Kooweerup
REGIONAL HEALTH SERVICE

Annual Report
2020–21

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Contents

Responsible Bodies Declaration

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Kooweerup Regional Health Service for the year ending 30 June 2021.

Marie Ritchie Chair
Kooweerup Regional Health Service

20 September 2021

Chief Executive and Chair Report

Year in Review

As a society we have faced many challenges over the last 12 months with the significant COVID19 outbreak in Melbourne in the second half of 2020 and the associated lockdowns and restrictions which impacted us all; further smaller COVID19 outbreaks and lockdowns extending into 2021; and extreme weather events impacting much of the state including our catchment.

The past year has, by necessity, seen a significant focus on our pandemic response with the KRHS team giving their all and demonstrating an unwavering commitment to keeping our consumers, our staff, our volunteers and our community safe.

What has been evident throughout our pandemic response has been the importance of collaboration, partnership and connection between individuals, teams, service providers and our community with a particular focus on supporting vulnerable populations and those most in need. It has also been wonderful to celebrate the many examples of kindness we have witnessed both to and from our consumers, community members and staff.

Our KRHS team demonstrated their extraordinary agility and flexibility throughout the COVID19 response with staff stepping out of usual roles to take up COVID19 testing in pop up tents; establishing COVID19 vaccination clinics; using a range of technologies to support residents and patients to maintain contact with loved ones during periods of lockdown; and shifting from face to face sessions to telehealth. This was done with compassion, professionalism and good humour despite staff spending hours in personal protective equipment (masks, gowns, face shields, goggles), for some working off site, communicating via zoom instead of in person and at the same time managing the same uncertainties and anxieties as the general community.

On behalf of the KRHS Board and Executive we would like to acknowledge and sincerely thank every member of the KRHS team for their ongoing commitment and unwavering focus on providing safe, high quality care in partnership with our consumers. Despite the professional and personal challenges faced by our staff they have continued to focus on the KRHS vision of "*A healthier community*" and to uphold our values of Accountability, Integrity, Respect and Individual Care, Professionalism and Partnerships.

Our achievements never happen in isolation and we are truly fortunate to have the support of over one hundred dedicated volunteers, including our Community Advisory Committee and Ladies Auxiliary. This year has been extremely challenging for our volunteers who have remained engaged and committed despite the numerous lockdowns and interruptions to programs. Not that we needed reminding, it also showed us the invaluable role our volunteers play in supporting our residents, clients, staff and community in general and we are truly indebted and in awe of the contribution they make.

We are truly grateful for the continued support of our local General Practitioners who provide high quality, compassionate care to our patients and residents and we acknowledge and appreciate the excellent services provided by:

- Blackfish Medical Clinic
- Koowerup Medical Clinic
- Lang Lang Family Medicine.

We recognise the vital role of partnerships in achieving our objectives and pay tribute to the many partners who have worked with us through the year including:

- the Victorian Government Department of Health (DH)
- the Commonwealth Department of Health
- other Federal and State government agencies including the Victorian Health Building Authority
- our local Federal and State members
- our Metropolitan health service colleagues
- our Regional and Sub-Regional health service colleagues in particular LaTrobe Regional Health (LRH), South Gippsland Hospital (SGH), Gippsland Southern Health Service (GSHS) and Bass Coast Health (BCH)
- Cardinia Shire Council
- our community organisations such as Men's Shed, Lions, Rotary, Turning Point, CWA
- our primary care partners including Enliven and South Coast Primary Care Partnership
- local businesses.

KRHS continued to deliver on the key strategic goals for the organisation in 2020-21 and to strive to provide accessible appropriate care that reflects the diverse needs of our community. Below are some of our key achievements against our strategic goals in 2020-21:

Responsive, targeted and safe adaptive services

- Expanding KRHS Home Care Program further supporting clients to live independently within their own homes
- Responding to community need under the Commonwealth Home Support Program (CHSP) with expanded services and flexible service delivery
- Expanding Allied Health services to meet ongoing demand
- Working in partnership with Monash Health to deliver the Strengthening Hospital Response to Family Violence initiative
- Investing in technology to better support high quality and efficient service provision
- Enhancing infrastructure through successful grants to ensure reliable and contemporary facilities
- Continuing expansion of Youth Programs through provision of online and face to face Youth Hub initiatives, provision of COVID19 related Youth Support Packs and flexible and agile ways to maintain engagement
- Continued growth of the Early Parenting Program supporting families with young babies through our Day Stay and Lactation Support services
- Commencing the Commonwealth Department of Health funded Allied Health in Residential Aged Care program providing additional exercise programs to residential aged care facilities impacted by COVID19 in 2020
- Commencing the Victorian Department of Health funded Enhancing Public Sector Residential Aged Care Services (PSRACS) Telehealth and Resident Communication grants program

Working with community members who are well informed and share responsibility for their health

- Developing Aboriginal and Torres Strait Islander Health Resource Kits
- Undertaking staff training in Lesbian, Gay, Bisexual, Transgender, Intersex, Queer (LGBTIQ+) inclusive practices.
- Progressing the South Gippsland Coast Disability Action Plan
- Commencing development of a KRHS Gender Equity Action Plan
- Engaging with the community through the Cardinia Cooks initiative which involved online cooking activities and the distribution of hampers filled with local produce
- Supporting the development and implementation of the Food from Home (Backyard Harvest) and Living Food Box projects
- Producing the Get Active Kooweee publication encouraging physical activity in the local area
- Expanding the Koowee Connect newsletter readership providing KRHS updates as well as key health and wellbeing messaging to the community
- Developing and implementing the Be Connected / Econnect program to increase digital literacy in CHSP clients
- Celebrating the work of our volunteers through our Recognise. Reconnect. Reimagine event held during Volunteer Week

High quality, safe, sustainable and relevant healthcare

- Maintaining accreditation against the National Safety and Quality Health Services Standards and the Aged Care Standards
- Commencing strategic planning for a new KRHS Strategic Plan
- Implementing the Serious Incident Response Scheme in residential aged care
- Continuing commitment to education and training through nursing undergraduate placements and Nurse Graduate programs
- Introducing Allied Health Assistant placements
- Undertaking a Respiratory Protection Program involving individual fit testing of masks to better protect staff from COVID19
- Establishing a local vaccination hub to support staff and resident COVID19 vaccinations
- Co-authoring an article in the Medical Journal of Australia, Health promotion in the Anthropocene: the ecological determinants of health including a case study around KRHS in relation to recognising nature's role in promoting health and delivering co-benefits.

Looking Forward

We look forward to completing our strategic planning process and launching a new KRHS Strategic Plan to ensure we address the diverse needs of our community in the coming years. The year ahead will see us continue to expand our community based services through our Commonwealth and State based community programs such as Home Care Packages and Community Home Support Programs. We will continue to serve the community through the provision of high quality and person centred residential aged care services in the form of respite and permanent care. We will continue our focus on sustainability and playing our part in addressing the health impacts of climate change. We also look forward to working closely with our Regional and Subregional colleagues in progressing work under the Health Services Partnership banner including a continued focus on the pandemic response, enhanced home-based services across the region and streamlining and expanding services.

Marie Ritchie
Chair
Kooweerup

20 September 2021

Noni Bourke
Chief Executive Officer
Kooweerup

20 September 2021

About KRHS

Our Vision

A healthier community.

Our Values

Accountability – taking responsibility for our actions and delivering the highest standard of care.

Integrity – our actions reflect our values.

Respect and Individual Care – we treat our consumers with compassion and empathy and strive to place the consumer at the centre of care.

Professionalism – we aim to achieve the highest standards of evidence-based care and to deliver the best outcomes for consumers.

Partnerships – through the development of partnerships between ourselves, the community and government we will ensure opportunities for our community are maximised.

Relevant Ministers

We are a public health service established under the *Health Services Act 1988* (Vic). The responsible Minister is the Minster for Health:

From 1 July 2020 to 26 September 2020

Jenny Mikakos MP

Minister for Health

Minister for Ambulance Services

From 26 Sept 2020 to 30 June 2021

The Hon Martin Foley MP

Minister for Health

Minister for Ambulance Services

Minister for Equality

Our Services

Residential Aged Care

Low care hostel

High care nursing home

Dementia specific care

Respite Care

Transitional Care

Acute Care

Palliative care

Post-operative care

Medical care

Early Parenting Unit

Primary and Community Care Programs and Services

Children, Youth and Families

Diabetes Education

Dietetics

District Nursing

Domiciliary Care

Hospital in the Home

Home Care Packages

Occupational Therapy

Post-Acute Care

Physiotherapy

Social Work

Volunteer Programs:

Gardening Group

Ladies Auxiliary

Men's Shed

Residential Aged Care Support

L2P Learner Driver Mentor Driver Program

Ready2Go Community Support

KRHS Board and Executive

Board Members

Marie Ritchie CHAIR

GradCert BA (Entrepreneurship and Business Administration, Swinburne)
MAICD, HonMem PDL (Pharmaceutical Defence Limited)

Marie has worked in the Health Profession since 1994, she was CEO at Pharmaceutical Defence Limited and Australian Pharmaceutical Publishing Co from 2009 – 2016. Her primary skill set combines Governance, Compliance and Risk. She is passionate about improving health services in the rural region. She regards culture and diversity as a strong focus for any Board of Directors. She is excited by new innovations and highly values respectfulness at Board, Management and Staff level. She is currently a director on the Victorian Pharmacy Authority and The Dolphin Research Institute. Marie joined the KRHS Board in July 2016 and was elected Chair in 2017. Marie is a member of the Quality, Safety and Clinical Governance Committee and the Remuneration Committee.

Beverley Walsh Deputy Chair

B.Bus., Grad. Mgt. Cert., FCPA

Beverley has more than 20 years' experience in the Aged Care Sector through roles including General Manager Finance and Administration and Chief Executive Officer. Beverley also has experience in banking and local government. Beverley contributes significantly to the community through her voluntary roles as President, Treasurer and Secretary across a range of community organisations. Beverley joined the KRHS Board in July 2016. Beverley is Deputy Chair and is a member of the Quality, Safety and Clinical Governance Committee and the Finance, Audit and Risk Committee.

Sam Afra

JP, MAICD

Sam studied law with major banking and finance in Beirut, working in the banking sector. He migrated to Australia in 1984. A community advocate committed to social justice and diversity, Sam has been involved in delivering services to the community for over thirty years in various capacities such as a Director, Chairperson, Board member, Advisor, Consultant, Mediator, volunteer, paid and unpaid staff. He is recognised for his work with culturally and linguistically diverse communities to achieve government policy changes to improve migrants and refugees' way of life. Sam is currently self-employed as a Consultant/Director, primarily in the community engagement /cultural diversity space and sits on a number of government and non-government Boards as a Director. Sam is a Justice of the Peace, a member of the Australian Institute of Company Directors, Chair of the Ethnic Communities Council of the South East (ECCOSE), former Chair of the Ethnic Communities Council of Victoria (ECCV) and the Hon Secretary of the Federation of the Ethnic Communities' Councils of Australia (FECCA). Sam joined KRHS Board in July 2019. Sam is a member of the Community Advisory Committee.

Trudy Ararat

LLB (Hons), Grad Cert Legal Skills, BN (Post graduate), RN, FGIA, MAICD

Trudy is an experienced lawyer, specialising in health and insurance law, litigation and commercial law. As Chief Legal Officer of Peninsula Health, Trudy has executive responsibility for legal services, compliance, enterprise risk management and corporate governance. Trudy commenced her career as a registered nurse and is passionate about ensuring the community has access to safe and quality healthcare services. Trudy joined the KRHS Board in July 2020.

Sue Driscoll

BCommerce, Dip Education, Associate Dip Arts (Journalism), LFPRIA

Sue is an experienced health care communicator who has worked in or for Victorian health agencies and associations for 30 years, designing community participation and engagement strategies, as part of a larger issue management programs. As Adjunct Professor at Latrobe University, she has taught strategic communications and writing as well as providing training for health industry Boards and staff. Sue joined the KRHS Board in July 2018. Sue is a member of the Quality, Safety and Clinical Governance Committee and the Remuneration Committee.

