



Investing in
OUR FUTURE



2017-18
ANNUAL REPORT

OUR VISION

To be leaders in rural health care

OUR MISSION

East Grampians Health Service will improve our community's health and quality of life through strong partnerships and by responding to changing needs

OUR VALUE STATEMENTS



INTEGRITY

We value integrity, honesty and respect in all relationships



EXCELLENCE

We value excellence as the appropriate standard for all services and practices



COMMUNITY

We respect the dignity and rights of our community and acknowledge their beliefs, regardless of their cultural, spiritual or socioeconomic background



WORKING TOGETHER

We value equally all people who make a contribution to EGHS to achieve shared goals



LEARNING CULTURE

We strive to continually learn and develop through education, training, mentoring and by teaching others



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ESTABLISHMENT OF THE HEALTH SERVICE

East Grampians Health Service is one of rural Victoria's most innovative and progressive health services.

Established in 1995 East Grampians Health Service has developed its reputation as a leader in the delivery of high quality rural health care through the provision of integrated acute, residential and primary care.

The Annual Report, read in conjunction with our Quality Account Report *Community Matters* provides our community with comprehensive information to help them review our service performance.

East Grampians Health Service delivers quality health care that meets the needs of the community living in Ararat, Willaura, and throughout the local government area of Ararat Rural City. The Board, in partnership with all tiers of Governments, review community expectations through its Strategic Plan. Good governance is led by the Board and implemented by the Executive Team and staff who are committed to delivering patient centred care within economic restraints. Working together the Board and Executive Team continue to deliver appropriate and financially effective programs to the community.

The Annual Report will review the year's progress towards meeting the vision and mission of East Grampians Health Service.

Following our Annual General Meeting the Annual Report and our Quality Account Report *Community Matters* will be available on our website www.eghs.net.au

TRADITIONAL OWNERS

East Grampians Health Service acknowledges the traditional owners, both past and present, of the Jardwadjali and Djab Wurrung people.

ACKNOWLEDGEMENTS

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And thanks to the community and staff members who have contributed to this report.

COVER IMAGE:

Investing in our community - apprentice carpenter Logan Wilson.

SERVICES AND PROGRAMS

As a medium sized rural health service, East Grampians Health Service delivers to the community a comprehensive range of programs and services that are accessed through in-patient, residential, home and community based services. Our Health Service is located at Ararat and Willaura and also delivers programs throughout the Local Government Area of Ararat Rural City. The median age within the catchment area is seven years older than the national population and while general growth is forecast to be slow, the number of older people in the community is forecast to continue to increase.

CLINICAL

- Chemotherapy
- Inpatient Unit
- Infection Control
- Obstetrics including Midwifery, Domiciliary Midwifery
- Palliative Care
- Pharmacy
- Urgent Care

PERIOPERATIVE SERVICES

- Central Sterilising Unit
- Day Procedure Unit
- Haemodialysis
- Operating Suite
- Surgical Preadmission Unit

AGED CARE

- 70 Lowe Street
- Garden View Court
- Lifestyle Team
- Parkland House
- Willaura Day Centre
- Willaura Health Care

MEDICAL IMAGING

- General X-Ray
- Image Intensifier
- Multi-Slice CT Scanner
- OPG (Panoramic Dental X-ray)
- Ultrasound (including 3D/4D obstetrics, vascular, musculo-skeletal, interventional)

EXECUTIVE SERVICES

- Business Support
- Community Liaison
- Customer Feedback
- Human Resources

COMMUNITY SERVICES

- Ante Natal
- Aqua therapy
- Ark Toy and Activity Library
- Breast Health
- Cardiac Rehabilitation
- Chronic Disease Management
- Community Nursing Programs (District Nursing, Hospital Admission Risk Program, Regional Assessment Service, Hospital in the Home, Palliative Care, Post Acute Care and Healthy @ Home)
- Continence Support
- Dental services including outreach to schools and kindergartens
- Diabetes Education
- Dietetics
- Exercise Physiology
- Home Care Packages
- Occupational Therapy
- Patricia Hinchey Centre – social support groups
- Physiotherapy
- Podiatry
- Pulmonary Rehabilitation
- Social Work
- Speech Pathology
- Women's Health Clinic (PAP Testing)

FINANCE SERVICES

- Budget & Finance
- Corporate Services
- General Accounting
- Patient Billing
- Payroll
- Procurement/Stores
- Reception

DEVELOPMENT & IMPROVEMENT

- Accreditation
- Education and Professional Development
- Information & Communication Technology
- Occupational Health & Safety
- Organisational Development
- Quality & Risk
- Research

PYRENEES HOUSE EDUCATION CENTRE

- Education and Training
- Diploma of Nursing
- Function Centre
- Graduate Nurse Program
- Undergraduate/ Postgraduate Clinical Education

SUPPORT SERVICES

- Accommodation - staff & students
- Building Projects
- Catering (Internal/external functions & Café Pyrenees/ Meals on Wheels/Delivered Meals)
- Environmental (Cleaning/Linen/Waste)
- Fire & Emergency
- Maintenance (Preventative Maintenance/ Contracts & Agreements/Fleet Vehicles)
- Security

MEDICAL SERVICES

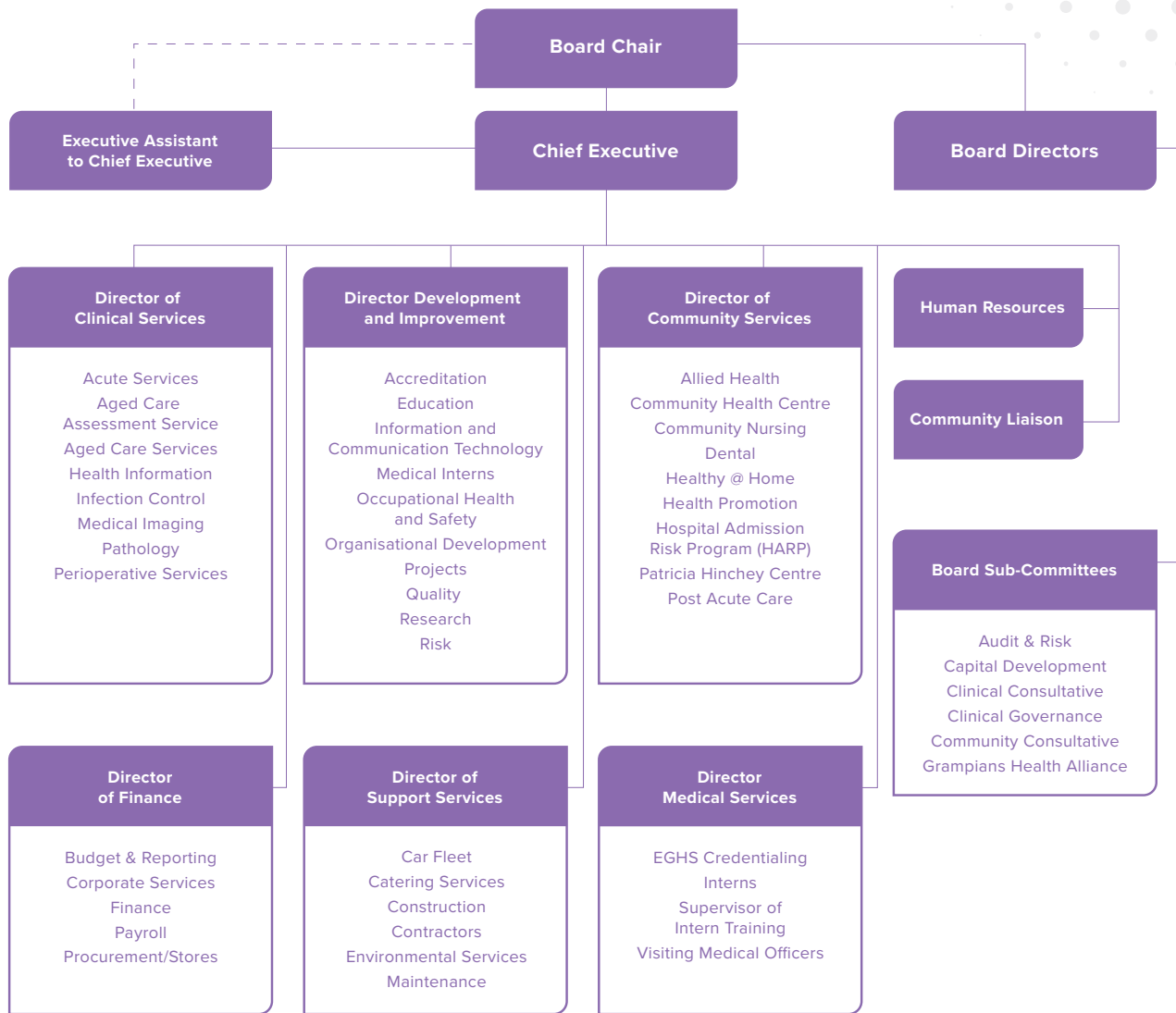
- Credentialing
- General Medicine
- General Surgery
 - Ear Nose & Throat
 - Gynaecology
 - Ophthalmology
 - Orthopaedics
 - Urology
 - Dental
- Medical Interns
- Supervision of Medical Interns
- Visiting Medical Officers

GRAMPIANS HEALTH ALLIANCE MEMBERS

- East Grampians Health Service (EGHS)
- Ballan District Health & Care (BDHC)
- Ballarat Health Services (BHS)
- Beaufort Skipton Health Service (BSHS)
- East Wimmera Health Service (EWHS)
- Hepburn Health Service (HHS)
- Maryborough District Health Service (MDHS)
- Stawell Regional Health (SRH)

Please refer to the site directory and map on the back cover for addresses and contact details.

