2026 ANNUAL REPORT



redhs

Our Location



Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for Rochester and Elmore District Health Service for the year ending 30 June 2026.

Emma Millard, Board Chair
Rochester and Elmore District Health Service
24 August 2026

Note: All data published in this annual report was accurate at the time of publication. Data may be subject to change following audit and data verification processes that may not have been finalised at the time of publication

Who We Are

Rochester and Elmore District Health Service (REDHS) sits on the traditional lands of the Dja Dja Wurrung Clans, and also provides services across the lands of the Taungurung and Yorta Yorta Peoples. We respect and acknowledge their unique Aboriginal cultural heritage and their role in this region and pay our respects to their ancestors, descendants and emerging leaders as the Traditional Owners of this Country.

Rochester and Elmore District Health Service (REDHS) was established on 1 November 1993 following the amalgamation of the Rochester and District War Memorial Hospital and the Elmore District Hospital.

Rochester and Elmore District Health Service is a public hospital under Schedule 1 of the *Health Services Act 1988 (Vic)* providing a broad range of services including acute, residential aged care and community care services to our catchment population of 6,700.

The responsible Ministers for the reporting period were Minister for Health, Minister for Ambulance Services, The Hon Mary-Anne Thomas MP (1 July 2025 to 15 April 2026). Minister for Health, Minister for Ambulance Services, Minister for Water, Hon Harriet Shing MP (15 April 2026 to 30 June 2026).

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Our Vision

"To be a trusted leader in our local rural health care".

Our Purpose

"Working together with our communities for better health and wellbeing".

Our Strategic Priorities



Available Services

- General Practitioner (GP) Practice (RPCC)
- Urgent Care
- Acute inpatient ward
- Allied Health including
    - Podiatry
    - Physiotherapy
    - Exercise Physiology
    - Exercise Programs
    - Occupational Therapy
    - Dietetics
    - Social work
    - Health Promotion
- Service coordination (Intake)
- In Home Care Services
- Support at Home
- National Disability Insurance Scheme Packages
- District Nursing
- Property Maintenance and Gardening
- Social Support Group
- Transitional Care Program
- Residential Aged Care (Yalukang Aged Care)
- Respite Care
- Palliative Care
- Volunteer Program
- Community Transport – in partnership with Royal Flying Doctor Service (RFDS)

Our impact at a glance



Data has been obtained from various internal REDHS sources.

Staff Years of Service

Staff recognised for long-standing service in 2025-2026.

10 years	Darlene Goodear, Hollie Hildebrandt, Angela Perry, Wendy Warren
15 years	Judith Devlin, Rosalie Youl
20 years	Sally Anne Mackrill, Kerri McEllister,
25 years	Fransisca Morris,
40 years	Barbara Cail, Cheryl Madill

A Message from the Board Chair and Chief Executive Officer

On behalf of the Board of Directors, we are pleased to present the 33rd Annual Report of Rochester and Elmore District Health Service for the year ended 30 June 2026.

The 2025-2026 financial year represented the first full year of operations from the redeveloped Rochester site, marking an important milestone in REDHS' recovery journey and providing renewed opportunities to deliver healthcare services from a rebuild environment.

As the needs of our communities continue to evolve, we have remained focused on delivering accessible, high-quality care while strengthening the foundations that will support sustainable health services into the future.

As a rural health service, we recognise the trust that local people place in REDHS to provide safe, high-quality care close to home. Every day, individuals, families and carers turn to us during some of life's most important moments, and we remain committed to honouring that trust through compassionate care, responsible decision-making and continuous improvement.

Key achievements

We are proud that our acute, residential aged care and community care programs continued to support local individuals, families and carers through a period of significant change, ensuring high-quality care remained available close to home.

This achievement reflects the dedication, adaptability and professionalism of our staff in responding to the needs of the communities we serve. The continued demand for our services reflects the confidence that patients, residents, clients and families place in REDHS.

Rochester Primary Care Centre (RPCC)

The establishment of the RPCC was a significant achievement during the year, strengthening access to local GP services for the Rochester community.

The centre was developed following the closure of one of the town's private GP practices after the 2022 floods, which reduced local primary healthcare capacity and increased demand on existing services.

With support from the Department of Health, Murray Primary Health Network and regional partners, REDHS expanded its service offering to include general practice, creating a sustainable model of care within the public health service. Importantly, the RPCC complements existing primary care providers whilst strengthening the resilience of primary healthcare services in Rochester.

Access to primary healthcare remains one of the most important determinants of community wellbeing. The introduction of this new service at REDHS represents a major investment in the long-term health and wellbeing of our region and demonstrates REDHS's commitment to addressing service gaps that matter most to our community.

Today, three GPs work alongside REDHS nursing and allied health professionals to provide coordinated, patient-centred care. Integrating a GP practice within the broader health and wellbeing services offered by REDHS as a public health service, helps to maintain access to primary care and to strengthen REDHS acute services and residential aged care.

Aged Care

As demand for aged care services continues to grow, REDHS remained focused on providing high-quality, person-centred care across residential and community settings.

Following a successful recruitment campaign earlier in the year, REDHS was able to maximise its residential aged care capacity, enabling more access to care closer to home. We are proud of our 5-star rating for care delivery as well as support services. In particular, the onsite full production kitchen and REDHS café have been complemented on many occasions by residents, families and staff.

The Transitional Care Program exceeded expectations with high occupancy and strong positive feedback from consumer and families. The program remains highly valued and well utilised by the community, playing a key role in supporting older people as they transition from hospital to home or alternative care arrangements.

REDHS also responded to strong demand for services that support people to remain living independently in their own homes. Through the continued delivery of in-home care services, including district nursing, REDHS has enhanced local access to high-quality care and supported improved health and wellbeing outcomes across the community.

During the year, REDHS prepared for and adapted to the changing requirements of the new Aged Care Act, working to ensure compliance while maintaining timely and equitable access to services for older people and their families. The approach has been centred on preserving continuity of care, dignity, choice and independence for those who rely on our services.

We acknowledge and thank our patients, residents, clients and families who choose REDHS as their healthcare partner.

Urgent and Acute Care

Our hybrid medical model has continued to provide the clinical support needed to maintain local acute care services, ensuring our community can access high-quality care close to home while also supporting regional demand when required.

Throughout the year, our acute care team worked closely with Safer Care Victoria and other healthcare partners to implement a range of initiatives focused on improving patient safety and care quality. These efforts reflect REDHS' ongoing commitment to continuous improvement and excellence in clinical care.

We are particularly proud of the progress made of the implementation of the Sepsis Pathways to achieve better outcomes for patients.

Future focus

Building resilience for the future remained a key strategic priority. Planning continued for a proposed flood levee to protect the hospital precinct and safeguard essential services. This project will improve community confidence and support the ongoing delivery of healthcare services to our community into the future. We also advanced planning for a dedicated staff accommodation hub, with this initiative supporting workforce attraction and retention which are critical to sustaining high-quality healthcare in rural and regional communities.

Alongside these infrastructure initiatives, REDHS enhanced organisational systems, processes and digital capability. Through ongoing investment in infrastructure, service improvement and contemporary models of care, we continue to strengthen our ability to deliver more connected, efficient and responsive services. These initiatives are helping to streamline care pathways, support safer transitions between services and enable consumers to receive care closer to home through virtual care and integrated service delivery.

Collaboration remained central to our achievements throughout the year. Partnerships with regional health services, primary care providers, government agencies and community organisations supported the delivery of initiatives that improve quality, enhance patient safety and provide more seamless healthcare experiences. We strongly value these partnerships, which are essential in ensuring our community has access to coordinated care that meets their needs today and into the future.

Our thanks

None of these accomplishments would have been possible without the extraordinary contribution of our staff, visiting clinicians and many partner agencies. Their commitment, compassion and resilience underpin every aspect of our organisation and continue to make a meaningful difference in the lives of those we serve.

We extend our sincere gratitude to our staff for unwavering dedication and willingness to embrace change while maintaining a steadfast focus on the delivery of safe and compassionate care.

We also acknowledge the invaluable role of our consumers, community members and advisory groups, who generously share their experiences, insights and feedback to continue to shape the future direction of REDHS.

Community voice remains fundamental to service planning and development, ensuring that the services we provide remain responsive, accessible and aligned with individual and community need.

We would also like to acknowledge and sincerely thank our volunteers for their continued dedication and invaluable contribution to REDHS. Through their generosity of time and commitment to our community, they help create a welcoming environment across our services, support consumers and families, and strengthen the connections that make our community so special.

As we look to the future, our commitment remains unchanged: to provide safe, high-quality and person-centred care close to home. We sincerely thank our community for its continued trust, support and partnership.



Emma Millard
Board Chair



Mary Manescu
Chief Executive Officer (CEO



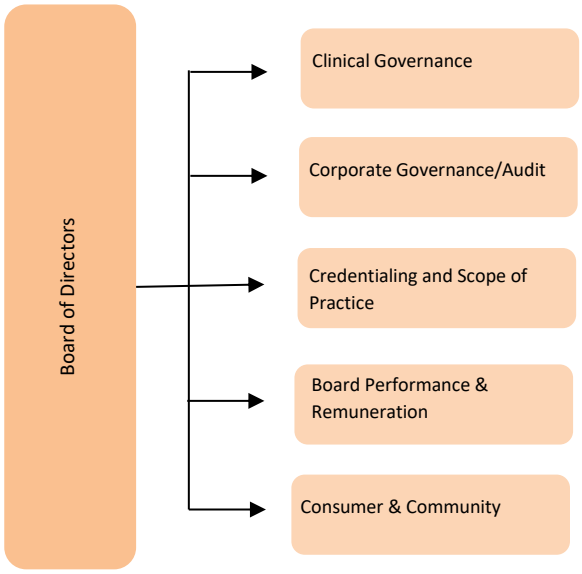
Governance

REDHS Board of Directors

Rochester and Elmore District Health Service (REDHS) is an incorporated body listed under Schedule 1 of the *Health Services Act 1988 (Vic)*.

Between 1 July 2025 to 30 June 2026, the Board consisted of nine independent non-executive directors elected for terms of up to three years, with the option of re-election for a maximum of nine years; appointed by the Governor in Council on the Minister for Health's recommendation.

The Board is accountable to the Minister for Health for ensuring REDHS is efficiently managed, delivers safe, high-quality care and services that meet community needs, achieves financial and non-financial performance targets, and upholds governance standards by declaring any pecuniary interests and withdrawing from related proceedings.



The strategic direction of REDHS is determined by the Board of Directors, which meets regularly with the CEO and executive staff to determine governance, compliance and policy.