Synnove Frydenlund

LLB(Hons), BSocWk

Synnove is an experienced lawyer with expertise in health law and regulation, risk management and compliance. She is a former social worker with a breadth of experience across community services, policy and public sector funding. Synnove is a committed volunteer with more than 20 years of providing professional crisis intervention support services and free legal advice at a community legal centre. Synnove was appointed to the KRHS Board in 2019.

Tania Hansen

BBehavSc(Psych), BA(Linguistics), GAICD, CertGovPrac+RiskMgt, Cert III + IV Finance and Banking

Tania has been involved in the retail banking industry for more than 25 years with St George Bank and Bendigo Bank. Her time with Our Community Company Ltd, a Community Bank Company, was as a Director and Executive Officer. Tania is currently employed by Bendigo Bank as a Community Business Manager. Through director development and governance education, Tania assists Community Bank Companies in areas such corporate governance, strategic planning, community engagement and capacity building. Tania was born at Kooweerup Hospital (as it was known then) and has remained living in proximity of Kooweerup since. Tania was appointed to the KRHS Board in July 2014.

Brent Kimpton

BCompSysEng(Hons), MBA, MIEAust

Brent is an experienced Information Technology Strategist, Architect and Leader with a demonstrated history in large corporate environments. Brent is currently the Head of IT Strategy and Architecture at Linfox Australia having joined the team in 2016. Prior to joining Linfox, Brent spent seven years at Coles Supermarkets in various roles across IT. Brent also served 7 years in the Australian Army Reserves. This is Brent's first board appointment. Brent was appointed to the KRHS Board in July 2020.

Rachael McGann

BBus (Human Resources), Post Grad Diploma Industrial Relations

Rachael is an executive level, Human Resources (HR) professional with many years' experience within a range of major national and multi-national organisations, across a broad variety of industries. For many years, Rachael held international HR roles and for more than 10 years has worked as an independent Consultant, advising major public and private sector organisations (including in the Health Sector), on a range of complex HR and Industrial Relations (IR) issues. An experienced Board member with Degree and Post Graduate qualifications in HR & IR, Rachael is also a member of the Australian Institute of Company Directors. Living in Nar Nar Goon North, Rachael has lived in the area for more than 20 years. Rachael joined the KRHS Board in July 2017. Rachael is a member of the Quality, Safety and Clinical Governance Committee, Remuneration Committee, and Community Advisory Committee.

Patrick Nolan

BA, BBus. (Banking &Fin.), Grad. Dip Bus (Acc.), SF FIN, GAICD

Patrick is a successful finance executive with specialist skills in financial analysis, financial markets, corporate and structured debt, and investments. He has had an extensive institutional banking and corporate treasury career spanning more than 30 years. Patrick has been a Non-Executive Director of both 'for purpose' and commercial entities for over ten years. He currently holds roles as Non-Executive Director (TruePillars RE Ltd), as an Investment Committee member (Thorne Harbour Health) and a Teaching Associate, Monash University, Dept. of Banking & Finance. Patrick has been a frequent visitor to the Kooweerup region over the last 20 years. Patrick joined the KRHS Board in July 2019 and is a member of the Finance, Audit and Risk Committee.

Kushal Shah

CA, LL.B, M.Com, Certified Internal Auditor (CIA) and an Executive MBA from the Melbourne Business School

Kushal is a strategic leader in Risk Management, Governance, Compliance and Internal Audit with more than 20 years of professional experience gained in Australia, the UK, China, India and New Zealand. Kushal's experience consists of senior leadership roles leading 'in-house' Risk and Governance functions at large and multinational organisations, senior leadership roles at the 'Big4' global consulting firms, and through independent Board and Audit & Risk Committee roles. He has developed deep industry understanding and nuanced insights in diverse industries like healthcare (public and private health), emergency services, public sector, technology, education, energy, banking, manufacturing and retail. Kushal joined KRHS Board in July 2018. Kushal is a member of the Finance, Audit and Risk Committee.

Dr Laurie Warfe

OAM MB BS DRANZCOG FRACGP MHlth&MedLaw FACLM GAICD

Dr Warfe has been in full-time clinical general practice for more than 30 years, in both suburban and rural settings. He has extensive professional experience and has held appointments in the fields of defence health, medical regulation, public health service provision and general practice education and accreditation. Dr Warfe has completed a Masters of Health and Medical Law and is a Fellow of the Australasian College of Legal Medicine. He currently actively participates in medico-legal panel and tribunal work and has an on-going interest in evolving health law and bioethics. Laurie joined the KRHS Board in July 2017. Laurie is a member of the Quality, Safety and Clinical Governance Committee.

KRHS Executive

Noni Bourke – Chief Executive Officer

BAppSc (Speech Pathology), Grad Cert Gerontology, Grad Cert Health Professional Education, Dip Project Management, Masters Health Services Management

Noni has more than 30 years' experience in public health, working initially as a Speech Pathologist and then within quality, safety and risk across acute, sub-acute, aged care and community health services. She has worked in clinical and leadership roles in metropolitan, rural and remote health services including an Executive role at Bass Coast Health. Noni has a deep commitment to partnering with consumers in all aspects of care and sees the growth and development of individual staff and teams as a key factor in providing safe, high quality care. Noni commenced as CEO with KRHS in January 2021.

Note: Frank Megens, CEO until 18 December 2020

David Ramsay – Director of Nursing

Certificate in Nursing; Post Registration Certificates – Neuroscience Nursing, Teaching & Assessment, ICU Principles; Certificate in Management; Diploma in Business Studies

David is a Registered Nurse with more than 30 years of experience in the health sector in both the United Kingdom and Australia. David completed his initial training in Scotland and has worked extensively in the areas of neurosciences and stroke management across a range of settings. David has held key roles in the development of stroke management guidelines in Australia at both a national and state level. David joined Kooweerup Regional Health in 2014 as a Nurse Unit Manager and was appointed Director of Nursing in 2016.

Margaret Bakonyi – Deputy Director of Nursing

Registered Nurse, Bachelor of Nursing, Grad Cert Palliative Care

Margaret has more than 40 years' experience working in both the public health and private sector, with the last 25 years focused on the aged care industry in a management capacity. She commenced working at KRHS as a nurse unit manager in 2006, working across both the acute and the aged care areas. Her passion is in aged care and she enjoys working with the external community, to support the aged care person and their family and carers transition smoothly through home care, respite into the permanent aged care environment at a time of their choice.

Aileen Thoms – Director Primary Health & Innovation

Master of Health Promotion, Grad Cert Health Education/Health Promotion, Emergency Nursing certificate, Cert 1V TAE, Diploma Life Sciences/Nursing, Registered General and Registered Psychiatric Nurse.

Aileen has more than 35 years' experience in public health with a background in acute, sub-acute and community health including a range of leadership roles. Aileen has built strong partnerships with community and other agencies to strengthen collaboration and achieve positive health outcomes. Aileen has a special interest in how the determinants of health affect the liveability of the environments in which we live and the impacts on those who have the poorest health outcomes. Aileen has been with KRHS for 13 years having commenced as Health Promotion Manager and now leads a dynamic team through her role as Primary Health and Innovation Director.

Ragul Karun – Chief Financial Officer (CFO)

FCMA, CGMA, BSc, FCPA

Ragul has nearly 20 years of financial management experience both at strategic and operational levels. Ragul started his career as accounts trainee with KPMG, progressed to management roles in multinational companies Shell and Aviva before moving into the Victorian public health system. Ragul has held previous positions at Melbourne Health, Mercy Health and was most recently part of the executive team as CFO at Swan Hill District Health. Ragul has extensive skills and experience in strategic financial management, business improvement planning, people development, budgeting and forecasting, performance reporting and business analytics. Ragul is passionate about consumer engagement and consumer centred care as much as finances. Ragul joined KRHS in June 2021.

Note: Alister Ferguson, CFO until 13 June 2021.

Board Committees

Finance, Audit & Risk Committee

Chairperson: Peter Doughty

The Finance, Audit and Risk Committee is a sub-committee of the Board responsible for oversight, advice and recommendations to the Board regarding:

- financial management, including asset management
- risk management, including compliance management; and
- internal and external audit

Members

Patrick Nolan (Board Director)

Kushal Shah (Board Director)

Beverley Walsh (Board Director)

Peter Doughty (Independent Member)

Marlene Dalziel (Independent Member)

Jason Noronho (Independent Member)

Quality, Safety and Clinical Governance Committee

Chairperson: Laurie Warfe

The Quality, Safety and Clinical Governance Committee is a sub-committee of the Board responsible for implementation of a strong quality and clinical governance framework, encompassing the domains of quality and safety:

- Leadership and culture
- Consumer partnerships
- Workforce
- Risk management
- Clinical Practice

Remuneration Committee

Chairperson: Marie Ritchie

The Remuneration Committee is a sub-committee of the Board responsible for facilitating the remuneration and performance processes for the Chief Executive Officer.

Community Advisory Committee

Chairperson: Geoff Stokes

The primary role of the Community Advisory Committee is to bring the voice of consumers, carers and community members into KRHS' decision-making processes, ensuring their involvement in planning, design, delivery and evaluation of healthcare at individual level, as well as program, department and health service level.

Retirement, Re-Appointments, and Appointments to the Board of Directors

The following occurred in 2020-21:

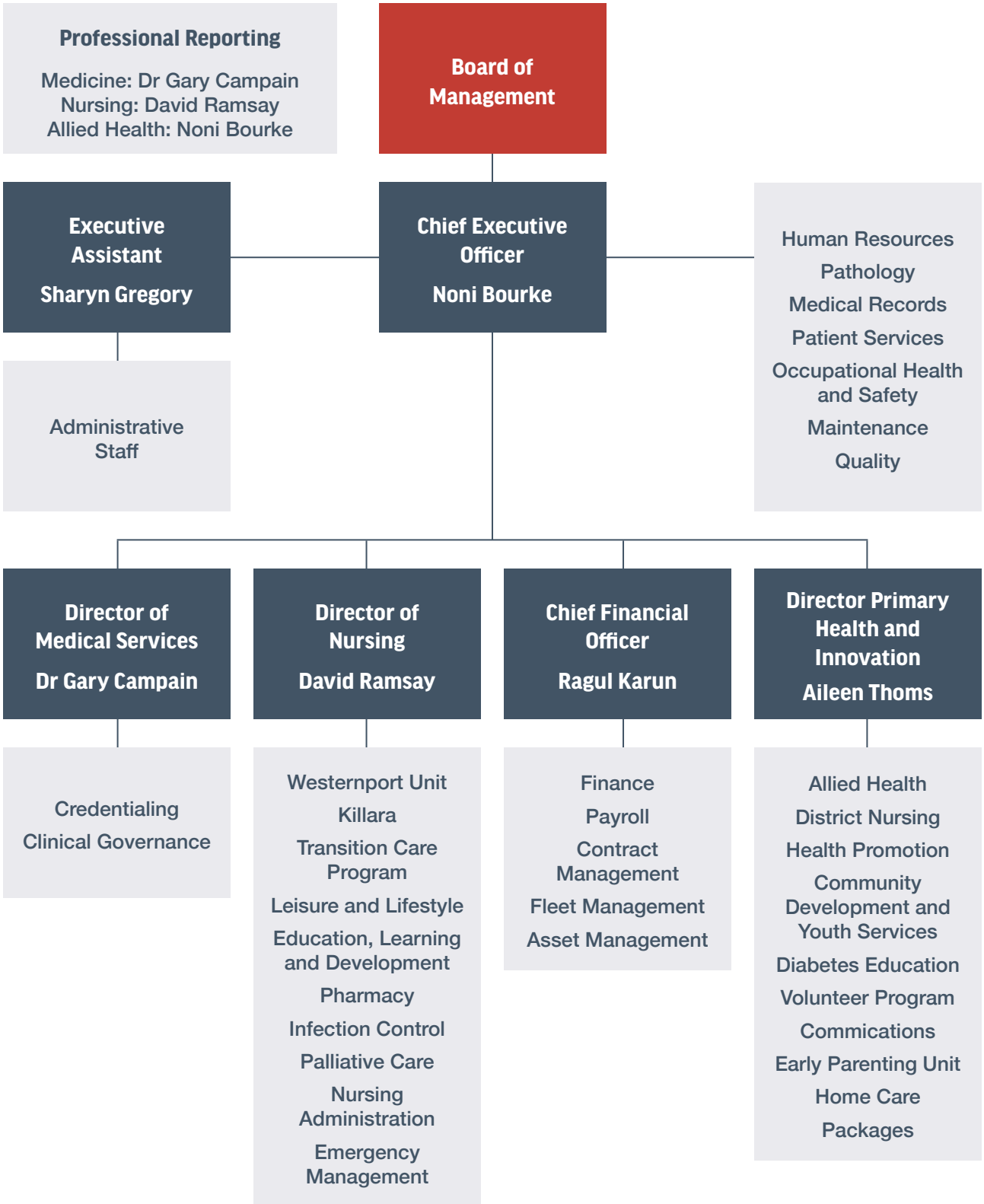
Retirements
Sue Driscoll – 1st July 2018 - 30th June 2021
Re-Appointments
Rachael McGann – 1st July 2020 – 30th June 2023
Laurie Warfe – 1st July 2020 – 30th June 2023
Appointments
Trudy Ararat – 1st July 2020 – 30th June 2023
Brent Kimpton – 1st July 2020 – 30th June 2023

Board Membership and Meeting Attendance

The table below provides information on board membership and meeting attendance for 2020–21.