ORGANISATIONAL STRUCTURE



STATEMENT OF PRIORITIES - Part A: Strategic Priorities

In 2017-18 East Grampians Health Service will contribute to the achievement of the Victorian Government's commitments by:

GOALS	STRATEGIES	DELIVERABLES	OUTCOME
<p>Better Health</p> <p>A system geared to prevention as much as treatment</p> <p>Everyone understands their own health and risks</p> <p>Illness is detected and managed early</p> <p>Healthy neighbourhoods and communities encourage healthy lifestyles</p>	<p>Better Health</p> <p>Reduce statewide risks</p> <p>Build healthy neighbourhoods</p> <p>Help people to stay healthy</p> <p>Target health gaps</p>	<p>Partner with the Ararat Rural Community in the development of the Municipal Health and Wellbeing Plan, identifying strategies to address healthy eating, physical activity and mental wellbeing that East Grampians Health Service will implement through community outreach and population health programs.</p>	<p>We partnered with providers in four Local Government Areas in the Grampians Pyrenees Primary Care Partnership region to promote healthy eating and physical activity as identified in the Grampians Pyrenees Integrated Prevention Annual Action Plan 2017-18.</p> <p>The community outreach program delivered healthy eating and oral health education to seven schools in Ararat Rural City and one Stawell school. 14 kindergartens in the Pyrenees, Northern Grampians and Ararat Rural City LGAs participated in oral health and nutrition education (Smiles 4 Miles). 10 of these kindergartens have been awarded Smiles 4 Miles recognition.</p> <p>The Health Service had a staff step-a-thon to coincide with the Premier's Active April. 22 teams entered and over 16 million steps were recorded.</p>
		<p>Review the physical activity programs of residents in the aged care facilities in order to develop an evidence based exercise program that can be equitably accessed for all residents.</p>	<p>We conducted individual assessments for residents of our Residential Aged Care Facilities to develop person centred activity programs to cater for individual capabilities. Where appropriate the residents' activity levels have been increased with some residents progressing from sitting to standing exercises.</p>
		<p>Work with Ballarat Health Services as part of the Strengthening Hospital Response to Family Violence to establish and implement a whole hospital model to identify and respond to family violence including implementation of the model, training and education of staff and screening of patients for early identification assessment and referral.</p>	<p>With mentoring provided by Ballarat Health Services, East Grampians Health Service has implemented a whole of hospital service model for responding to family violence, discrimination and harassment. We have developed policies and procedures to support both staff and consumers. Education regarding the whole of hospital response has been provided at mandatory education sessions while key contacts personnel are being recruited and trained in early identification, assessment and referral.</p>



GOALS	STRATEGIES	DELIVERABLES	OUTCOME
<p>Better Access</p> <p>Care is always there when people need it</p> <p>More access to care in the home and community</p> <p>People are connected to the full range of care and support they need</p> <p>There is equal access to care</p>	<p>Better Access</p> <p>Plan and invest</p> <p>Unlock innovation</p> <p>Provide easier access</p> <p>Ensure fair access</p>	<p>Review current demand and projections for surgical procedures for the local prison population and incorporate outcomes into the service plan.</p>	<p>We have completed a review and estimated the projected need for service, The Rural Access Pilot in conjunction with the local prison is complete. This new service includes access to specialist surgical service providers for treatment and follow-up care.</p>
		<p>Partner with Ballarat Health Services to expand the Regional Surgery Initiative which will ensure more patients have access to timely and safe surgical options. In doing so, reduce the surgical wait list at Ballarat Health Services. Review of our care coordination processes to increase the Hospital in the Home program so that more community members have the right access to care in the right place.</p>	<p>Successfully partnered with Ballarat Health Services as approximately 30% of surgical cases come from the Ballarat area. There is ongoing liaison and coordination between our Health Service, Ballarat Health Services and Visiting Medical Officers.</p> <p>We have redesigned our access and intake processes and created a coordinated approach program called Healthy@Home. The program has improved navigation of the health system and supports consumers to access timely and appropriate services. Staff have been recruited to deliver telehealth monitoring of vulnerable people at risk of an unplanned hospital admission. 32 consumers have enrolled in this program as at June 30 2018. In addition we have commenced a three month trial to extend District Nursing hours to eight pm, seven days a week.</p>
		<p>Partner with Ballarat Health Services to develop and implement protocols based on clinical capability of each health service to provide safe and appropriate inter agency patient transfers.</p>	<p>We participate as a member in the Regional Clinical Governance and the Regional Clinical Capability committee. These committees provide a platform for ongoing regional review. This year has concentrated on establishment of the committees. The first priority is to take a stocktake of capability within the region.</p>

STATEMENT OF PRIORITIES - Part A: Continued

GOALS	STRATEGIES	DELIVERABLES	OUTCOME
Better Care Target zero avoidable harm Healthcare that focusses on outcomes Patients and carers are active partners in care Care fits together around people's needs	Better Care Put quality first Join up care Partner with patients Strengthen the workforce Embed evidence Ensure equal care Mandatory actions against the 'Target zero avoidable harm' goal:	Deliver the maternity services Practical Obstetric Multi-Professional Training to all maternity and general practitioner obstetrics staff.	Practical Obstetric Multi-Professional Training, with the support of Victorian Medical Insurance Agency, has commenced. All Midwives and General Practitioners will receive training by the end of 2018.
	Develop and implement a plan to educate staff about obligations to report patient safety concerns.	Develop and deliver a staff education program that clearly sets out the organisations expectations regarding the reporting of patient safety concerns.	We have incorporated a staff education session for reporting and responding to patient safety concerns in its mandatory staff education program. Onsite training for 'escalation of care' has been delivered by the education team to clinical staff of inpatient and residential facilities.
	Establish agreements to involve with external specialists in clinical governance processes for each major area of activity (including mortality and morbidity review).	Partner with Ballarat Health Services to develop cross agency clinical governance processes to support in particular the areas of maternity morbidity and mortality reviews and surgical morbidity and mortality reviews.	We are an active member of the Regional Maternity Morbidity and Mortality committee. Contributions to case studies are made at all meetings. The Health Service also conducts its own maternity review meetings with its midwives and obstetricians attending to discuss cases and review care. The Health Service has progressed the implementation of a Perioperative Services Review committee and this will commence in the 2nd Quarter of 2018/19.
	In partnership with consumers, identify three priority improvement areas using Victorian Healthcare Experience Survey data and establish an improvement plan for each. These should be reviewed every six months to reflect new areas for improvement in patient experience.	Improve current medication management information for consumers ensuring it is appropriate and easy to understand using feedback from the consumer advisory committee.	An intensive review by the East Grampians Health Service's Pharmacist identified a number of improvements that the Health Service will undertake, with additional staff education taking place.
		Review current systems and processes to ensure that staff are always providing sufficient information to patients to support informed decisions about their treatment and care.	The Health Service has focused on bedside handovers as an avenue to provide information to patients and also to gather patient feedback. This has resulted in a more engaged workforce and positive response from patients.
		Through a review of systems and processes ensure that staff always seek consent from the consumer when involving student health professionals in their care and consumer feedback	The education team has reinforced the consent policy with the nursing, allied health and medical staff. Monitoring of consent occurs quarterly when the Victorian Hospital Experience Survey results are published.



PERFORMANCE PRIORITIES - Part B

Performance Priorities

KEY PERFORMANCE INDICATOR	TARGET	2017-18 ACTUAL
ACCREDITATION		
Accreditation against the National Safety and Quality Health Service Standards	Full compliance	Achieved
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full compliance	Achieved
INFECTION PREVENTION AND CONTROL		
Compliance with the Hand Hygiene Australia program	80%	89.8%
Percentage of healthcare workers immunised for influenza	75%	90%
PATIENT EXPERIENCE		
Victorian Healthcare Experience Survey - data submission	Full compliance	Achieved
Victorian Healthcare Experience Survey – patient experience Quarter 1	95% positive experience	99.3%
Victorian Healthcare Experience Survey – patient experience Quarter 2	95% positive experience	99.3%
Victorian Healthcare Experience Survey – patient experience Quarter 3	95% positive experience	100%
Victorian Healthcare Experience Survey – discharge care Quarter 1	75% very positive experience	95.5%
Victorian Healthcare Experience Survey – discharge care Quarter 2	75% very positive experience	94.5%
Victorian Healthcare Experience Survey – discharge care Quarter 3	75% very positive experience	91.2%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 1	70%	97.6%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 2	70%	94.2%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 3	70%	97.4%
ADVERSE EVENTS		
Number of sentinel events	Nil	Achieved
Death in Low Mortality DRG	Nil	N/A*
MATERNITY AND NEWBORN		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤1.6%	Achieved
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤28.6%	Achieved

*This indicator was withdrawn during 2017-18 and is currently under review by the Victorian Agency for Health Information

PERFORMANCE PRIORITIES - Part B: Continued

Strong governance, leadership and culture

KEY PERFORMANCE INDICATOR	TARGET	2017-18 ACTUAL
ORGANISATIONAL CULTURE		
People matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	97%
People matter survey – percentage of staff with a positive response to the question, “I am encouraged by my colleagues to report any patient safety concerns I may have”	80%	99%
People matter survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	98%
People matter survey – percentage of staff with a positive response to the question, “My suggestions about patient safety would be acted upon if I expressed them to my manager”	80%	97%
People matter survey – percentage of staff with a positive response to the question, “The culture in my work area makes it easy to learn from the errors of others”	80%	97%
People matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	99%
People matter survey – percentage of staff with a positive response to the question, “This health service does a good job of training new and existing staff”	80%	94%
People matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	91%
People matter survey – percentage of staff with a positive response to the question, “I would recommend a friend or relative to be treated as a patient here”	80%	98%

Effective financial management

KEY PERFORMANCE INDICATOR	TARGET	2017-18 ACTUAL
ACCREDITATION		
FINANCE		
Operating result (\$m)	0.00	-0.35
Average number of days to paying trade creditors	60 days	44
Average number of days to receiving patient fee debtors	60 days	16
Public and Private WIES activity performance to target*	100%	96.73%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.32
Number of days of available cash	14 days	40.6

The changes arising in the WIES funding model following the introduction of AR-DRG version 8 in 2016–17 have impacted East Grampians Health Service's ability to recognise WIES activity in 2017–18. The department has acknowledged these issues at a system level and provided assurances around minimum funding levels throughout 2017–18.



PERFORMANCE PRIORITIES - Part C

Activity and Funding

FUNDING TYPE	2017-18 ACTIVITY ACHIEVEMENT
ADMITTED	
WIES DVA	45
WIES Public	2,218
WIES Private	446
WIES TAC	1
ACUTE NON-ADMITTED	
Home Enteral Nutrition	63
Specialist Clinics - Public	1,310
SUBACUTE & NON-ACUTE ADMITTED	
Maintenance Public	45
Subacute WIES - Palliative Care Public	7
Subacute WIES - Palliative Care Private	1
AGED CARE	
Residential Aged Care	29,289 Bed Days
HACC	4,235 Service Hours
PRIMARY HEALTH	
Community Health / Primary Care Programs	5,627 Service Hours
OTHER	
Health Workforce	11 Students

*WIES is a Weighted Inlier Equivalent Separation

BOARD CHAIR REPORT

The responsibility of Chair of East Grampians Health Service is a challenge that I have enjoyed since taking up the position. It's a role in which I have been ably supported by the Board who have worked alongside me to establish good governance, strategic priorities and plans that will ensure that our community will continue to receive safe, high quality care delivered by an appropriately qualified workforce.



In this aim I am supported by the Chief Executive Nick Bush, the Executive Team and staff to manage the day to day operational responsibility of providing health care to the community. So it is with a degree of regret that I have to announce that Nick has taken up the appointment of Chief Executive at another Health Service which he commences at the beginning of the next financial year. Nick has achieved so much in the time that he has been here. He has worked collaboratively with the Board and nurtured his staff in order to achieve the best results for patients, residents and clients. He will be missed. We thank him sincerely for his commitment to our community and wish him well in the future.

For the third successive year East Grampians Health Service was a finalist in the Premier's Medium Sized Health Service of the Year. My sincere compliments to the Chair of the Board of Benalla Health, Ms Louise Armstrong, who were named winner in 2017-2018.

