violin. Angela, one of our piano entertainment volunteers, accompanied special guest Ros Chapman who sang some beautiful songs. The Ukeladies finished the program by leading everyone in a singalong.

The decorations for the day were made by our Friends on Friday group. Featuring a bright yellow and orange flower mural and paper flowers. A huge thank you to our group members for making the decorations. Our Friends on Friday and Friday Explorers groups joined us on the day to enjoy the concert and a planned activity group from Maryborough also came over to join in the fun.

Working with our Aboriginal community

With so many events planned for the 2019-20 year it was incredibly disappointing to see those plans cancelled due to the COVID-19 pandemic. After consulting with the Aboriginal community leaders Castlemaine Health has made some changes to their Health Survey, which will be conducted with Aboriginal community.

All Aboriginal national and important local events were publicised on the intranet, Castlemaine Health Facebook page and on screens across the hospital as screensavers. Cultural awareness training was held by the Victorian Aboriginal Community Controlled Health Organisation Inc. and was well attended by Castlemaine Health staff.

The plans for Reconciliation Week were cancelled. However, two interviews with local elder Aunty Julie and Aboriginal woman, Jacinta Douglas, were published internally, on our website and picked up by an external magazine *Fine Print*. We were delighted to see these wonderful interviews reach a wider audience outside our organisation.

FINANCE AND BUSINESS IMPROVEMENT



Kerry Healy

Executive Director Corporate Services

The Finance and Business Improvement Division was established as part of a restructure early in 2019-20. Its primary focus is to assist the Board and management team achieve their strategic objective to support the care delivery areas of Castlemaine Health to deliver great services to our community. The division includes Health Information Service, Finance and Payroll.

COVID-19 has presented unique challenges. We are adapting to changes in work practices to support the ability of staff to work from home and the increased use of technology and automation to interact with our stakeholders.

Achievements

- Transition to new Kronos Navigator Rostering system and online leave applications
- Adapting practices to upload discharge summaries into My Health Record summaries
- Strong support from community with fundraising, bequests and grants to deliver much-needed equipment and upgrades.

Finance

The Finance team provides services to Castlemaine Health as well as contracted finance and accounting services to Maldon Hospital. The department has encountered many challenges during 2019-20. Changes in reporting requirements to identify the impact of COVID-19 have been significant and impacted on the workload of many staff. In addition to the changes brought about by COVID-19, we bade farewell to the Finance Manager who resigned in April to pursue other opportunities. The Finance team have worked extremely hard to cover the workload through an extremely busy time of the year while we undertake the recruitment process to replace this key position.

Payroll

Our Payroll Manager, Craig Smith commenced in May 2019 and has quickly adapted to the nuances of the health service payroll environment. The payroll team have supported each other and worked well together to cover the resignation of an experienced team member and the unplanned absence of another – no mean feat when processing the Payroll for a number of agencies across the region.

Despite all these challenges, the team have welcomed and supported the new staff members and worked collaboratively to achieve their stated goals of providing an accurate, efficient and most importantly a customer-oriented service. In addition to routine service provision, the team have undertaken specific improvement projects including:

- smooth transition from the KRONOS Classic to the Kronos Navigator Rostering system
- implementation of online leave requests in KRONOS Navigator to replace the paper-based system.
- provision of training for manager in the new system.
- transition to email payslips eliminating the need for delivery costs and improving efficiency.
- review of processes in general to improve efficiency.

Health Information Service

Castlemaine Health's Health Information Service (HIS) continues to provide clinical coding services to Inglewood, Heathcote, Boort, Maldon and the East Wimmera group. As part of our strategy to continually develop skills and experience within our health information workforce, we have supported an existing staff member to successfully complete her Certificate IV in Clinical Classification. This has resulted in additional coding resources being available within the team to address the ever-growing workload requirements.

In March 2019 we commenced uploading discharge summaries to My Health Record. Education sessions regarding funding streams and the supporting documentation requirements were provided to clinical staff. HIS continues to develop the information made available to users and many improvements have been made to data reports over the past year, especially in regards to outpatient activity.

We are currently implementing a service to allow us to send and receive files securely which is particularly relevant as we adapt to working remotely. This service will improve efficiency and improve data security.

Fundraising, Gifts in Wills, Grants and Donations

Run the Maine celebrated their 11th anniversary in October 2019 and raised \$25,000 under the new leadership of Director Gavin Krasner. These funds will be used to create an End of Life unit within Connolly Rehabilitation to enable families to stay close to their loved one.

Our Murray to Moyne cycle relay teams the Castlemaniacs and Castlemaine Rouleurs together raised \$19,733. Due to COVID-19 the event was unfortunately cancelled so the funds will be held over until the 2021 ride. The funds will purchase a replacement defibrillator with pacing facility for Geroe Acute and the Urgent Care Centre, as well as a HoverMatt to enable staff to more comfortable reposition aged care residents on a cushion of air.

A generous bequest of \$33,000 for our aged care residents was received from the family of Mary and Frank Pederick. Their donation has purchased a mobile kitchen cart to prepare meals onsite in our residences.

A generous bequest of \$29,880 was received from the late Betty Rouch, who was a former resident of Penhall. Betty was extremely passionate about sustainability and the environment. Thanks to her passion and generosity, solar panels have been installed in Penhall to reduce our carbon footprint and save on costs.

We are extremely grateful to Colliers Charitable Foundation for the grant of \$33,000 to purchase much-needed theatre equipment, such as Endoscope Trolley, Paediatric Emergency Airway Trolley, High Definition Operating Camera, HoverMatt Mattress, Storz High Flow Arthroscope Sheath and instruments.

We are grateful for the support from the Australian Lions Foundation for a grant of \$3,504 together with Castlemaine Lions Club for a grant of \$7,008 to support various equipment needs in our Theatre, Geroe Acute and Connolly Rehabilitation. The Lions Club of Castlemaine also provided generous support to Ellery House with the purchase of a blood pressure machine and a transit wheelchair costing \$1060, enabling families to transport their family member on outings.

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

HUMAN RESOURCES



Vicky Mellington

Director Human Resources

Training and Development

During 2019-20 Human Resources continued operating a shared services model for the sub-region, providing a range of support to other health agencies including Maldon Hospital, Inglewood and Districts Health Service and Heathcote Health.

A focus on Castlemaine Health staff health and wellbeing was maintained and enhanced. Human Resources have launched a Health and Wellbeing program which will provide a dedicated focus on health and wellbeing topics. We've tailored the four focus topics for the next financial year-based survey results. The focus areas are: Q1 Mind / Q2 Smoking / Q3 Food / Q4 Move.

Fitness Passport continued to run (until being put on hold due to COVID-19). Fitness Passport is a corporate health and fitness program that enables members to access a wide range of their local health and fitness suppliers. The purpose is to inspire a greater number of people to start regular exercise to improve their overall health and reduce sick leave.

The Employee Assistance Program continues to be well used. Staff having a choice of providers has increased usage. The on-site one day per week

continues to make it easier for staff to access the confidential counselling service.

Continuous improvement was also a focus, with the Human Resources team regularly dedicating time to reviewing, streamlining, and (when necessary) overhauling processes, procedures and policies. The team is aiming to operate paperless whenever possible. All new employee files are managed electronically and the creation of updated forms intended for completion on-screen, rather than printing to hard copy.

The annual People Matter Survey achieved a record 79% participation rate. One of the strategies from Executive as a result of the People Matters survey is that focus groups will be held with the CEO and a representative from HR.

Most of the Enterprise Bargaining Agreements we are respondent to are expiring, The Human Resources team have been involved in focus groups with the VHIA. These focus groups form the basis of negotiations with the VHIA, Unions and Government.

Human Resources conducted sessions in conjunction with First State Super on Transition to Retirement. These sessions proved very beneficial to staff.

Hospitals labour category	June current month FTE		June YTD FTE	
	2019	2020	2019	2020
Nursing	189.71	180.43	186.73	178
Administration and Clerical	73.99	70.79	69.45	69.09
Medical Support	5.22	1.92	6.31	1.82
Hotel and Allied Services	95.44	117.55	92.61	112.06
Medical Officers (including Hospital Medical Officers)	1.20	2.46	1.17	1.67
Sessional Clinicians	.28	0	.28	0
Ancillary Support (Allied Health)	40.48	31.17	40.38	32.21
Total	406.32	404.32	396.92	395.2

Application of employment and conduct principles

Castlemaine 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 Health and Safety

The safety, health and wellbeing of our staff remains an organisational commitment that is supported through key initiatives from the Workplace Health and Safety (WHS) strategy, with an emphasis on fostering and developing staff engagement at all levels in health and safety management.

In the past year we have had two WorkSafe notifiable incidents:

- Chemical exposure in Geroe Acute from a patient presentation (22 April 2020)
- Dry Ice explosion onsite involving a Dorevitch Pathology staff member (4 February 2020)

Over the past 12 months we have put in place a range of targeted actions that have helped continually improve our WHS management and culture. These include:

- Sustained focusing on patient handling with our highest claims and injuries related to patient handling causation in 2019/20
- ARJO patient handling program rolled out which has included:
 - 17 Ergo coaches trained
 - Additional patient handling equipment supplied
 - New patient/mobility risk assessment form
 - Safe patient handling committee established
- Chemwatch chemical management database system updated
- New Risk Assessment and procedure for loading dock area to restrict unauthorised access
- Four new HSRs trained and supported in their designated work group
- New Return to Work Coordinator employed
- Additional support for Engineering to update safety governance documentation.

Occupational violence statistics	2019–20
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	71 total
Number of occupational violence incidents reported per 100 FTE	0.17%
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	8.45%

The following definitions apply:

- 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.
- Accepted Workcover claims – Accepted Workcover claims that were lodged in 2017-18.
- 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.

Occupational Health and Safety statistics	2017–18	2018–19	2019–20
Total number incident reports (including hazard and near miss) for the year per 100EFT staff members	54	56	80%
Number 'lost time' standard claims for year per 100EFT staff members	3	2.28	1.5%
Average cost per claim for year	\$37,155	\$45,906	\$94,532

CORPORATE SERVICES



Jason Stevens

Director Corporate Services

The corporate services directorate provides support services in a safe, positive and sustainable manner to Castlemaine Health. Key responsibilities include; Hospitality (Hotel Services, Food Production and Resident Laundry), Contracts and Procurement, Information Technology, Infrastructure Maintenance, Engineering and Project Management.