The Board is supported in its decision-making by a number of sub-committees.

Subject to the requirements of government and the Health Service By-Laws, the Board of Directors exercises decisions including the control of funds, determining the range of services to be provided.

Board Directors

Chris White
Board Chair to 19 January 2026
Date appointed: 01 July 2018

Brad Drust
Deputy Chair
Date appointed: 1 July 2020

Jim Brooks
Date appointed: 1 July 2019

David Rosaia
Date appointed: 26 April 2017

Emma Millard
Board Chair from 19 January 2026
Date appointed: 1 July 2022

Anne-Marie Kelly
Date appointed: 1 July 2023

Melissa Silk
Date appointed: 1 July 2024

Jenna Matthews
Date appointed: 12 March 2025

Narelle Lindsay
Date appointed: 12 March 2025

Corporate Governance Committee

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

The Corporate Governance Committee is an advisory Committee to the Board of Directors appointed pursuant to the By-Laws of REDHS and in accordance with the purpose of the *Health Services Act 1988 (Vic)*.

Members of REDHS Corporate Governance Committee for the 2025-2026 financial year were:

Jim Brooks
1 July 2025 – 30 June 2026
Chair 1 July 2025 – 19 January 2026

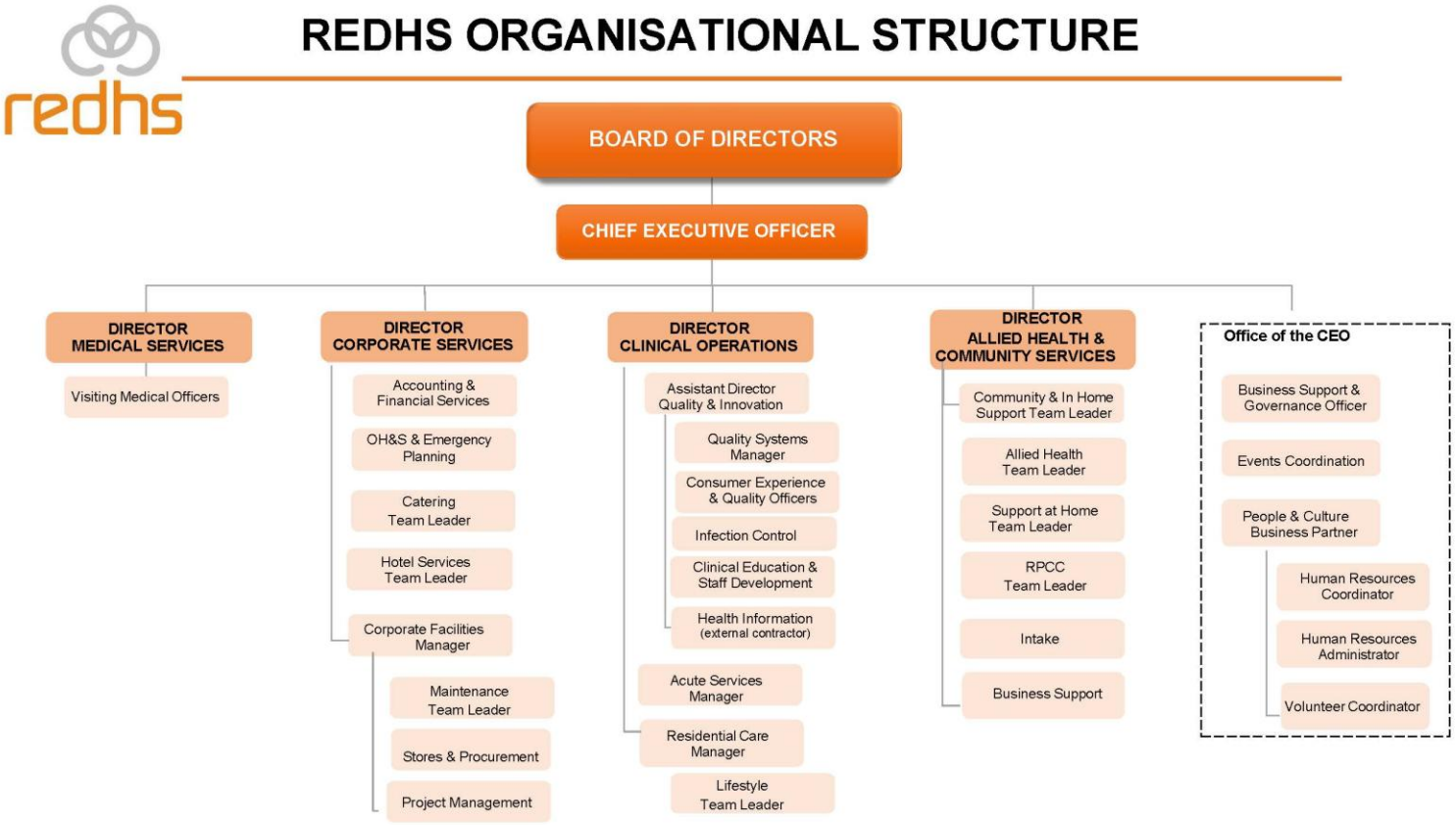
David Rosaia
1 July 2025 – 19 January 2026

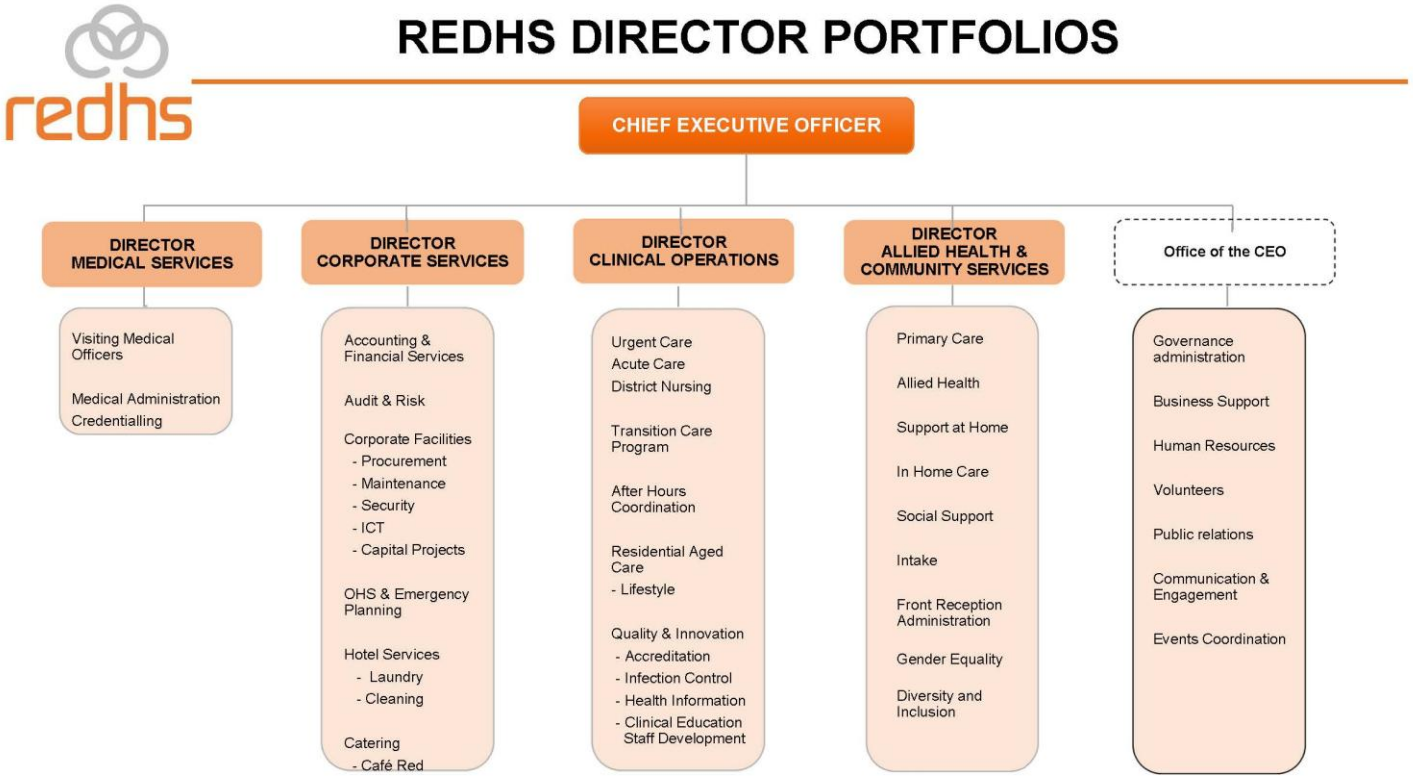
Narelle Lindsay
1 July 2025 – 30 June 2026

Jenna Matthews
1 July 2025 – 30 June 2026
Chair 19 January 2026 – 30 June 2026

Brad Drust
19 January 2026 – 30 June 2026

Key Personnel





Executive

Position	Responsibilities
Chief Executive Officer Mary Manescu *(1 July 2025 – current)*	The CEO is responsible to the Board of Directors for the overall management and administration of REDHS. This includes coordinating all functions of the health service to ensure that the organisation achieves optimum effectiveness in serving the health needs of the community. The CEO is also responsible for delivering the statutory requirements of the Chief Procurement Officer.
Director Clinical Operations Meaghan Douglas *(1 July 2025 – current)*	The Director of Clinical Operations has professional and executive responsibility for the planning, coordination and management of the Urgent Care, Acute Care, Residential Aged Care services. It also oversees the monitoring, evaluation and continuous improvement of Quality and Safety systems across the organisation, including Education, Infection Prevention and Control and Health Information. Key responsibilities include clinical leadership, standards of practice, service planning, clinical risk management, quality improvement, workforce capability and health information.
Director Medical Services Dr Ka Chun Tse *(1 July 2024 – current)*	The Director of Medical Services is responsible for liaising with Medical Officers at REDHS, including oversight of clinical practice, professional conduct, credentialing, and defining the scope of clinical practice. The role provides support to the Chief Executive Officer in medical workforce planning and management, and contracting medical services. The Director contributes to REDHS' Clinical Governance structures and processes, including clinical reviews, clinical practice oversight and audit, continuous quality improvement, and clinical risk management programs.
Director Community Care Mebin Baby *(1 July 2025 – 27 February 2026)*	The Director of Community Care assumes responsibility for planning, coordination, accountability, monitoring and the effective and efficient provision of services in the allied health and community care. Key responsibilities include in-home care, social support, gender equality, Aboriginal and Torres Strait Islander health, disability and inclusion, along with the integration of community transport services.
Director Corporate Services Richard Morrison *(1 July 2025 – current)*	The Director of Corporate Services assumes responsibility for the effective and efficient provision of corporate services functions across REDHS, inclusive of Finance, Asset management, Maintenance, Food and Environmental Services and stores management. Additionally, it provides oversight of information technology and capital works.
Director People and Culture Vicki Winwood *(1 July 2025 – 21 June 2026)*	The Director of People and Culture is responsible for providing a range of People & Culture functions, Occupational Health Safety (OHS) & Wellbeing, Emergency Management and Volunteer Support services. The role supports the CEO and Executive team to develop and sustain a high performing positive culture and a safe work environment in a manner consistent with REDHS values. The role also provides advice and support on a broad range of People-related issues, including relevant legislation and workforce planning.