Over the past three years, given current financial constraints, the Board has invested robustly and wisely to ensure that our community will always receive quality care from a workforce that is highly educated and motivated. The Health Service has increased its service delivery across a whole range of programs enabling more people to be cared for within their own community. This is an excellent outcome for our community, as research indicates people receiving care within their own communities will often have better health outcomes.

Last year I reported on the steps the Board had taken to implement Targeting Zero, an important document reviewing safety and quality assurance within the healthcare system. I will expand on measures that have been introduced during this financial year that demonstrate the Board's investment in and commitment to safe quality care.

We are indebted to the State Government for its generous funding of \$4.12 million for the redevelopment and extension of the Community Health Centre, which is now well underway. Streamlining services will create real opportunities for more efficient service delivery as well as expanding our home-based community nursing service. The expansion of this service is in direct response to community input, following our Strategic Planning workshop. This is a fantastic outcome and the Board was invigorated at the level of community interest and response.

Our Organisational Values are as important to the Board as to the staff. They guide the Board in overseeing the duty of care; the physical and financial health of the Health Service, its environmental sustainability and, of course, its ongoing future viability.

My report will focus on our Values from a strategic perspective.



INTEGRITY

We value integrity, honesty and respect in all relationships

Members of the Board are privy to sensitive information on which they base their decision making to advance the cause of good governance and quality health care for our community. This has been achieved through respect, discretion and collegiate trust. We could not have achieved the excellent results without it. I thank each Board member as they invest many hours to study and understand policies, government legislation and the environment in which the Health Service operates.

I want to acknowledge David Hosking Chair of EGHS Building for the Future Foundation. David oversees the management of the Foundation, which is a huge responsibility and one that he carries out with integrity and financial capability. The Foundation supports the aims of the Health Service by raising and allocating funds to invest in its future. Since its inception the Foundation has allocated 19 bursaries to help staff upskill to provide extended capacity to the organisation. Workforce shortages will remain a challenge for us but by focussing on key areas we have been able to support clinical staff in their commitment to upgrade their qualifications. In particular the Foundation has supported the training of Midwives. It would be inconceivable to imagine this crucial service ceasing due to lack of appropriately trained nurses. The Foundation, led by David Hosking, is growing its profile within the community to increase donations and bequests.



Jessica Baird, David Hosking and Rebbekkah Seeary.

EXCELLENCE

We value excellence as the appropriate standard for all services and practices

As a Board we ask no more of our staff as we ask of ourselves, and time and again we are rewarded by excellent results from their diligence and focus on quality outcomes. A key to achieving results that meet and surpass expectations is to meet with and listen to our community. We believe in open communication and invite interested community members to participate in the management of our Health Service through participation on the Board and its sub-committees. An annual Open Access Board meeting for our community and staff members provides them with a better understanding of Health Service processes. Following a Board Strategic Planning workshop the community was invited to provide feedback to the Plan. We found this invaluable to help shape future services. Clearly workforce shortages are of a concern to our consumers and from discussions following the Strategic Planning workshop a decision has been taken to increase our Hospital in the Home service.

It's pleasing to note that both Board and Executive Team members are represented on regional and state committees and have the opportunity to influence decision making to ensure safe quality care is delivered in the Grampians Region.

REPORT OF OPERATIONS

COMMUNITY

We respect the dignity and rights of our community and acknowledge their beliefs, regardless of their cultural, spiritual or socioeconomic background

Targeting Zero had a profound effect on our Health Service and our relationship with the community. Good governance is paramount to the way in which the Board prioritises the delivery of safe, quality care to our community. The Board has been diligent in addressing the issues identified in Targeting Zero. This has been achieved through reflection, consultation and education of staff throughout the Organisation.

Respect is such an important aspect of how the Board and staff interact with each other and with those people who choose to be cared for at our Health Service. We neither judge nor criticise our diverse community. We are enriched by staff born overseas and have a deeper understanding of their lives as they share their cultures and interests. Policies have been developed to ensure that patients, clients, residents and staff are treated equally.

We enjoy a collaborative approach to the health and wellbeing of our Indigenous community. I thank Tim Chatfield Chief Executive Officer of Budja Budja Aboriginal Cooperative for working so readily with our staff to increase services to improve health outcomes for Aboriginal clients. Our knowledge of Aboriginal culture has certainly been enhanced through this approach.

It is with sadness that I acknowledge the death of Dr Graeme Bertuch OAM. Graeme was an extraordinary person who gave so very much to our community. Graeme worked in Ararat for 38 years at the Ararat Medical Centre and as a Visiting Medical Officer for the Health Service. Graeme invested his time in our community upgrading and broadening his skill base and mentoring young doctors and instilling in them the love of rural practice. Graeme gave so much of himself to East Grampians Health Service and was a great support as well as to the wider Ararat community. He will be missed.

WORKING TOGETHER

We value all people who make a contribution to EGHS to achieve shared goals

The Board is grateful that the State Government has shared its vision of growing community services within our catchment area. Its generous funding of the development and expansion of our Community Health Centre will enable a range of shared services to be delivered under one roof and free up some acute bed based funds that can be used in the community. Our partnership with Ararat Rural City Council on this project will result in more effective and efficient services for our community. It is both fiscally and clinically responsive and we are all looking forward to the completion of the project including the development of the Ararat Eagles Clubrooms for the Australian Catholic University's Diploma of Nursing course.



Eagles clubrooms.

Our Health Service is fortunate to have the most amazing group of people who commit hours of work through volunteering as an auxiliary member, as a lifestyle volunteer or getting on a bike and riding hundreds of kilometres all in the name of a good cause! These strong supporters ask for no other reward than that of helping the Board achieve its aim of delivering safe, quality care. The Board joins me in sincerely thanking you for your commitment and dedication. And, of course, there are other members of the community who generously support us. We are indebted to you all because, in all truthfulness, the Health Service would not be able to provide such a comprehensive lifestyle program or purchase much needed equipment without this wonderful level of support.

Regional health partnerships are important to the provision of financially efficient Health Services. The Grampians Health Alliance (membership on page 04) is a significant group of Health Services who work together to share knowledge, experiences and to investigate ways in which they can work more efficiently and cooperatively. The Alliance will continue into the future with representatives from Boards meeting on a regular basis, with the Chief Executive group ceasing to meet. There has been a number of significant benefits such as shared payroll, purchasing, implementation of an automated rostering system and a shared electronic medical record.



LEARNING CULTURE

We strive to continually learn and develop through education, training, mentoring and by teaching others

It is thanks to the generosity of a number of philanthropic trusts and bursaries that the Board has been able to award scholarships to staff to enable them to upskill in their chosen field. Without this level of financial support it would be more challenging for staff to undertake further studies that continue to assist in the health and wellbeing of the community.

On behalf of the Board I wish to acknowledge:

- The Angela Laidlaw Clinical Scholarship Kirby Connarty
- Building for the Future Foundation Jess Sladdin
- Building for the Future Foundation Cass Stewart
- Freemasons Victoria Kirsten O'Connor

Our Grampians Medical Training Intern Program is now in its fourth year and the success of the program is demonstrated by the number of doctors who have chosen to stay and practice in rural locations. I particularly want to thank Dr Eric Kennelly Director of Medical Services and all of the supervising doctors who provide training and support to the interns. This program provides a broad range of practical opportunities that are not usually available in metropolitan hospitals. In our program, the interns have increased hands on involvement in theatre as well as spending time in general practice. Besides East Grampians Health Service, the interns complete rotations at St John of God Ballarat Hospital, Maryborough District Health Service and three GP clinics: Ararat Medical Centre, and Maryborough's Nightingale Clinic and Clarendon Medical Centre.

We continue to invest in the training of our future nursing workforce and this year 19 students will graduate in July 2018 in the course, which is conducted in partnership with Australian Catholic University. We are grateful to Stawell Regional Health, Wimmera Health Care Group and Ararat Retirement Village who share in the placement of students.

There has been a steady rise in the number of clinical and non-clinical education and training days over the past few years and this demonstrates the investment by the Health Service to continuous education and the commitment by staff to always strive to gain more skills.

IN CONCLUSION

As I stated last year, this was my final year as Board Chair and Board Director. I have been encouraged by the trust that so many people have placed in me. It has been the most wonderful experience working with staff whose primary focus is the care of others.

I want to thank Treasurer Russell Barker and Vice Chair Nancy Panter for their support of me and the position of Board Chair. Russell has managed the finances of the Health Service diligently and with the greatest integrity. He has been thoughtful in his management of all matters financial and has invested wisely to ensure that the Health Service continues to meet all its financial obligations. In this endeavour he has been well supported by Director of Finance Tony Roberts. Russell is also stepping down from the Board this year and I want to thank him for his dedicated service and wish him the best for the future.

Nancy has brought a fresh approach to the Board and her knowledge and commitment to governance and community have been invaluable. I wish her well as she takes over as Board Chair. I know that she will have the support of the Board, the Chief Executive and staff as she continues the strategic investment in this very excellent Health Service.

It has been an honour to represent your Health Service. Thank you.

Matthew Wood

Board Chair

RESPONSIBLE BODIES DECLARATION

Responsible Bodies Declaration as at 30 June 2018

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for East Grampians Health Service for the year ending 30 June 2018.

Nancy Panter

Board Vice Chair

East Grampians Health Service

28 August 2018

CHIEF EXECUTIVE'S REPORT

In the seven years since I was appointed to the position of Chief Executive of East Grampians Health Service there are two aspects of care that I have never waived from; delivering first class health care and seeing the potential in all members of staff and providing them with educational opportunities. I am passionate about education.



I see the benefits over and over, from individual staff members, from patients, residents, clients and carers through to families, friends and volunteers.

This has, of course, all been made possible with the support and confidence of the Board and, through them, the Executive Team who have shared my vision of a health service that continues to develop to meet the health needs of a diverse and growing community.

I believe that my role as Chief Executive requires an in-depth knowledge and understanding of health policies from all tiers of government and an ability to interpret the strategic direction and vision of the Board to the broader internal and external communities.

The success of our Organisation has been achieved through the belief in our staff; trusting their commitment and ability and in return providing opportunities for professional and personal development.

An investment in our staff is an investment for the future wellbeing of our community. This is achieved by investing in:

- Education
- Bursaries and scholarships
- Sustainability
- Recruitment and retention
- Training
- Infrastructure
- Technology
- People

Our Organisation has continued to grow and, against all expectations, the Health Service was a finalist for the third year in succession in the Premier's Medium Sized Health Service of the Year. Our congratulations go to Benalla Health for its achievement on being named the winner. It is a moment to savour and be very proud of.

The 2018 Annual Report will reflect on the strategic investment by the Board and how this has been translated into operational results.

Again this year the results from the Victorian Healthcare Experience Survey demonstrate that the care we provide meets our community's expectations. Our Health Service has been consistently above the state average since the survey was first introduced three years ago, with 99% of respondents rating the care they receive in hospital as very good or good, compared to 92% for the State and 97% for our peer group.

The outcome of the People Matter Survey, an annual voluntary staff survey again confirmed that when you provide an honest, trusting work environment you are repaid with commitment, loyalty and dedication. Excellent results in 2016 and 2017 have been followed up with strong results this year, indicating an ongoing commitment to our Organisational Values.