In my first report, I would like to thank staff and management at Castlemaine Health for warmly welcoming me back to the organisation. Since I commenced on August 5, 2019 we have navigated a number of challenges. Over this time, I have felt both supported, and respected. I really want to acknowledge the hard work of our corporate services staff and thank each of you for ensuring our patients and residents receive the best possible care.

Achievements

- Steered a project to restore and enhance a staff garden, which was a fantastic success and a number of staff and visitors now enjoy this meeting place
- New Corporate Services Hub designed as a home base for our valued hotel services staff members will officially open after COVID-19 restrictions are eased to house managers from across the Corporate Services directorate
- Refreshed Procurement Governance Framework was developed and incorporated
- Quick Fix Café stage one refurbishments completed
- IT department worked tirelessly to introduce improved videoconference facilities
- Solar panels installed across Castlemaine Health to improve our carbon footprint and provide recurrent operational efficiencies
- Corporate Services Plan (Jan 2020 – June 2021) was created and implemented, which aligns corporate services operational goals with Castlemaine Health's strategic directions
- Laundry department donated excess supply of used linen to Wildlife Volunteers to help animals impacted by the Victorian Bushfires

Engineering, Infrastructure and Project Management

The topography of our site combined with ageing infrastructure presents significant challenges to Castlemaine Health. Ensuring the infrastructure is safe for staff, visitors, patients and residents is an ongoing task. This year on top of our regular maintenance requirements and fault rectification, we saw two major water bursts. These water bursts resulted in water usage increases and some expensive rectification work to our underground water pipes.

On top of our property maintenance a number of projects progressed this year. We saw stage one of our cafeteria refurbishment completed. This saw modifications to cafeteria design, some painting and new furniture. The north half of Renshaw was refurbished and this improved our staff/student accommodation. We created a Corporate Services Hub, providing a home base for our hospitality workforce and generating some management cross-pollination benefits. We also restored a garden that had been hidden for more than 25 years and created our new staff garden.

Some of our projects were delayed due to restrictions associated with COVID-19 and our car park, laundry and supply project is delayed. The project required relocation of natural gas lines and only a limited number of contractors can complete that work. We anticipate that construction of the new laundry and supply department will commence in July 2020 and the project will conclude with new car park construction around July 2021.

Information Technology

The IT Department has been very busy over the last twelve months with numerous upgrades to network infrastructure, applications and other projects. The team completed over 2,700 helpdesk requests/jobs during the year. This represents a 35% increase on the previous year demand.

260 PCs and Laptops were replaced across Castlemaine Health, we also replaced 35 Multi-Function Printers. All PCs were upgraded to Windows 10 and Office 2019 prior to the January 2020 deadline and we also upgraded 18 windows 2008 servers to newer versions.

Cyber security has been a major focus over the past 12 months. We worked closely with the Department of Health & Human Services and installed several

cyber security-based applications (Tenable and Cylance) that help monitor data safety.

During the Covid19 pandemic our IT team sourced additional devices (laptops) to assist staff who were working remotely. Videoconference technology was improved and we now have the ability to meet with clients and staff using Cisco, Microsoft teams and Healthdirect. We also successfully installed a secure email transfer system to enable broadcast of sensitive information via an encryption service.

Business continuity continues to be a priority, and during the year we established formal links with peer health services and the Loddon Mallee Shared Service (IT Network). I believe the establishment of these links will allow us to provide the best possible information and communications technology solutions for Castlemaine Health on an ongoing basis.

Business As Usual (BAU) ICT Expenditure		Non-Business As Usual (non-BAU) ICT Expenditure	
Total (excluding GST)	Total Expenditure (excluding GST) (a) + (b)	Operating Expenditure (excluding GST) (a)	Capital Expenditure (excluding GST) (b)
\$1,180,573	\$54,597	\$0	\$54,597

Hospitality/Hotel Services

Over the past year our food production area said goodbye to Chef Deb Corcoran and welcomed Ryan McDonald as our new head chef. We introduced a new menu and embraced the new International Dysphagia Diet Standardization Initiative (IDDSI). This represents 7 new food and fluid standards that are recognised across the world. Our Food Production department worked closely with our Dietician and our Speech Pathologist to introduce these new requirements.

We successfully met all food safety standard requirements and received multiple positive comments about our new menu, which is responsive to patient/resident needs. Thanks to a generous bequest we also purchased a mobile kitchen this year. Our mobile kitchen will be used to further improve our resident food experience and will support our food production staff to interact with more staff across our health service.

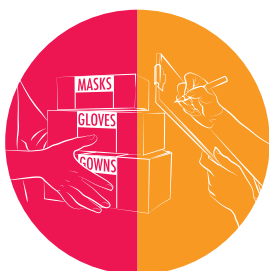
In conjunction with our food production staff, our food delivery staff continue to provide an invaluable service to patients and residents. Our recently introduced food heating system has provided residents and patients with better quality meals and

this year we provided in excess of 300,000 meals across Castlemaine Health and Maldon Hospital.

In what was an outstanding achievement, I want to acknowledge the staff members involved with the introduction of our hot breakfast service to the Residential Aged Care facilities. Our residents love freshly prepared porridge and toast in the morning, and this change has had a significant impact on resident wellbeing.

Our Environmental Services area has again maintained its usual high standard of professionalism in relation to cleaning undertaken across Castlemaine Health. Staff have taken the increased cleaning requirements resulting from the COVID-19 pandemic in their stride. In what is a very difficult and stressful time our staff have all worked diligently to ensure our hospital is clean and our staff, residents and patients are protected.

I also really want to use this report to acknowledge the work of our Laundry team. We are providing a responsive linen/laundry service for residents at Castlemaine Health. Our laundry staff have a positive attitude and go over and above, to ensure residents needs are considered and met.



SUPPLIES

“**Teams have worked tirelessly to keep staff safe**”

Contracts and Procurement

Significant work has been done in Contracts and Procurement this year. Most notably the realignment of the corporate services directorate to ensure resources were allocated to this important function.

Fleet Services and the Supply Department are part of our Contracts and Procurement team. With a signed memorandum of understanding between Castlemaine Health and VicFleet in place, our fleet department have been busy arranging the transition from a fleet of owned vehicles to a fleet of leased vehicles. The Supply Department continued normal business operations while concurrently working to reduce its footprint in preparation for relocation.

We refreshed our procurement governance through the implementation of the Procurement Governance Framework and our draft Social Procurement Strategy. We also made some improvements to contract and document management and are now awaiting roll-out of new Contract Management software thanks to a partnership with Health Purchasing Victoria.

During the Covid19 pandemic, our contracts and procurement staff were instrumental in sourcing personal protective equipment (PPE) for staff. We made an early decision to centralise our stock of PPE and this has been beneficial. We have successfully monitored PPE usage and have been able to ensure stock of PPE has remained sufficient. I am really proud of the efforts of our team and in particular Kylie Turner, Contracts and Procurement Manager. Kylie has worked tirelessly to ensure staff at CH have appropriate PPE and are safe at work.

Environmental Sustainability

In October 2019 our Environmental Sustainability Committee was established. This committee reports to executive and oversees Castlemaine Health's environmental performance, waste/energy management, legislative standards and compliance with government strategies.

Committee membership was established through an expression of interest process. Members are from various areas of Castlemaine Health and also include representation from Maldon Hospital.

The committee has been working on recycling processes and has plans to improve our waste segregation. The committee is also keeping a close watch on gas, electricity and water usage.

Our gas & electricity consumption was steady this financial year, but we saw an increase in water consumption. Increased water consumption is directly attributed to two incidents where our site water ring main burst.

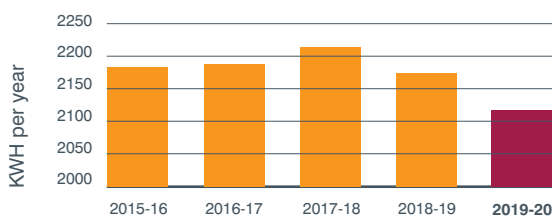
In a major boost for our energy efficiency, two projects were undertaken this year, resulting in the installation of 230kws of solar panels across the site. 200kws of solar panels were attached to the North Wing and an additional 30kws were attached to Penhall.

We anticipate that the solar panels will produce enough power to offset up to 145,490 kg of harmful CO² emissions. This is equivalent to planting 6,613 trees every year.

We thank the Department of Health and Human Services who provided funding support to allow us to install solar panels on the North Wing. I also want to acknowledge a generous bequest from the Rouch Family. This bequest allowed us to install solar panels on Penhall.

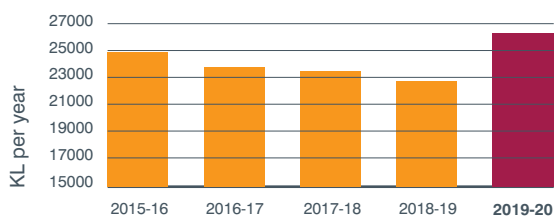
Environmental Performance

Electricity Consumption



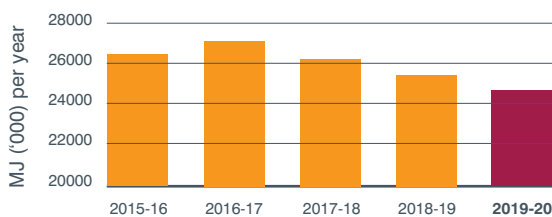
Electricity consumption is down by 2.5% compared to the previous year.

Water Consumption



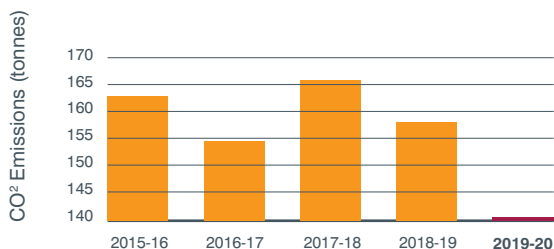
Water consumption is up by 15% compared to the previous year. The consumption was impacted by two instances where the ring main burst.

Natural Gas Consumption



Natural Gas consumption is down by 3.2% compared to the previous year.

CO₂ Emissions – Motor Vehicle Fleet



Total CO₂ emissions from the motor vehicle fleet are down significantly due to the reduction in Motor Vehicle usage due to COVID-19 restrictions.

STATUTORY COMPLIANCE

Attestations

Financial Management Compliance: I, Margaret Peggy Ronnau, on behalf of the Castlemaine Board of Management, certify that Castlemaine Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Margaret Peggy Ronnau, Responsible Officer
Castlemaine Health, 30 October 2020

Data Integrity: I, Ian Fisher, certify that Castlemaine Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Castlemaine Health has critically reviewed these controls and processes during the year.