Performance Against Statement of Priorities (Part A)

In 2025-2026 Rochester and Elmore District Health Service contributed to the achievement of the Victorian Government's commitments by:

Innovate and improve access and care	
We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.	
Goal	
Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care	
Health Service Deliverables	Achievements/Outcome
Demonstrate high quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes.	**Status:** *Achieved* Patient Experience Survey: enables consumer feedback (including from experience survey data) to inform our quality improvement efforts across all clinical streams. All acute patients or next of kin are offered discharge surveys. Consumer feedback (including from experience survey data) informs quality improvement across all clinical streams. **Impact**: Key quality improvements that resulted from patient feedback: • Updated policies and practices, including targeted training to ensure consistency of care given low numbers of paediatric presentations to Urgent Care • Re-instated the Phone Advice Book to enhance care continuity for Urgent Care Centre (UCC) patients • Introduction of multidisciplinary huddles for residential aged care supporting care continuity and more timely advice • Increased staff awareness and support tools to enable early detection of delirium and appropriate intervention • Regular monitoring and reporting of call bell response times providing reassurance of care delivery
Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers.	**Status:** *Achieved* The 'Speaking Up for Safety' (SUFS) Program empowers staff to raise safety concerns confidently, fostering a culture of proactive patient and workplace safety. The focus at REDHS included: • Ensuring SUFS training provided at new staff orientation day program • Maintained Master Trainer and provided support for another REDHS Trainer. • REDHS Master Trainer recognised at regional level with requests for support across the other health services in the Loddon Mallee Region **Impact**: REDHS continued to expand the quality and safety key performance indicators dashboard to also include data relating to community care and other rapidly expanding services. Morbidity and Mortality reviews also led to improvements that were implemented and reported through relevant committees. Some examples are outlined in the "Impact" section of the previous deliverable. Additionally, REDHS developed an electronic Clinical Review Screening Tool to streamline the review processes, enabling timely follow up to reassure staff and consumers of care appropriateness.

Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	**Status:** *Achieved* Mandatory training programs have been reviewed to align to new quality standards. New approach to onboarding new staff including a structured orientation day, which includes updates on continuous improvement, values and expectations. Growing Together training module provides detailed guidance on performance review and management. Learning and Development calendar published monthly on staff intranet. **Impact**: Four staff members successfully applied for the Flood Resilience Scholarship.
Prudent, sustainable, and effective use of resources	
We are innovative and resourceful in balancing improved patient care, operational performance, and system management to ensure a financially secure health system. We invest in a skilled and future-ready workforce, maintaining a modern, safe, and resilient healthcare system for all Victorians.	
Goal	
Develop and implement initiatives to strengthen financial sustainability. By delivering sustainable, responsible budgets, we can ensure a well-managed, viable, and sustainable health system for the future.	
Health Service Deliverables	Achievements/Outcome
Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	**Status:** *Achieved* Maintained Commonwealth Home Support Program (CHSP) activity against allocated targets and minimised risk of recall. **Impact**: Targets were achieved and exceeded. Community access has been maximised.
Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.	**Status:** *Achieved* Maximised occupancy for public residential aged care (over 85%) to enable timely access whilst ensuring operational investment is recovered for ongoing financial sustainability of the service. **Impact**: The community has access to Residential Aged Care at a local level, which was not available in previous years.
Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost of service delivery, improve safety, capacity and reduce unnecessary waiting.	**Status:** *Achieved* a) Continued the hybrid on-call model of care to support access to care closer to home. *Impact* a) Acute hospital beds were available throughout the year. *Achieved* b) Implemented virtual model of care for primary care (virtual GP clinic) and some allied health services (dietetics and social work). *Impact* b) The virtual model of care has reduced travel and unnecessary waiting for clients / local residents. *Achieved* c) Allied Health: improved access to podiatry service through the implementation of innovative workforce models (with four (4) footcare assistants now trained). *Impact* c) The Footcare Assistant position provides a regular service to the local community, reducing the need to travel for appointments and appointment wait times.

A stronger workforce	
We strive to foster an equitable, skilled and supported workforce that builds professional capabilities to meet current and future roles.	
Goal	
Position Victoria as a leader in employee experience, capability, and capacity by focusing on future roles and professional development in line with the Victorian Health Workforce Strategy to ensure a regenerative and sustainable workforce.	
Health Service Deliverables	Achievements/Outcome
Implement processes to sustain workforce supply and fulfill obligations, including those under the Gender Equality Act 2020 by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care.	**Status:** *Achieved* REDHS developed and implemented "Growing Together"; a local initiative to support staff growth and development. As part of that initiative a People and Culture Strategy 2026-28, and Employee Value Proposition and a People and Culture dashboard were developed and implemented. REDHS has promoted and invested in the programs that support local workforce development and sustainability with the purpose of growing our own. a) Implemented the Enrolled Nurse (EN) transition to practice program. *Impact* a) Three (3) staff members commenced the EN program. *Achieved* b) Enabled healthcare workers to transition to enrolled nursing through scholarship support. *Impact* b) (i) Five staff members successfully secured scholarships to support their transition to completing the EN Diploma. (ii) Graduates increased by four (4) in 2025-2026. *Achieved* c) Met obligations under the Gender Equality Act 2020 *Impact* c) Gender Equality data report and action plan were submitted. The action plan has been approved.
Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	**Status:** *Achieved* REDHS has contributed to a multi-year regional project that will see the SuccessFactors system implemented. The aim of the system is to streamline staff onboarding and improve a range of other human resources processes and workforce reporting. **Impact**: The project is on track to deliver the expected outcomes in the next financial year.
Improving Aboriginal health and wellbeing	
Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.	
Goal	
Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture. Address racism and provide Aboriginal people with culturally safe healthcare and referral pathways between mainstream and community-controlled health services.	
Health Service Deliverables	Achievements/Outcome
Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	**Status:** *Achieved* On-line Mandatory training has been updated and made available to new and existing staff. **Impact**: Maintained staff awareness of cultural safety.

Health service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services.	**Status:** *Achieved* Strengthened engagement with our local Aboriginal community-controlled health organisations (Bendigo & District Aboriginal Co-operative [BDAC] and Njernda) to enable direct feedback of community needs. Established a formal Memorandum of Understanding (MOU) with Njernda, executed in March 2026. **Impact**: The MOU resulted in a formalised partnership with Njernda. The referral processes to REDHS services for the local Aboriginal community have been strengthened, making the services more available to the Aboriginal community. In partnership with the Aboriginal community, REDHS has implemented changes to create a more welcoming and culturally safe environment.
Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	**Status:** *Achieved* Worked with Safer Care Victoria (SCV) and other Loddon Mallee Health Network (LMHN) partners to implement the History, Identify Red Flags, Assessment, Interventions, and Diagnostics (HIRAID) project which enabled the review and alignment of documentation across the region including for identification, discharge and referral pathways for Aboriginal and Torres Strait Islander patients. **Impact**: Staff are confident using appropriate terminology and asking clients whether they identify as Aboriginal or Torres Strait Islander.
Moving from competition to collaboration	
We are committed to transforming Victoria's health system by partnering with care providers and health services to share knowledge, information, and resources.	
Goal	
Collaborate within the Local Health Service Network to build a more integrated health system, with better access and experience for patients, strengthened workforce, consistently high-quality care, and more sustainable healthcare delivery.	
Health Service Deliverables	Achievements/Outcome
Meet all objectives agreed to in the Local Health Service Network *Statement of Expectations* across priority areas (access, equity and flow, workforce, safety and quality, and shared services).	**Status:** *Achieved* a) Contributed to the implementation of Local Health Service Networks (LHSN) Statement of Expectations (SOE) including: • REDHS representation on the Clinical Services Project Control Group (PCG) and Shared Corporate Services Regional initiatives • SCV clinical improvement initiatives (Sepsis, HIRAID and Delirium) – REDHS recognised for exemplary Sepsis initiative implementation b) High Transitional Care Program (TCP) occupancy. c) Acute ward occupancy maximised in line with REDHS role delineation. d) Enabling care closer to home via outreach clinics from REDHS (eg. Prenatal care via partnership with Echuca Regional Health, psychosocial support via partnership with Mental Health and Wellbeing Local in Greater Bendigo. **Impact**: REDHS was recognised as a Champion for the implementation of the SEPSIS pathway by Safer Care Victoria and has been invited to present the pathway at regional forums.

Performance Against Statement of Priorities (Part B)

HIGH QUALITY AND SAFE CARE

Key performance measure	Target	Result
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	96%
Adverse events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event	All RCA reports submitted within 30 business days	No sentinel events occurred during the year
Aged Care		
Public sector residential aged care services overall star rating	Minimum rating of 3 stars	5 stars - Excellent
Patient Experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	NA*
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice.	0%	NA**

*Less than 10 responses were received for the period due to the relative size of the Health Service.

** *No Aboriginal patients during the reported period if the numerator was less than two or denominator less than ten.*

STRONG GOVERNANCE, LEADERSHIP, AND CULTURE

Key performance measure	Target	Result
Organisational Culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions.	80%	63%*

*Changes to the 2025-2026 Health Sector People Matter Survey have affected the Percentage of staff with an overall positive response to safety culture survey questions'' measure. Historical results are not directly comparable and should be interpreted with consideration of a break in the time series.