Board Member	Board of Directors	Finance, Audit and Risk Committee	Quality, Safety and Clinical Governance	Community Advisory Committee
Sam Afra	100%			100%
Trudy Ararat	100%			
Sue Driscoll	40%		65%	
Synnove Frydenlund	100%			
Tania Hansen	80%			
Brent Kimpton	100%			
Rachael McGann	80%		50%	100%
Patrick Nolan	100%	100%		
Marie Ritchie	100%		90%	
Kushal Shah	100%	100%		
Beverley Walsh	100%	50%	75%	
Laurie Warfe	100%		100%	

KRHS Organisation Chart



Our Workforce

Workforce data

Workforce data for 2020–21 is provided in **Table 1** below.

Employment and Conduct Principles

Kooweerup Regional Health Service is an equal opportunity employer and treats all staff and potential employees on their merits and without consideration of race, gender, age, marital status, religion or any other factor that is unlawfully discriminatory. KRHS is committed to providing a workplace that is free of discrimination and bullying. Any form of unlawful discrimination or bullying is not tolerated, and appropriate action will be taken where behaviours do not align with KRHS' values. We are committed to the employment principles outlined in the Victorian Government's Public Administration Act 2004, enshrining the core and enduring public sector values of responsiveness, integrity, impartiality, accountability, respect, support for human rights and leadership.

Occupational Health and Safety

Occupational health and safety data is provided in **Table 2** below.

Table 1: Workforce Data

Hospitals labour category	JUNE current month FTE		Average Monthly FTE	
	2020	2021	2020	2021
Nursing	50.5	48.17	52.3	52.73
Administration and Clerical	13.72	12.29	14.02	12.51
Medical Support	0	0	0	0
Hotel and Allied Services	58.24	47.51	58.08	54.15
Medical Officers	0	0	0	0
Hospital Medical Officers	0	0	0	0
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	4.97	9.6	4.58	10.12

*Employees have been correctly classified in workforce data collections.

Table 2: Occupational Health and Safety Data

Occupational Health and Safety Statistics	2020-21	2019-20	2018-19
The number of reported hazards/ incidents for the year per 100 FTE	50	43	71
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.53	3.10	6.54
The average cost per WorkCover claim for the year ('000)	$14,252	$13,461	$21,422

Occupational Violence

Occupational violence statistics for 2020–21 are provided in **Table 3** below.

Definitions of occupational violence

Occupational violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.

Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.

Accepted Workcover claims – accepted Workcover claims that were lodged in 2020-21.

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.

Table 3: Occupational Violence Statistics

Occupational violence statistics	2020-21
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	29
Number of occupational violence incidents reported per 100 FTE	22.3
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

Statement of Priorities

Part A: Strategic Priorities

Objective	Achievement
Maintain your robust COVID-19 readiness and response, working with my department to ensure we rapidly respond to outbreaks, if and when they occur, which includes providing testing for your community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of our COVID-19 vaccine immunisation program rollout, ensuring your local community's confidence in the program	Achieved – KRHS has maintained robust COVID-19 readiness and response in close liaison with the Gippsland Public Health Unit (GPHU). We have a comprehensive outbreak management plan in place which was tested and found to be highly effective in 2020. Our staff have participated in asymptomatic testing and our pop up testing clinic provided local testing for our community. With the support of GPHU we have facilitated COVID-19 vaccination for our residents, staff and volunteers. KRHS has played an important role in providing key messaging for our community on COVID-19 updates, staying safe and the importance of testing and vaccination.
Engage with your community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary "catch-up" care to support them to get back on track.	Achieved – KRHS maintained close contact with consumers in our community identified as vulnerable throughout the pandemic and especially during periods of reduced service due to lockdowns. We utilised alternate ways to provide services eg phone, telehealth and engaged additional staff to ensure consumers were able to access services once available again. In addition, we recognised the significant impact of lockdowns on consumers in our residential aged care facilities providing additional staffing, establishing alternate ways to connect residents with loved ones and establishing programs to address functional decline arising from the lockdowns.
As providers of care, respond to the recommendations of the Royal Commission into Victoria's Mental health System and the Royal Commission into Aged Care Quality and Safety.	Achieved – KRHS is committed to the provision of safe, high-quality care. We have undertaken a comprehensive review of our Home Care Package service to ensure we are providing high-quality, person-centred care in a timely fashion within a robust governance framework. We have undertaken a review of the staffing profile within Killara Hostel to ensure our staffing and skill mix is appropriate to meet resident needs. Our staff undertake regular education and training. KRHS has implemented the Serious Incident Response Scheme across residential aged care and is compliant with all requirements. KRHS, in partnership with the Department of Health and other service providers, continues to pursue options to support mental health services for younger members of our community.
Develop and foster your local health partner relationships, which have been strengthened during the pandemic response, to continue delivering collaborative approaches to planning, procurement and service delivery at scale. This extends to prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform to deliver improved patient care through greater integration.	Achieved – KRHS is actively engaged with the Gippsland Health Partnership and the South Gippsland Coast Partnership including through projects focussing on ensuring patients are able to access the right service at the right time, Hospital in the Home services, Telehealth and Prevention / Early Intervention programs. KRHS has embraced alternate ways of delivering health care including the use of technology. Our team were particularly pleased to be involved in the EConnect Program funded through Cardinia Shire Council which provided older community members who were isolated due to COVID 19 restrictions with the opportunity to access technology and be supported to improve digital literacy and connect virtually with KRHS volunteers.

Part B: Performance Priorities

High quality and safe care

Key performance measure	Target	Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	86%
Percentage of healthcare workers immunised for influenza	90%	98%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	95%	No Surveys conducted in 2020–2021
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care	75%	No surveys conducted in 2020–2021

Effective financial management

Key performance measure	Target	Result
Operating result ($m)	$0.05	$0.32
Average number of days to pay trade creditors	60 days	86 Days
Average number of days to receive patient fee debtors	60 days	32 Days
Adjusted current asset ratio (ACAR)	0.7 or 3% improvement from health service base target	1.26
Actual number of days available cash, measured on the last day of each month.	14 days	Achieved
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ $250,000	Not Achieved

Part C: Activity

Funding type	Activity	Units
Small Rural		
Small Rural Acute	257.16	WIES Equivalent
Small Rural HACC		
– -Nursing	671	Service Hours
– -Occupational Therapy	0	Service Hours
– -Physiotherapy	190	Service Hours
Small Rural Residential Care	21,443	Bed Days
Health Workforce	5	Number of Graduates

Summary of Financial Results

Operating Result for the Year Ending 30 June 2021

Table 4: Financial Information

	2021 ($000)	2020 ($000)	2019 ($000)	2018 ($000)	2017 ($000)
OPERATING RESULT*	316	352	660	(190)	(45)
Total revenue	18,286	15,894	14,601	13,071	12,068
Total expenses	18,022	15,745	13,941	13,053	12,512
Net result from transactions	264	149	660	18	(444)
Total other economic flows	(45)	(100)	(268)	72	(70)
Net result	219	49	392	190	(514)
Total assets	34,230	31,185	29,907	26,999	24,346
Total liabilities	15,335	12,944	11,717	10,188	10,354
Net assets/Total equity	18,895	18,241	18,191	16,811	13,992

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

Reconciliation between the Net Result From Transactions to the Statement of Priorities Operating Result

Table 5: Reconciliation of Net Result from Transactions and Operating Result

	2020-21 ($000)
Net operating result*	316
Capital purpose income	941
Specific income	0
COVID 19 State Supply Arrangements – Assets received free of charge or for nil consideration under the State Supply	192
State supply items consumed up to 30 June 2021	(192)
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	(14)
Depreciation and amortisation	(979)
Impairment of non-financial assets	0
Finance costs (other)	0
Net result from transactions	264

Significant Changes in Financial Position During the Year

There are no significant changes in the financial position with modest back-to-back operating surplus reported. Kooweerup Regional Health Service continues to meet the key financial performance measures, as agreed in the Statement of Priorities.

Operational and Budgetary Objectives

End of financial year operating result is $0.32m surplus compared to a budget of $0.05m surplus. COVID 19 pandemic response has impacted both personnel and supplies cost with overrun on the expense budget fully funded by the Department of Health. Residential Aged Care and Home Care Program have been primary drivers of the favourable variance to revenue budget.

Events Subsequent to Balance Date

There are no post balance sheet events, that could materially affect the true and fair view of 2020-21 financial statements.

Consultancies

Details of consultancies (under $10,000)

In 2020-21, there were two consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2020-21 in relation to these consultancies is $10,775 (excl. GST).

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

In 2020-21, there was one consultancy (**Table 6**) where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2020-21 in relation to this consultancy is $17,884 (excl. GST).

Table 6: Consultancies over $10,000

Consultant	Purpose of Consultancy	Start date	End date	Total approved Project (ex GST)	Expenditure 2020-21(ex GST)	Future Expenditure (ex GST)
Synchronicity Consulting Pty Ltd	Strategic Planning Project	May-21	Sep-21	$29,806.00	$17,884.00	$11,922.00

Information and Communication Technology Expenditure

The total ICT expenditure incurred during 2020-21 is $1,470,616 (a+b+c) (excluding GST) with the details shown below:

Table 7: ICT expenditure

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
Total (ex GST) (c)	Total = Operational expenditure and Capital expenditure (ex GST) (a) + (b)	Operational expenditure (ex GST) (a)	Capital expenditure (ex GST) (b)
$1,436,800	$33,816	$0	$33,816

Disclosures

Freedom of Information Act 1982

In accordance with the *Freedom of Information Act 1982*, the public can request access to documents held at KRHS via a written application directly to KRHS's Principal Freedom of Information (FOI) Officer. A valid request must clearly identify what types of documents are being sought and to whom the information is to be released. The valid request must also be accompanied by an application fee. KRHS are required to respond to the applicant within 30 days of receiving a valid request.

Requests are to be addressed to:

Principal FOI Officer
Kooweerup Regional Health Service
PO Box 53
Kooweerup, Vic. 3981

KRHS's Principal Officer is the Chief Executive Officer.

An application fee of $29.60 applies and other charges may be incurred associated with collating the information levied strictly in accordance with the Freedom of Information (Access Charges) Regulation 2004.

During 2020–21, KRHS received zero requests.