Conflict of Interest: I, Ian Fisher, certify that Castlemaine 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 Castlemaine 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, Ian Fisher certify that Castlemaine Health has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Castlemaine Health during the year.



Ian Fisher, Responsible Officer
Castlemaine Health, 30 October 2020

Disclosures

Building Act 1993: All building works have been undertaken in accordance with the Department of Health and Human Services Guidelines and comply with the *Building Act 1993* and the *Building Code of Australia 1996*.

Carers Recognition Act 2012: Castlemaine Health has taken all practical measures to comply with its obligations under the Act.

DataVic Access Policy: Consistent with the DataVic access policy issued by the Victorian Government in 2012, the information contained in all data tables in this Annual Report will be available at <http://www.data.vic.gov.au/> in machine readable format.

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. Castlemaine 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, Castlemaine 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. Twenty-one were received under Freedom of Information in 2019-20. 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.

National Competition Policy: Castlemaine Health applies competitive neutral costing and pricing arrangements to significant business units within its operations. These arrangements are in line with National Competition Policy and comply with requirements of 'Competitive Neutrality Policy' Victoria.

Protected 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 Castlemaine Health under Part 9 are available in the Protected Disclosure Policy. There were no disclosures notified to the IBAC under section 21(2) in 2019-20.

Safe Patient Care Act 2015: Castlemaine Health has nil matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.

Local Jobs First Act 2003: During the year there were no contracts that required disclosure under the Local Jobs First policy.

Additional information available on request:

The items listed below have been retained by Castlemaine 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 Castlemaine Health about itself, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by Castlemaine Health
- details of major external reviews carried out on Castlemaine Health
- details of major research and development activities undertaken by Castlemaine 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 Castlemaine 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 Castlemaine 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 Castlemaine 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.

SUMMARY OF FINANCIAL RESULTS

For the Financial Year ended 30 June 2020

FINANCIAL INFORMATION					
	2020	2019	2018	2017	2016
	\$000	\$000	\$000	\$000	\$000
Operating Result*	942	215	(410)	1,286	3,540
Total revenue	57,454	53,534	49,960	49,404	46,394
Total expenses	61,082	53,758	51,073	49,749	44,815
Net result from transactions	(3,628)	(224)	(1,113)	(345)	1,579
Total other economic flows	(690)	(230)	(356)	303	0
Net result	(4,318)	(454)	(1,469)	(42)	1,579
Total assets	100,904	102,890	72,986	72,279	66,573
Total liabilities	40,987	37,760	34,681	32,505	27,223
Net assets/Total equity	59,917	65,130	38,305	39,774	39,350

* 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		2019-20
		\$000
Net Operating Result*		942
Capital purpose income		1,109
Specific income		
COVID-19 State Supply Arrangements		
• Assets received free of charge or for nil consideration under the State Supply		66
State supply items consumed up to 30 June 2020		(45)
Expenditure for capital purpose		205
Depreciation and amortisation		(5,810)
Impairment of non-financial assets		282
Finance costs (other)		(33)
Net result from transactions		(3,628)

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

SIGNIFICANT CHANGES IN FINANCIAL POSITION

The Cash and Cash Equivalent/Investments balances held by Castlemaine Health increased during the year by \$2.4m. A significant factor was an increase in Refundable Accommodation Deposits of \$4.2m which is offset by a corresponding increase in Other Current Liabilities (Monies held in Trust).

The Receivables balance decreased by \$859k as the result of improvements implemented following a review of debtor management practices.

A revaluation of Land and Property, scheduled every five years, was undertaken in June 2019. A further revaluation adjustment to land was recorded in June 2020 following a management review which was based on the 10% upward movement in the indices provided by the Victorian Valuer General. The resulting adjustment to the value of Land held by Castlemaine Health was an increase of \$359k which is reflected in Non-Current Assets and Equity in the Balance Sheet.

New accounting standards, those relating to leases and revenue recognition in particular, came into effect during the financial year and had an impact on the Balance Sheet.

OPERATIONAL AND BUDGETARY OBJECTIVES AND FACTORS AFFECTING PERFORMANCE

Like all Health Services, Castlemaine Health is required to negotiate a Statement of Priorities with the Department of Health & Human Services each year. This document is a key accountability agreement between Castlemaine Health and the Minister for Health. It recognises that resources are limited and that the allocation of these scarce resources needs to be prioritised. The Statement incorporates both system-wide priorities set by the Government and locally generated agency-specific priorities.

This year has been impacted significantly by Covid-19 which has impacted the operations of the health service and its ability to meet the Statement of Priorities target agreed to at the beginning of the 2019/20 financial year.

The Board aimed for a breakeven result before capital items and depreciation in the Statement of

Priorities for the 2019/20 financial year. The financial result before capital items and depreciation for the 2019/20 year was a \$942k surplus result which included additional support from the Government. Castlemaine Health faces significant ongoing challenges to meet budgetary objectives and continues to work with the Department of Health and Human Services to address these.

Both the organisation and the Department of Health & Human Services focus on the Net Operating Result (ie the result before capital and depreciation), as depreciation is not a funded item. Funding for capital redevelopment and major equipment purchases are sourced from the Government; such funding is allocated according to need and after consideration of a supporting submission.

Castlemaine Health is striving to implement strategies to achieve operating surpluses on an ongoing basis to ensure the organisation can generate the cash needed to meet operating requirements into the future.

EFFECTIVE FINANCIAL MANAGEMENT

Key Performance Indicator	Target	2019–20 result
Finance		
Operating result (\$m)	-0.00	0.94
Average number of days to paying trade creditors	60 days	42 days
Average number of days to receiving patient fee debtors	60 days	62 days
Public and Private WIES ¹ activity performance to target	100%	88%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.86
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month	14 days	1.3 days

¹ WIES is a Weighted Inlier Equivalent Separation

EVENTS SUBSEQUENT TO BALANCE DATE

There have been no events subsequent to balance date that will have a significant effect on the operations of the health service in subsequent years.

INDEPENDENT AUDITOR'S REPORT



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of Castlemaine Health

Opinion	<p>I have audited the financial report of Castlemaine Health (the health service) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 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>

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
1 October 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

BOARD MEMBER'S, ACCOUNTABLE OFFICER'S, AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and the financial position of Castlemaine Health at 30 June 2020.

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 28th September 2020



Margaret (Peggy) Ronnau
Chair

Castlemaine Health
28 September 2020



Ian Fisher
Chief Executive Officer

Castlemaine Health
28 September 2020



Kerryn Healy
Chief Finance & Accounting Officer

Castlemaine Health
28 September 2020

Castlemaine Health
Comprehensive Operating Statement
For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income from Transactions			
Operating Activities	2.1	57,152	53,011
Non-operating Activities	2.1	302	523
Total Income from Transactions		57,454	53,534
Expenses from Transactions			
Employee Expenses	3.1	(45,558)	(42,411)
Supplies and consumables	3.1	(4,165)	(4,082)
Finance costs	3.1	(33)	(34)
Depreciation	4.3	(5,810)	(2,147)
Other Operating Expenses	3.1	(5,516)	(5,084)
		(61,082)	(53,758)
Net Result from Transactions - Net Operating Balance		(3,628)	(224)
Other Economic Flows included in Net Result			
Other Loss from Other Economic Flows	3.2	(425)	(213)
Net Gain on Sale of Non-Financial Assets	3.2	17	20
Loss on Financial Instruments at Fair Value	3.2	(282)	(37)
Total Other Economic Flows included in Net Result		(690)	(230)
NET RESULT FOR THE YEAR		(4,318)	(454)
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in physical asset revaluation surplus	4.2(f)	359	25,553
Transfer of Specific Purpose Funds to Equity		-	1,726
Total other comprehensive income		359	27,279
Comprehensive result for the year		(3,959)	26,825

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

Castlemaine Health
Balance Sheet
As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	6.2	26,546	22,369
Receivables	5.1	1,495	2,353
Investments and other financial assets	4.1	1,725	3,726
Inventories		367	285
Prepayments and Other assets		181	227
Total current assets		30,314	28,960
Non-current assets			
Receivables	5.1	1,590	1,366
Property, plant & equipment	4.2	69,000	72,564
Total non-current assets		70,590	73,930
TOTAL ASSETS		100,904	102,890
Current liabilities			
Payables	5.2	4,356	4,047
Borrowings	6.1	776	500
Provisions	3.4	8,584	7,470
Other current liabilities	5.3	24,876	23,049
Total current liabilities		38,592	35,066
Non-current liabilities			
Borrowings	6.1	376	509
Provisions	3.4	2,019	2,185
Total non-current liabilities		2,395	2,694
TOTAL LIABILITIES		40,987	37,760
NET ASSETS		59,917	65,130
EQUITY			
Property, plant & equipment revaluation surplus	4.2 (f)	58,976	58,617
Restricted Specific Purpose Surplus	SCE	1,725	1,726
Contributed capital	SCE	21,202	21,202
Accumulated deficits	SCE	(21,986)	(16,415)
TOTAL EQUITY		59,917	65,130

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

Castlemaine Health

Statement of Changes in Equity

For the Year Ended 2020

		Property, Plant & Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated (Deficits)	Total
	Note	\$'000		\$'000	\$'000	\$'000
Balance at 1 July 2018		33,064	-	21,202	(15,961)	38,305
Net result for the year		-	-	-	(454)	(454)
Other comprehensive income for the year	4.2 (b)	25,553	-	-	-	25,553
Transfer from Liabilities*		-	1,725	-	-	1,725
Balance at 30 June 2019	4.2 (f)	58,617	1,725	21,202	(16,415)	65,129
Effect of adoption of AASB 15, 16 and 1058	8.9	-	-	-	(1,253)	(1,253)
Restated balance as at 1 July 2019		58,617	1,725	21,202	(17,668)	63,876
Net result for the year		-	-	-	(4,318)	(4,318)
Other comprehensive income for the year		359	-	-	-	359
Balance at 30 June 2020	4.2 (f)	58,976	1,725	21,202	(21,986)	59,917

* The Malcolm Archer bequest was previously recognised as a Liability. It has been transferred to a Restricted Specific Purpose Fund during year ending 30 June 2019.