The guiding principles of our Organisation are our Value Statements, developed by the Board and staff to reflect what we truly believe in as we deliver quality health care to the community.



INTEGRITY

We value integrity, honesty and respect in all relationships

To achieve integrity, honesty and respect we have worked diligently to establish an organisational culture of trust. Trust takes many forms – in the operating theatre between a surgeon and the multidisciplinary team working together to achieve the best outcome for the patient; between the Board and Executive Team to fulfill mandatory government objectives; between the Health Service and its community.

Our Health Service is trustworthy; this has been demonstrated by the excellent results from the People Matter Survey and the Victorian Healthcare Experience Survey. However, we acknowledge that we don't always get it right, but our approach to problem solving rather than diminishing the trust the community has in us, has strengthened our relationship with the community. An action plan has been developed to address areas within the People Matter Survey where organisational improvements need to be made. A robust compliments and concerns process allows our community to feel comfortable about discussing significant issues that relate to the delivery of appropriate health care services in our catchment area.

I am confident that each member of staff believes in our values and continues to build on personal and professional strengths to ensure that East Grampians Health Service continues to earn the respect and trust of the community.

This is possibly best demonstrated by the number of staff who have been employed by our Health Service for a significant number of years:

- currently 25 employees have been with us for 30 years plus
- 15 employees for 25 years plus.



Rodney Taylor, EGHS staff member for 30 years

We know from the World Health Organisation report that oral disease in children and adults is higher among poor and disadvantaged populations. This has strengthened our impetus to provide targeted oral health services and programs for our community. A comprehensive report can be read in Community Services on page 26.

EXCELLENCE

We value excellence as the appropriate standard for all services and practices

Our Health Service has gained a reputation for going above and beyond the norm. This has been demonstrated by excellent results in the Victorian Healthcare Experience Survey and the number of staff upskilling, both of which have been recognised by the State Government. Our Health Service has been a finalist for three successive years in the Premier's Medium Sized Health Service of the Year and for 2015 and 2016 we were awarded the prestigious commendation. While not the winner this year, we were sitting along side the best in the State in the comparative group and I am very proud of the work carried out by staff in their endeavour to always aim to excel in every aspect of service delivery. I am confident that staff will continue to strive to deliver the very best quality health care for our community.

Seven days a week, 24 hours a day, clinicians, students, support service staff, administrators, patients, residents, clients, volunteers and visitors come through the doors of the facilities that make up our Health Service. Each expects to be treated with respect and in an environment that delivers safe, quality care. The Board and Executive Team are confident this is and always will be achieved. The Health Service participates in all mandatory surveys and is fully accredited.

There has been an increase in our permanent staff over the past three years due to an expansion of service delivery in the areas of operating days in our second theatre, community based packages EGHS@Home and our contract with Hopkins Correctional Centre. At the Correctional Centre we provide a range of services from short stay and surgical procedures that require overnight care, to medical imaging and allied health.

Our aged care residents have all been important members of the community in one way or another and during their life-time have invested many many hours in caring for others.

REPORT OF OPERATIONS

Now it's their turn to be cared for and I want to thank our aged care staff for the way in which they care for our elderly residents who are certainly deserving of our respect. It's also rewarding to see the number of family members who take an active role in the care of their loved ones. Over the past 12 months we have been working with our aged care residents and their families to ensure that we understand their care wishes. Each resident and family was offered an interview with an independent facilitator to see if we could improve their care including end of life care. This has resulted in 95% of aged care residents having an Advance Care Plan and an increase of 26% of acute admitted patients over 75 with an Advance Care Plan.

We were the first Health Service in our region to cease selling sugar laden drinks; we have now expanded this excellent initiative to working towards becoming recognised as a healthy eating workplace for the Healthy Victoria Achievement Program. We are committed to offering healthy food choices for patients' and residents' meals, functions and all meals at Café Pyrenees. Our aim, and responsibility, is to improve the health and wellbeing of our employees and those in our care, with a flow on effect to the wider community. The 2015 Victorian Population Health Survey indicated that those in our community who were obese or pre-obese in 2008 had decreased by 1.80% compared to a state-wide Victorian increase of 0.60%. These results are promising and we will continue to support and encourage good eating by example.



L-R: Caroline Rafferty, Jody Sutherland, Tammy Nisbet, Ann Brasser and Mandy Thomas (Moncrieff)

COMMUNITY

We respect the dignity and rights of our community and acknowledge their beliefs, regardless of their cultural, spiritual or socioeconomic background

We live in an exciting time, where cultural diversity is acknowledged and celebrated. Our catchment area is home to a growing number of traditional owners and our Health Service employs a workforce from over 14 different countries.

As more people choose to live in our catchment area it's useful that our staff reflect the diversity of the community. To support this growth in population we now provide written information in a number of different languages.

The Health Service has been working with key community groups in its aim to actively support diversity both in the workplace and in the broader community. This includes people diagnosed with a range of disabilities as well as people identifying as Indigenous, culturally and linguistically diverse communities, and lesbian, gay, bisexual, transgender and intersex (LGBTI) people. This year we have reviewed and updated our current policies to ensure that we protect the rights of individuals and provide opportunities for employment.

Consumers are integral to our decision-making processes at all levels of the Organisation. This ranges from care planning for an individual to strategic planning for the Organisation. Consumer engagement has played an important role in the renovations for Willaura Health Care, with input on initial refurbishment planning through to furnishings and fittings from residents, their families and members of the broader community. The end result has been very well received.

We have continued to expand and mature our Organisational wide consumer participation strategy. We have established a diverse range of consumer involvement that has enhanced our program significantly. Consumers are of all age groups, individuals and representatives of community organisations and of varying backgrounds and abilities. This broad representation of consumers reflects the diversity of our community and has been very well received. The expansion of our consumer participation strategy has driven positive change throughout our Organisation. It is pleasing to note that the feedback we receive from participating consumers is how proud they are to be given the opportunity to participate and to see the improvements implemented.



WORKING TOGETHER

We value all people who make a contribution to EGHS to achieve shared goals

Indeed we do value, and are extremely grateful, to the many individuals and organisations, whom we call our stakeholders, that work with us to ensure we are able to deliver first class quality health care. Stakeholders share our values and help us deliver key benefits to people seeking quality health care.



L-R: Michael Kelly, Carly Croton, Lisa Haddow, Michael McKerron, Charlie Reid, Carolynne Smith, Alan Young, Nikki Berg, Ken McCready

I particularly want to acknowledge:

- Three tiers of government
- Volunteers
- Auxiliaries
- Murray to Moyne cyclists
- Victoria Police Blue Ribbon Foundation
- Members of the Grampians Health Alliance
- Tertiary Institutions
- The media
- Our community
- Importantly, our staff

Without the ability to work together, to share ideas and information, to be visionary and creative, it would be so much harder to achieve our goals.

We have always enjoyed a collaborative relationship with local agencies and this was strengthened by the development of Community Services Integration Ararat last year. This collaborative approach has been cost effective, underpinning a shared wellness and reablement model of care that has benefitted all our clients.

The co-location of Ararat Rural City's Maternal and Child Health Service and Home and Community Care Services within our re-developed Community Health Centre building will further enhance efficiencies and service delivery. An initiative we introduced last year EGHS@Home has continued to expand our community based aged care packages.

We are confident that we can offer a true alternative to residential aged care for our community and feedback certainly indicates that clients are happy to remain in their own home while receiving the level of care and treatment they require.

We have over 150 volunteers and five auxiliaries who work collaboratively and creatively to deliver on our commitment of improving our community's health and wellbeing. They are truly our ambassadors, proud of their community and willing to support us to achieve our aims. The EGHS Auxiliary, Willaura Auxiliary, Patricia Hinchey Centre Auxiliary, EGHS Aged Care Auxiliary and the Murray to Moyne Cycle Relay team have been outstanding in their efforts and achievements to raise funds that have contributed significantly to purchasing equipment, furnishings and lifestyle activities.

Last year we introduced a Young Professionals Network through our staff welfare program. Good Stuff for Staff has certainly helped to provide a supportive and welcoming environment and has assisted in developing long-term retention. This strategy is related to a research project between the University of Melbourne Department of Rural Health and our Health Service.

I would like to acknowledge the following tertiary institutions:

- University Western Sydney – podiatry
- La Trobe University (Bendigo and Bundoora) – podiatry
- La Trobe University (Bendigo) – dental
- Deakin University – medicinal, social work, occupational therapy, dietetics
- Australian Catholic University – nursing
- Monash University – medical
- Melbourne University – medical
- Notre Dame University – medical
- University of Sydney – medical
- University of Queensland – medical
- Australian National University - medical

Research:

- University of New South Wales Rural Clinical School research collaborative – the Big Ararat Health Study – one of the largest health surveys conducted in rural Australia. Data informed clinicians and helped participants make changes to their lifestyle
- Federation University – exploring staff views on implementing the Montessori Model of Care in our aged care facilities.

REPORT OF OPERATIONS



70 Lowe Street mural

LEARNING CULTURE

We strive to continually learn and develop through education, training, mentoring and by teaching others

An educated workforce has to be one of the greatest benefits to our Organisation and the wider community. Last year, following the release of Better, Safer Care: delivering a world-leading healthcare system written in response to Targeting Zero, the review of hospital safety and quality assurance in Victoria by Professor Stephen Duckett, our Health Service has focused on providing appropriately trained staff to provide clinical excellence in the delivery of quality health care. With the support of educators, staff learn the necessary skills to perform particular tasks, confident in their own abilities and also confident to ask questions of their managers.

Since 2010 clinical placement days have increased from 1244 to 3275 – an overall increase of 2031 days.

Our managers play a critical role in developing and mentoring members of their teams. They are also willing to share their knowledge with colleagues from other health services. This altruistic approach enriches their lives and ensures that patients across the whole of the Grampians Region have access to good quality health care based on structured, comprehensive education and training.

Workforce shortages remain a real challenge. However, our award winning program Learning, Education, Training and Sustainability (LETS) continues to focus on the workforce capability of clinical and non-clinical staff. The strategies that have been developed focus on upskilling and educating our local workforce, encouraging clinical and non-clinical staff to take on the professional development of other staff and to provide education opportunities locally to attract and retain local residents. LETS has proved to be an excellent example of investing in both staff and the community to provide opportunities for developing a safer, healthier community.



Back L - R: Emma Harris, Karen Kopycinski, Macala Brennan

*Front L - R: Alexandra Lavery, Zacara Flockhart,
Hannah McDonald-Fenwick, Natalie Wohlers*

We have invested in the development of young people through work experience and the provision of a school based traineeship. We have also conducted a school-based program PARTY (Preventing Alcohol and Risk Related Trauma). These education days provide students with a better understanding of the consequences of travelling under the influence of drugs and alcohol. The response from local schools to participate in these initiatives has been excellent.