Building Act 1993

KRHS is subject to, and complies with, the *Building Act 1993* under the guidelines for publicly owned buildings issued by the Minister for Finance (1994) in all redevelopment and maintenance matters. The site undertakes all relevant assessments and audits as required by the Department of Health.

Public Interest Disclosure Act 2012

KRHS is subject to, and complies with, the *Public Interest Disclosure Act 2012* (updated 2020–2021) that replaced the former *Whistleblowers Protection Act 2001*. The *Public Interest Disclosure Act 2012* came into effect with a purpose to facilitate disclosures of improper conduct by public officers, public bodies and to provide the appropriate level of protection for people who make disclosures without fear of reprisal.

Statement on National Competition Policy

KRHS is subject to and complies with the National Competition Policy. All procurement activities are undertaken in an open and fair manner and these principles are embedded in KRHS's Procurement Policy.

Carers Recognition Act 2012

In accordance with the *Carers Recognition Act 2012*, KRHS takes all practical measures to ensure that employees and volunteers respect and recognise carers, support them as individuals; recognise their efforts and dedication; take into account their views and cultural identity; recognise their social wellbeing; and provide due consideration of the effect of being a carer on matters of employment and education.

Safe Patient Care Act 2015

KRHS is subject to the *Safe Patient Care Act 2015* and has no matters to report in relation to its obligations under Section 40 of the Act.

Local Jobs First Act 2003

In 2020-21 there were no contracts requiring disclosure under the Local Jobs First Policy.

Gender Equality Act 2020

Following introduction of the *Gender Equality Act 2020* KRHS is working towards implementation of the Act including consideration and promotion of gender equality in the workplaces and in the policies, programs and services we deliver to our community. We have commenced development of a Gender Equity Action Pan through workplace gender audits and consultation processes. The plan will be completed by December 2021 and implemented in 2022.

Asset Management Accountability Framework

The following summarises KRHS' assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the Department of Treasury and Finance (DTF) website (https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework).

KRHS' maturity rating is 'developing', meaning some systems and processes remain under development or are in place but are not consistently applied and systematically meeting the AMAF requirement (refer to the figure **KRHS Asset Management Maturity** on the following page). KRHS takes a continuous improvement approach to expanding system performance to against AMAF requirements.

Leadership and Accountability (requirements 1-19)

KRHS has non / partial compliance against items within this category. There is no material non-compliance reported in this category. A plan for improvement is in place to improve maturity rating in these areas with the majority currently rated as developing.

Planning (requirements 20-23)

KRHS has non / partial compliance against items within this category. There is no material non-compliance reported in this category. A plan for improvement is in place to improve maturity rating in these areas with all currently rated as developing.

Acquisition (requirements 24 and 25)

KRHS has compliance against items within this category with a maturity rating of competence.

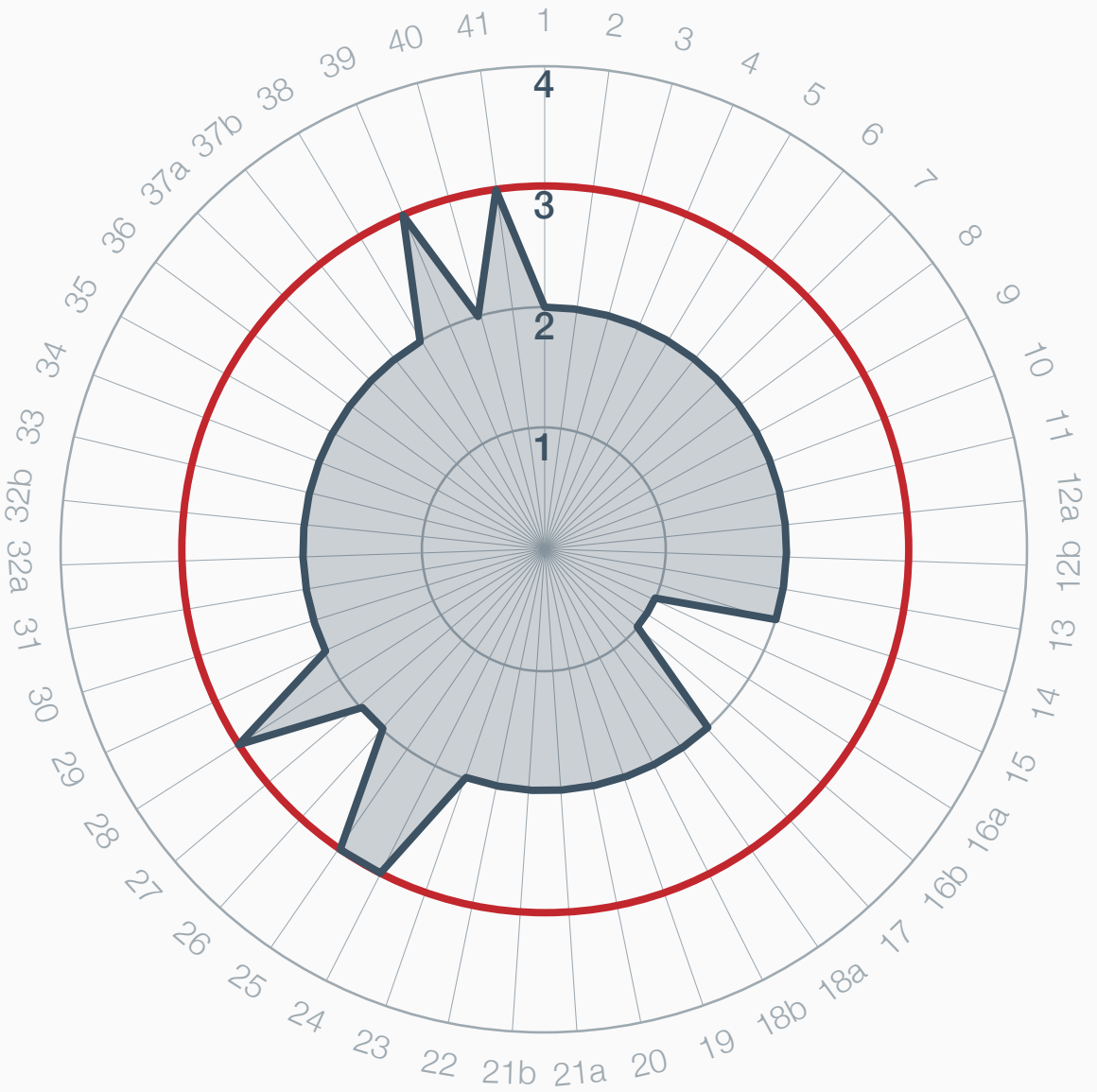
Operation (requirements 26-40)

KRHS has non / partial compliance against the majority of items within this category with compliance against items relating to monitoring and preventative action and record-keeping. There is no material non-compliance reported in this category. A plan for improvement is in place to improve maturity rating in these areas with the majority currently rated as developing.

Disposal (requirement 41)

KRHS has compliance against items within this category with a maturity rating of competence.

KRHS Asset Management Maturity



Legend

Status	Level
Not applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Overall assessment

Target

Environmental performance

KRHS maintains a commitment to minimising environmental impact in all areas of service provision. KRHS has an Environmental Sustainability Policy and Plan and is pleased to demonstrate a continuing trend of improved performance against key metrics. The tables below summarise the environmental performance of KRHS for 2020–21 compared to previous years.

Table 8: Expenditure

	2018–19 ($000)	2019–20 ($000)	2020–21 ($000)
Electricity	118	83	101
Natural Gas	25	40	42
Potable Water	51	64	39

Table 9: Total stationary energy purchased by energy type (GJ)

	2018–19	2019–20	2020–21
Electricity	1,938	1,761	1,717
Natural Gas	3,025	3,407	2,375

Table 10: Total embedded stationary energy generated by energy type (GJ)

	2018–19	2019–20	2020–21
Solar Power	412	567	514

Table 11: Water Consumption (kL)

	2018–19	2019–20	2020–21
Potable Water	9,937	8,752	6,798

Table 12: Normalised greenhouse gas emissions

	2018–19	2019–20	2020–21
Emissions per unit of floor space ($kgCO^2/m^2$)	126.71	116.78	102.15
Emissions per unit of Separations ($kgCO^2$/Separations)	4,978.08	6,812.44	4,645.09
Emissions per unit of bed-day (LOS+Aged Care OBD) ($kgCO^2$/OBD)	31.76	30.51	26.39

LOS – Length of Stay
OBD – Occupied Bed Day

Attestations and Declarations

Financial Management Compliance Attestation

I, Marie Ritchie, on behalf of the Responsible Body, certify that the Kooweerup Regional Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Marie Ritchie
Chair, Board of Directors
Kooweerup Regional Health Service

20 September 2021

Data Integrity Declaration

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

Noni Bourke
Chief Executive Officer
Kooweerup Regional Health Service

20 September 2021

Conflict of Interest Declaration

I, Noni Bourke, certify that Kooweerup Regional Health Service 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 Kooweerup Regional Health Service and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.

Noni Bourke
Chief Executive Officer
Kooweerup Regional Health Service

20 September 2021

Integrity, Fraud and Corruption Declaration

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

Noni Bourke
Chief Executive Officer
Kooweerup Regional Health Service

20 September 2021

Additional Information Available on Request

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

- Declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by senior officers as nominee or held beneficially;
- Details of publications produced by the entity about itself, including annual Aboriginal cultural safety reports and plans, and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- Details of any major external reviews carried out on the Health Serv ice;
- Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;
- Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;
- A list of major committees sponsored by the Health Service, including any Aboriginal advisory or governance committees, 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.

Disclosure Index

The annual report of KRHS 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 22I	Manner of establishment and the relevant Ministers	8
FRD 22I	Purpose, functions, powers and duties	8
FRD 22I	Nature and range of services provided	9
FRD 22I	Activities, programs and achievements for the reporting period	5
FRD 22I	Significant changes in key initiatives and expectations for the future	7
Management and structure		
FRD 22I	Organisational structure	16
FRD 22I	Workforce data / employment and conduct principles	17
FRD 22I	Occupational Health and Safety	17
Financial information		
FRD 22I	Summary of the financial results for the year	21
FRD 22I	Significant changes in financial position during the year	22
FRD 22I	Operational and budgetary objectives and performance against objectives	22
FRD 22I	Subsequent events	22
FRD 22I	Details of consultancies under $10,000	22
FRD 22I	Details of consultancies over $10,000	22
FRD 22I	Disclosure of ICT expenditure	23
Legislation		
FRD 22I	Application and operation of Freedom of Information Act 1982	23
FRD 22I	Compliance with building and maintenance provisions of Building Act 1993	23
FRD 22I	Application and operation of the Public Interest Disclosure Act (updated 2020-2021)	23
FRD 22I	Statement on National Competition Policy	24
FRD 22I	Application and operation of Carers Recognition Act 2012	24
FRD 22I	Summary of the entity's environmental performance	26
FRD 22I	Additional information available on request	28
Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	24
SD 5.1.4	Financial Management Compliance attestation	27
SD 5.2.3	Declaration in report of operations	31

Legislation Requirement	Page Reference
Attestations	
Attestation on Data Integrity	27
Attestation on managing Conflicts of Interest	27
Attestation on Integrity, fraud and corruption	28
Other reporting requirements	
Reporting of outcomes from Statement of Priorities 2020-21	19
Occupational Violence reporting	18
Reporting obligations under the Safe Patient Care Act 2015	24
Reporting of compliance regarding Car Parking Fees (if applicable)	N/A
Reporting obligations under the Asset Management Accountability Framework (AMAF)	24

Financial Statements – Financial Year Ending 30 June 2021

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2021 and the financial position of Kooweerup Regional Health Service at 30 June 2021.

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 20 September 2021.