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

Castlemaine Health
Cash Flow Statement
For the Year Ended 2020

	Note	2020 \$'000	2019 \$'000
Cash Flows from Operating Activities			
Operating grants from government - State		35,888	30,490
Operating grants from government - Commonwealth		10,216	10,484
Capital grants from government - State		549	1,622
Patient and resident fees received		5,245	5,935
Donations and bequests received		157	152
GST received from ATO		34	4
Interest received		360	587
Other receipts		5,004	3,400
Total Receipts		57,453	52,674
Employee expenses paid		(41,817)	(38,202)
Non salary labour costs		(3,077)	(2,781)
Payments for supplies & consumables		(4,295)	(4,035)
Interest Paid		(29)	(35)
Other payments		(6,134)	(5,452)
Total Payments		(55,352)	(50,505)
Net Cash Flows from Operating Activities	8.1	2,101	2,169
Cash Flows from Investing Activities			
Payments for non-financial assets		(1,653)	(1,293)
Proceeds from sale of non-financial assets		17	61
Proceeds from disposal of Investments		2,000	11,545
Net Cash Flows from Investing Activities		364	10,313
Cash Flows from Financing Activities			
Proceeds from borrowings		493	-
Repayment of borrowings		(592)	(500)
Receipt of Accommodation Deposits		9,248	11,231
Repayment of Accommodation Deposits		(7,437)	(7,386)
Net Cash Flows from Financing Activities		1,712	3,345
Net Increase in Cash and Cash Equivalents Held		4,177	15,827
Cash and cash equivalents at beginning of financial year		22,369	6,542
Cash and Cash Equivalents at End of Financial Year	6.2	26,546	22,369

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

Basis of preparation

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

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

Note 1: Summary of significant accounting policies

These annual financial statements represent the audited general purpose financial statements for Castlemaine Health for the year ended 30 June 2020. The report provides users with information about Castlemaine Health's stewardship of resources entrusted to it.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable standards of the Australian Accounting Standards Board (AASB), which includes interpretations issued by the 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 & Finance, and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

Castlemaine Health is a not-for profit entity and therefore applies the additional Australian-specific (AUS) paragraphs applicable to "not-for-profit" Health Services under the Australian Accounting Standards (AAS's).

(b) Reporting entity

The financial statements represent the activities of Castlemaine Health as a single entity.

Its principal address is:

142 Cornish St
Castlemaine
Victoria 3450

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

(c) Basis of accounting preparation and measurement

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

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

The financial statements are prepared on a going concern basis (Refer to note 8.8: Economic dependency).

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

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

Castlemaine Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Castlemaine Health's Specific Purpose Funds include the Malcolm Archer bequest.

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

Note 1: Summary of significant accounting policies (continued)

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

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

- the fair value of land, buildings, plant and equipment, (refer to Note 4.2 Property, Plant and Equipment);
- employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4 Employee Benefits in the Balance Sheet)

COVID-19 Pandemic

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

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

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

For further details refer to Note 2.1 (a) Funding delivery of our services, Note 3.1 Expenses from Transactions and Note 4.2 Property, plant and equipment.

Goods and Services Tax (GST)

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

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

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

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

(d) Jointly Controlled Operation

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In respect of any interest in joint operations, Castlemaine Health recognises in the financial statements:

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

Castlemaine Health is a member of the Loddon Mallee Rural Health Alliance (the Alliance) and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.7 Jointly Controlled Operations and Assets).

(e) Equity

Contributed Capital

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

Note 1: Summary of significant accounting policies (continued)

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.

Restricted Specific Purpose Surplus

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

Note: 2 Funding delivery of our services

Castlemaine Health's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians.

Castlemaine Health is predominantly funded by accrual based grant funding for the provision of outputs.

Castlemaine Health also receives income from the supply of services.

Structure

2.1 Revenue and income that funds the delivery of our services

Note 2.1 (a): Revenue and Income that funds the delivery of our services

(a) Income from Transactions

	Total 2020 \$'000	Total 2019 \$'000
Government Grant (State) - Operating ¹	35,897	30,345
Government Grant (Commonwealth) - Operating	10,173	10,455
Government Grant (State) - Capital	903	1,622
Other Capital Purpose Income	50	17
Patient and Resident Fees	5,539	6,136
Commercial Activities	395	370
Assets received free of charge or for nominal consideration	524	647
Other Revenue from Operating Activities	3,671	3,419
Total Income from Operating Activities	57,152	53,011
Capital Interest	-	1
Other Interest	302	522
Total Income from Non-Operating Activities	302	523
Total Income from Transactions	57,454	53,534

¹ Government Grant (State) - Operating includes funding of \$2,690,000 which was spent due to the impacts of COVID-19.

Impact of COVID-19 on revenue and income

As indicated at Note 1, Castlemaine Health's response to the pandemic included the deferral of elective surgeries and reduced activity. This resulted in Castlemaine Health incurring lost revenue as well as direct and indirect COVID-19 costs. The Department of Health and Human Services provided funding which was spent due to COVID-19 impacts on Castlemaine Health. Castlemaine Health also received essential personal protective equipment free of charge under the state supply arrangement.

Note 2.1 (a): Revenue and Income that funds the delivery of our services (continued)

Accounting Policies

Government Grants

Income from grants to construct a carpark and to upgrade the central sterilizing services department is recognised when Castlemaine Health satisfies its obligations under the transfer. This aligns with Castlemaine Health's obligation to construct the asset. The progressive percentage costs incurred are used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

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

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

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

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

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

Performance obligations

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

- Activity Based Funding (ABF) paid as WIES casemix
- Commonwealth Aged Care Funding
- other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations.

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

For Commonwealth Aged Care Funding, revenue is recognised monthly based on the actual number of bed days provided and assessed ACFI rates for each resident. The performance obligations have been selected as they align with funding conditions set out in the Policy and funding guidelines issued by the Commonwealth.

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

Note 2.1 (a): Revenue and Income that funds the delivery of our services (continued)

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to Castlemaine Health without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). Castlemaine Health recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, Castlemaine Health recognises revenue when the grant is received.

Grants can be received as general purpose grants, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

The following are transactions that Castlemaine Health has determined to be classified as revenue from contracts with customers in accordance with AASB 15. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

Patient Fees and Resident Fees

The performance obligations related to patient fees involve the provision of care to the patient. These performance obligations have been selected as they align with the terms and conditions of the providing services. Revenue is recognised as these performance obligations are met.

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

Revenue from commercial activities

Revenue from commercial activities includes items such as meals on wheels, properties and health club.

Performance obligations related to commercial activities are the provision of meals on wheels, and use of properties and health club facilities. These performance obligations have been selected as they align with the terms and conditions of the providing services. Revenue is recognised as these performance obligations are met.

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

	Total 2020 \$'000	Total 2019 \$'000
Cash donations and gifts	157	135
Assets received free of charge under State supply arrangements	66	-
Indirect contributions by Department of Health and Human Services:		
Non Cash Grant - Insurance	76	55
Non Cash Grant - Long Service Leave	225	457
Total fair value of assets and services received free of charge or for nominal consideration	524	647

In order to meet the State of Victoria's health network supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment and essential capital items such as ventilators.

The general principles of the State Supply Arrangement were that Health Purchasing Victoria sourced, secured and agreed terms for the purchase of the products, funded by the department, while Monash Health and the department took delivery, and distributed the products to health services as resources provided free of charge.

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

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

Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a surplus, such as the specific restricted purpose surplus.

Voluntary Services

Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased if not donated. The volunteer services provided to Castlemaine Health do not meet this criteria.

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

The Department of Health and Human Services makes the following payments on behalf of Castlemaine Health:

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health and Human Services Hospital Circular

Resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying amount. Contributions in the form of services are only recognised when a fair value can be reliably determined and the service would have been purchased if not received as a donation.

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

Performance obligations and revenue recognition policies

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

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.
- Income from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises
- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability. Where the performance obligations is satisfied but not yet billed, a contract asset is recorded.

Note: 2.1 (c) Other income

	Total 2020 \$'000	Total 2019 \$'000
Other Interest	302	522
	302	522

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

Interest Income

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

Note 3: The cost of delivering our services

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

Structure

- 3.1 Expenses from Transactions
- 3.2 Other Economic Flows
- 3.3 Analysis of expenses and revenue by internally managed and restricted specific purpose funds
- 3.4 Employee benefits in the Balance Sheet
- 3.5 Superannuation

Note 3.1: Expenses from Transactions

	Total 2020 \$'000	Total 2019 \$'000
Salaries and Wages	33,359	30,851
On-costs	8,651	7,912
Agency Expenses	148	148
Fee for Service Medical Officer Expenses	2,477	2,633
Workcover Premium	923	867
Total Employee Expenses	45,558	42,411
Drug Supplies	368	446
Medical And Surgical Supplied (including Prostheses)	1,484	1,385
Diagnostic and Radiology Supplies	236	131
Other Supplies and Consumables	2,077	2,120
Total Supplies and Consumables	4,165	4,082
Finance Costs	33	34
Total Finance Costs	33	34
Fuel, Light, Power and Water	833	871
Repairs and Maintenance	558	501
Maintenance Contracts	342	438
Medical Indemnity Insurance	323	310
Other Expenses	3,341	2,932
Expenses related to leases of low value leases	19	-
Expenditure for Capital Purposes	100	32
Total Other Operating Expenses	5,516	5,084
Depreciation (refer Note 4.3)	5,810	2,147
Total Other Non-operating Expenses	5,810	2,147
Total Expenses from Transactions	61,082	53,758

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

Impact of COVID-19 on expenses

As indicated at Note 1, Castlemaine Health's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as additional salaries and wages, related on-costs, the purchase of additional laptop computers to facilitate working from home, additional supplies and consumables, and various other related expenses.

Note 3.1: Expenses from Transactions (continued)

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
- Workcover premium

Supplies and Consumables

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

Finance costs

Finance costs include:

- Interest on 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 expense in relation to accommodation bonds refundable.
- 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)

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

Non-operating expenses

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

Operating lease payments

Operating lease payments up until 30 June 2019 (including contingent rentals) were recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Note 3.2: Other economic flows

	2020 \$'000	2019 \$'000
Net gain on disposal of property plant and equipment	17	20
Total net gain/(loss) on non-financial assets	17	20
Allowance for impairment losses of contractual receivables	(275)	-
Fair value movement of interest-free loan	(7)	(37)
Total net gain/(loss) on financial instruments at fair value	(282)	(37)
Net gain/(loss) arising from revaluation of long service liability	(425)	(213)
Total other gains/(losses) from other economic flows	(425)	(213)
Total other gains/(losses) from economic flows	(690)	(230)

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

- The revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

Net gain/(loss) on non-financial assets

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

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

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

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

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

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets and derecognition of financial liabilities.

Other gains/(losses) from other economic flows

Other gains/(losses) include:

- the revaluation of the present value of the long service leave liability due to changes in the bond rate movement, inflation rate movements and the impact of changes in probability factors.