EFFECTIVE FINANCIAL MANAGEMENT

Key performance measure	Target	Result
Finance		
Operating result ($M)	0.00	0.01
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.47
Variance between forecast and actual operating result (OR) as a percentage of the forecast OR for the current financial year ending 30 Jun	5% movement in forecast revenue and expenditure forecasts	Achieved

Performance Against Statement of Priorities (Part C)

PART C: ACTIVITY AND FUNDING

Funding Type	2025-2026 Activity Achievement
Aged Care	
Residential Aged Care	17,907
HACC	574



Leadership and Culture

WORKFORCE DATA

Recruitment, selection and employment at REDHS comply with employment conditions as specified in relevant Health Awards and Enterprise Bargaining Agreements. The employment of staff satisfies equal employment opportunity requirements, legislative and moral obligations and terms and conditions of the *Fair Work Act 2009*, *Public Administration Act 2004, Victorian Charter of Human Rights and Responsibilities 2006, Equal Opportunity Act 2010*. All employees have been correctly classified in workforce data collections.

The REDHS Workforce Data report reflects the gradual increase in staff levels required to meet service demand growth, following flood redevelopment and return to site in January 2025. Staff growth has predominantly occurred in the Aged Care and related support services areas, as the number of permanent and respite consumers has grown over 2025-2026.

REDHS also supports an increasing number of Support at Home and Allied Health consumers. The reduction in Ancillary Staff (Allied Health) average monthly Full Time Equivalent (FTE), represents an internal reporting redistribution to other labour categories rather than an actual reduction in staff numbers.

Hospitals labour category	June current month FTE		Average Monthly FTE	
	2025	2026	2025	2026
Nursing	41.81	65.73	34.78	59.02
Administration and Clerical	28.38	28.13	21.13	27.07
Medical Support	26.71	24.38	17.18	25.06
Hotel and Allied Services	25.82	32.92	18.87	31.51
Sessional Clinicians	0.11	0.32	0.10	0.15
Ancillary Staff (Allied Health)	4.69	5.55	13.49	4.92
Totals	**127.52**	**157.03**	**105.55**	**147.73**

WORKFORCE INCLUSION POLICY

During 2025-2026, REDHS continued to strengthen gender equality across the organisation through workforce analysis, consultation, policy review, training and improved governance. Workforce and Gender Equality Audit data was reviewed to identify gender composition, pay equity, recruitment and promotion trends, flexible work practices, workplace culture and gender segregation, with these findings informing the development of the next Gender Equality Action Plan.

REDHS also strengthened its focus on inclusive recruitment, flexible work, equitable employment practices and prevention of bullying, harassment and gendered violence. This included continued workforce education, incorporation of gender equality considerations into recruitment and policy processes, and the introduction of Respect X as an additional confidential pathway for staff to raise workplace concerns.

Gender Impact Assessments continued to be embedded within organisational processes, including prompts within policy development and ongoing staff education. Key Gender Impact Assessments identified include the establishment of the new Rochester Primary Care Centre.

REDHS also undertook consultation with employees, leadership, the board, consumer advisory committee to help shape priorities and ensure gender equality and intersectionality.

OCCUPATIONAL HEALTH AND SAFETY

Occupational Health & Safety Statistics	2023-2024	2024-2025	2025-2026
The number of reported hazards/ incidents for the year per 100 FTE	22.88	36.00	51.00
The number of ‘lost time’ standard WorkCover claims for the year per 100 FTE	2.08	2.38	2.54
The average cost per WorkCover claim for the year	$25,117	$9,312	$20,085

OCCUPATIONAL VIOLENCE

Occupational Violence Statistics	2025-2026
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	5
Number of occupational violence incidents reported per 100 FTE	3.38
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

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 a planned or unplanned Code Grey, it must be included.

Accepted WorkCover claims – claims accepted and lodged in 2025-2026.

Lost time – defined as greater than one day.

Injury, illness, or condition – includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Disclosures Required Under Legislation

Freedom of Information Act 1982

The *Freedom of Information Act 1982* provides the public with a means to obtain information held by the Rochester and Elmore District Health Service. During 2025-2026, REDHS received six Freedom of Information (FOI) applications. Of these requests, none were from Members of Parliament, none were from the media and the remainder from the general public.

REDHS made six FOI decisions during the 12 months ended 30 June 2026. There were six decisions made within the statutory time periods. There were no decisions made outside the statutory time period.

Of the total decisions made, six were granted access to documents in full, while no decisions granted access in part or denied access in full.

No decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant. Of requests finalised, the average number of days over / under the statutory time (including extended timeframes) to decide the request was 16 days.

During 2025-2026, no requests were subject to a complaint/internal review by the Office of the Victorian Information Commissioner.

No requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Information regarding how to make a Freedom of Information request, including fees and charges, can be found at www.redhs.com.au. Further advice can also be obtained by contacting REDHS Freedom of Information Officer on (03) 5484 4400.

Public Interest Disclosure Act 2012

The *Public Interest Disclosures Act 2012* provides for the protection of persons who make a public interest disclosure under the Act from detrimental action by officers, members, employees and contractors of Rochester and Elmore District Health Service.

REDHS has policies and procedures in place to protect people against action that might be taken against them if they choose to make a public interest disclosure.

The policy is accessible to staff via REDHS intranet and publicly available at www.redhs.com.au. No applicable disclosures were made during 2025-2026.

There were no disclosures notified to the Independent Broad-based Anti-corruption Commission (IBAC) under section 21(2) in 2025-2026.

Local Jobs First Act 2003

No projects undertaken by Rochester and Elmore District Health Service during 2025-2026 met the threshold for Local Jobs First Policy application. As such, no Local Industry Development Plans were required or submitted.

Safe Patient Care Act 2015

Rochester and Elmore District Health Service has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Act 2015.*



Building Act 1993

Rochester and Elmore District Health Service continued to maintain all buildings, plant and equipment in accordance with the *Building Act 1993*, the *Building Regulations 2018*, and the relevant provisions of the National Construction Code. Compliance is supported through a comprehensive program of planned maintenance, statutory inspections and testing of Essential Safety Measures (ESMs).

During the reporting period, REDHS completed its Annual Essential Safety Measures Report and continued routine inspection, testing and maintenance of critical life safety systems across all facilities.

These activities included the maintenance of fire detection and alarm systems, hydrants, sprinkler systems, fire doors, emergency and exit lighting, mechanical ventilation systems, smoke hazard management systems and other statutory building services.

Essential Safety Measures were maintained by appropriately qualified contractors and REDHS staff to ensure ongoing compliance with legislative requirements and to support the safe operation of all health service facilities.

No emergency orders, building notices or building orders were issued in relation to any REDHS buildings during the reporting period.

REDHS remains committed to maintaining safe, compliant and fit-for-purpose facilities through ongoing asset maintenance, regular compliance audits and continual improvement of building safety systems.

Statement on National Competition Policy

Rochester and Elmore District Health Service continues to comply with the National Competition Policy and the requirements of Victoria's Competitive Neutrality Policy.

Competitive Neutrality principles have been applied to all relevant business activities. There have been no material changes in REDHS' application of the Competitive Neutrality requirements since the previous reporting period.

Carers Recognition Act 2012

In accordance with the *Carers Recognition Act 2012*, Rochester and Elmore District Health Service has taken all practical measures to comply with its obligations under the Act. These include:

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community by providing links to state government resource materials on our website.
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act by promoting a person-centred approach through staff orientation and training that recognises and supports carers as partners in care
- considering the care relationships principles set out in the Act when setting policies and providing services (e.g. reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act).



Environmental Performance

This table details mandatory indicators for Tier 3(a) public sector entities.

Noting that the environmental reporting for REDHS encompasses the buildings, facilities and vehicles located at 1 Pascoe Street, 12 and 14 Village Drive, Rochester, Victoria 3561.

The 2025 - 2026 reporting is the first full year of hospital operations back on site following the October 2022 flood and the subsequent redevelopment construction work.

The 2025 - 2026 figures will, therefore, be substantially higher than previous years and will form the new "baseline" for comparison in future sustainability efforts and annual reports.

Indicator Title	*2023-2024*	*2024-2025*	*2025-2026*
ELECTRICITY USE			
EL1 - Total electricity consumption segmented by source (MWh)			
Purchased	139.35	612.45	828.50
Self-generated	193.62	192.88	208.83
EL1 - Total electricity consumption [MWh]	**332.97**	**805.33**	**1,037.32**
EL2 - On-site electricity generated (MWh) segmented by:			
Consumption behind-the-meter			
Solar Electricity	193.62	192.88	208.83
Total Consumption behind-the-meter (MWh)	**193.62**	**192.88**	**208.83**
Exports			
Solar Electricity			11.48
Total Electricity exported (MWh)			**11.48**
EL2 - Total on site-electricity generated [MWh]	**193.62**	**192.88**	**220.31**
EL3 - On-site installed generation capacity (kW converted to MW) segmented by:			
Diesel Generator	0.45	0.45	0.45
Solar System	0.15	0.15	0.24
EL3 - Total On-site installed generation capacity [MW]	**0.60**	**0.60**	**0.69**
EL4 - Total electricity offsets segmented by offset type (MWh)			
LGCs voluntarily retired on the entity's behalf			769.15
RPP (Renewable Power Percentage in the grid)	26.13	111.03	143.47
EL4 - Total electricity offsets [MWh]	**26.13**	**111.03**	**828.50**
STATIONARY ENERGY			
F1 - Total fuels used in buildings and machinery segmented by fuel type (MJ)			
Natural gas	157,129.00	795,487.60	2,120,678.80
F1 - Total fuels used in buildings (MJ)	**157,129.00**	**795,487.60**	**2,120,678.80**
F2 - Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (t CO2-e)			
Natural gas	8.10	40.99	109.28
F2 - Greenhouse gas emissions from stationary fuel consumption (t CO2-e)	**8.10**	**40.99**	**109.28**
TRANSPORT ENERGY			
T1 - Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type (MJ)			
Non-executive fleet - Gasoline	179,077.90	128,198.90	205,682.70
Petrol	**179,077.90**	**128,198.90**	**205,682.70**
Non-executive fleet - Diesel	145,422.00	84,429.80	51,716.60
Diesel	**145,422.00**	**84,429.80**	**51,716.60**
Total energy used in transportation (vehicle fleet) [MJ]	**324,499.90**	**212,628.70**	**257,399.30**
T2 - Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
T3 - Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (t CO2-e)			
Non-executive fleet - Gasoline	12.11	8.67	13.91
Petrol	**12.11**	**8.67**	**13.91**
Non-executive fleet – Diesel	10.24	5.95	3.64
Diesel	**10.24**	**5.95**	**3.64**
Total Greenhouse gas emissions from transportation (vehicle fleet) [t CO2-e]	**22.35**	**14.61**	**17.55**