Our Graduate Nurse Program continues its successful mentoring and provision of career pathways for graduate nurses. For the first time a Registered Nurse/ Paramedic has been included in the intake of seven nurses in the program.

We became a full partner in Western Alliance Academic Health Science Centre and Network. Partners in Western Alliance are working to improve the health and wellbeing of communities through collaborative health care, research, education and training.

IN CONCLUSION

This has been another important year for our Health Service. Workforce shortages are having a significant impact on service delivery and this has given us a real opportunity to review our whole of organisation approach to our community's future health needs and expectations.

We will continue to invest strongly in:

- training and education
- youth and work experience
- fostering regional relationships
- infrastructure
- our community

I thank again the Board for the trust it places in me. Our ability to work collaboratively has produced excellent benefits for our community.

I sincerely thank the Executive Team and staff across the Organisation for their trust, honesty, humour and hard work – and for always putting the patient at the centre of all their decision-making.

This is an excellent community and a wonderful Health Service; a place where I have been very happy to live and come to work.

So it is with mixed emotions that I have accepted the position of Chief Executive at Echuca Regional Health. I shall be leaving behind friends and colleagues who are committed to improving the health and wellbeing of the community. I will miss witnessing your strong commitment and drive to deliver high quality health care with an eye on always improving.

Thank you all for making my family and I so welcome. I am confident that the next incumbent will enjoy the same level of support from the Board, staff and community as I have. I take away very fond memories. Thank you.

Nick Bush

Chief Executive

CLINICAL SERVICES



Clinical Services has an impact across the whole spectrum of health care, from birth through to end of life care, diagnostic services and infection control.

Investing in:



MIDWIFERY EDUCATION

- The Midwifery Department provides a high quality maternity and midwifery service with a dedicated team of Midwives and GP Obstetricians who deliver strong, supportive partnerships with expectant mothers and their families.
- Seven Registered Nurses have completed “Contribute to Maternal and Infant Health Care” course to assist Midwives caring for women and their babies postnatally on the ward. The course was held locally and delivered by Victoria University.
- Two Midwives undertaking Post Graduate courses.
- Three Midwives and one General Practice Obstetrician are educating all acute nursing staff for Obstetric emergencies using Practical Obstetric Multi-Professional Training Program (PROMPT). The program provides scenarios to assist in an emergency using our own equipment and resources, tailored to our needs.
- We have continued our partnership with The Royal Women’s Hospital and Ballarat Health Services that has enabled our Midwives to attend clinical placements to observe the care associated with higher risk pregnancies and births.
- A Lactation Midwife is available on site for antenatal and postnatal advice. Since being introduced positive consumer feedback suggests that this service is very popular.



L-R: Lorine Paterson, Leonie King, Marg Driscoll and Margie Kilpatrick.

THE FUTURE

- We are preparing for another maternity and midwifery services consumer forum, following on from the successful initial forum held in 2016. Women who have birthed here both before and after the first consumer forum will be invited to attend so they may gain an understanding of how the recommendations that were implemented have impacted on the birthing experience.

INPATIENT UNIT - EDUCATION

- Two ward clerks are undertaking Certificate IV in Business Administration with South West TAFE online to increase their skills.
- On a rotational basis, students are placed in the ward. We are able to provide excellent hands-on learning and in return the students deliver a positive attitude, which patients and staff enjoy.

TECHNOLOGY

- BOSSnet, a digital medical record, has been introduced to improve access to patient information including pathology and radiology results. With ease of access to information, transfers to and from Ballarat are more efficient.



L-R: Viv Burridge, Christine Van Straaten, Caroline Hamilton.

SAFETY

- A camera has been installed on the front entrance to the Unit. This provides an excellent level of safety for staff to see who is requesting entry after hours.

URGENT CARE CENTRE - PATIENT CARE

- During the year there has been an increase in throughput of patients and complexity of procedures.
- The Unit has three Rural Isolated Practice Endorsed Registered Nurses who are able to treat some of the patients without medical input.
- Smart Phone and Phillips monitor to be installed for use by staff to improve patient care.
- EyeConnect links local Urgent Care Centres and Emergency Departments with specialists at The Royal Victorian Eye and Ear hospital. The aim is to care for people locally whenever possible and by linking with a specialist consultation saves unnecessary travel.

DIVISIONAL REPORT

AGED CARE WILLAURA CAMPUS - FUTURE SERVICES

- The annual Willaura Market continues to be a well-run community event, raising many thousands of dollars for the Willaura campus. The Market is eagerly anticipated and this year was a finalist in the Neoen Grampians/Pyrenees Business Awards. Many congratulations to the coordinator, Jane Millear, and everyone who contributes many hours of work to its success.



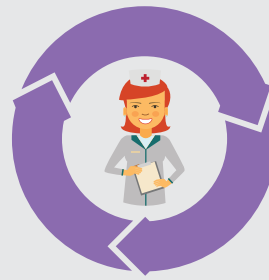
L-R: Judy Paterson, Mandy Heard, Jane Millear, Val Albert, Heather Fleming, Jan Laidlaw

AGED CARE 70 LOWE STREET

- Data over the last three years indicates that the Montessori Model of Care has significantly reduced responsive behaviours among our residents by 29%, enhancing their independence, improving their self-esteem and increasing engagement and communicative capacity.

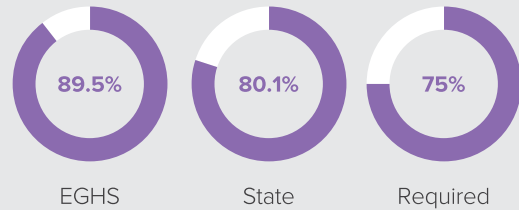


Lowe Street mural



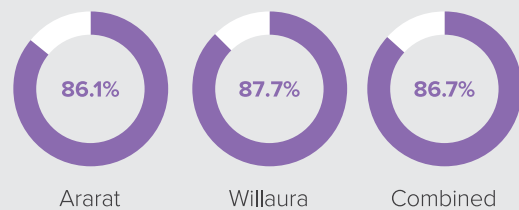
INFECTION CONTROL STAFF INFLUENZA

Staff influenza vaccination rates for 2017 flu season were

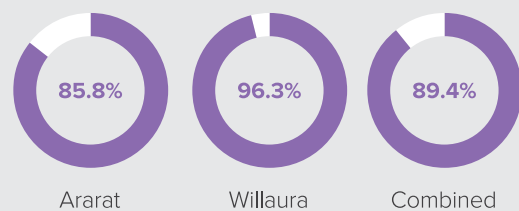


HAND HYGIENE

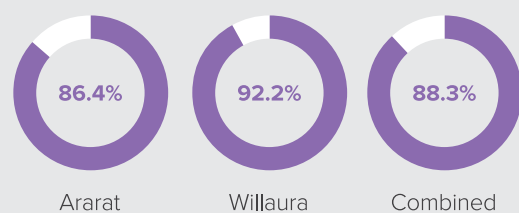
Audit 2, 2017



Audit 3, 2017



Audit 1, 2018





Ashleigh Rodger, MD3 Deakin University

COMMUNITY SERVICES



Community Services delivers dental and oral health, Patricia Hinchey Centre, women's health, community nursing, allied health, chronic disease management and health promotion. Many of our services provide outreach into people's homes, or in community settings such as the Bush Nursing Centres and the Willaura campus.

Investing in:



OUR FUTURE

- Our population is ageing and this directly affects the increasing number of people with chronic and complex diseases. Rural populations also have poorer health outcomes and higher health risks and Ararat is no exception. This is creating demand on acute and emergency health services and budgets. Therefore investment in the future of Community Services is vital.
- Nationally and internationally, health systems are increasing their investment in community services and systems to keep people well in their homes and reduce preventable admissions into hospitals.
- The State Government's \$4.12 million contribution was much appreciated. (refer to page 12 for report).
- New consulting rooms for the Ararat Rural City's Maternal and Child Health Nurses will enable greater collaboration and early intervention to provide mother and infant wellbeing and services such as Speech Pathology, Dietetics, and Women's Health.
- A permanent and purpose built area for the Ark Toy & Activity Library will ensure volunteers can continue their great work in providing toys for children with special needs. This service has expanded to include people who have physical and development disabilities, chronic illness and other long term injuries and illnesses that may impact on the person's ability to participate in everyday play and social opportunities. The Centre is supported by a dedicated auxiliary and volunteers who raise thousands of dollars annually to purchase special equipment and toys.



L-R: Premier Andrews, Nancy Panter and Toby

HOME CARE SERVICES AND SUPPORT

- A majority of elderly people are choosing to live at home with the support of families and community care. East Grampians Health Service provides a comprehensive package of care options through several funding streams including Healthy@Home telehealth service, Home Care Packages, the Commonwealth Home Support Program, and The Patricia Hinchey Centre.
- Healthy@Home is a new service model that commenced in April with 36 patients enrolled. It is designed to better support people at risk of readmission to hospital or frequent presentations to Urgent Care. In 2016/17 there were 592 unplanned or emergency admissions into the Health Service and 110 people were admitted three or more times in the year. The Department of Health and Human Services has invested some recurrent acute services funding to trial this alternative model of home support.
- Community Nursing extended the hours of District Nursing to 8 pm, seven days per week for a three month trial. This will be evaluated and inform future models of care to better support people to remain well and at home.
- EGHS@Home provides a comprehensive range of services including personal care, gardening, maintenance and other services important to remaining at home.
- The Commonwealth Home Support Program provides a coordinated service for frail elderly people living at home requiring assistance for daily living tasks.
- The Patricia Hinchey Centre provides planned activities for approximately 25 clients daily, with an average of 580 client visits a month. The Patricia Hinchey Auxiliary and volunteers are an important aspect of the daily activities of the centre. The money raised by the auxiliary benefits the clients, paying for outings and other activities. At least two volunteers are at the centre every day providing valuable support for the lifestyle coordinator in the activities.

DIVISIONAL REPORT



Dental Technician Rebbekkah Seary

COLLABORATION AND PARTNERSHIPS

- Community Services works with a range of other service providers to deliver programs and services efficiently, effectively and at other service locations to enable access.
- Our Dentists, Diabetes Educators and Podiatrists have provided clinics within Budja Budja Aboriginal Co-operative with funding provided by the Rural Workforce Agency Victoria to support this initiative.
- Occupational Therapists, Physiotherapists, Podiatrists, Diabetes Educators and Dental staff provide visiting services to Langi Kal Kal and Hopkins Correctional Facilities on a weekly or fortnightly basis.
- Rural outreach clinics have continued at Elmhurst and Lake Bolac Bush Nursing Centres throughout the year. Visiting services include cervical screening, social work, exercise classes, physiotherapy, dietetics, and diabetes education.
- Community Services has also partnered with Stawell Regional Health to develop and deliver approximately 8000 patient services through Chronic Conditions Model of Care. This program is funded by the Western Victorian Primary Health Network and involves service re-design to provide multi-disciplinary care for people living with diabetes, cardiovascular disease, chronic obstructive pulmonary disease or arthritis.
- Partnerships with Grampians Community Health, Grampians Pyrenees Primary Care Partnership, Beaufort Skipton Health Service, Stawell Regional Health, and East Wimmera Health Service are helping to reduce the prevalence of chronic disease risk factors and maximise health and wellbeing outcomes for all people across the Grampians Pyrenees catchment area.
- Dental Therapists visited eight primary schools to provide oral hygiene and dietary education sessions. Fourteen kindergartens in the Pyrenees, Northern Grampians and Ararat Local Government Areas participated in the Smiles 4 Miles oral health and nutrition program. Ten of these kindergartens have been awarded with Smiles for Miles accreditation.
- Our response to family violence has been strengthened through a partnership with Ballarat Health Services. This initiative is part of the State Government's response to the Royal Commission into Family Violence and requires health services to develop and implement a "whole-of-hospital" model for responding to family violence now and over the next two to four years.