Board Member

Marie Ritchie
Chair
Kooweerup

20 September 2021

Accountable Officer

Noni Bourke
Chief Executive Officer
Kooweerup

20 September 2021

Chief Finance and Accounting Officer

Ragulan Karunanantham
Chief Finance and Accounting Officer
Kooweerup

20 September 2021

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Kooweerup Regional Health Service

Opinion	I have audited the financial report of Kooweerup Regional Health Service (the health service) which comprises the: • balance sheet as at 30 June 2021 • 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. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

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
13 October 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

Start of Financial Statements

Kooweerup Regional Health Service
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2021

	Note	Total 2021 $'000	Total 2020 $'000
Revenue and income from transactions			
Operating activities	2.1	18,237	15,768
Non-operating activities	2.1	49	133
Total revenue and income from transactions		**18,286**	**15,901**
Expenses from transactions			
Employee expenses	3.1	(13,645)	(11,718)
Supplies and consumables	3.1	(935)	(605)
Finance costs	3.1	(12)	(46)
Depreciation and amortisation	3.1	(979)	(1,028)
Other administrative expenses	3.1	(1,907)	(1,812)
Other operating expenses	3.1	(530)	(548)
Other non-operating expenses	3.1	(14)	6
Total Expenses from transactions		**(18,022)**	**(15,751)**
Net result from transactions - net operating balance		**264**	**150**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.4	(6)	10
Net gain/(loss) on financial instruments	3.4	-	(4)
Other gain/(loss) from other economic flows	3.4	(39)	(106)
Total other economic flows included in net result		**(45)**	**(100)**
Net result for the year		**219**	**50**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.2(b)	**434**	-
Total other comprehensive income		**434**	**-**
Comprehensive result for the year		**653**	**50**

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

Kooweerup Regional Health Service
Balance Sheet
As at 30 June 2021

	Note	Total 2021 $'000	Total 2020 $'000
Current assets			
Cash and cash equivalents	6.2	16,882	13,982
Receivables and contract assets	5.1	719	337
Inventories	4.3	50	50
Prepaid expenses		283	189
Total current assets		**17,934**	**14,558**
Non-current assets			
Receivables and contract assets	5.1	303	340
Property, plant and equipment	4.1 (a)	15,993	16,288
Total non-current assets		**16,296**	**16,628**
Total assets		**34,230**	**31,186**
Current liabilities			
Payables and contract liabilities	5.2	1,604	333
Borrowings	6.1	155	170
Employee benefits	3.2	2,689	1,882
Other liabilities	5.3	10,411	9,929
Total current liabilities		**14,859**	**12,314**
Non-current liabilities			
Borrowings	6.1	71	136
Employee benefits	3.2	405	494
Total non-current liabilities		**476**	**630**
Total liabilities		**15,335**	**12,944**
Net assets		**18,895**	**18,242**
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	10,247	9,813
Contributed capital	SCE	4,715	4,715
Accumulated surplus/(deficit)	SCE	3,933	3,714
Total equity		**18,895**	**18,242**

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

Kooweerup Regional Health Service
Statement of Changes in Equity
For the Financial Year Ended 30 June 2021

Total	Note	Property, Plant and Equipment Revaluation Surplus $'000	Contributed Capital $'000	Accumulated Surplus/(Deficits) $'000	Total $'000
Balance at 30 June 2019		**9,813**	**4,715**	**3,664**	**18,192**
Effect of adoption of AASB 15, 16 and 1058		-	-	-	-
Restated Balance at 1 July 2019		**9,813**	**4,715**	**3,664**	**18,192**
Net result for the year		-	-	50	50
Balance at 30 June 2020		**9,813**	**4,715**	**3,714**	**18,242**
Net result for the year		-	-	219	219
Other comprehensive income for the year		434	-	-	434
Balance at 30 June 2021		**10,247**	**4,715**	**3,933**	**18,895**

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

Kooweerup Regional Health Service
Cash Flow Statement
For the Financial Year Ended 30 June 2021

	Note	Total 2021 $'000	Total 2020 $'000
Cash Flows from operating activities			
Operating grants from government - State		8,688	7,908
Operating grants from government - Commonwealth		4,403	3,961
Capital grants from government - State		288	72
Capital grants from government - Commonwealth		466	423
Patient fees received		2,312	2,071
GST received from ATO		(4)	12
Interest and investment income received		49	132
Commercial Income Received		39	49
Other receipts		1,964	737
Total receipts		**18,205**	**15,365**
Employee expenses paid		(12,922)	(12,083)
Payments for supplies and consumables		(680)	(523)
Payments for medical indemnity insurance		(15)	(13)
Payments for repairs and maintenance		(329)	(350)
Finance Costs		(12)	(11)
Other payments		(1,392)	(1,308)
Total payments		**(15,350)**	**(14,288)**
Net cash flows from/(used in) operating activities	8.1	**2,855**	**1,077**
Cash Flows from investing activities			
Purchase of property, plant and equipment		(150)	(438)
Capital donations and bequests received		4	-
Other capital receipts		238	325
Proceeds from disposal of property, plant and equipment		23	40
Net cash flows from/(used in) investing activities		**115**	**(73)**
Cash flows from financing activities			
Repayment of borrowings		(209)	(63)
Receipt of accommodation deposits		2,639	4,187
Repayment of accommodation deposits		(2,500)	(3,171)
Net cash flows from /(used in) financing activities		**(70)**	**953**
Net increase/(decrease) in cash and cash equivalents held		**2,900**	**1,957**
Cash and cash equivalents at beginning of year		13,982	12,025
Cash and cash equivalents at end of year	6.2	**16,882**	**13,982**

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

Notes to the Financial Statements

Kooweerup Regional Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

Structure

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Kooweerup Regional Health Service for the year ended 30 June 2021. The report provides users with information about Kooweerup Regional Health Service's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements and identifies the key accounting estimates and judgements.

Note 1.1: Basis of preparation of the financial statements
These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements.*

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

Kooweerup Regional Health Service is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

The Kooweerup Regional Health Service operates on a fund accounting basis and maintains two funds: Operating and Capital Funds.

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

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

The financial statements are in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Kooweerup Regional Health Service and its controlled entities on 20 September 2021.

Note 1.2 Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. Since this date, to contain the spread of COVID-19 and prioritise the health and safety of our community, Kooweerup Regional Health Service was required to comply with various directions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Kooweerup Regional Health Service operates.

Kooweerup Regional Health Service introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- performing COVID-19 testing
- administering COVID-19 vaccinations
- implementing work from home arrangements where appropriate.

The financial impacts of the pandemic are disclosed at:

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

Note 1.3 Abbreviations and terminology used in the financial statements
The following table sets out the common abbreviations used throughout the financial statements:

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

Note 1.4 Joint arrangements

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

Kooweerup Regional Health Service has the following joint arrangements:

- Gippsland Health Alliance (GHA)

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

Note 1.5 Key accounting estimates and judgements
Management make estimates and judgements when preparing the financial statements.

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

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

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

Note 1.6 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 17: *Insurance Contracts*	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*	Reporting periods on or after 1 January 2021.	Adoption of this standard is not expected to have a material impact.

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

Note 1.7 Goods and Services Tax (GST)

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

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

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

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

Note 1.8 Reporting Entity

The financial statements include all the controlled activities of Kooweerup Regional Health Service.

Its principal address is:
Rossiter Road
Kooweerup, Victoria 3981

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

Note 2: Funding delivery of our services

Kooweerup Regional Health Service's overall objective is to provide quality health service and to be a leading regional healthcare provider delivering timely, accessible, integrated and responsive services to the Gippsland community. Kooweerup Regional Health Service is predominantly funded by grant funding for the provision of outputs. Kooweerup Regional Health Service also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions
2.2 Fair value of assets and services received free of charge or for nominal consideration
2.3 Other income

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic.

Funding provided included:

- COVID-19 operational funding
- Specified COVID-19 funding for HACC PYP and capital equipment

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	Kooweerup Regional Health Service applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Kooweerup Regional Health Service to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Kooweerup Regional Health Service applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	Kooweerup Regional Health Service applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

Note 2.1 Revenue and income from transactions

	Total 2021 $'000	Total 2020 $'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	10	41
Government grants (Commonwealth) - Operating	4,403	3,961
Patient and resident fees	2,403	2,363
Commercial activities [1]	39	49
Total revenue from contracts with customers	**6,855**	**6,414**
Other sources of income		
Government grants (State) - Operating	7,708	6,908
Government grants (State) - Capital	288	73
Government grants (Commonwealth) - Capital	466	423
Other capital purpose income	238	325
Assets received free of charge or for nominal consideration	192	24
Other revenue from operating activities (including non-capital donations)	2,490	1,601
Total other sources of income	**11,382**	**9,354**
Total revenue and income from operating activities	**18,237**	**15,768**
Non-operating activities		
Income from other sources		
Capital interest	-	11
Other interest	49	122
Total other sources of income	**49**	**133**
Total income from non-operating activities	**49**	**133**
Total revenue and income from transactions	**18,286**	**15,901**

1. Commercial activities represent business activities which Kooweerup Regional Health Service enter into to support their operations.

Note 2.1 Revenue and income from transactions (continued)

How we recognise revenue and income from transactions

Government operating grants

To recognise revenue, Kooweerup Regional Health Service assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: Revenue from Contracts with Customers.

When both these conditions are satisfied, the health service:

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

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

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

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

Government grant	Performance obligation
Commonwealth Aged Care	The Australian Government subsidises a large portion of the costs of running approved residential aged care homes. The amount of subsidy paid is based on the facilities assessments of the residents ongoing care needs and is known as ACFI - Aged Care Funding Instrument. The performance obligations include provision of residential accommodations and care from nursing staff and personal care workers. Revenue is recognised at the point in time when the service is provided within the residential aged care facility.

Note 2.1 Revenue and income from transactions (continued)

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

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

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

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

Non-cash contributions from the Department of Health
The Department of Health makes some payments on behalf of Kooweerup Regional Health Service as follows:

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

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

	Total 2021 $'000	Total 2020 $'000
Cash donations and gifts	4	28
Personal protective equipment	188	24
Total fair value of assets and services received free of charge or for nominal consideration	**192**	**52**

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

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

Personal protective equipment

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

The general principles of the State Supply Arrangement were that Health Share Victoria sourced, secured and agreed terms for the purchase of the PPE products, funded by the Department of Health, while Monash Health took delivery, and distributed an allocation of the products to Kooweerup Regional Health Service as resources provided free of charge. Health Share Victoria and Monash Health were acting as an agent of the Department of Health under this arrangement.

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

On initial recognition of the asset, Kooweerup Regional Health Service recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions and revenue or contract liabilities arising from a contract with a customer.

Kooweerup Regional Health Service recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

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

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

Voluntary Services

Contributions by volunteers, in the form of services, are only recognised when fair value can be reliably measured, and the services would have been purchased if they had not been donated. Kooweerup Regional Health Service has considered the services provided by volunteers and has determined the value of volunteer services cannot be readily determined and therefore it has not recorded any income related to volunteer services.

Note 2.3 Other income

	Total 2021 $'000	Total 2020 $'000
Interest	49	133
Total other income	**49**	**133**

How we recognise other income

Interest Income
Interest revenue is recognised on a time proportionate basis that considers 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 health service in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

3.1 Expenses from transactions
3.2 Employee benefits in the balance sheet
3.3 Superannuation
3.4 Other economic flows

Telling the COVID-19 story

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

Additional costs were incurred to deliver the following additional services:

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	Kooweerup Regional Health Service applies significant judgment when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Kooweerup Regional Health Service does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Kooweerup Regional Health Service has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category. The health service also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.