Note 3.3: Analysis of expense and revenue by internally managed and restricted specific purpose funds

	Expense		Revenue	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Commercial Activities				
Meals on Wheels	40	90	95	74
Properties/Health Club	129	168	300	296
TOTAL	169	258	395	370

Note 3.4: Employee benefits in the balance sheet

	2020 \$'000	2019 \$'000
Current Provisions		
Employee Benefits ⁽ⁱ⁾		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	2,856	2,207
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	486	829
Long service leave		
- Unconditional and expected to be settled wholly within 12 months ⁽ⁱⁱ⁾	707	555
- Unconditional and expected to be settled wholly after 12 months ⁽ⁱⁱⁱ⁾	3,567	2,991
Accrued Days Off		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	79	77
	7,695	6,659
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months ⁽ⁱⁱ⁾	397	345
- Unconditional and expected to be settled after 12 months ⁽ⁱⁱⁱ⁾	492	466
	889	811
Total Current Provisions	8,584	7,470
Non-Current Provisions		
Long Service Leave ⁽ⁱⁱⁱ⁾	1,797	1,947
Long Service Leave related to employee Benefit On-Costs ⁽ⁱⁱⁱ⁾	222	238
Total Non-Current Provisions	2,019	2,185
Total Provisions	10,603	9,655

Notes:

(i) Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts.

(iii) The amounts disclosed are discounted to present values.

(a) Employee Benefits and Related On-Costs

	2020 \$'000	2019 \$'000
Current Employee Benefits and related on-costs		
Unconditional LSL Entitlement	4,803	3,980
Annual Leave Entitlements	3,692	3,403
Accrued Days Off	88	87
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements	2,019	2,185
Total Employee Benefits and Related On-Costs	10,603	9,655

Note 3.4: Employee benefits in the balance sheet (continued)

	Other \$'000	Total \$'000
Movements in Provisions		
Carrying amount at start of year	9,655	9,655
Additional provisions recognised	1,373	1,373
Amounts incurred during the year (including estimates)	-	-
Unwinding of discount and effect of changes in the discount rate	(425)	(425)
Carrying amount at end of year	10,603	10,603

(b) Movement in On-Costs Provision

	2020 \$'000	2019 \$'000
Balance at start of year	1,049	969
Additional provisions recognised	73	84
Unwinding of discount and effect of changes in the discount rate	(11)	23
Reduction due to transfer out	-	(28)
Balance at end of year	1,111	1,049

Employee Benefit Recognition

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

Provisions

Provisions are recognised when Castlemaine 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 liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Annual Leave and Accrued Days Off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because Castlemaine 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 Castlemaine Health expects to wholly settle within 12 months; or
- Present value - if Castlemaine Health does not expect to wholly settle within 12 months.

Long service leave (LSL)

The liability for 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 Castlemaine 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.

Note 3.4: Employee benefits in the balance sheet (continued)

The components of this current LSL liability are measured at:

- Nominal value - if Castlemaine Health expects to wholly settle within 12 months; and
- Present value - where Castlemaine Health does not expect to settle a component of this current liability within 12 months.

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

Termination benefits

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

On-costs related to employee expense

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

Note 3.5: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Defined benefit plans: ⁽ⁱ⁾				
First State Super	62	56	9	4
Defined contribution plans:				
First State Super	1,990	2,043	307	149
Hesta	895	859	138	58
Other	550	383	85	30
Total	3,497	3,341	539	241

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

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

Defined benefit superannuation plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by Castlemaine Health to the superannuation plans in respect of the services of current Castlemaine Health 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.

Castlemaine Health does not recognise any defined benefit liability in respect of the plan(s) because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury & Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of Castlemaine Health.

The name, details and amounts expense in relation to the major employee superannuation funds and contributions made by Castlemaine Health are detailed in the table 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.

Note 4: Key Assets to support service delivery

The hospital controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to the hospital to be utilised for delivery of those outputs.

Structure

- 4.1 Investments and other financial assets
- 4.2 Property, plant & equipment
- 4.3 Depreciation

Note 4.1: Investments and other financial assets

	Operating Fund		Capital Fund		Total	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CURRENT						
Amortised Cost						
Aust. Dollar Term Deposits > 3 months	-	2,000	1,725	1,726	1,725	3,726
TOTAL INVESTMENTS	-	2,000	1,725	1,726	1,725	3,726
Represented by:						
Monies Held in Trust						
- Accommodation Bonds (Refundable Entrance Fees)	-	2,000	-	-	-	2,000
- Malcolm Archer Bequest	-	-	1,725	1,726	1,725	1,726
TOTAL	-	2,000	1,725	1,726	1,725	3,726

Investment Recognition

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified as financial assets at amortised cost.

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

Castlemaine Health's investments must comply with Standing Direction 3.7.2 - Treasury Management, including Central Banking System.

All financial assets, except those measured at fair value through profit or loss are subject to annual review for impairment.

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
- Castlemaine 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
- Castlemaine Health has transferred its rights to receive cash flows from the asset and either:
 - (a) has transferred substantially all the risks and rewards of the asset; or
 - (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

At the end of each reporting period, Castlemaine Health assesses if there is objective evidence that a financial asset or group of financial assets are impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

In order to determine an appropriate fair value as at 30 June 2020 for its portfolio of financial assets, Castlemaine Health and its controlled entities used the market value of investments held provided by the portfolio managers.

The above valuation process was used to quantify the level of impairment (if any) on the portfolio of financial assets as at year end.

Note 4.2: Property, plant & equipment

(a) Gross carrying amount and accumulated depreciation

	2020 \$'000	2019 \$'000
Land		
Land at Fair Value		
- Crown	3,164	2,877
- Freehold	792	719
Leased Land		
- Right of use	71	-
Less Acc'd Depreciation	(12)	-
Total Land	4,015	3,596
Buildings		
Buildings Under Construction at cost	1,397	370
Buildings at Fair Value	64,405	64,383
Less Acc'd Depreciation	(4,874)	-
Total Buildings	60,928	64,753
Plant and Equipment		
Plant and Equipment at Fair Value	11,053	10,484
Less Acc'd Depreciation	(7,519)	(6,776)
LMRHA Joint Operation Plant and Equipment	74	47
Total Plant and Equipment	3,608	3,755
Motor Vehicles		
Motor Vehicle at Fair Value	1,083	1,082
Less Acc'd Depreciation	(717)	(622)
Total Motor Vehicles	366	460
Right of use - Plant and Equipment	160	-
Less accumulated depreciation	(77)	-
Total Right of use - plant and equipment	83	-
TOTAL	69,000	72,564

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

	Land \$'000	Right of Use - Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Motor Vehicles \$'000	Right of Use - Plant and Equipment	Assets Under Construction \$'000	Total \$'000
Balance at 1 July 2018	3,593	-	40,102	3,716	445	-	50	47,906
Additions	-	-	51	756	156	-	320	1,283
Disposals	-	-	-	-	(41)	-	-	(41)
Revaluation Increments	3	-	25,550	-	-	-	-	25,553
LMRHA Joint Operation Plant and Equipment	-	-	-	10	-	-	-	10
Depreciation (Refer Note 4.3)	-	-	(1,320)	(727)	(100)	-	-	(2,147)
Balance at 30 June 2019	3,596	-	64,383	3,755	460	-	370	72,564
Recognition of right-of-use assets on initial application of AASB 16	-	71	-	-	-	160	-	231
Adjusted balance at 1 July 2019	3,596	71	64,383	3,755	460	160	370	72,795
Additions	-	-	22	604	2	-	1,027	1,655
Disposals	-	-	-	-	-	-	-	-
Revaluation Increments	360	-	-	-	-	-	-	360
LMRHA Joint Operation Plant and Equipment	-	-	-	-	-	-	-	-
Depreciation (Refer Note 4.3)	-	(12)	(4,874)	(751)	(96)	(77)	-	(5,810)
Balance at 30 June 2020	3,956	59	59,531	3,608	366	83	1,397	69,000

Note 4.2: Property, plant & equipment (continued)

Land and buildings carried at valuation

The Valuer-General of Victoria (VGV) undertook to re-value all of Castlemaine Health's owned 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 is 30 June 2019.

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

The VGV indices, which are based on data to March 2020, indicate an average increase of 10% across Castlemaine Health's Crown and Freehold land parcels.

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

The land and building balances are considered to be sensitive to market conditions. To trigger a managerial revaluation a decrease in the land indice of 10% and a decrease in the building indice of 10% would be required.

The fair value of the land had been adjusted by an independent assessment in 2019. The latest indices required a further managerial revaluation in 2020. The indexed value was then compared to individual assets written down book value as at 30 June 2019 to determine the change in their fair values. The Department of Health and Human Services approved a managerial revaluation of the land asset class of \$0.36m. There was no material financial impact on change in the fair value of buildings.

Note 4.2: Property, plant & equipment (continued)

(c) Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2020 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$'000	Level 2 ⁽ⁱ⁾ \$'000	Level 3 ⁽ⁱ⁾ \$'000
Land at fair value				
Specialised land	3,164	-	-	3,164
Non-Specialised land	792	-	792	-
Leased land - Right of use	59	-	-	59
Total of land at fair value	4,015	-	792	3,223
Buildings at fair value				
Specialised buildings	58,915	-	-	58,915
Non-Specialised buildings	616	-	616	-
Total of building at fair value	59,531	-	616	58,915
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles	366	-	-	366
- Plant and equipment	3,608	-	-	3,608
- Right of use Plant and Equipment	83	-	-	83
Total of plant, equipment and vehicles at fair value	4,057	-	-	4,057
	67,603	-	1,408	66,195

	Carrying amount as at 30 June 2019 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$'000	Level 2 ⁽ⁱ⁾ \$'000	Level 3 ⁽ⁱ⁾ \$'000
Land at fair value				
Specialised land	2,876	-	-	2,876
Non-Specialised land	720	-	720	-
Total of land at fair value	3,596	-	720	2,876
Buildings at fair value				
Specialised buildings	63,753	-	-	63,753
Non-Specialised buildings	630	-	630	-
Total of building at fair value	64,383	-	630	63,753
Plant and equipment at fair value				
Plant equipment and vehicles at fair value				
- Vehicles	460	-	-	460
- Plant and equipment	3,755	-	-	3,755
Total of plant, equipment and vehicles at fair value	4,215	-	-	4,215
	72,194	-	1,350	70,844

Note

(i) Classified in accordance with the fair value hierarchy (refer to 4.2 (e)).