Lauren Miller and kinder kids



Occupational Therapist Lyndsie Fogarty

ORAL HEALTH

- Dental decay is the second most costly diet-related disease in Australia, with an economic impact comparable with heart disease and diabetes. Providing a dental service that provides accessible and timely interventions has been a priority for our dental clinicians.
- Additional funding has been received from Dental Health Services Victoria to reduce our waiting list by 200 people. Dental clinic treated a total of 2,282 patients and 1,364 eligible adults. Total of 6,897 visits.
- A total of 791 children under the age of 12 are treated at no cost, this is a local initiative to increase access. The dental van visited ten schools within the Ararat Rural City and two other schools participated in the school dental program with 279 children screened.
- Fifth year Dental students from La Trobe University, Bendigo, continue to provide education and assist with examinations.
- Specialist dental clinics for Aboriginal and Torres Strait Islander people are held at Budja Budja Aboriginal Cooperative and at the Community Health Centre dental clinic. Outreach dental screenings were provided for residents in Golden Gate Lodge a supported residential service, 70 Lowe Street and Garden View Court.

OUR FUTURE WORKFORCE

- Creating a dynamic environment that is inviting and supportive encourages students and new graduates to join Community Services. During the year nine new graduates joined the Community Services team filling roles in dental, physiotherapy, occupational therapy, dietetics and podiatry.
- A regional New Graduates program has also enabled these staff to network and receive further training with colleagues from other Health Services.

DEVELOPMENT & IMPROVEMENT



Development & Improvement supports the Organisation by implementing, delivering and monitoring systems and processes that provide the framework for good clinical governance.

Investing in:



PATIENT SAFETY

- The Health Service is up to date and fully accredited with all statutory bodies that oversee accreditation and internal auditing.
- Each year clinicians' registrations are checked and confirmed with scope of practice reflecting the degree of competency and qualifications required of them to undertake medical, nursing and allied health procedures.

FUTURE HEALTH CARE

- As with other rural health services, workforce sustainability is an ongoing challenge. The introduction of the Diploma of Nursing two years ago delivered by Australian Catholic University has provided real opportunities for local people to consider a career in nursing. This year six of the 19 students in the current cohort have been employed as trainee Enrolled Nurses at 70 Lowe Street and Garden View Court, with three other students working as Personal Care Workers at 70 Lowe Street. The recruitment process is underway for commencement of the Diploma course in July 2018.



L-R: Donna Bradshaw, Chris Le Gassick, Meg Brown

- The Grampians Regional RUSON (Registered Undergraduate Student of Nursing) model has been introduced this year to provide undergraduate nurses the opportunity to regularly work in a regional health service to enhance their nursing skills once registered.



L-R: LaTrobe University Dental Student Kai Ting Yeoh and Dentist Adren Alinejad

PARTNERSHIP AND COLLABORATION

- Some graduate nurse program study days have been combined with other rural graduate nurses from the Grampians Region – Stawell Regional Health, East Wimmera Health Service and Rural North West Health Service. This has provided excellent networking opportunities for graduate nurses and educators.
- Allied health graduates are attending a regional mentorship program that gives them the opportunity to network with the same discipline in a group setting.
- Planning and administration of undergraduate clinical placements for 13 disciplines working in partnership with education provider partners – 10 Higher Education and three TAFE providers.
- Working with Ballarat Health Services SIMVAN educators to plan the delivery of simulation and clinical skills education for nursing and midwifery teams.

RESEARCH

- There is an increasing expectation by governments and communities for evidence-based healthcare practice, as health policies impact upon the way services are delivered to the community. The Health Service plans to introduce an Honours Graduate position for 2019, as an investment in research and its future at the Health Service.
- Introduction of 'Brown Bag' sessions as an opportunity for interested staff to participate in discussions of ideas, new knowledge, scientific opinions or preliminary results and receive valuable peer feedback in an informal setting. The sessions are supported by research experts from Western Alliance, Federation University and Deakin University.
- Development of a research database that captures brainstormed research ideas from across all disciplines within the Organisation.

LEARNING

- The philosophy of the Health Service is to offer as many students from the Diploma of Nursing positions as Enrolled Nurses. (Refer to Investment in Future Health Care above)
- Supporting Ararat Community College with a trainer to run the Vocational Education and Training (Health Services Assistant) program.
- Creating a positive education culture by using Best Practice Clinical Learning Environment Framework to enhance clinical training.
- Increasing number of applications for career progression from 43 last year to 72 this year.

EXECUTIVE SERVICES



Executive Services delivers a supportive, sustainable environment that encourages open and honest communication with all stakeholders.

Investing in:



PEOPLE MATTER SURVEY

- Investing in our staff through education and mentoring has resulted in our Organisation receiving consistently strong results over several years.
- Results can be found in the Statement of Priorities on page 10.

CONSUMER FEEDBACK

- We understand the importance of nurturing strong partnerships with our local community. This is based on trust and a willingness to review our service delivery. Victorian Healthcare Experience Survey results can be found in the Statement of Priorities on page 09.
- We welcome feedback and since restructuring our compliments/complaints process seven years ago we now receive eight compliments to one complaint, rather than three compliments to one complaint.

WHOLE-OF-PERSON RETENTION PROJECT

- This innovative project commenced last year and is being undertaken in partnership with the University of Melbourne, Department of Rural Health. It focuses on supporting new staff, particularly early career nursing and allied health professionals.
- Research indicates that allied health professionals are twice as likely to leave rural areas than doctors and nurses; this project will support the retention of appropriate, quality staffing in clinical areas to provide high quality services to our community.
- Turnover and retention measures will be developed to monitor changes in avoidable turnover into the future.

WORKFORCE

- We continue to use contemporary recruitment practices based on fair and equitable employment principles. A Diversity Action Plan acknowledges our responsibility to remain inclusive and responsive to the health and wellbeing of our whole community whatever their sexual orientation and beliefs.

WORKFORCE STATISTICS

HOSPITALS LABOUR CATEGORY	JUNE CURRENT MONTH FTE*		JUNE YTD FTE**	
	2017	2018	2017	2018
Nursing	123.52	130.8	121.10	121.20
Administration and Clerical	48.10	52.33	47.04	48.34
Medical Support	8.24	8.30	8.46	8.39
Hotel and Allied Services	72.39	79.60	72.67	74.10
Medical Officers	0.34	0.38	0.04	0.36
Hospital Medical Officers	8.00	8.00	6.27	7.86
Sessional Clinicians	0.00	0.00	0.00	0.00
Ancillary Staff (Allied Health)	19.85	26.16	20.78	20.70

CULTURE

- We continue to focus on Learning and Development with improved and streamlined performance management processes to promote a safe environment for cultural change.
- Quicker and more targeted return to work plans and support for staff with WorkCover injuries have been introduced.
- Access has been increased to Human Resources, People and Culture support and guidance, particularly for new and emerging managers.

FUTURE HEALTH CARE

- Continued support of work experience, student workplace learning placement and Community Service programs to introduce local students to a health vocation as a future career.
- Australian Catholic UniversityCOM Diploma of Nursing training on site providing in house training and education for future Enrolled Nurse workforce.
- Trainee Enrolled Nurses (those completing their Diploma studies whether at our Health Service or elsewhere) on site working shifts to give practical experience in context with academic learning.
- Clinician to Manager training supporting our departmental managers in the development of their managerial skills.
- Improving Performance leadership workshops providing external speakers with expertise and experience in leadership.

FINANCIAL SERVICES



Financial Services provides sound fiscal advice for the Board and Executive to develop processes to deliver a strategic direction to deliver safe quality and appropriate services to the community.

Investing in:



THE COMMUNITY

- This year we particularly want to acknowledge the ongoing efforts of the Auxiliaries and Foundations that for many years have supported EGHS. The thousands of dollars they have contributed is truly a remarkable achievement. We are grateful for their dedication over so many years.

MEETING FINANCIAL OBJECTIVES AND SERVICE PERFORMANCE

- Maintaining the range of services our community demands comes at an ever increasing cost. The financial side of delivering health care is increasingly harder to balance.
- This year saw the Health Service post an operating loss of \$469k or 1.2% of operating budget, after accounting for employee entitlements.
- Total Operating revenue from all sources totalled \$37.79M for the Health Service and our Total Operating Expenditure was \$38.16M.
- The Health Service ensures that it can meet its financial obligations by maintaining an adequate current asset ratio. As at 30 June 2018 the consolidated current asset ratio was 1.06 and had combined net available cash holdings of \$2.39M.

INFRASTRUCTURE

- Government grants provide a significant source of funding for capital investment, which is complemented by community fundraising and donations.
- The \$4.12M capital re-development of the Community Health Centre commenced this year with the generous support of the State Government. This innovative project is an investment in the future of health services for our region.
- East Grampians Health Service remains committed to maintaining and developing its buildings and equipment so that users of the service and clinicians have access to contemporary facilities. This year a total of \$2.26M was invested in updating our assets.

Comparative Financial Results for the Past Five Financial Years

FOR THE PAST FIVE FINANCIAL YEARS	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000	2014 \$'000
Total Revenue	41,664	37,787	35,631	32,423	32,156
Total Expenses	41,634	38,752	36,719	34,122	33,729
Other Operating flows included in the Net result	135	(2)	(185)	NA	NA
Net Result for the Year	165	(967)	(1,273)	(1,699)	(1,573)
Operating Result	(469)	6	679	63	89
Total Assets	51,424	49,731	51,122	49,813	51,629
Total Liabilities	11,999	10,119	11,370	8,715	8,832
Net Assets	39,425	38,796	39,752	41,099	42,797
Total Equity	39,425	38,796	39,752	41,099	42,797

The Operating result is the result for which the hospital is monitored in its Statement of Priorities, also referred to as the Net result before capital and specific items.

MEDICAL SERVICES



Medical Services will continue to deliver comprehensive, safe medical care by appropriately qualified doctors and will continue its support of the training of medical interns.