Note 3.1 Expenses from transactions

	Note	Total 2021 $'000	Total 2020 $'000
Salaries and wages		12,248	10,471
On-costs		999	922
Agency expenses		177	183
Fee for service medical officer expenses		31	26
Workcover premium		190	116
Total employee expenses		**13,645**	**11,718**
Drug supplies		15	19
Medical and surgical supplies (including Prostheses)		333	153
Diagnostic and radiology supplies		98	11
Other supplies and consumables		489	422
Total supplies and consumables		**935**	**605**
Finance costs		12	46
Total finance costs		**12**	**46**
Other administrative expenses		1,907	1,812
Total other administrative expenses		**1,907**	**1,812**
Fuel, light, power and water		186	186
Repairs and maintenance		291	326
Maintenance contracts		38	23
Medical indemnity insurance		15	13
Total other operating expenses		**530**	**548**
Total operating expense		**17,029**	**14,729**
Depreciation and amortisation	4.2	979	1,028
Total depreciation and amortisation		**979**	**1,028**
Bad and doubtful debt expense		14	(6)
Total other non-operating expenses		**14**	**(6)**
Total non-operating expense		**993**	**1,022**
Total expenses from transactions		**18,022**	**15,751**

Note 3.1 Expenses from transactions

How we recognise expenses from transactions

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

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

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

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

Other operating expenses
Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include such things as:
- Fuel, light and power
- Repairs and maintenance
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of $1,000).

The Department of Health also makes certain payments on behalf of Kooweerup Regional Health Service. 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 outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

Note 3.2 Employee benefits in the balance sheet

	Total 2021 $'000	Total 2020 $'000
Current provisions		
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	709	625
Unconditional and expected to be settled wholly after 12 months [ii]	119	106
	828	**731**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	236	135
Unconditional and expected to be settled wholly after 12 months [ii]	1,205	731
	1,441	**866**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	238	179
Unconditional and expected to be settled after 12 months [ii]	182	106
	420	**285**
Total current employee benefits	**2,689**	**1,882**
Non-current provisions		
Conditional long service leave	360	447
Provisions related to employee benefit on-costs	45	47
Total non-current employee benefits	**405**	**494**
Total employee benefits	**3,094**	**2,376**

[i] The amounts disclosed are nominal amounts.
[ii] The amounts disclosed are discounted to present values.

Note 3.2 Employee benefits in the balance sheet

How we recognise employee benefits

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

Provisions
Provisions are recognised when Kooweerup Regional Health Service 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
Liabilities for annual leave are recognised in the provision for employee benefits as 'current liabilities' because Kooweerup Regional Health Service does not have an unconditional right to defer settlements of these liabilities.

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

- Nominal value – if Kooweerup Regional Health Service expects to wholly settle within 12 months or
- Present value – if Kooweerup Regional Health Service does not expect to wholly settle within 12 months.

Long service leave
The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Kooweerup Regional Health Service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

- Nominal value – if Kooweerup Regional Health Service expects to wholly settle within 12 months or
- Present value – if Kooweerup Regional Health Service does not expect to wholly settle within 12 months.

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

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

Note 3.2 (a) Employee benefits and related on-costs

	Total 2021 $'000	Total 2020 $'000
Unconditional annual leave entitlements	1,072	924
Unconditional long service leave entitlements	1,617	958
Total current employee benefits and related on-costs	**2,689**	**1,882**
Conditional long service leave entitlements	405	494
Total non-current employee benefits and related on-costs	**405**	**494**
Total employee benefits and related on-costs	**3,094**	**2,376**
Carrying amount at start of year	2,376	2,282
Additional provisions recognised	1,509	955
Amounts incurred during the year	(791)	(861)
Carrying amount at end of year	**3,094**	**2,376**

Note 3.3 Superannuation

	Paid contribution for the year		Contribution Outstanding at Year-end	
	Total 2021 $'000	Total 2020 $'000	Total 2021 $'000	Total 2020 $'000
Defined benefit plans:[i]				
First State Super	4	3	-	-
Defined contribution plans:				
First State Super	638	644	-	4
Hesta	225	178	-	-
Other	132	97	-	-
Total	**999**	**922**	**-**	**4**

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

How we recognise superannuation
Employees of Kooweerup Regional Health Service are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans
The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Kooweerup Regional Health Service to the superannuation plans in respect of the services of current Kooweerup Regional Health Service's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Kooweerup Regional Health Service does not recognise any unfunded defined benefit liability in respect of the plans because the health service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

The DTF discloses the State's defined benefits liabilities in its disclosure for administered items. However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Kooweerup Regional Health Service.

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

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

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

Note 3.4 Other economic flows included in net result

	Total 2021 $'000	Total 2020 $'000
Net gain/(loss) on disposal of property plant and equipment	(6)	10
Total net gain/(loss) on non-financial assets	**(6)**	**10**
Net gain/(loss) on disposal of financial instruments	-	(4)
Total net gain/(loss) on financial instruments	**-**	**(4)**
		-
Net gain/(loss) arising from revaluation of long service liability	(39)	(106)
Total other gains/(losses) from other economic flows	**(39)**	**(106)**
Total gains/(losses) from other economic flows	**(45)**	**(100)**

How we recognise other economic flows

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

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

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:

- revaluation gains/(losses) of non-financial physical assets (Refer to Note 4.1 Property plant and equipment)
- net gain/(loss) on disposal of non-financial assets
- any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Note 4: Key assets to support service delivery

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

Structure

4.1 Property, plant & equipment
4.2 Depreciation and amortisation
4.3 Inventories

Telling the COVID-19 story

Assets used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	Kooweerup Regional Health Service obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	Kooweerup Regional Health Service assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Kooweerup Regional Health Service applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Identifying indicators of impairment	At the end of each year, Kooweerup Regional Health Service assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	Total 2021 $'000	Total 2020 $'000
Land at fair value - Crown	1,797	1,619
Land at fair value - Freehold	2,586	2,330
Total land at fair value	**4,383**	**3,949**
Buildings at fair value	11,417	11,417
Less accumulated depreciation	(1,203)	(600)
Total buildings at fair value	**10,214**	**10,817**
Total land and buildings	**14,597**	**14,766**
Plant and equipment at fair value	2,878	2,829
Less accumulated depreciation	(2,044)	(1,977)
Total plant and equipment at fair value	**834**	**852**
Motor vehicles at fair value	200	200
Less accumulated depreciation	(182)	(163)
Total motor vehicles at fair value	**18**	**37**
Medical equipment at fair value	324	309
Less accumulated depreciation	(284)	(274)
Total medical equipment at fair value	**40**	**35**
Computer equipment at fair value	888	797
Less accumulated depreciation	(711)	(655)
Total computer equipment at fair value	**177**	**142**
Furniture and fittings at fair value	1,822	1,816
Less accumulated depreciation	(1,585)	(1,488)
Total furniture and fittings at fair value	**237**	**328**

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

	Total 2021 $'000	Total 2020 $'000
Right of use plant, equipment, furniture, fittings and vehicles at fair value	177	176
Less accumulated depreciation	(87)	(48)
Total right of use plant, equipment, furniture, fittings and vehicles at fair value	**90**	**128**
Total plant, equipment, furniture, fittings and vehicles at fair value	**1,396**	**1,522**
Total property, plant and equipment	**15,993**	**16,288**

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

	Note	Land $'000	Buildings $'000	Plant & equipment $'000	Motor vehicles $'000	Medical Equipment $'000	Computers & Communication Equipment $'000	Furniture & Fittings $'000	Right of use - PPE, F&V $'000
Balance at 1 July 2019		**3,949**	**11,214**	**906**	**94**	**38**	**138**	**373**	**82**
Additions		-	179	113	-	7	55	85	90
Disposals		-	-	(3)	(26)	-	-	(1)	-
Net transfers between classes		-	23	-	-	-	-	-	-
Depreciation	4.2	-	(599)	(164)	(31)	(10)	(51)	(129)	(44)
Balance at 30 June 2020	4.1 (a)	**3,949**	**10,817**	**852**	**37**	**35**	**142**	**328**	**128**
Additions		-	1	118	-	15	91	6	36
Disposals		-	-	(16)	-	-	-	-	-
Revaluation increments/(decrements)		434	-	-	-	-	-	-	-
Depreciation	4.2	-	(604)	(120)	(19)	(10)	(56)	(97)	(73)
Balance at 30 June 2021	4.1 (a)	**4,383**	**10,214**	**834**	**18**	**40**	**177**	**237**	**91**

	Note	Assets Under Construction $'000	Total $'000
Balance at 1 July 2019		**23**	**16,817**
Additions		-	529
Disposals		-	(30)
Net transfers between classes		(23)	-
Depreciation	4.2	-	(1,028)
Balance at 30 June 2020	4.1 (a)	**-**	**16,288**
Additions		-	267
Disposals		-	(16)
Revaluation increments/(decrements)		-	434
Depreciation	4.2	-	(979)
Balance at 30 June 2021	4.1 (a)	**-**	**15,994**

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

Land and Buildings and Leased Assets Carried at Valuation
The Valuer-General Victoria undertook to re-value all of Kooweerup Regional Health Services owned and leased land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2019.

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

Initial recognition

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

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

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.

Subsequent measurement
Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.
Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Further information regarding fair value measurement is disclosed below.

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

Revaluation

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

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

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

An independent valuation of Kooweerup Regional Health Service's property, plant and equipment was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2021 indicated an overall:

- increase in fair value of land of 11% ($434,000)
- buildings were deemed an immaterial movement by the Valuer General Victoria for health agencies in 2021.

As the cumulative movement was less than 10% buildings since the last revaluation a managerial revaluation adjustment was not required as at 30 June 2021.

As the cumulative movement was greater than 10% for land since the last revaluation a managerial revaluation adjustment was required as at 30 June 2021.

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

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

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

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

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

Impairment

At the end of each financial year, Kooweerup Regional Health Service assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, Kooweerup Regional Health Service estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

Kooweerup Regional Health Service has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

How we recognise right-of-use assets

Where Kooweerup Regional Health Service enters a contract, which provides the health service with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. Kooweerup Regional Health Service presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

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

Class of right-of-use asset	Lease term
Leased plant, equipment, furniture, fittings and vehicles	3 to 5 years

Presentation of right-of-use assets

Kooweerup Regional Health Service 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.

Initial recognition

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

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

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

Kooweerup Regional Health Service has no lease agreements that contain purchase option at the completion of the lease.

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

Subsequent measurement
Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses where applicable. Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Impairment
At the end of each financial year, Kooweerup Regional Health Service assesses if there is any indication that a right-of-use asset may be impaired by considering internal and external sources of information. If an indication exists, Kooweerup Regional Health Service estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised.

Kooweerup Regional Health Service performed an impairment assessment and noted there were no indications of its right-of-use assets being impaired at balance date.

Note 4.1 (c) Fair value measurement hierarchy for assets

	Note	Total carrying amount 30 June 2021 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Specialised land		4,383	-	-	4,383
Total land at fair value	4.1 (a)	**4,383**	**-**	**-**	**4,383**
Specialised buildings		10,214	-	-	10,214
Total buildings at fair value	4.1 (a)	**10,214**	**-**	**-**	**10,214**
		-			
Plant and equipment at fair value	4.1 (a)	834	-	-	834
Motor vehicles at fair value	4.1 (a)	18			18
Medical equipment at Fair Value	4.1 (a)	40	-	-	40
Computer equipment at fair value	4.1 (a)	177	-	-	177
Furniture and fittings at fair value	4.1 (a)	237	-	-	237
Right of use assets at fair value	4.1 (a)	91	-	91	-
Total plant, equipment, furniture, fittings and vehicles at fair value		**1,397**	**-**	**91**	**1,306**
Total property, plant and equipment at fair value		**15,994**	**-**	**91**	**15,903**

		Total carrying amount 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
Specialised land		3,949	-	-	3,949
Total land at fair value	4.1 (a)	**3,949**	**-**	**-**	**3,949**
Specialised buildings		10,817	-	-	10,817
Total buildings at fair value	4.1 (a)	**10,817**	**-**	**-**	**10,817**
Plant, equipment and vehicles at fair value	4.1 (a)	852	-	-	852
Motor vehicles at fair value	4.1 (a)	37			37
Medical equipment at Fair Value	4.1 (a)	35	-	-	35
Computer equipment at fair value	4.1 (a)	142	-	-	142
Furniture and fittings at fair value	4.1 (a)	328	-	-	328
Right of use assets at fair value	4.1 (a)	128	-	128	-
Total plant, equipment, furniture, fittings and vehicles at fair value		**1,522**	**-**	**128**	**1,394**
Total Property, Plant and Equipment		**16,288**	**-**	**128**	**16,160**

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

4.1 (d): Reconciliation of level 3 fair value measurement

Total	Note	Land $'000	Buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Medical equipment $'000	Computer equipment $'000	Furniture & fittings $'000
Balance at 1 July 2019	4.1 (b)	**3,949**	**11,214**	**906**	**93**	**39**	**138**	**373**
Additions/(Disposals)	4.1 (b)	-	179	110	(26)	7	55	84
Net Transfers between classes	4.1 (b)	-	23	-	-	-	-	-
- Depreciation and amortisation	4.2	-	(599)	(164)	(31)	(10)	(51)	(129)
Balance at 30 June 2020	4.1 (c)	**3,949**	**10,817**	**852**	**36**	**36**	**142**	**328**
Additions/(Disposals)	4.1 (b)	-	1	102	-	15	91	6
- Depreciation and Amortisation	4.2	-	(604)	(120)	(19)	(10)	(56)	(97)
Items recognised in other comprehensive income								
- Revaluation		434	-	-	-	-	-	-
Balance at 30 June 2021	4.1 (c)	**4,383**	**10,214**	**834**	**17**	**41**	**177**	**237**

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

Note 4.1 (e) Property, plant and equipment (fair value determination)

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

(i) A community service obligation (CSO) of 20% was applied to the Kooweerup Regional Health Service's specialised land.