Indicator Title	*2023-2024*	*2024-2025*	*2025-2026*
T3 - Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)			
Total distance travelled by commercial air travel			
TOTAL ENERGY USE			
E1 - Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)			
Total energy usage from stationary fuels (F1) (MJ)	157,129.00	795,487.60	2,120,678.80
Total energy usage from transport (T1) (MJ)	324,499.90	212,628.70	257,399.30
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**481,628.90**	**1,008,116.30**	**2,378,078.10**
E2 - Total energy usage from electricity (MJ)			
Total energy usage from electricity (MJ)	1,198,687.54	2,899,192.03	3,734,368.49
E3 - Total energy usage segmented by renewable and non-renewable sources (MJ)			
Renewable	791,102.24	1,094,083.89	3,734,368.20
Non-renewable (E1 + E2 – E3 Renewable)	889,214.21	2,813,224.44	2,378,078.39
E4 - Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD (MJ/Aged Care OBD)	144.13	488.91	331.64
Energy per unit of LOS (MJ/LOS)		12,873.45	3,983.03
Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD)	144.13	471.02	306.15
Energy per unit of Separations (MJ/Separations)		82,103.99	29,422.35
Energy per unit of floor space (MJ/m2)	202.33	551.36	873.76
SUSTAINABLE BUILDINGS AND INFRASTRUCTURE			
B1 - Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings			
Not applicable			
B2 - Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule			
Not applicable			
B3 - NABERS Energy (National Australian Built Environment Rating system) ratings of newly completed/occupied Entity-owned office buildings and substantial tenancy fit-outs (itemised)			
Not applicable			
B4 - Environmental performance ratings (eg. NABERS, Green Star, or ISCAIS rating scheme) of newly completed Entity-owned non-office building or infrastructure projects or upgrades with a value over $1 million			
NABERS Energy Not applicable			
B5 - Environmental performance ratings achieved for Entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted			
Rating scheme Not applicable			
SUSTAINABLE PROCUREMENT			
WATER USE			
W1 - Total units of metered water consumed by water source (kL)			
Potable water (kL)	6,204.50	2,449.08	6,274.61
Total units of water consumed (kL)	**6,204.50**	**2,449.08**	**6,274.61**
W2 - Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD (kL/Aged Care OBD)	0.66	0.32	0.36
Water per unit of LOS (kL/LOS)		8.53	4.27
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.66	0.31	0.33
Water per unit of Separations (kL/Separations)		54.42	31.53
Water per unit of floor space (kL/m2)	0.93	0.37	0.94
WASTE AND RECYCLING			
WR1 - Total units of waste disposed of by waste stream and disposal method (kg)			
Landfill (total)			
Offsite treatment			

Indicator Title	*2023-2024*	*2024-2025*	*2025-2026*
Clinical waste - incinerated			387.40
Clinical waste - sharps	28.78		
Clinical waste - treated	747.58		
Recycling/recovery (disposal)			
Total units of waste disposed (kg)	**776.36**		**387.40**
WR1 - Total units of waste disposed of by waste stream and disposal method (%)			
Landfill (total)			
General waste			
Offsite treatment			
Clinical waste - incinerated			100.00%
Clinical waste - sharps	3.71%		
Clinical waste – treated	96.29%		
Recycling/recovery (disposal)			
WR2 – Percentage of office sites covered by dedicated collection services for each waste stream			
Printer cartridges			
Batteries			
e-waste			
Soft plastics			
WR3 - Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT)	0.08		0.02
WR4 - Recycling rate			
Weight of recyclable and organic materials (kg)			
Weight of total waste (kg)	776.36		387.40
Recycling rate [%]			
WR5 - Greenhouse gas emissions associated with waste disposal (t CO2-e)			
Waste disposal emissions (t CO2-e)	1.01		0.34
GREENHOUSE GAS EMISSIONS			
G1 - Total scope one (direct) greenhouse gas emissions (t CO2-e)			
Carbon Dioxide	30.31	55.43	126.48
Methane	0.02	0.08	0.22
Nitrous Oxide	0.11	0.09	0.13
Total	30.44	55.60	126.83
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (t CO2-e)	8.10	40.99	**109.28**
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (t CO2-e)	**22.35**	**14.61**	**17.55**
Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**30.45**	**55.61**	**126.83**
G2 - Total scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)			
Electricity	91.25	406.15	554.87
Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	**91.65**	**406.15**	**554.87**
G3 - Total scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal			
Commercial air travel			
Waste emissions (WR5)	1.01		0.34
Indirect emissions from Stationary Energy	11.94	58.34	83.84
Indirect emissions from Transport Energy	5.60	3.67	4.43
Paper emissions			
Water emissions	10.41	4.01	8.80
Any other Scope 3 emissions			
Total Scope 3 greenhouse gas emissions [tonnes CO2e]	**28.96**	**66.01**	**97.41**

NORMALISATION FACTORS			
Indicator Title	*2023-2024*	*2024-2025*	*2025-2026*
1000km (Corporate)			
1000km (Non-emergency)			
Aged Care OBD	9,407.00	7,557.00	17,655.00
ED Departures		0.00	0.00
FTE	98.00	129.00	155.00
LOS		287.00	1,470.00
OBD	9,407.00	7,844.00	19,125.00
PPT	9,407.00	7,889.00	19,324.00
Separations		45.00	199.00
TotalAreaM2	6,701.00	6,701.00	6,701.00

Additional Information Available on Request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by the health service and are available on request to the relevant Ministers, Members of Parliament and the public, subject to the provisions of the *Freedom of Information Act 1982*:

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers.
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary.
- Details of publications produced by the entity about itself, and how these can be obtained.
- Details of changes in prices, fees, charges, rates and levies charged by the entity.
- Details of any major external reviews carried out on the entity.
- Details of major research and development activities undertaken by the entity.
- 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 entity to develop community awareness of the entity 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 entity and details of time lost through industrial accidents and disputes.
- A list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- Details of all consultancies and contractors including: consultants/contractors engaged; services provided; and expenditure committed to for each engagement.

This information is available on request from:

Chief Executive Officer
REDHS, PO Box 202, Rochester Vic 3561
Phone: (03) 5484 4400
Email: rochhosp@redhs.com.au Web: www.redhs.com.au

Consumer Feedback

We welcome feedback in regard to the quality of our service so that we can continuously improve.

Feedback forms are available throughout the health service.

Alternatively, feedback can be provided online or emailed directly to the address below or via www.redhs.com.au

Compliments, suggestions and complaints should be directed to:

Chief Executive Officer
REDHS, PO Box 202, Rochester Vic 3561
Phone: (03) 5484 4400
Email: myvoice@redhs.com.au Web: www.redhs.com.au

Community Involvement and Support

Sponsorship, Donations and Bequests

Sponsor/Donor/Bequest	Amount
Rochester Bowls Club Charity Day	$760
Gardiner family	$500

Your Community – Your Health Service

You can help in many ways…
Donations and bequests play a vital part in the provision of services to residents in our community.

REDHS relies on the generosity of individuals and organisations within our community.

You can help by:

- Donating towards a specific item
- Contributing to the cost of equipment
- Remembering REDHS in your Will
- Joining our volunteer program

Donations in memory of loved ones or in lieu of flowers are appreciated.

Envelopes are available for this purpose. Receipts are issued, acknowledgement letters written, and when totals are known, summary letters are mailed to the decedent's next of kin.



Attestations & Declarations

Financial Management Compliance Attestation

I, Emma Millard, on behalf of the Responsible Body, certify that Rochester and Elmore District Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Emma Millard, Responsible Officer
Rochester and Elmore District Health Service
24 August 2026

Data Integrity Declaration

I, Mary Manescu, certify that Rochester and Elmore District Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Rochester and Elmore District Health Service has critically reviewed these controls and processes during the year.



Mary Manescu, Accountable Officer
Rochester and Elmore District Health Service
24 August 2026

Integrity, Fraud and Corruption Declaration

I, Mary Manescu, certify that Rochester and Elmore District 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 Rochester and Elmore District Health Service during the year.



Mary Manescu, Accountable Officer
Rochester and Elmore District Health Service
24 August 2026

Conflict of Interest Declaration

I, Mary Manescu, certify that Rochester and Elmore District Health Service has put in place appropriate internal controls and processes to ensure that it 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 Rochester and Elmore District 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.



Mary Manescu, Accountable Officer
Rochester and Elmore District Health Service
24 August 2026

Compliance with HealthShare Victoria (HSV) Health Purchasing Policies

I, Mary Manescu, on behalf of Rochester and Elmore District Health Service, certify that Rochester and Elmore District Health Service is fully compliant with respect to the HSV Purchasing policies as required by the *Health Services Act 1988 (Vic)*. Rochester and Elmore District Health Service has implemented appropriate internal controls, which have been critically reviewed throughout the year.

Mary Manescu, Accountable Officer
Rochester and Elmore District Health Service
24 August 2026





Disclosure Index

The annual report of the Rochester and Elmore District Health Service 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.

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FINANCE REPORT

2026



5484 4400

www.redhs.com.au

Financial Report 2025-2026

FINANCIAL INFORMATION



SUMMARY OF FINANCIAL RESULTS

The table below is a summary of the financial results for 2025-2026, from annual financial statements, with comparative results for the preceding four financial years.

	2026 '000	2025 $'000	2024 $'000	2023 $'000	2022 $'000
OPERATING RESULT*	13	57	3,450	52	0
Total revenue	23,040	27,122	26,571	19,632	18,428
Total expenses	26,792	24,099	20,879	21,034	19,436
Net result from transactions	**-3,752**	**3,023**	**5,692**	**-1,402**	**-1008**
Total other economic flows	-4	-140	301	17	84
Net result	**-3,756**	**2,883**	**5,993**	**-1,385**	**-924**
Total assets	56,230	51,635	47,163	41,132	55,344
Total liabilities	18,652	10,300	8,711	11,807	11,205
Net assets/ Total equity	**37,578**	**41,335**	**38,452**	**29,325**	**44,139**

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

SIGNIFICANT CHANGES IN FINANCIAL POSITION DURING THE YEAR

There were no significant changes in financial position during the year.

SUBSEQUENT EVENTS

There were no Subsequent Events.

OPERATIONAL AND BUDGETARY OBJECTIVES AND PERFORMANCE AGAINST OBJECTIVES

The 2025-2026 financial result represents another positive milestone for REDHS, building on the significant progress made in returning services to site following the 2022 floods. It reflects the continued re-establishment and growth of operations, supported by targeted recruitment to meet service demands.

Strong revenue performance, particularly within Residential Aged Care, combined with disciplined expenditure management throughout the year, especially in the final months, contributed to the modest surplus achieved.

Looking ahead, REDHS will remain focused on strengthening financial sustainability while supporting strategic service growth, particularly across Community Care services. Investment in digital infrastructure and capability will further support REDHS strategic objectives to deliver more services closest to home whilst enabling its operational performance.