L-R: Danielle Barry, Sean Keem, Sorcha Stapleton, Lachlan McLean, Anji Vara, Dahien Manoharan, Samantha Balachandran, Trivedi Soni

ONGOING TRAINING FOR RURAL MEDICINE

- Now in its fourth year, the Grampians Medical Training Program has gained a reputation for excellence and comprehensive hands-on training for medical interns. We are able to provide more opportunities for practical clinical experience and patient interaction than larger metropolitan hospitals.
- The quality of applicants is significantly impressive and this year we had 120 applicants for our eight intern positions.
- We acknowledge the support and contribution of Maryborough District Health Service, St John of God Ballarat Hospital, Nightingale Clinic and Clarendon Medical Centre (Maryborough) and Ararat Medical Centre, in the delivery of this rural medical training program.

SERVICE DELIVERY

- With the support of Visiting Specialists from Ballarat, we are able to keep waiting lists to a minimum.
- Operating theatres fully utilised five days a week.

PARTNERSHIPS

- Our Health Service enjoys excellent relationships with both Ballarat Health Services and St John of God Healthcare, in the delivery of medical services and training programs.
- Medical staff from the Ararat Medical Centre provide exemplary training in the teaching of interns. The clinical practice at the Centre has been recognised for its commitment to the highest standards.

PEOPLE

- At the Annual General Meeting we were delighted to acknowledge Dr Neil Provis-Vincent for his 20 years' service as a General Practitioner/Anaesthetist and Dr Charles Reid for 30 years' service as a visiting Dentist.

THE FUTURE

- Obstetric services are vital in rural health. We value greatly our well-trained Obstetric/GPs and midwives who continue to provide this important service for local women. We are determined that this service will continue and have invested resources for ongoing education of junior doctors. Our Obstetric service is in an excellent position, compared to some other rural hospitals.
- Preliminary investigations are taking place for permanent medical staffing of our Urgent Care Centre.

SUPPORT SERVICES



Support Services maintains standards above Government and community expectations in the cleaning and maintenance of buildings, continues to monitor the Health Service's environmental impact and encourages healthy eating through the provision of well-planned nutritious catering options.

Investing in:



THE ENVIRONMENT

- Introduction of “keep cups” for staff and visitors. This has reduced the number of disposable cups.
- Removal of soft drinks from all vending machines and Café Pyrenees, reducing the size of snacks and meals, increasing the amount of nutritious food, free fresh fruit throughout the Health Service and healthy catering options for staff, residents and users of our function facilities.
- Continued replacement of old lighting with LED lights. Installation of C-Bus (high robust and control system for lighting) as buildings upgraded.
- Energy efficient domestic hot water systems to be installed throughout the organisation, following successful funding from Engineering Infrastructure fund, Department of Health and Human Services.

SAFETY FOR CONSUMERS AND STAFF

- CCTV installed in Urgent Care, 70 Lowe Street and Inpatient Unit.
- Swipe card access to Theatre, Inpatient Unit, Urgent Care, Garden View Court Hostel, 70 Lowe Street and Parkland House (Willaura campus).
- Funding received from the State Government to upgrade security at the Willaura campus.

INFRASTRUCTURE

- In partnership with Ararat Rural City, the Health Service has removed and converted the old Ararat Eagles clubrooms as training rooms for Diploma of Nursing students. This will increase training opportunities for local residents who can study locally rather than having to travel to Melbourne or Ballarat for education.
- Expansion of the Community Health Centre in a major refurbishment and construction project. The completed building will include the colocation of Ararat Rural City's Primary Care Services, Community Nursing, Allied Health, Dental, consulting rooms, activity, education and meeting rooms as well as The Ark Toy and Activity Library.



Contractor Andrew Eastick



L-R: Kaye Chamings, Debbie O'Brien, Stuart Kerr, Allycia Kelly, Melissa Murdoch (ARC), Pru Cosgriff and her daughter

CORPORATE GOVERNANCE

Responsible Ministers
and Officers for the
reporting period
1 July 2017 – 30 June 2018

STATE

- Hon Jill Hennessy MLA
Minister for Health and Minister
for Ambulance Services
Member for Altona

DEPARTMENT OF HEALTH & HUMAN SERVICES

- Kym Peake
Secretary

RURAL AND REGIONAL HEALTH

- Andrew Crow
Director Rural and Regional Health

BOARD

As at 30 June 2018

Chair: Matthew Wood

Vice Chair: Nancy Panter

Treasurer: Russell Barker

Board Members: Fiona Cochrane

Don Cole

Mary

Cruickshank

Heather Fleming

Jay Petty

Annie Rivett

Chief Executive: Nick Bush

Bankers

Commonwealth Bank of Australia

Solicitors

Health Legal

Auditors

Coffey Hunt Chartered
Accountants

Internal Auditors

HLB Mann Judd

COMMITTEES

- Audit and Risk
- Building for the Future Foundation
- Capital Development
- Clinical Consultative
- Clinical Governance
- Community Consultative
- Grampians Health Alliance
- Grampians Region Building Board
Capacity Advisory
- Medical Appointments
& Credentialing

AUDIT & RISK COMMITTEE

PURPOSE: To oversee and advise the Board on matters of accountability and internal control affecting the operations of East Grampians Health Service.

Board Members:

- Lucy Tribe
- Ken Weldin

Health Service Representatives

- Nick Bush, Chief Executive
- Tony Roberts, Director
of Finance
- Mario Santilli, Director Development
& Improvement

BOARD

The Board comprises dynamic members of our community who have demonstrated a commitment to good corporate and clinical governance, strategic planning and business acumen. To ensure a wide cross section of skills that will benefit our Health Service, a skills matrix has been established that identifies gaps with new members appointed by the Governor-in Council on the advice of the Minister for Health. This is usually for a period of three years, with the option of applying for reappointment. The powers and functions of the Board are regulated by the Health Services Act 1988 and the By-Laws made in accordance with the Act. Members of the Board receive no remuneration, but can be reimbursed for expenses incurred when undertaking Board member duties.

OUR BOARD



CHAIR

Matthew Wood

Manager of Risk, Emergency Services and Local Laws, Ararat Rural City Council

Board Member since 01.07.11

Term of Appointment
01.07.15 – 30.06.18

[Committee Membership](#)

Building for the Future Foundation
Grampians Health Alliance
Grampians Region Building Board
Capacity Advisory



VICE CHAIR

Nancy Panter BA

Owner SubRosa Winery and Marketing Consultant

Board Member since 01.07.14

Term of Appointment
01.07.17 – 30.06.20

[Committee Membership](#)

Clinical Governance
Community Consultative



BOARD DIRECTOR

Heather Fleming BEd(Sec)

Farmer

Board Member since 01.07.08

Term of Appointment
01.07.16 – 30.06.19

[Committee Membership](#)

Community Consultative
Building for the Future Foundation



TREASURER

Russell Barker BBus(Acc), MIT

Business Manager, Marian College

Board Member since 01.07.13

Term of Appointment
01.07.15 – 30.06.18

[Committee Membership](#)

Audit & Risk
Capital Development



BOARD DIRECTOR

Annie Rivett RN, DIPCE MBA

Manager Central Allocations Unit, Ballarat Health Services

Board Member since 01.07.15

Term of Appointment
01.07.17 – 30.06.20

[Committee Membership](#)

Clinical Governance



BOARD DIRECTOR

Fiona Cochrane BPharm

Pharmacist

Board Member since 01.07.14

Term of Appointment
01.07.17 – 30.06.20

[Committee Membership](#)

Audit & Risk
Capital Development
Clinical Governance



BOARD DIRECTOR

Jay Petty BCom, CA

Manager Financial Services, Northern Grampians Shire Council

Board Member since 30.11.17

Term of Appointment
01.10.17 – 30.06.20

[Committee Membership](#)

Clinical Governance



BOARD DIRECTOR

Don Cole BEng, MBA

Director of Assets, Finances and Corporate Services, Ararat Rural City Council

Board Member since 01.07.13

Term of Appointment
01.07.16 – 30.06.19

[Committee Membership](#)

Audit & Risk
Clinical Consultative



BOARD DIRECTOR

Mary Cruickshank PhD, MEdSt, BAppSci, RN

Head of School of Nursing, Midwifery and Healthcare, Federation University

Board Member since 30.11.17

Term of Appointment
01.10.17 – 30.06.20

[Committee Membership](#)

Clinical Governance

EXECUTIVE TEAM



CHIEF EXECUTIVE: Nick Bush

MHA, Grad Dip HSc(Admin), Grad Cert Crit Care, Dip HSc(Nsg), GAICD

Appointed: 2011 – resigned 13 July 2018

The Chief Executive is responsible for leading an effective workforce that delivers appropriate health care within the parameters of government policy, financial responsibility and demographic sensitivity. The Chief Executive works with the community to explore ways in which East Grampians Health Service continues to deliver services and programs to the diverse communities of rural Western Victoria. The Chief Executive also has line management for Business Support including Compliments and Concerns, Human Resources and Community Liaison.



DIRECTOR MEDICAL SERVICES: Eric Kennelly

BSc, MBBS, DipRACOG, AFRACMA

Appointed: 2011

The Director of Medical Services has a medical leadership role within the Health Service with responsibility for credentialing and privileging of all Visiting Medical Officers to define their scope of practice. The Director is also responsible for aspects of the Health Services' Medico legal work. He liaises closely with his colleagues from other Grampians Region health services to ensure that clinical practice throughout the region reflects current best practice in rural health care. The DMS contributes to the quality service provision.



DIRECTOR DEVELOPMENT & IMPROVEMENT: Mario Santilli

MBA, RPN, GradCertBusMan, GradDipPsychNsg

Appointed: 2010

The Director of Development & Improvement has responsibility to integrate Risk Management across the Organisation, to ensure that all Standards for Accreditation are met by providing safe and quality care. The Director also investigates ways in which the Health Service can reflect Government priorities strategically. The Director oversees research, information technology, education and management of interns. The Director works closely with staff to enhance their knowledge of quality, risk processes and systems.



DIRECTOR OF FINANCE: Tony Roberts

BCom, Grad Dip ICAA

Appointed: 2015

The Director of Finance provides strategic financial advice and manages the Health Service's finances within agreed parameters. He has financial and operational responsibility for Budget and Finance, General Accounting, Payroll, Inpatient and Sundry Billing, Reception and Supply. The Director of Finance supports the development of finance management skills and expertise with departmental heads.



DIRECTOR SUPPORT SERVICES: Stuart Kerr

PIHHC, Dip Bus

Appointed: 2007

The Director Support Services is responsible for Catering, Café Pyrenees/ Functions, Environmental/Cleaning and Linen Services, Fire & Emergency/ Security, Maintenance (including Preventative Maintenance Programs, Building Maintenance, Project works and Compliance Reporting), Management of Contractors Agreements and Fleet Management.



DIRECTOR OF COMMUNITY SERVICES: Sally Philip

MBA Human Resources Management, B AppSc (Phys Ed)

Appointed: 2018

The Director of Community Services is responsible for the services provided through the Community Health Centre, Healthy@Home and Patricia Hinchey Centre.