Note 4.2: Property, plant & equipment (continued)

(d) Reconciliation of Level 3 fair value ⁽ⁱ⁾

	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Motor Vehicles \$'000	Total \$'000
30 June 2020					
Opening Balance	2,876	63,753	3,755	460	70,844
Additions/(Disposals)	71	22	761	1	855
Transferred to Level 2					-
Gains or losses recognised in net result					
- Depreciation*	(12)	(4,860)	(825)	(95)	(5,792)
Items Recognise in Other Comprehensive Income					
- Revaluation	288	-	-	-	288
Closing Balance	3,223	58,915	3,691	366	66,195
30 June 2019					
Opening Balance	3,593	40,102	3,716	445	47,856
Additions/(Disposals)	-	51	766	115	932
Transferred to Level 2	(720)	(630)	-	-	(1,350)
Gains or losses recognised in net result					
- Depreciation	-	(1,320)	(727)	(100)	(2,147)
Items Recognise in Other Comprehensive Income					
- Revaluation	3	25,550	-	-	25,553
Closing Balance	2,876	63,753	3,755	460	70,844

Note

(i) Classified in accordance with the fair value hierarchy (refer to 4.2 (e)).

Based on external valuations performed in 2018-19, two properties owned by Castlemaine Health have been determined to be classified as Level 2 as their value has been determined using a market comparison approach; there was no Community Service Obligation (CSO) adjustment.

*Depreciation on Land relates to Leased Land - Right of use asset brought to account in 2019-20 with the application of AASB 16 Leases.

Note 4.2: Property, plant & equipment (continued)

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

Asset Class	Valuation technique	Significant inputs
Specialised land (Crown/Freehold)	Market approach	Community Service Obligation (CSO) adjustments (a)
Non-Specialised Land	Market approach	N/A
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
Non-Specialised buildings	Market approach	N/A
Plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Vehicles	Depreciated replacement cost	Cost per unit Useful life of vehicles

(a) CSO adjustment of 30% was applied to reduce the market approach value for Castlemaine Health's main site specialised land. CSO adjustment of 15% was applied to reduce the market approach value for Castlemaine Health's former hospital site at Halford Street.

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

Initial Recognition

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

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

Crown 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 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.

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

Right-of-use asset acquired by lessees (Under AASB 16 – Leases from 1 July 2019) – Initial measurement

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

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

Subsequent measurement: Property, plant and equipment (PPE) as well as right-of-use assets under leases and service concession assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised on the following page by asset category.

Note 4.2: Property, plant & equipment (continued)

Right-of-use asset – Subsequent measurement

Castlemaine Health depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment, other than where the lease term is lower than the otherwise assigned useful life. The right-of-use assets are also subject to revaluation as required by FRD 103I [pending] however as at 30 June 2020 right-of-use assets have not been revalued.

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

Revaluations of non-current physical assets

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

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

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

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

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

In accordance with FRD 103H, Castlemaine Health's non-current physical assets were assessed to determine whether revaluation of the non-current physical assets was required.

Fair value measurement

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

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

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

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

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

Valuation hierarchy

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets and 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

Note 4.2: Property, plant & equipment (continued)

Identifying unobservable inputs (level 3) fair value measurements

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

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

Consideration of highest and best use (HBU) for non-financial physical assets

Judgements about highest and best use must take into account the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

In accordance with paragraph AASB 13.29, Castlemaine Health has assumed the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Non-Specialised Land and Non-Specialised Buildings

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2019.

Specialised land and specialised buildings

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

During the reporting period, Castlemaine Health held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

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

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

For Castlemaine 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 Castlemaine Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2019.

Note 4.2: Property, plant & equipment (continued)

Vehicles

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

Plant and equipment

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

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

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

Note 4.2 (f): Property, Plant and Equipment Revaluation Surplus

Property, Plant and Equipment Revaluation Surplus

Balance at the beginning of the reporting period

Revaluation Increment

- Land
- Buildings

Balance at the end of the reporting period*

* Represented by:

- Land
- Buildings

	2020 \$'000	2019 \$'000
Balance at the beginning of the reporting period	58,617	33,064
Revaluation Increment		
- Land	359	3
- Buildings	-	25,550
Balance at the end of the reporting period*	58,976	58,617
* Represented by:		
- Land	3,544	3,185
- Buildings	55,432	55,432
	58,976	58,617

Note 4.3: Depreciation

	2020 \$'000	2019 \$'000
Depreciation		
Buildings	4,874	1,320
Plant & Equipment	743	717
Motor Vehicles	96	100
Leased Assets:		
Right of use assets		
- Leased Land	12	-
- Plant and Equipment	77	-
LMRHA Joint Operation Depreciation	8	10
Total Depreciation	5,810	2,147

All buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated. Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives, residual value and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health and Human Services. Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

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

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

	2020	2019
Buildings		
- Structure Shell Building Fabric	45 to 80 years	45 to 80 years
- Site Engineering Services and Central Plant	30 to 40 years	30 to 40 years
- Fit Out	20 to 25 years	20 to 25 years
- Trunk Reticulated Building Systems	20 to 25 years	20 to 25 years
Plant & Equipment	4 to 10 years	4 to 10 years
Medical Equipment	6 to 10 years	6 to 10 years
Computers and Communication	3 to 5 years	3 to 5 years
Furniture and Fitting	10 years	10 years
Motor Vehicles	8 years	8 years

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

Note 5: Other Assets and Liabilities

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

Structure

- 5.1 Receivables
- 5.2 Payables
- 5.3 Other liabilities

Note 5.1: Receivables

	2020 \$'000	2019 \$'000
CURRENT		
Contractual		
Trade Debtors	433	396
Patient Fees	1,071	777
Accrued Investment Income	-	58
Accrued Revenue	183	1,003
Loddon Mallee Rural Health Alliance - Receivables	6	42
Less Allowance for Impairment losses of contractual receivables		
- Patient Fees	(330)	(54)
	1,363	2,222
Statutory		
GST Receivable	101	125
LMRHA Joint Operation - GST Receivable	31	6
	132	131
TOTAL CURRENT RECEIVABLES	1,495	2,353
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	1,590	1,366
TOTAL NON-CURRENT RECEIVABLES	1,590	1,366
TOTAL RECEIVABLES	3,085	3,719

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

	2020 \$'000	2019 \$'000
Balance at beginning of year	(54)	(73)
Increase/(decrease) in allowance recognised in net result	(276)	19
Balance at end of year	(330)	(54)

Note 5.1: Receivables (continued)

Receivables recognition

Receivables consist of:

- Contractual receivables, which includes mainly debtors in relation to goods and services and accrued investment income. 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. Castlemaine Health holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- Statutory receivables, which includes predominately amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits 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. Castlemaine Health 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*.

Castlemaine 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 7.1 (c) Contractual receivables at amortised costs for Castlemaine Health's contractual impairment losses.

Note 5.2: Payables

		2020 \$'000	2019 \$'000
CURRENT	Note		
Contractual			
Trade Creditors		156	889
Accrued Salaries and Wages		1,668	1,526
Loddon Mallee Rural Health Alliance - Creditors		320	12
Accrued Expenses		575	642
Inter-hospital creditors		92	48
Loddon Mallee Rural Health Alliance - Accrued Expenses		46	117
Loddon Mallee Rural Health Alliance - Income in Advance		34	-
Other Payables		180	376
Deferred grant revenue	5.2 (a)	899	-
Department of Health and Human Services		310	396
		4,280	4,006
Statutory			
GST Payable		58	23
FBT Payable		18	18
		76	41
TOTAL PAYABLES		4,356	4,047

Note 5.2: Payables (continued)

Payables recognition

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to Castlemaine Health prior to the end of the financial year that are unpaid; and
- statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.2 (a) Deferred capital grant revenue

	2020 \$'000
Grant consideration for capital works recognised that was included in the deferred grant liability balance (adjusted for AASB 1058) at the beginning of the year (note 8.9)	1,253
Grant consideration for capital works received during the year	-
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(354)
Closing balance of deferred grant consideration received for capital works	899

Grant consideration was received from the Department of Health and Human Services for the construction of a carpark and an upgrade of the central sterilizing services department. Grant revenue is recognised progressively as the asset is constructed, since this is the time when Castlemaine Health satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done. As a result, Castlemaine Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Maturity analysis of payables

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

Note 5.3: Other Liabilities

	2020 \$'000	2019 \$'000
CURRENT		
Monies Held in Trust		
- Patient Monies Held in Trust	297	279
- Refundable Accommodation Deposits	24,579	22,770
Total Current	24,876	23,049
Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets (refer to Note 6.2)	24,626	21,049
Investment and other Financial Assets (refer to Note 4.1)	-	2,000
Refundable Accommodation Deposits applied to furniture*	250	-
TOTAL	24,876	23,049

*During the year, Castlemaine Health funded the replacement of furniture in the Residential Aged facilities using funds from Monies held in Trust.

Note 5.3: Other Liabilities (continued)

Refundable Accommodation Deposit ("RAD")/Accommodation Bond liabilities

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

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

Note 6: How we finance our operations

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

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

Structure

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

Note 6.1: Borrowings

	2020 \$'000	2019 \$'000
CURRENT		
DHHS Loans ⁽ⁱ⁾	520	500
Lease liability ⁽ⁱⁱ⁾	88	-
DHHS Cash Advance	168	-
Total Current Borrowings	776	500
NON CURRENT		
DHHS Loans ⁽ⁱ⁾	322	509
Lease liability ⁽ⁱⁱ⁾	54	-
Total Non Current Borrowings	376	509
Total Borrowings	1,152	1,009

(i) The DHHS Loans are unsecured loans which bear no interest.

The borrowings are a financial accommodation under section 30 of the Health Service Act 1988, and the borrowings have been approved by the Minister and Treasurer. This approval was received in line with the loan commencing in June 2015.

(ii) Secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(a) Maturity analysis of borrowings

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

(b) Defaults and breaches

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

Borrowings

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 Castlemaine Health has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

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'.

Note 6.1: Borrowings (continued)

(c) Lease Liabilities

Repayments in relation to leases are payable as follows:

	Minimum future lease payments		Present value of minimum future lease payments	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Not later than one year	90	-	88	-
Later than 1 year and not later than 5 years	56	-	54	-
Later than 5 years	-	-	-	-
Minimum lease payments	146	-	142	-
Less future finance charges	(4)	-	-	-
TOTAL	142	-	142	-
Included in the financial statements as:				
Current borrowings - lease liability	-	-	88	-
Non-current borrowings - lease liability	-	-	54	-
TOTAL	-	-	142	-

The weighted average interest rate implicit in the finance lease is 2.18%.