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

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

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

There have been no transfers between levels during the period. In the prior year, there is a transfer between non-specialised land and specialised land to reflect the correct fair value as per the independent revaluation in 2019.

The Valuer-General Victoria (VGV) is Kooweerup Regional Health Service’s independent valuation agency.

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

Note 4.1 (e) Property, plant and equipment (fair value determination)

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

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

In accordance with AASB 13 Fair Value Measurement paragraph 29, Kooweerup Regional Health Service 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.

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.

Note 4.1 (e) Property, plant and equipment (fair value determination)

Specialised land and specialised buildings

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

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

For Kooweerup Regional Health Service, 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 Kooweerup Regional Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019.

Vehicles

The Kooweerup Regional Health Service acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the health service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying amount (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 2021.

Note 4.1 (f) Property, plant and equipment revaluation reserve

	Note	Total 2021 $'000	Total 2020 $'000
Balance at the beginning of the reporting period		9,813	9,813
Revaluation increment			
- Land	4.1 (b)	434	-
Balance at the end of the Reporting Period*		**10,247**	**9,813**
*** Represented by:**			
- Land		4,053	3,619
- Buildings		6,194	6,194
		10,247	**9,813**

Note 4.2 Depreciation and amortisation

	Total 2021 $'000	Total 2020 $'000
Depreciation		
Buildings	604	599
Plant and equipment	120	164
Motor vehicles	19	31
Medical equipment	10	10
Computer equipment	56	51
Furniture and fittings	97	129
Right of use - plant, equipment, furniture, fittings and motor vehicles	73	44
Total depreciation	**979**	**1,028**
Total depreciation and amortisation	**979**	**1,028**

How we recognise depreciation

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

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

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

	2021	2020
Buildings		
- Structure shell building fabric	7 to 30 Years	7 to 30 Years
- Site engineering services and central plant	7 to 19 years	7 to 19 years
Central Plant		
- Fit out	7 to 30 years	7 to 30 years
- Trunk reticulated building system	11 to 40 years	11 to 40 years
Plant and equipment	10 to 20 years	10 to 20 years
Medical equipment	7 to 10 years	7 to 10 years
Computers and communication	3 to 10 years	3 to 10 years
Furniture and fitting	10 years	10 years
Motor vehicles	5 to 10 years	5 to 10 years
Leased Equipment	2 to 10 years	2 to 10 years

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

Note 4.3 Inventories

	Total 2021 $'000	Total 2020 $'000
Medical and surgical consumables at cost	16	16
Pharmacy supplies at cost	4	4
General stores at cost	30	30
Total inventories	**50**	**50**

How we recognise inventories

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

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables and contract assets
5.2 Payables and contract liabilities
5.3 Other liabilities

Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 5.1 Receivables and contract assets

	Notes	Total 2021 $'000	Total 2020 $'000
Current receivables and contract assets			
Contractual			
Inter hospital debtors		84	77
Trade debtors		132	79
Patient fees		282	191
Provision for impairment - Patient Fees		(17)	(17)
Total contractual receivables		**481**	**330**
Statutory			
Accrued Revenue - Department of Health (Commonwealth)		227	-
GST receivable		11	7
Total statutory receivables		**238**	**7**
Total current receivables and contract assets		**719**	**337**
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		303	340
Total contractual receivables		**303**	**340**
Total non-current receivables and contract assets		**303**	**340**
Total receivables and contract assets		**1,022**	**677**
(i) Financial assets classified as receivables and contract assets (Note 7.1(a))			
Total receivables and contract assets		1,022	677
Provision for impairment		17	17
GST receivable		(11)	(7)
Total financial assets	7.1(a)	**1,028**	**687**

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

	Total 2021 $'000	Total 2020 $'000
Balance at the beginning of the year	17	55
Increase in allowance	-	-
Amounts written off during the year	(14)	(32)
Reversal of allowance written off during the year as uncollectable	14	(6)
Balance at the end of the year	**17**	**17**

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

Kooweerup Regional Health Service 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 (a) for Kooweerup Regional Health Service's contractual impairment losses.

Note 5.2 Payables and contract liabilities

	Note	Total 2021 $'000	Total 2020 $'000
Current payables and contract liabilities			
Contractual			
Trade creditors		129	79
Accrued salaries and wages		106	56
Accrued expenses		143	126
Contract liabilities	5.2(b)	47	60
Amounts payable to governments and agencies		1,173	-
Total contractual payables		**1,598**	**321**
Statutory			
Superannuation Obligations Payable		6	4
Australian Taxation Office		-	8
Total statutory payables		**6**	**12**
Total current payables and contract liabilities		**1,604**	**333**
Total payables and contract liabilities		**1,604**	**333**
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))			
Total payables and contract liabilities		1,604	333
Contract liabilities		(47)	(60)
Superannuation Obligations Payable		(6)	(4)
Australian Taxation Office		-	(8)
Total financial liabilities	7.1(a)	**1,551**	**261**

How we recognise payables and contract liabilities
Payables consist of:

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

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

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

Note 5.2 (a) Contract liabilities

	Total 2021 $'000	Total 2020 $'000
Opening balance of contract liabilities	60	56
Payments received for performance obligations not yet fulfilled	6,842	6,418
Revenue recognised for the completion of a performance obligation	(6,855)	(6,414)
Total contract liabilities	**47**	**60**
*** Represented by:**		
- Current contract liabilities	47	60
	47	**60**

How we recognise contract liabilities
Contract liabilities include consideration received in advance from customers in respect of activity based services. The balance of contract liabilities were lower than the previous reporting period due to reduced funding recalls implemented by the Department of Health.

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

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

Note 5.3 Other liabilities

	Notes	Total 2021 $'000	Total 2020 $'000
Current monies held it trust			
Patient monies		3	-
Refundable accommodation deposits		9,573	9,434
Other monies held in trust		835	495
Total current monies held in trust		**10,411**	**9,929**
Total other liabilities		**10,411**	**9,929**
*** Represented by:**			
- Cash assets	6.2	10,411	9,929
		10,411	**9,929**

How we recognise other liabilities

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

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

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure
6.4 Non-cash financing and investing activities

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Kooweerup Regional Health Service applies significant judgement to determine if a contract is or contains a lease by considering if the health service: ▪ has the right-to-use an identified asset ▪ has the right to obtain substantially all economic benefits from the use of the leased asset and ▪ can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Kooweerup Regional Health Service applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Kooweerup Regional Health Service discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Kooweerup Regional Health Service uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Kooweerup Regional Health Service is reasonably certain to exercise such options. Kooweerup Regional Health Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: ▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Note	Total 2021 $'000	Total 2020 $'000
Current borrowings			
Bank overdraft		5	8
Lease liability [(i)]	6.1 (a)	100	112
Advances from government (ii)		50	50
Total current borrowings		**155**	**170**
Non-current borrowings			
Lease liability [(i)]	6.1 (a)	22	37
Advances from government (ii)		49	99
Total non-current borrowings		**71**	**136**
Total borrowings		**226**	**306**

[i] Secured by the assets leased.

[ii] These are secured loans which bear no interest.

How we recognise borrowings

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

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1 (a) Lease liabilities

Kooweerup Regional Health Service's lease liabilities are summarised below:

	Total 2021 $'000	Total 2020 $'000
Total undiscounted lease liabilities	137	152
Less unexpired finance expenses	(2)	(3)
Net lease liabilities	**135**	**149**

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

	Total 2021 $'000	Total 2020 $'000
Not longer than one year	100	95
Longer than one year but not longer than five years	37	57
Longer than five years	-	-
Minimum future lease liability	**137**	**152**
Less unexpired finance expenses	(2)	(3)
Present value of lease liability	**135**	**149**
*** Represented by:**		
- Current liabilities	100	112
- Non-current liabilities	22	37
	122	**149**

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

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

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Kooweerup Regional Health Service and for which the supplier does not have substantive substitution rights
- Kooweerup Regional Health Service has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Kooweerup Regional Health Service has the right to direct the use of the identified asset throughout the period of use and
- Kooweerup Regional Health Service has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Kooweerup Regional Health Service's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased plant, equipment, furniture, fittings and vehicles	3 to 5 years

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

Note 6.1 (a) Lease liabilities

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

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

Initial measurement
The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Kooweerup Regional Health Services incremental borrowing rate. Our lease liability has been discounted by rates of between [2%] to [5%].

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

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

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the health service and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

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

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

Note 6.1 (a) Lease liabilities

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.

Note 6.2 Cash and Cash Equivalents

	Note	Total 2021 $'000	Total 2020 $'000
Cash on hand (excluding monies held in trust)		1	1
Cash at bank (excluding monies held in trust)		623	510
Cash at bank - CBS (excluding monies held in trust)		5,847	3,542
Total cash held for operations		**6,471**	**4,053**
Cash at bank - CBS (monies held in trust)		10,411	9,929
Total cash held as monies in trust		**10,411**	**9,929**
Total cash and cash equivalents	7.1 (a)	**16,882**	**13,982**

How we recognise cash and cash equivalents

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

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

Note 6.3 Commitments for expenditure

There are no capital or operating commitments at 30 June 2021 (2020 $Nil)

Note 6.4 Non-cash financing and investing activities

	Total 2021 $'000	Total 2020 $'000
Assumption of liabilities		
Acquisition of plant and equipment by means of Leases		
- Vehicles	36	129
Total non-cash financing and investing activities	**36**	**129**

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

7.1 Financial instruments
7.2 Financial risk management objectives and policies
7.3 Contingent assets and contingent liabilities

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 Kooweerup Regional Health Service's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Note 7.1 (a) Categorisation of financial instruments

Total 30 June 2021	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	16,882	-	16,882
Receivables and contract assets	5.1	1,028	-	1,028
Total Financial Assets [i]		**17,910**	**-**	**17,910**
Financial Liabilities				
Payables	5.2	-	1,551	1,551
Borrowings	6.1	-	226	226
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	9,573	9,573
Other Financial Liabilities - Other monies held in trust	5.3	-	838	838
Total Financial Liabilities [i]		**-**	**12,188**	**12,188**

Note 7.1 (a) Categorisation of financial instruments

Total 30 June 2020	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	13,982	-	13,982
Receivables and contract assets	5.1	687	-	687
Total Financial Assets [i]		**14,669**	**-**	**14,669**
Financial Liabilities				
Payables	5.2	-	261	261
Borrowings	6.1	-	306	306
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	9,434	9,434
Other Financial Liabilities - Other monies held in trust	5.3	-	495	495
Total Financial Liabilities [i]		**-**	**10,496**	**10,496**

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

How we categorise financial instruments

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

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

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

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

Note 7.1 (a) Categorisation of financial instruments

Financial assets at amortised cost

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

- the assets are held by Kooweerup Regional Health Service solely to collect the contractual cash flows and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

Kooweerup Regional Health Service recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)

Note 7.1 (a) Categorisation of financial instruments

Financial liabilities at amortised cost

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

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

Kooweerup Regional Health Service recognises the following liabilities in this category:

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

Offsetting financial instruments

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

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

Note 7.1 (a) Categorisation of financial instruments

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

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

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

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

Kooweerup Regional Health Service's main financial risks include credit risk, liquidity risk and interest rate risk. Kooweerup Regional Health Service manages these financial risks in accordance with its financial risk management policy.