RECONCILIATION OF NET RESULT FROM TRANSACTIONS AND OPERATING RESULT

	2025-2026 $'000
Operating Result	**13**
Capital purpose income	(977)
Expenditure for capital purpose	(70)
Depreciation and amortisation	(2,678)
Finance costs (other)	(44)
Net result from transactions	**(3,756)**

GRANTS AND TRANSFER PAYMENTS

Not applicable – Rochester and Elmore District Health Service did not administer any grants, transfer payments or Commercial-in-Confidence grants in 2025-2026.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2025-2026 is $713,900 excl. GST, with the details shown below:

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT Expenditure		
Total (excluding GST)	Total of Operational and Capital Expenditure	Operational expenditure	Capital expenditure
$594,213	$119,687	$119,687	$0

REVIEWS AND STUDY EXPENSES

During 2025-2026, there were no reviews or studies undertaken.

Consultancies

Details of consultancies under $10,000

In 2025-2026, there were three (3) consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2025-2026 in relation to these consultancies was $14,292 (excl. GST).

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

In 2025-2026 there were no consultancies where the total fees payable to the consultant was $10,000 or greater.

Procurement

SOCIAL PROCUREMENT ACTIVITIES AND COMMITMENTS

REDHS is strongly connected to the community it serves which significantly influences its procurement strategy. The social impact of local procurement is a key focus for REDHS, given its position as the largest employer in a small rural township. Through locally focussed social procurement, REDHS aims to create job opportunities, provide skills-based training in disadvantaged areas, address systemic inequalities, and support the financial sustainability of both the health service and local businesses.

To support this approach, REDHS includes local and social procurement selection criteria in its public tenders and actively participates in local community and business organisations.

Overall social procurement activities	2025–2026
Number of social benefit suppliers engaged during the reporting period:	2
Total amount spent with social benefit suppliers (direct spend) during the reporting period ($ GST exclusive):	$12,358.50
Total number of mainstream suppliers engaged that have made social procurement commitments in their contracts with the Victorian Government:	4
Total number of contracts that include social procurement commitments:	4

DISCLOSURE OF EMERGENCY PROCUREMENTS

There were nil reports of Emergency Procurements in 2025-2026.

PROCUREMENT COMPLAINTS DISCLOSURES

There were nil reports of Procurement Complaints in 2025-2026.

Financial Statements
Financial Year ended 30 June 2026

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

The attached financial statements for Rochester and Elmore District Health Service have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance 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 2026 and the financial position of Rochester and Elmore District Health Service at 30 June 2026.

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 1 September 2026.

Board member



Emma Millard

Board Chair

Rochester
1 September 2026

Accountable Officer



Mary Manescu

Chief Executive Officer

Rochester
1 September 2026

Chief Finance & Accounting Officer



Cameron Olsen

Chief Finance & Accounting Officer

Rochester
1 September 2026

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Rochester and Elmore District Health Service

Opinion	I have audited the financial report of Rochester and Elmore District Health Service (the health service) which comprises the: • balance sheet as at 30 June 2026 • 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 material accounting policy information • 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 2026 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 – Simplified Disclosures.
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 (and Independence Standards)* (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 – Simplified Disclosures 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 the 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.

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.



Simone Bohan
as delegate for the Auditor-General of Victoria

MELBOURNE
7 September 2026

Rochester and Elmore District Health Service
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1	12,402	15,573
Government grants	2.1	8,844	10,546
Other sources of income	2.1	1,258	824
Non-operating activities		536	179
Total revenue and income from transactions		**23,040**	**27,122**
Expenses from transactions			
Employee expenses	3.1	(18,494)	(13,972)
Depreciation	4.1(a)	(2,678)	(2,526)
Supplies and consumables	3.1 (c)	(1,410)	(1,614)
Other operating expenses	3.1 (d)	(4,210)	(5,987)
Total Expenses from transactions		**(26,792)**	**(24,099)**
Net result from transactions - net operating balance		**(3,752)**	**3,023**
Other economic flows included in net result			
Net loss on sale of non-financial assets		(44)	-
Other gain/(loss) from other economic flows		40	(140)
Total other economic flows included in net result		**(4)**	**(140)**
Net result		**(3,756)**	**2,883**
Comprehensive result		**(3,756)**	**2,883**

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

Rochester and Elmore District Health Service
Balance Sheet
As at 30 June 2026

	Note	2026 $'000	2025 $'000
Financial assets			
Cash and cash equivalents	6.2	20,384	9,510
Receivables	5.1	2,086	6,255
Total financial assets		**22,470**	**15,765**
Non-financial assets			
Prepayments		47	257
Inventories		81	38
Property, plant and equipment	4.1	33,632	35,611
Total non-financial assets		**33,760**	**35,906**
Total assets		**56,230**	**51,671**
Liabilities			
Payables	5.2	2,791	1,945
Borrowings		603	698
Employee benefits	3.1(b)	3,568	3,489
Other liabilities	5.3	11,690	4,204
Total liabilities		**18,652**	**10,336**
Net assets		**37,578**	**41,335**
Equity			
Reserves		20,306	20,581
Contributed capital		7,370	7,370
Accumulated surplus		9,902	13,384
Total equity		**37,578**	**41,335**

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

Rochester and Elmore District Health Service
Cash Flow Statement
For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash Flows from operating activities			
Government Grants		17,032	14,566
Patient and Resident Fees Received		4,087	2,783
Other Receipts		4,935	5,815
Total receipts		**26,053**	**23,164**
Payments to employees		(17,356)	(13,740)
Payments to suppliers and consumables		(2,287)	(1,810)
Other payments		(2,315)	(4,908)
Total payments		**(21,958)**	**(20,458)**
Net cash flows from operating activities		**4,095**	**2,706**
Cash Flows from investing activities			
Purchase of non-financial assets		(699)	(2,803)
Net cash flows used in investing activities		**(699)**	**(2,803)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(95)	(47)
Repayment of accommodation deposits		(1,327)	(1,216)
Receipt of accommodation deposits		8,900	3,093
Net cash flows from financing activities		**7,478**	**1,830**
Net increase in cash and cash equivalents held		**10,874**	**1,733**
Cash and cash equivalents at beginning of year		9,510	7,777
Cash and cash equivalents at end of year	6.2	**20,384**	**9,510**

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

Rochester and Elmore District Health Service
Statement of Changes in Equity
For the Financial Year Ended 30 June 2026

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Surplus	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2024	**19,772**	**1,084**	**7,370**	**10,226**	**38,452**
Net result for the year	-	-	-	2,883	2,883
Transfers from/(to) accumulated surpluses	-	(275)	-	275	-
Balance at 30 June 2025	**19,772**	**809**	**7,370**	**13,384**	**41,335**
Net result for the year	-	-	-	(3,756)	(3,756)
Transfers from/(to) accumulated surpluses	-	(275)	-	275	-
Balance at 30 June 2026	**19,772**	**534**	**7,370**	**9,902**	**37,578**

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

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Structure
1.1 Basis of preparation
1.2 Material accounting estimates and judgements
1.3 Reporting entity
1.4 Economic dependency

Note 1 About this Report

These financial statements represent the financial statements of Rochester and Elmore District Health Service for the year ended 30 June 2026.

Rochester and Elmore District Health Service is a not-for-profit entity established as a public agency on 1 November 1993 under the *Health Services Act 1988 (Vic)* . A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation

These financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs), which include interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

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

The financial statements have been prepared on a going concern basis (refer to Note 1.4 Economic Dependency).

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Rochester and Elmore District Health Service on 1 September 2026.

Note 1.2 Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

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

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

The material accounting judgements and estimates used, and any changes thereto, are disclosed within the relevant accounting policy.

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 1.3 Reporting Entity

The financial statements include all the controlled activities of Rochester and Elmore District Health Service.

Rochester and Elmore District Health Service's principal address is:
1 Pascoe Street
Rochester, Victoria, 3561

Note 1.4 Economic dependency

Rochester and Elmore District Health Service is a public health service governed and managed in accordance with the *Health Services Act 1988* and its results form part of the Victorian General Government consolidated financial position. Rochester and Elmore District Health Service provides essential services and is predominantly dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue Rochester and Elmore District Health Services operations and on that basis, the financial statements have been prepared on a going concern basis.

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 2 Funding delivery of our services

Rochester and Elmore District Health Service's overall objective is to provide quality health service that supports and enhances the wellbeing of the community. Rochester and Elmore District Health Service is predominantly funded by grant funding for the provision of outputs. Rochester and Elmore District Health Service also receives income from the supply of services.

Significant judgement – Grants revenue

Rochester and Elmore District Health Service has exercised judgement in determining whether funding arrangements should be recognised under AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities* .

Management has assessed the terms and conditions of each material funding arrangement to determine whether enforceable and sufficiently specific performance obligations exist. Funding received from the Victorian Department of Health to support the delivery of general public health services is recognised under AASB 1058, as the funding does not contain sufficiently specific performance obligations.

Funding received under the Australian National Aged Care Classification (AN-ACC) funding model and the Commonwealth Home Support Programme (CHSP) is recognised under AASB 15, as the funding arrangements require the Health Service to deliver specified aged care and community support services in exchange for consideration. Revenue is recognised as the related performance obligations are satisfied. Management reviews new funding arrangements as they arise to determine the appropriate accounting treatment based on the specific contractual terms.

Structure

2.1 Revenue and income from transactions

Note 2.1 Revenue and income from transactions

	Note	2026 $'000	2025 $'000
Revenue from contracts with customers	2.1(a)	12,402	15,573
Government grants	2.1(b)	8,844	10,546
Other sources of income	2.1(c)	1,258	824
Total revenue and income from transactions		**22,505**	**26,943**

Note 2.1(a) Revenue from contracts with customers

	2026 $'000	2025 $'000
Government grants (Commonwealth) - Operating	7,788	4,807
Patient and resident fees	4,168	2,773
Other revenue from operating activities	446	7,993
Total revenue from contracts with customers	**12,402**	**15,573**

How we recognise revenue from contracts with customers

Government grants

Revenue from government operating grants that are enforceable and contain sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15.

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

This policy applies to each of Rochester and Elmore District Health Service's revenue streams, with information detailed below relating to Rochester and Elmore District Health Service's material revenue streams:

Government grant	Performance obligation
Commonwealth Aged Care Funding	The performance obligations for Commonwealth Aged Care Funding are the number and mix of residents in the Aged Care facilities. Revenue is recognised at a point in time, which is when AIMS data is submitted monthly.