Leases

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

Castlemaine Health's leasing activities

Castlemaine Health has entered into leases for land, medical equipment and computers and communication equipment.

For any new contracts entered into on or after 1 July 2019, Castlemaine Health considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition Castlemaine Health assesses whether the contract meets three key evaluations which are whether:

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

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

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

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease Liability – initial measurement

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

Note 6.1: Borrowings (continued)

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

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

Lease Liability – subsequent measurement

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

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

Short-term leases and leases of low value assets

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

Presentation of right-of-use assets and lease liabilities

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

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

Castlemaine Health determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where Castlemaine Health as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in Castlemaine Health's balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

Operating lease payments up until 30 June 2019 (including contingent rentals) are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Note 6.2: Cash and Cash Equivalents

	2020 \$'000	2019 \$'000
Cash on Hand (excluding Monies held in trust)	4	4
Cash at Bank (excluding Monies held in trust)	390	544
Cash at Bank (LMRHA Joint Venture)	289	87
Cash at Bank (Monies held in trust)	297	279
Cash at Bank - CBS (excluding Monies held in trust)	1,010	395
Cash at Bank - CBS (Monies held in trust)	24,329	19,044
Cash at Bank - CBS (LMRHA Joint Venture)	227	290
Deposits at Call (Restricted Purpose Funds)	-	1,726
TOTAL CASH AND CASH EQUIVALENTS	26,546	22,369

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

The cash flow statement includes monies held in trust.

Note 6.3: Commitments for expenditure

	2020 \$'000	2019 \$'000
Capital Expenditure Commitments		
Less than 1 year	627	557
Total Capital Expenditure Commitments	627	557
 Non-cancellable Short Term and low value lease commitments		
Less than 1 year	65	4
Longer than 1 year but not longer than 5 years	133	10
5 years or more	-	-
Total Non-cancellable Lease Commitments	198	14
 Total Commitments for Expenditure (inclusive of GST)		
Less GST recoverable from the Australian Tax Office	(75)	(52)
Total Commitments for Expenditure (exclusive of GST)	750	519

Commitments

Commitments for future expenditure include 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.

Castlemaine Health has entered into commercial leases on certain computer equipment where it is not in the interest of Castlemaine Health to purchase these assets. These leases have an average life of between 3 and 5 years with renewal terms included in the contracts. Renewals are at the option of Castlemaine Health. There are no restrictions placed upon the lessee by entering into these leases.

Note 7: Risks, Contingencies and Valuation Uncertainties

Castlemaine 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 hospital is related mainly to fair value determination.

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 Castlemaine Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Note 7.1(a) Financial instruments: categorisation

	Financial assets at amortised cost \$'000	Financial liabilities at amortised cost \$'000	Financial liabilities at fair value through profit or loss \$'000	Total \$'000
2020				
Contractual Financial Assets				
Cash and cash equivalents	26,546	-	-	26,546
Receivables	1,363	-	-	1,363
Other Financial Assets	1,725	-	-	1,725
Total Financial Assets ⁽ⁱ⁾	29,634	-	-	29,634
Financial Liabilities				
Payables	-	4,280	-	4,280
Borrowings				
- DHHS Loans	-	-	842	842
- Lease liability	-	142	-	142
- DHHS Cash Advance	-	168	-	168
Other Financial Liabilities				
- Accommodation Bonds	-	24,579	-	24,579
- Other	-	297	-	297
Total Financial Liabilities ⁽ⁱⁱ⁾	-	29,466	842	30,308
2019				
Contractual Financial Assets				
Cash and cash equivalents	22,369	-	-	22,369
Receivables	2,222	-	-	2,222
Other Financial Assets	3,726	-	-	3,726
Total Financial Assets (i)	28,317	-	-	28,317
Financial Liabilities				
Payables	-	4,006	-	4,006
Borrowings				
- DHHS Loans	-	-	1,009	1,009
Other Financial Liabilities				
- Accommodation Bonds	-	22,770	-	22,770
- Other	-	279	-	279
Total Financial Liabilities (ii)	-	27,055	1,009	28,064

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax receivable)

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. taxes payable)

Note 7.1: Financial Instruments (continued)

Castlemaine Health applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial assets under AASB 9

Financial assets at amortised cost

Castlemaine Health has determined that all financial assets held are categorised as at amortised cost.

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by Castlemaine Health to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

Castlemaine Health recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method Castlemaine Health recognises the following liabilities in this category:

- payables (excluding statutory payables)
- other financial liabilities (including lease liabilities)

Financial liabilities at fair value through net result

Castlemaine Health holds some financial liabilities at fair value which are carried subsequently at fair value with gains or losses recognised in the Operating Statement. Changes in an instrument's fair value that are reported in the Operating Statement are included within other economic flows. Castlemaine Health recognises the following liabilities in this category:

- borrowings (interest-free loans)

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
- Castlemaine 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
- Castlemaine 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 Castlemaine Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Castlemaine 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.

Impairment of financial assets: At the end of each reporting period, Castlemaine Health assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Note 7.1: Financial Instruments (continued)

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

Note 7.1 (b): Payables and Borrowings Maturity Analysis

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

Maturity analysis of Financial Liabilities as at 30 June 2020

		Maturity Dates					
	Note	Carrying Amount \$'000	Nominal Amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
2020							
Financial Liabilities							
<i>At amortised cost</i>							
Payables	5.2	4,280	4,280	3,071	-	1,209	-
Other Financial Liabilities ⁽ⁱ⁾							
- Accommodation Deposits ⁽ⁱⁱ⁾	5.3	24,579	24,579	10,534	10,534	2,341	1,170
- Other	5.3	297	297	297	-	-	-
<i>At fair value through profit or loss</i>							
Borrowings	6.1	1,152	1,152	7	152	617	376
Total Financial Liabilities		30,308	30,308	13,909	10,686	4,167	1,546
2019							
Financial Liabilities							
<i>At amortised cost</i>							
Payables	5.2	4,006	4,006	3,043	567	396	-
Other Financial Liabilities ⁽ⁱ⁾							
- Accommodation Deposits ⁽ⁱⁱ⁾	5.3	22,770	22,770	9,315	8,280	5,175	-
- Other	5.3	279	279	279	-	-	-
<i>At fair value through profit or loss</i>							
Borrowings	6.1	1,009	1,009	-	125	375	509
Total Financial Liabilities		28,064	28,064	12,637	8,972	5,946	509

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

(ii) Based on previous history, there is an expectation these funds will be repaid over a period of time, in line with resident movements.

Note 7.1 (c): Contractual receivables at amortised cost

		1-Jul-19				
		Note	Current	Less than 1 month	1–3 months	3 months – 5 years
Expected loss rate			4%	0%	0%	4%
Gross carrying amount of contractual receivables	5.1		1144	94	704	334
Loss allowance			(41)	-	-	(13)
		30-Jun-20	Current	Less than 1 month	1–3 months	3 months – 5 years
Expected loss rate			0%	0%	0%	50%
Gross carrying amount of contractual receivables	5.1		817	71	141	664
Loss allowance			-	-	-	(330)

Impairment of financial assets under AASB 9 - Financial Instruments

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

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

Contractual receivables at amortised cost

Castlemaine Health applies AASB 9 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. Castlemaine Health has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Department's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, Castlemaine Health determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as disclosed above.

Reconciliation of the movement in the loss allowance for contractual receivables

	2020 \$'000	2019 \$'000
Balance at the beginning of the year	54	73
Opening retained earnings adjustment on adoption of AASB 9	-	-
Opening Loss Allowance	54	73
Modification of contractual cash flows on financial assets	-	-
Increase in provision of receivables written off during the year as uncollectable	276	-
Reversal of unused provision recognised in the net result	-	(19)
Balance at end of the year	330	54

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.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables at amortised cost

Castlemaine 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.

Note 7.1: Financial Instruments (continued)

Castlemaine Health also has investments in Term Deposits.

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

Note 8: Other disclosures

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

Structure

- 8.1 Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities
- 8.2 Responsible Persons
- 8.3 Remuneration of Executive Officers
- 8.4 Related Parties
- 8.5 Remuneration of Auditors
- 8.6 Events Occurring after the Balance Sheet Date
- 8.7 Jointly Controlled Operations
- 8.8 Economic Dependency
- 8.9 Changes in Accounting Policy
- 8.10 AASB Standards Issued that are not yet Effective

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

	2020 \$'000	2019 \$'000
Net result for the period	(4,318)	(454)
Non-cash movements:		
Depreciation	5,810	2,147
Allowance for impairment loss on contractual receivables	275	-
Discount on Net gain/(loss) arising from revaluation of long service leave liability	425	213
Fair value movement on DHHS Loans	7	37
Adjustment to Accumulated Deficits arising from AASB 1058	(1,253)	-
Movements included in investing and financing activities:		
Net (gain)/loss from disposal of non financial physical assets	-	(20)
Movements in assets and liabilities:		
Change in operating assets and liabilities		
(Increase)/decrease in receivables	358	(963)
(Increase)/decrease in prepayments	46	(48)
(Increase)/decrease in inventories	(82)	47
Increase/(decrease) in payables	310	518
Increase/(decrease) in other liabilities	-	(125)
Increase/(decrease) in provisions	523	817
NET CASH INFLOW FROM OPERATING ACTIVITIES	2,101	2,169

Note 8.2: Responsible Persons

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

Responsible Ministers:

The Honourable Jenny Mikakos, Minister for Health, Minister for Ambulance Services, Minister for the Coordination of Health and Human Services: COVID-19

The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers

Governing Boards

Mr Garry Fehring

Ms Peggy Anne Ronnau

Mr Venkata Peteti

Ms Margaret Lewis

Ms Kerry Anderson

Ms Vicky Mason

Mr Jeffrey Rigby

Ms Anna MacLeod

Ms Nicoletta Muner

Dr Nicholas Yap

Accountable Officers

Mr Ian Fisher

Period
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020
01/07/2019 - 30/06/2020

Remuneration of Responsible Persons

Remuneration received or receivable by responsible persons are shown in their relevant income bands:

Income Band	2020 No.	2019 No.
\$0 - \$9,999	10	11
\$250,000 - \$259,999	1	1
Total Numbers	11	12
Total remuneration received or due and receivable by Responsible Persons from the reporting entity	\$ 297,000	\$ 293,000

Amounts relating to Responsible Ministers are reported in the financial statements of the Department of Parliamentary Services.