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

Note 7.2 (a) Credit risk

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

Credit risk associated with Kooweerup Regional Health Service's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, the health service is exposed to credit risk associated with patient and other debtors.

In addition, Kooweerup Regional Health Service does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, Kooweerup Regional Health Service's policy is to only deal with banks with high credit ratings.

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

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

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

There has been no material change to Kooweerup Regional Health Service's credit risk profile in 2020-21.

Note 7.2 (a) Credit risk (continued)

Impairment of financial assets under AASB 9

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

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

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

Contractual receivables at amortised cost

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

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

Contractual receivables at amortised cost

30 June 2021		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate		2.0%	5.0%	5.0%	10.0%	20.0%	
Gross carrying amount of contractual receivables	5.1	447	1	9	10	31	**498**
Loss allowance		**(9)**	**(0)**	**(0)**	**(1)**	**(6)**	**(17)**

30 June 2020	Note	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate		5.0%	14.1%	13.9%	2.3%	4.5%	
Gross carrying amount of contractual receivables	5.1	154	9	25	137	22	**347**
Loss allowance		**(8)**	**(1)**	**(3)**	**(3)**	**(1)**	**(17)**

Note 7.2 (a) Credit risk (continued)

Statutory receivables and debt investments at amortised cost

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

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

Note 7.2 (b) Liquidity risk

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

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

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

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

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

Note 7.2 (b) Liquidity risk (continued)

Payables and borrowings maturity analysis

				Maturity Dates				
Total		**Carrying Amount**	**Nominal Amount**	**Less than 1 Month**	**1-3 Months**	**3 months - 1 Year**	**1-5 Years**	**Over 5 years**
30 June 2021	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Payables	**5.2**	1,551	1,551	1,551	-	-	-	-
Borrowings	**6.1**	226	-	7	21	55	144	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	9,573	9,573	-	-	9,573	-	-
Other Financial Liabilities - Patient monies held in trust	**5.3**	838	838	-	838	-	-	-
Total Financial Liabilities		**12,188**	**11,962**	**1,558**	**859**	**9,628**	**144**	**-**

				Maturity Dates				
Total		**0**	**Nominal Amount**	**Less than 1 Month**	**1-3 Months**	**3 months - 1 Year**	**1-5 Years**	**Over 5 years**
30 June 2020	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Liabilities at amortised cost								
Payables	**5.2**	261	261	261	-	-	-	-
Borrowings	**6.1**	306	-	9	28	74	195	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	9,434	9,434	-	-	9,434	-	-
Other Financial Liabilities - Patient monies held in trust	**5.3**	495	495	-	495	-	-	-
Total Financial Liabilities		**-**	**10,190**	**270**	**523**	**9,508**	**195**	**-**
		-						

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

Note 7.2 (c) Market risk

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

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

- a change in interest rates of 0.5% up or down

Interest rate risk

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

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

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

Kooweerup Regional Health Service has minimal exposure to foreign currency risk.

Note 7.3: Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

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

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

Note 8: Other disclosures

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

Structure

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

Telling the COVID-19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

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

	Note	Total 2021 $'000	Total 2020 $'000
Net result for the year		219	50
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.4	6	(10)
Depreciation and amortisation of non-current assets	4.2	979	1,028
Cash inflow from financing activities		(242)	(324)
Bad and doubtful debt expense	3.1	-	(38)
Lease Interest		-	4
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(345)	271
(Increase)/Decrease in inventories		-	(13)
(Increase)/Decrease in prepaid expenses		(94)	(35)
Increase/(Decrease) in payables and contract liabilities		1,271	(304)
Increase/(Decrease) in employee benefits		718	94
Increase/(Decrease) in other liabilities		343	354
Net cash inflow from operating activities		**2,855**	**1,077**

Note 8.2 Responsible persons

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

	Period
The Honourable Martin Foley:	
Minister for Mental Health	1 Jul 2020 - 29 Sep 2020
Minister for Health	26 Sep 2020 - 30 Jun 2021
Minister for Ambulance Services	26 Sep 2020 - 30 Jun 2021
Minister for the Coordination of Health and Human Services: COVID-19	26 Sep 2020 - 9 Nov 2020
The Honourable Jenny Mikakos:	
Minister for Health	1 Jul 2020 - 26 Sep 2020
Minister for Ambulance Services	1 Jul 2020 - 26 Sep 2020
Minister for the Coordination of Health and Human Services: COVID-19	1 Jul 2020 - 26 Sep 2020
The Honourable Luke Donnellan:	
Minister for Child Protection	1 Jul 2020 - 30 Jun 2021
Minister for Disability, Ageing and Carers	1 Jul 2020 - 30 Jun 2021
The Honourable James Merlino:	
Minister for Mental Health	29 Sep 2020 - 30 Jun 2021
Governing Boards	
Ms Marie Ritchie (Board Chair)	1 Jul 2020 - 30 Jun 2021
Mrs Beverley Walsh	1 Jul 2020 - 30 Jun 2021
Mrs Tania Hansen	1 Jul 2020 - 30 Jun 2021
Ms Sue Driscoll	1 Jul 2020 - 30 Jun 2021
Mr Kushal Shah	1 Jul 2020 - 30 Jun 2021
Dr Laurie Warfe	1 Jul 2020 - 30 Jun 2021
Ms Rachael McGann	1 Jul 2020 - 30 Jun 2021
Mr Sam Afra	1 Jul 2020 - 30 Jun 2021
Ms Synnove Frydenlund	1 Jul 2020 - 30 Jun 2021
Mr Patrick Nolan	1 Jul 2020 - 30 Jun 2021
Mr Brent Kimpton	1 Jul 2020 - 30 Jun 2021
Ms Trudy Ararat	1 Jul 2020 - 30 Jun 2021
Accountable Officers	
Ms Noni Bourke (Chief Executive Officer)	18 Jan 2021 - 30 Jun 2021
Mr Frank Megens (Chief Executive Officer)	1 Jul 2020 - 18 Dec 2020

Note 8.2 Responsible persons (continued)

Remuneration of Responsible Persons

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

Income Band	Total 2021 No	Total 2020 No
$0,000 - $9,999	12	11
$80,000 - $89,999	1	-
$140,000 - $149,999	1	-
$200,000 - $209,999	-	1
Total Numbers	**14**	**12**

	Total 2021 $'000	Total 2020 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$264**	**$231**

Amounts relating to the Governing Board Members and Accountable Officer of Kooweerup Regional Health Service's controlled entities are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Note 8.3 Remuneration of executives

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

Remuneration of executive officers	**Total Remuneration**	
(including Key Management Personnel disclosed in Note 8.4)	**2021**	**2020**
	$'000	**$'000**
Short-term benefits	418	404
Post-employment benefits	36	35
Other long-term benefits	12	11
Total remuneration[i]	**466**	**450**
Total number of executives	4	3
Total annualised employee equivalent[ii]	3.0	3.0

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

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

Total remuneration payable to executives during the year included additional executive officers and a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

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

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

Other factors

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

Note 8.4: Related Parties

Kooweerup Regional Health Service is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members
- jointly controlled operations – A member of the Gippsland Health Alliance and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of the Kooweerup Regional Health Service and its controlled entities, directly or indirectly.

The Board of Directors, Chief Executive Officer and the Executive Directors of Kooweerup Regional Health Services are deemed to be KMPs.

KMPs	**Position Title**	
Ms Marie Ritchie	Chair of the Board	
Mrs Beverley Walsh	Board Member	
Mrs Tania Hansen	Board Member	
Ms Sue Driscoll	Board Member	
Mr Kushal Shah	Board Member	
Dr Laurie Warfe	Board Member	
Ms Rachael McGann	Board Member	
Mr Sam Afra	Board Member	
Ms Synnove Frydenlund	Board Member	
Mr Patrick Nolan	Board Member	
Mr Brent Kimpton	Board Member	
Ms Trudy Ararat	Board Member	
Ms Noni Bourke	Chief Executive Officer	18/01/2021 to 30/06/2021
Mr Frank Megens	Chief Executive Officer	01/07/2020 to 18/12/2020
Mr David Ramsay	Director of Nursing	
Ms Aileen Thomas	Director of Primary Health	
Mr Alister Ferguson	Chief Finance Officer	01/07/2020 to 30/06/2021 - on leave
Mr Ragulan Karunanantham	Chief Finance Officer	14/06/2021 to 30/06/2021

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.

	Total 2021 $'000	**Total 2020 $'000**
Compensation - KMPs		
Short-term Employee Benefits [i]	657	613
Post-employment Benefits	56	52
Other Long-term Benefits	18	17
Total [ii]	**731**	**682**

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

[ii] KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Note 8.4: Related Parties (continued)

Significant transactions with government related entities

Kooweerup Regional Health Service received funding from the Department of Health of $9.16 m (2020: $7.02 m) and indirect contributions of $0.037 m (2020: $0.015 m). Balances recallable as at 30 June 2021 are $1.173 m (2020 $0.0 m)

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

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

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with Kooweerup Regional Health Service, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2021 (2020: none).

There were no related party transactions required to be disclosed for the Kooweerup Regional Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2021 (2020: none).

Note 8.5: Remuneration of Auditors

	Total 2021 $'000	Total 2020 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	38	38
Total remuneration of auditors	**38**	**38**

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest 2021 %	Ownership Interest 2020 %
Gippsland Health Alliance	Provision of Information Technology Services	4.63	4.64

Kooweerup Regional Health Services interest in the above joint arrangement is detailed below. The amounts are included in the financial statements under their respective categories:

	2021 $'000	2020 $'000
Current assets		
Cash and cash equivalents	232	284
Receivables	38	39
Prepaid expenses	201	158
Total current assets	**471**	**481**
Non-current assets		
Property, plant and equipment	59	39
Total non-current assets	**59**	**39**
Total assets	**530**	**520**
Current liabilities		
Payables	60	32
Borrowings	9	8
Other Current Liabilities	7	4
Total current liabilities	**76**	**44**
Non-current liabilities		
Borrowings	23	13
Total non-current liabilities	**23**	**13**
Total liabilities	**99**	**57**
Net assets	**431**	**463**
Equity		
Accumulated surplus	431	463
Total equity	**431**	**463**

Note 8.7 Joint arrangements

Kooweerup Regional Health Services interest in revenues and expenses resulting from joint arrangements are detailed below:

	2021 $'000	2020 $'000
Revenue		
Grants	830	803
Total revenue	**830**	**803**
Expenses		
Other Expenses from Continuing Operations	846	778
Depreciation	16	10
Total expenses	**862**	**788**
Net result	**(32)**	**15**

Contingent liabilities and capital commitments

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

Note 8.8: Equity

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

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

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

Note 8.9: Economic dependency

Kooweerup Regional Health Service is dependent on the Department of Health for the majority of its revenue used to operate the health service. At the date of this report, the Board of Directors has no reason to believe the Department of Health will not continue to support Kooweerup Regional Health Service.

KRHS Site Map

1. Reception/Administration
2. Westernport Unit
3. Early Parenting Unit
4. Killara Hostel
5. Hewitt Eco House
6. Men's Shed