Patient and resident fees

Patient and resident fees are charges incurred by patients for services they receive. Patient and resident fees are recognised under AASB 15 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.

Note 2.1(b) Government grants

	Note	2026 $'000	2025 $'000
Government grants (State) - Operating		8,595	7,638
Government grants (State) - Capital		(45)	2,572
Non-cash contributions from the Department of Health		294	336
Total government grants		**8,844**	**10,546**

How we recognise government grants

Government grants

Rochester and Elmore District Health Service recognises income of not-for-profit entities under AASB 1058 where it has been earned under arrangements that are either not enforceable or linked to sufficiently specific performance obligations.

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

- contributions by owners, in accordance with AASB 1004 *Contributions*
- revenue or contract liability arising from a contract with a customer, in accordance with AASB 15
- a lease liability in accordance with AASB 16 *Leases*
- a financial instrument, in accordance with AASB 9 *Financial Instruments*
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets.*

Capital grants

Where Rochester and Elmore District Health Service receives a capital grant it recognises a liability, equal to the financial asset received less amounts recognised under other Australian Accounting Standards.

Income is recognised in accordance with AASB 1058 progressively as the asset is constructed which aligns with Rochester and Elmore District 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.

Non-cash contributions from the Department of Health

The DH makes some payments on behalf of Rochester and Elmore District Health Service as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Rochester and Elmore District 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 with the DH.

Note 2.1(c) Other sources of income

	Note	2026 $'000	2025 $'000
Other income from operating activities	8.6	1,257	823
Assets received free of charge or for nominal consideration		1	1
Total other sources of income		**1,258**	**824**

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 costs associated with the provision of services are disclosed.

Structure

3.1 Expenses incurred in the delivery of services

Note 3.1 Expenses incurred in the delivery of services

	Note	2026 $'000	2025 $'000
Employee expenses	3.1(a)	18,494	13,972
Supplies and consumables	3.1(c)	1,410	1,614
Other operating expenses	3.1(d)	4,210	5,987
Total expenses incurred in the delivery of services		**24,115**	**21,573**

Note 3.1(a) Employee expenses

	2026 $'000	2025 $'000
Salaries and wages	15,781	11,112
Defined contribution superannuation expense	1,840	1,209
Agency expenses	482	1,464
Fee for service medical officer expenses	185	56
Workcover Premium	206	131
Total employee expenses	**18,494**	**13,972**

How we recognise employee expenses

Employee expenses include salaries and wages, fringe benefits tax, leave entitlements, termination payments, WorkCover payments and agency expenses.

The amount recognised in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 3.1(b) Employee related provisions

	2026 $'000	2025 $'000
Current provisions for employee benefits		
Accrued days off	61	29
Annual leave	1,423	1,323
Long service leave	1,382	1,516
Provision for on-costs	357	360
Total current provisions for employee benefits	**3,223**	**3,228**
Non-current provisions for employee benefits		
Long service leave	314	233
Provision for on-costs	32	28
Total non-current provisions for employee benefits	**345**	**261**
Total provisions for employee benefits	**3,568**	**3,489**

How we recognise employee-related provisions

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

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

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as current liabilities because Rochester and Elmore District Health Service does not have an unconditional right to defer settlement 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 Rochester and Elmore District Health Service expects to wholly settle within 12 months or
- present value – if Rochester and Elmore District 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 Rochester and Elmore District 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 Rochester and Elmore District Health Service expects to wholly settle within 12 months or
- present value – if Rochester and Elmore District 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. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

Provisions
Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred. The on-costs provision is immaterial in 2026.

Note 3.1(c) Supplies and consumables

	2026 $'000	2025 $'000
Drug supplies	52	31
Medical and surgical supplies (including Prostheses)	316	123
Other supplies and consumables	1,042	1,460
Total supplies and consumables	**1,410**	**1,614**

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.

Note 3.1(d) Other operating expenses

	2026 $'000	2025 $'000
Other operating expenses		
Fuel, light, power and water	256	183
Repairs and maintenance	345	426
Medical indemnity insurance	33	33
External recruitment	51	340
Minor asset replacement and additions	141	871
Software and license expenses	720	629
Finance Costs	14	15
Other administration expenses	2,650	3,490
Total other operating expenses	**4,210**	**5,987**

How we recognise other operating expenses
Expense recognition
Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Other operating expenses
Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

The DH also makes certain payments on behalf of Rochester and Elmore District Health Service. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue (Refer to Note 2.1(c)) and recording a corresponding expense.

Note 4 Key assets to support service delivery

Rochester and Elmore District 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 Rochester and Elmore District Health Service to be utilised for delivery of services.

Significant judgement – Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure
4.1 Property, plant and equipment
4.2 Depreciation

Note 4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000
Land at fair value	360	360	-	-	360	360
Landscaping at fair value	210	210	(10)	(5)	200	205
Buildings at fair value	33,993	33,993	(3,996)	(1,942)	29,997	32,051
Works in progress at cost	296	102	-	-	296	102
Plant, equipment and vehicles at fair value	8,166	7,647	(5,386)	(4,754)	2,780	2,893
Total property, plant and equipment	**43,025**	**42,313**	**(9,393)**	**(6,702)**	**33,632**	**35,611**

How we recognise property, plant and equipment

Items of property, plant and equipment are initially measured at cost, and are subsequently measured at fair value less accumulated depreciation and impairment. 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.

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.

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

	Land	Landscaping	Buildings	Works in progress	Plant, equipment and vehicles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2025	**360**	**205**	**32,051**	**102**	**2,893**	**35,611**
Additions	-	-	-	225	580	806
Disposals	-	-	-	(31)	(47)	(79)
Depreciation	-	(5)	(2,054)	-	(647)	(2,706)
Balance at 30 June 2026	**360**	**200**	**29,997**	**296**	**2,780**	**33,632**

Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that the movements were not material (less than or equal to 10%). As such, an independent revaluation was not required per FRD 103. In accordance with FRD 103, Rochester and Elmore District Health Service has elected to apply the practical expedient in FRD 103 *Non-Financial Physical Assets* and has therefore not applied the amendments to AASB 13 *Fair Value Measurement* . The amendments to AASB 13 will be applied at the next scheduled independent revaluation, which is planned to be undertaken in 2029 in accordance with Rochester and Elmore District Health Service's revaluation cycle, or at an interim revaluation, whichever comes first.

Note 4.1(b) Impairment of property, plant and equipment

The recoverable amount of the primarily non-financial physical assets of Rochester and Elmore District Health Service, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement* , with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

Rochester and Elmore District Health Service has assessed all right-of-use assets for impairment, and no indicators of impairment are identified as at 30 June 2026.

Note 4.2 Depreciation

How we recognise depreciation

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

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

Useful lives of non-current assets

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

	2026	2025
Buildings	7 to 40 years	7 to 40 years
Plant, Equipment and Vehicles (inc Leased Assets)	1 to 50 years	2 to 50 years

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 5 Other assets and liabilities

This section sets out those assets and liabilities that arose from Rochester and Elmore District Health Service's operations.

Structure
5.1 Receivables
5.2 Payables
5.3 Monies held in trust

Note 5.1 Receivables

	Note	2026 $'000	2025 $'000
Current receivables			
Contractual			
Inter hospital debtors		19	46
Trade receivables		575	474
Patient fees		86	4
Allowance for impairment losses		(18)	(28)
Accrued revenue		391	4,529
Total contractual receivables		**1,053**	**5,025**
Statutory			
GST receivable		72	350
Total statutory receivables		**72**	**350**
Total current receivables		**1,124**	**5,375**
Non-current receivables			
Contractual			
Long service leave - Department of Health		962	880
Total contractual receivables		**962**	**880**
Total non-current receivables		**962**	**880**
Total receivables		**2,086**	**6,255**
(i) Financial assets classified as receivables			
Total receivables		2,086	6,255
GST receivable		(72)	(350)
Total financial assets classified as receivables	7.1	**2,015**	**5,905**

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds 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**, including 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.

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 5.2 Payables

	Note	2026 $'000	2025 $'000
Current payables			
Contractual			
Trade creditors		408	271
Accrued salaries and wages		1,100	568
Accrued expenses		332	448
Income in advance		492	-
Amounts payable to governments and agencies		141	99
Other		301	499
Total contractual payables		**2,774**	**1,886**
Statutory			
GST payable		16	59
Total statutory payables		**16**	**59**
Total current payables		**2,791**	**1,945**
Total payables		**2,791**	**1,945**
(i) Financial liabilities classified as payables			
Total payables		2,791	1,945
Income in advance		(492)	-
GST payable		(16)	(59)
Total financial liabilties classified as payables	7.1	**2,282**	**1,886**

How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of 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 Rochester and Elmore District Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables,** including Goods and Services Tax (GST) payable 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.

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 5.3 Monies held in trust

	Note	2026 $'000	2025 $'000
Current monies held in trust			
Refundable accommodation deposits		11,690	4,204
Total current monies held in trust		**11,690**	**4,204**
Total other liabilities		**11,690**	**4,204**
*** Represented by:**			
- Cash assets		11,815	4,284
		11,815	**4,284**

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 Rochester and Elmore District Health Service upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home.

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 2024* .

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 6 How we finance our operations

This section provides information on the sources of finance utilised by Rochester and Elmore District Health Service during its operations, and other information related to financing activities of Rochester and Elmore District Health Service. This section includes disclosures of balances that are financial instruments (such as cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

Structure

6.1 Cash and cash equivalents

6.2 Commitments for expenditure

Note 6.1 Cash and Cash Equivalents

	Note	2026 $'000	2025 $'000
Cash on hand (excluding monies held in trust)		1	1
Cash at Bank (excluding Monies held in trust)		879	2,313
Cash at Bank - CBS (excluding monies held in trust)		3,182	811
Total cash held for operations		**4,062**	**3,125**
Cash at Bank - CBS (Monies held in trust)		16,322	6,386
Total cash held as monies in trust		**16,322**	**6,386**
Total cash and cash equivalents	7.1	**20,384**	**9,510**

Note 6.2 Commitments for expenditure

30 June 2026	**Less than 1 year $'000**	**1-5 Years $'000**	**Over 5 years $'000**	**Total $'000**
Capital expenditure commitments	296	-	-	296
Total commitments (inclusive of GST)	**296**	**-**	**-**	**296**
Less GST recoverable	(27)	-	-	(27)
Total commitments (exclusive of GST)	**269**	**-**	**-**	**269**

30 June 2025	**Less than 1 year $'000**	**1-5 Years $'000**	**Over 5 years $'000**	**Total $'000**
Capital expenditure commitments	-	-	-	-
Total commitments (inclusive of GST)	**-**	**-**	**-**	**-**
Less GST recoverable	-	-	-	-
Total commitments (exclusive of GST)	**-**	**-**	**-**	**-**

How we disclose our commitments

Our commitments relate to expenditure.