Note 8.3: Remuneration of Executive Officers

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

Remuneration 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 include amounts such as wages, salaries, 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 include superannuation entitlements.

Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

Several factors affected total remuneration payable to executives over the year. Castlemaine Health underwent a restructure, which resulted in one additional executive. This has increased the total remuneration for the current year.

Remuneration of executive officers

	Total Remuneration	
	2020 \$'000	2019 \$'000
Short-term employee benefits	682	541
Post-employment benefits	61	46
Other long-term benefits	14	10
Total Remuneration (i)	757	597
Total Number of executives	5	4
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 Castlemaine Health under AASB 124 *Related Party Disclosures* and are also reported within Note 8.4 *Related Parties*.

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

Note 8.4 Related Parties

Castlemaine Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital include:

- all Key Management Personnel (KMP) and their close family members;
- all cabinet ministers and their close family members;
- all hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements; and
- jointly controlled operation - a member of the Loddon Mallee Rural Health Alliance (LMRHA)

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

Key management personnel of Castlemaine Health

KMPs	Position Title
Ms Peggy Anne Ronnau	Board Chair
Mr Garry Fehring	Board Member
Mr Venkata Peteti	Board Member
Ms Margaret Lewis	Board Member
Ms Kerry Anderson	Board Member
Ms Vicky Mason	Board Member
Mr Jeffrey Rigby	Board Member
Ms Anna MacLeod	Board Member
Ms Nicoletta Muner	Board Member
Dr Nicholas Yap	Board Member
Mr Ian Fisher	Chief Executive Officer
Ms Kerryn Healy	Executive Director Finance & Business Improvement
Ms Dianne Senior	Executive Director Clinical and Community
Dr Peter Sloan	Director Medical Services
Mr Jason Stevens	Director Corporate Services
Ms Vicky Mellington	Director Human Resources

Key management personnel (KMP) of the hospital include the Portfolio Ministers, all Board Members and Executives of Castlemaine Health. The compensation detailed below excludes the salaries and benefits the Portfolio Ministers receive. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968, and is reported within the Department of Parliamentary Services' Financial Report.

Remuneration represents the expenses incurred by the entity in the current reporting period for the employee, in accordance with AASB 119 *Employee benefits*.

Remuneration of Key Management Personnel (KMP)

	Total Remuneration	
	2020 \$'000	2019 \$'000
Short-term employee benefits	959	807
Post-employment benefits	81	65
Other long-term benefits	14	18
Total Remuneration	1,054	890

Significant Transactions with Government Related Entities

Castlemaine Health received funding from the Department of Health and Human Services of \$36.8 million (2019: \$31.9 million) and indirect contributions of \$0.3 million (2019: \$0.5 million).

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

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

The Standing Directions of the Assistant Treasurer require Castlemaine Health to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health and Human Services and the Treasurer.

Note 8.4 Related Parties (continued)

Transactions with KMPs and Other Related Parties

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

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

There were no related party transactions required to be disclosed for Castlemaine Health Board of Directors, Chief Executive Officer and Executive Directors in 2020. The exception to this statement is below.

During the year, Maldon Hospital, an Organisation of which Ian Fisher, Chief Executive Officer, is also the Chief Executive Officer, continued to require extensive provision of contracted services. The contracted services involve the provision of extensive administration services such as Finance, Information Technology, Human Resources, and Food Services. The value of the contract during 2019-20 was \$332,600. Other non-contracted services occur as required. The value of net transactions between Maldon Hospital and Castlemaine Health are \$1,190,944. In this context, transactions are only disclosed when they are considered of interest to users of the financial report in making and evaluation decisions about the allocation of scarce resources.

During the year, Dr Peter Sloan, Director Medical Services, was also the Chief Medical Officer of Central Highlands Rural Health and Seymour Health. The value of net transactions between Castlemaine Health and Central Highlands Rural Health for the 2019-20 financial year was \$40,565. There were no transactions between Castlemaine Health and Seymour Health.

Note 8.5 Remuneration of Auditors

Victorian Auditor-General's Office

Audit of financial statements

2020 \$'000	2019 \$'000
27	27
27	27

Note 8.6 Events Occurring after the Balance Sheet Date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Castlemaine Health at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Castlemaine Health, its operations, its future results and financial position. The state of emergency in Victoria was extended on 13 September 2020 until 11 October 2020 and the state of disaster still in place.

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

Note 8.7: Jointly Controlled Operations

Name of Entity	Ownership Interest	
	2020 %	2019 %
Loddon Mallee Rural Health Alliance	8.41%	8.45%

Castlemaine Health's interest in assets employed in the above jointly controlled operations and assets is detailed below.
The amounts are included in the financial statements under their respective categories.

	2020 \$'000	2019 \$'000
Current Assets		
Cash and cash equivalents including CBS	516	377
Investments	-	-
Receivables	37	42
Inventory	93	-
Other current assets	108	110
Total Current Assets	754	529
Non Current Assets		
Property, Plant and Equipment	74	47
Total Non Current Assets	74	47
Total Assets	828	576
Current Liabilities		
Payables	400	130
Total Current Liabilities	400	130
Total Liabilities	400	130
Share of Joint Venture's Net Assets	428	446

Castlemaine Health's interest in revenues and expenses resulting from jointly controlled operations and assets is detailed below:

	2020 \$'000	2019 \$'000
Revenues		
Operating Activities	857	654
Non-Operating Activities	50	17
Total Revenue	907	671
Expenses		
Information Technology and Administration Expenses	917	648
Depreciation	8	10
Non-Operating Expenses	-	-
Total Expenses	925	658
Net Result	(18)	13

Movements in carrying amount of interests in the Joint Venture

	2020 \$'000	2019 \$'000
Carrying amount at the beginning of the year	446	435
Share of the Joint Operation's net result	(18)	13
Change in Membership	-	(2)
	428	446

Contingent Liabilities and Capital Commitments

There are no contingent liabilities or capital commitments arising from the interest in joint operations.

Note 8.8: Economic Dependency

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

Note 8.9: Changes in Accounting Policy

Changes in accounting policy

Leases

This note explains the impact of the adoption of AASB 16 *Leases* on Castlemaine Health's financial statements.

Castlemaine Health has applied AASB 16 with a date of initial application of 1 July 2019. Castlemaine Health has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, Castlemaine Health determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 – 'Determining whether an arrangement contains a Lease'. Under AASB 16, Castlemaine Health assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.1.

On transition to AASB 16, Castlemaine Health has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Leases classified as operating leases under AASB 117

As a lessee, Castlemaine Health previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Castlemaine Health. Under AASB 16, Castlemaine Health recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, Castlemaine Health recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using Castlemaine Health's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

Castlemaine Health has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Impacts on financial statements

On transition to AASB 16, Castlemaine Health recognised \$230,312 of right-of-use assets and \$230,312 of lease liabilities.

When measuring lease liabilities, Castlemaine Health discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 2.18%.

Note 8.9: Changes in Accounting Policy (continued)

Revenue from Contracts with Customers

In accordance with FRD 121 requirements, the Castlemaine Health has applied the transitional provision of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Castlemaine Health applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application. Castlemaine Health has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122.

Comparative information has not been restated.

Note 2.1 – Sales of goods and services includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions.

Income of Not-for-Profit Entities

In accordance with FRD 122 requirements, Castlemaine Health has applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Castlemaine Health applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Comparative information has not been restated.

Note 2.1– Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

Transition impact on financial statements.

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 Revenue from Contracts with Customers;
- AASB 1058 Income of Not-for-Profit Entities; and
- AASB 16 Leases.

Impact on Balance Sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards (AASB 15 and AASB 16) at 1 July 2019:

	Before new accounting standards Opening 1 July 2019	Impact of new accounting standards - AASB 16, 15 & 1058	After new accounting standards Opening 1 July 2019
	\$'000	\$'000	\$'000
Property, Plant and Equipment	72,564	230	72,794
Total Assets	102,890	230	103,120
Payables and Contract Liabilities	4,047	1,253	5,300
Borrowings	1,009	230	1,239
Total Liabilities	37,760	1,483	39,243
Accumulated (deficits)	(16,415)	(1,253)	(17,668)
Physical Revaluation Surplus	58,617	-	58,617
Other items in equity	22,928	-	22,928
Total Equity	65,130	(1,253)	63,877

Note 8.10: AASB Standards Issued that are not yet Effective

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

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

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 17 Insurance Contracts	The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard currently does not apply to the not-for-profit public sector entities.	1 January 2021	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	The standard is not expected to have a significant impact on the public sector.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 January 2022. However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact on the public sector.

Annual Report 2019~20

DISCLOSURE INDEX

The annual report of Castlemaine 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 22H	Manner of establishment and the relevant Ministers	06
FRD 22H	Purpose, functions, power and duties	06
FRD 22H	Nature and range of services provided	04
FRD 22H	Activities, programs and achievements for the reporting period	20-37
FRD 22H	Significant changes in key initiatives and expectations for the future	20-37
Management and structure		
FRD 22H	Organisational structure	05
FRD 22H	Workforce data/employment and conduct principles	33
FRD 22H	Occupational Health and Safety	33
Financial information		
FRD 22H	Summary of the financial results for the year	40
FRD 22H	Significant changes in financial position during the year	40
FRD 22H	Operational and budgetary objectives and performance against objectives	41
FRD 22H	Subsequent events	41
FRD 22H	Details of consultancies under \$10,000	19
FRD 22H	Details of consultancies over \$10,000	19
FRD 22H	Disclosure of ICT expenditure	35
Legislation		
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	38
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	38
FRD 22H	Application and operation of Protected Disclosure 2012	38
FRD 22H	Statement on National Competition Policy	38
FRD 22H	Application and operation of <i>Carers Recognition Act 2012</i>	38
FRD 22H	Summary of the entity's environmental performance	37
FRD 22H	Additional information available on request	39
Other relevant reporting directives		
FRD 25D	<i>Local Jobs First Act 2003</i> disclosures	39
SD 5.1.4	Financial Management Compliance attestation	38
SD 5.2.3	Declaration in report of operations	06
Attestations		
Attestation on Data Integrity		38
Attestation on managing Conflicts of Interest		38
Attestation on Integrity, fraud and corruption		38
Other reporting requirements		
Reporting of outcomes from Statement of Priorities 2019-20		09-19
Occupational violence reporting		33
Reporting obligations under the <i>Safe Patient Care Act 2015</i>		39



Cornish Street, Castlemaine Vic 3450, PO Box 50
www.castlemainehealth.org.au