Expenditure commitments

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

Note 7 Financial instruments, contingencies and valuation judgements

Rochester and Elmore District 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 Contingent assets and contingent liabilities

7.3 Fair value determination

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

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 Rochester and Elmore District 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* .

30 June 2026	Note	Carrying amount $'000	Total interest income/ (expense) $'000	Impairment loss $'000
Financial assets at amortised cost				
Cash and cash equivalents	6.1	20,384	536	-
Receivables	5.1	2,015	-	(18)
Total financial assets [i]		**22,399**	**536**	**(18)**
Financial liabilities at amortised cost				
Payables	5.2	2,282	-	-
Borrowings		603	14	-
Monies held in trust	5.3	11,690	-	-
Total financial liabilities [i]		**14,576**	**14**	**-**

30 June 2025	Note	Carrying amount $'000	Total interest income/ (expense) $'000	Impairment loss $'000
Financial assets at amortised cost				
Cash and cash equivalents	6.1	9,510	179	-
Receivables	5.1	5,905	-	(28)
Total financial assets [i]		**15,414**	**179**	**(28)**
Financial liabilities at amortised cost				
Payables	5.2	1,886	-	-
Borrowings		698	15	-
Monies held in trust	5.3	4,204	-	-
Total financial liabilities [i]		**6,788**	**15**	**-**

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

How we categorise 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 Rochester and Elmore District 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.

Rochester and Elmore District Health Service recognises the following assets in this category:
- cash and deposits; and
- receivables (excluding statutory receivables).

Categories of financial liabilities

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.

Rochester and Elmore District 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).

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
- Rochester and Elmore District 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
- Rochester and Elmore District 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 Rochester and Elmore District Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Rochester and Elmore District 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 amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Rochester and Elmore District 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 Contingent assets and contingent liabilities

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

Note 7.3 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Property, plant and equipment, with the exception of right-of-use assets arising under AASB 16, which are measured using the cost model.

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

Valuation hierarchy

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

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

Rochester and Elmore District 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.

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

Fair value determination: non-financial physical assets

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 *Fair Value Measurement* by adding Appendix F *Australian Implementation Guidance for Not-for-Profit Public Sector Entities.* Appendix F explains and illustrates the application of the principals in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

The last scheduled full independent valuation of all of Rochester and Elmore District Health Service's non-financial physical assets was performed by VGV on 30 June 2024. The annual fair value assessment for 30 June 2026 using VGV indices does not identify material changes in value. In accordance with FRD 103, Rochester and Elmore District Health Service will reflect Appendix F in its next scheduled formal revaluation on 30 June 2029 or interim revaluation process (whichever is earlier). All annual fair value assessments thereafter will continue compliance with Appendix F.

For all assets measured at fair value, Rochester and Elmore District Health Service considers the current use as its highest and best use.

Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

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

The market approach is also used for specialised land although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued.

The CSO adjustment reflects 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 considers the use of the asset that is physically possible, legally permissible and financially feasible.

For Rochester and Elmore District Health Service, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation.

Vehicles

Vehicles are valued using the current replacement cost method. Rochester and Elmore District 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 experienced fleet managers in Rochester and Elmore District Health Services who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Significant assumptions

Description of significant assumptions applied to fair value measurement:

Asset class	Valuation technique	Significant assumption	Range (weighted average)[(i)]
Specialised land	Market approach	Community Service Obligations adjustment	25%[(ii)]
Specialised buildings	Current replacement cost approach	Cost per square metre Useful life	$580 - $4,470/$m^2$ ($4,425) 7 - 40 years (20 years)
Vehicles	Current replacement cost	Useful life	2 - 10 years (3 years)
Plant, equipment, furniture and fittings	Current replacement cost	Useful life	2 - 50 years (9 years)

[(i)] Illustrations on the valuation techniques and significant assumptions and unobservable inputs are indicate and should not be directly used without consultation with the health services independent valuer.

[(ii)] CSO adjustments of 25% were applied to reduce the market approach value for Rochester and Elmore District Health Service's specialised land.

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

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 Responsible persons disclosures
8.2 Remuneration of executives
8.3 Related parties
8.4 Remuneration of auditors
8.5 Events occurring after the balance sheet date
8.6 Joint arrangements

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 8.1 Responsible persons disclosures

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 Mary-Anne Thomas MP:	
Minister for Health	1 July 2025 - 15 April 2026
Minister for Ambulance Services	1 July 2025 - 15 April 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	1 July 2025 - 30 June 2026
Minister for Ageing	1 July 2025 - 30 June 2026
Minister for Multicultural Affairs	1 July 2025 - 15 April 2026
Minister for Multicultural Affairs and Multifaith Victoria	15 April 2026 - 30 June 2026
The Honourable Lizzy Blandthorn MP:	
Minister for Children	1 July 2025 - 30 June 2026
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	1 July 2025 - 30 June 2026
The Honourable Harriet Shing MP:	
Minister for Health	15 April 2026 - 30 June 2026
Minister for Ambulance Services	15 April 2026 - 30 June 2026
Governing Boards	
Ms Emma Millard (Chairperson)	1 July 2025 - 30 Jun 2026
Mr Brad Drust	1 July 2025 - 30 Jun 2026
Ms Anne-Marie Kelly	1 July 2025 - 30 Jun 2026
Mr Christopher White	1 July 2025 - 30 Jun 2026
Ms Narelle Lindsay	1 July 2025 - 30 Jun 2026
Mr David Rosaia	1 July 2025 - 30 Jun 2026
Mr Jim Brooks	1 July 2025 - 30 Jun 2026
Ms Melissa Silk	1 July 2025 - 30 Jun 2026
Ms Jenna Matthews	1 July 2025 - 30 Jun 2026
Accountable Officers	
Ms Mary Manescu	1 July 2025 - 30 Jun 2026

Remuneration of Responsible Persons

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

Income Band	2026 No	2025 No
$1-$9,999	8	10
$10,000-$19,999	1	-
$120,000-$129,999	-	1
$160,000-$169,999	-	1
$250,000-$259,999	1	-
Total Numbers	**10**	**12**

	2026 $'000	2025 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**308**	**329**

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

Note 8.2 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 comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis.

Remuneration of executives officers
(including Key Management Personnel disclosed in Note 8.3)

	Total Remuneration	
	2026 $'000	2025 $'000
Total remuneration [i]	205	181
Total number of executives	1	1
Total annualised employee equivalent [ii]	1.0	1.0

[i] The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Rochester and Elmore District Health Services under AASB 124 *Related Party Disclosures* and are also reported within Note 8.3 Related Parties.

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

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 8.3 Related Parties

The Rochester and Elmore District 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 – the Loddon Mallee Rural Health Alliance; and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

Significant transactions with government related entities

The Rochester and Elmore District Health Service received funding from the DH of $8.5m (2025: $10.2m) and indirect contributions of $115k (2025: $336k). Balances outstanding as at 30 June 2026 are nil (2025: nil).

Expenses incurred by Rochester and Elmore District Health Service in delivering services 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 Minister for Finance require Rochester and Elmore District 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.

Key management personnel

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

The Board of Directors and the Executive Directors of the Rochester and Elmore District Health Service are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
Rochester and Elmore District Health Service	Ms Emma Millard	Chair of the Board
Rochester and Elmore District Health Service	Ms Jenna Matthews	Chair of Corporate Governance Committee
Rochester and Elmore District Health Service	Mr Brad Drust	Board Member
Rochester and Elmore District Health Service	Ms Anne-Marie Kelly	Board Member
Rochester and Elmore District Health Service	Mr Christopher White	Board Member
Rochester and Elmore District Health Service	Ms Narelle Lindsay	Board Member
Rochester and Elmore District Health Service	Mr David Rosaia	Board Member
Rochester and Elmore District Health Service	Ms Melissa Silk	Board Member
Rochester and Elmore District Health Service	Mr Jim Brooks	Board Member
Rochester and Elmore District Health Service	Ms Mary Manescu	Chief Executive Officer
Rochester and Elmore District Health Service	Ms Meaghan Douglas	Director of Clinical Services

Remuneration of key management personnel

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

	2026 $'000	2025 $'000
Total compensation - KMPs [i]	513	511

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

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 occurs 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.

Except for the transactions listed below, 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 2026 (2025: none).

During the year, Rochester and Elmore District Health Service received a community grant of $50,000 from the Elmore, Lockington and Rochester Community Bank, contributing to the purchase and installation of 5 modular homes/units for the establishment of an Accommodation Hub. A member of the Board of Directors of Rochester and Elmore District Health Service is also a Director of the Elmore, Lockington and Rochester Community Bank. The Director did not receive any personal benefit from the grant. The grant was awarded under the Community Bank's normal community grants program and on terms and conditions available to other eligible community organisations. The transaction was conducted at arm's length. The Director declared their interest and did not participate in any Board deliberations or decisions relating to the grant (2025: none).

Note 8.4 Remuneration of Auditors

	2026 $'000	2025 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	28	27
Total remuneration of auditors	**28**	**27**

Note 8.5 Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Rochester and Elmore District Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 8.6 Joint arrangements

	Principal Activity	Ownership Interest 2026 %	Ownership Interest 2025 %
Loddon Mallee Rural Health Alliance	Information Technology	4.73	4.64

For the year ended 30 June 2026, Rochester and Elmore District Health Service's share of the joint operations financials was:

	2026 $'000	2025 $'000
Total revenue and income	1,257	823
Total expenses	1,273	967
Total net result	(16)	(144)
Total other economic flows	-	-
Comprehensive result for the year	(16)	(144)
Total assets	1,165	1,026
Total liabilities	891	729
Total equity	274	297

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date. Rochester and Elmore District Health Service is involved in joint arrangements where control and decision-making are shared with other parties. Rochester and Elmore District Health Service has determined the entities detailed in the above table are joint operations and therefore recognises its share of assets, liabilities, revenues and expenses in accordance with its rights and obligations under the arrangement.

Values and Behaviours

Reliability
being trustworthy and performing consistently well

Engagement
working collaboratively with people to address issues and opportunities to bring about positive change

Diversity
understanding that each individual is unique and recognising our individual differences

Hospitality
receiving and treating guests and strangers in a warm, friendly, generous way

Sustainability
meeting our current needs without compromising the ability of future generations to meet their needs



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