DIRECTOR OF CLINICAL SERVICES: Peter Armstrong

RN, RPN, BNsg, GradDipPsychNsg, MBA, Cert IV T&A

Appointed: 2013

The Director of Clinical Services is responsible for the management of the Acute Inpatient Unit, Urgent Care Centre, Oncology Services, Perioperative Services, which includes Day Procedure, Pre Admission and Dialysis, Medical Imaging, Aged Care, Willaura Health Care, Pathology Services, and Infection Control.

SENIOR STAFF



(as at 30 June 2018)

EXECUTIVE SERVICES

Chief Executive (Freedom of Information Principal Officer)

Nick Bush *MHA, Grad Dip H Science (Admin) Grad Cert Crit Care, Dip of H Sc (Nursing), GAICD*

Executive Assistant to Chief Executive

(Customer Feedback Officer)

Jo Summers *AdDipMgmt*

Human Resources Manager

Ros Bloomfield *Cert IV in Employment Services*

Community Liaison Officer

Jodie Holwell

FINANCIAL SERVICES

Director

Tony Roberts *BCom, Grad Dip ICAA*

DEVELOPMENT AND IMPROVEMENT

Director

Mario Santilli *RPN, Grad Cert Bus Man, Grad Dip Psych Nsg, MBA*

Manager Development & Improvement

Sarah Woodburn *B AppSc (Pod), Grad Dip HSci (Ex.Rehab), Grad Cert Mgmt, MBA*

Manager Training & Development

Claire Sladdin *RN, Grad Dip HSci (Cardiac Care), Cert IV in Workplace Training and Assessment*

Information Technology Consultant

Ian Seaman *DipLG*

COMMUNITY SERVICES

Director

Sally Philip *MBA Human Resources Management, B AppSc (Phys Ed)*

Manager Community Nursing - including District Nursing and Palliative Care

Jane Bourman *RN, GradCertHealth*

Manager Patricia Hinchey Centre

Jacinta Harman *EN End, DipBusMan*

Senior Dentist

Matthew Campbell *BDS(Hons), FRACDS, LLB*

Chief Physiotherapist

Christine Perry *BAppSc (Physio), GradCertMgmt*

SUPPORT SERVICES

Director

Stuart Kerr *PIHHC, DipBus*

Executive Chef/Co-ordinator

Michael Kelly *Cert III in Commercial Cookery, DipBus, Cert IV in Workplace Training and Assessment*

Maintenance

Ann Grierson *AdDipMgmt*

Environmental Services Co-ordinator

Dayle Smith

CLINICAL SERVICES

Director

Peter Armstrong *RN, RPN, BNsg, GradDipPsychNsg, MBA (Child Safety Officer)*

Chief Medical Imaging Technologist

Craig Newson *BAppSci Medical Imaging, GradDipAppSciMedical Ultrasound*

Manager Acute Services

Lorine Paterson *RN, DipBus*

Manager Perioperative Services

Jane Smith *RN, BN, GradDipNsg(Periop), Cert Infection Control and Sterilisation*

Manager Health Information

Nicki Blackie *BMRA*

Manager 70 Lowe Street

Tanya Haslett *RN, ACFI Assessor*

Manager Garden View Court

Maree Fraser *RN, AdvDipMan(Human Resources)*

Manager Willaura Healthcare

Christine McArthur *RN, CNA*

Pharmacist

Olga Karia *BPharm(Hons)(Russia), PostGradCertClin Pharm(UK), MSHP, MPS*

Infection Control Co-ordinator

Linden Marland *B Nsg, RN, Cert Steril & Inf Cont*

MEDICAL STAFF

(as at 30 June 2018)

DIRECTOR OF MEDICAL SERVICES

Dr Eric Kennelly *BSc MB BS
DipRACOG, AFRACMA*

VISITING MEDICAL STAFF

Dr Swemtha Bandaru (*Registrar*)

Dr David Breed *MBBS*

Dr Michael Connellan *MBBS,
DRANZCOG, FRACGP, FACRRM*

Dr Allison Choong *MBBS*

Dr Mark Deary *MBBS, (Zimbabwe)*

Dr Prasad Fonseka *MBBS (Sri Lanka)*

Dr Adam Ghazal *MBBS (Syria)*

Dr Amanda Gibbons *MBBS*

Dr Megan Helper *MBBS, FRACGP,
DRANZCOG Advanced*

Dr Allan Huynh *MBBS*

Dr Edgardo Lou *MD (Philippines)*

Dr Luhong Min *MBBS*

Dr Derek Pope *MBBS, DRANZCOG,
FACRRM*

Dr Pieter Pretorius *MBChB (Pretoria)
M.Med (Family Medicine) FRACGP*

Dr Emily Price *MBBS*

Dr Novreen Rasool *MBBS*

Dr Kylie Rix *MBBS*

Dr Carolyn Sebastian *MBBS*

Dr Eric Van Opstal *MBBS, DGM,
D.Pall Med FRACGP, DRANZCOG,
FACRRM*

Dr Chee Sheng Wong *MBBS,
DRANZCOG (Advanced), FRACGP*

ANAESTHETIST

Dr Neil Provis-Vincent *MBBS,
BMedSci.(Hons), FACRRM*

CARDIOLOGIST

Dr Christopher Hengel
MBBS, FRACP

Dr Rodney Reddy *MB ChB, FRACP*

EAR, NOSE & THROAT SURGEON

Mr Niall McConchie *MBBS, FRACS*

GENERAL SURGEONS

Dr Ruth Bollard
MBChB, FRCS, FRACS

Dr Michael Condous *MBBS, FRACS*

Dr Thomas Fisher
MBBS (Melb) FRACS

Mr Abrar Maqbool *MBBS, FRACS*

Mr Ahmed Naqeeb *MBBS, FRACS*

Dr Kontoku Shimokawa *MBBS,
FRACS*

GYNAECOLOGIST

Mr Michael Bardsley *MBBS,
DRANZCOG, FRACGP, FRANZCOG*

Mr Michael Carter
MBBS, FRANZCOG

Ms Katrina Guerin
MBBS, DRANZCOG

Ms Carolyn Wilde
MBBS, FRANZCOG

NEPHROLOGY

Dr Iqbal Hussain *MBBS, FRACP,
MRCP (UK)*

ONCOLOGIST & HAEMATOLOGIST

Dr Craig Carden *MBBS, FRACP*

OPHTHALMIC SURGEON

Mr David Francis *MBBS, FRANZCO*

Mr David McKnight
MBBS, FRANZCO

Mr Trent Roydhouse
MBBS, FRANZCO

Mr Michael Toohey
MBBS, FRANZCO

ORTHOPAEDIC SURGEON

Mr Scott Mason *MBBS, FRACS*

PALLIATIVE CARE

Dr Penny Cotton *MBBS, FACHPM*

Dr Greg Mewett *MBBS, DRCOG,
FRACGP, FACHPM*

RADIOLOGISTS

Dr Damien Cleeve *MBBS, FRANZCR*

Dr John Eng *MBBS, FRANZCR*

Dr Robert Jarvis *MBBS, FRANZCR*

Dr Sarah Skinner *MBBS FRANZCR*

Dr Jill Wilkie *MBBS RCR*

Dr Julius Tamangani
MBChB (Hons), MSc, FRCR

UROLOGISTS

Ms Lydia Johns Putra *MBBS, FRACS*

VISITING DENTAL STAFF

Dr Charles Reid *BDSc (Liverpool)*

Dr Yea Lee Shu *BDS*

Ms Kaylene Jackson
(Dental Therapist)

LEGISLATIVE COMPLIANCE



EAST GRAMPIANS HEALTH SERVICE COMPLIES WITH BOTH STATUTORY AND FINANCIAL DISCLOSURES UNDER ALL RELEVANT ACTS AND LEGISLATION.

CONFLICT OF INTEREST

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

Nick Bush
Accountable Officer
East Grampians Health Service
28 August 2018

ATTESTATION ON COMPLIANCE WITH HEALTH PURCHASING VICTORIA (HPV) HEALTH PURCHASING POLICIES IS REQUIRED

I, Nick Bush certify that East Grampians Health Service has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the HPV Health Purchasing Policies including mandatory HPV collective agreements as required by the Health Services Act 1988 (Vic) and has critically reviewed these controls and processes during the year.

Nick Bush
Accountable Officer
East Grampians Health Service
28 August 2018

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Nancy Panter, on behalf of the Responsible Body, certify that East Grampians Health Service has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and instructions.

Nancy Panter
Accountable Officer
East Grampians Health Service
28 August 2018

DATA INTEGRITY

I, Nick Bush, certify that East Grampians Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. East Grampians Health Service has critically reviewed these controls and processes during the year.

Nick Bush
Accountable Officer
East Grampians Health Service
28 August 2018

LEGISLATIVE COMPLIANCE (continued)

BUILDING ACT 1993

The Health Service continues to comply with the Building Act 1993 and Standards for Publicly Owned Buildings November 1994, as under FRD22F (Section 6.17b)

Members of the Capital Development Committee are responsible for providing high-level management oversight of large Capital projects that fall outside the delegation of the Chief Executive. The committee provides direction and support to project managers and related staff to support the successful delivery of East Grampians Health Service Capital Projects.

All Contractors engaged on works for the Health Service are required to show evidence of current registration and other relevant documentation such as insurances and public liability. This is controlled through an electronic data base program called iAsset for the control of Contract Management.

The following works and maintenance were undertaken during the year to ensure that the Health Service conforms with the relevant Standards.

Building Works	3
Building certified for approval	3
Works in construction and subject of mandatory inspection	3
Occupancy Permits issued	1

Maintenance

Notices issued for rectification of substandard buildings requiring urgent attention	Nil
Involving major expenditure and urgent attention	Nil
Building Condition Assessment	Yes
Essential Services Maintenance	Yes

CARERS RECOGNITION ACT 2012

The Health Service values carers and actively promotes recognition of this vital role both in the community and the Health Service. Policies have been developed to ensure employees understand their obligations in relation to this Act, and carry out their duties to reflect the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationship.

CAR PARKING

East Grampians Health Service is not required to comply with the Department of Health and Human Services hospital Circular on car parking fees as it does not operate any fee paying car park space. Additional car parking space, facing Lowe Street, was opened up in the last financial year.

COMPETITIVE NEUTRALITY

All competitive neutrality requirements comply with the National Competition Policy and have been made in accordance with Government costing policies for public hospitals.

CONSULTANCIES

Details of consultancies (under \$10,000)

In 2017-18, there were no consultancies where the total fees payable to the consultants were less than \$10,000.

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

In 2017-18, there was 1 consultancy where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2017-18 in relation to these consultancies is \$10k. See following table for details of these consultancies. Details of individual consultancies can be viewed at eghs.net.au

Consultant	Purpose of Consultancy	Total Approved Project Fee (\$ '000)	Expenditure 2017-18 (ex GST) (\$ '000)	Future Expenditure (ex GST) (\$ '000)
Birru Health	Strategic Plan Review	\$10	\$10	\$0

DATAVIC ACCESS POLICY

East Grampians Health Service complies with the DataVic Access Policy, issued by the Victorian Government in 2012 and supplies data to the Department of Health and Human Services as applicable.

DISCLOSURE OF ICT EXPENDITURE

The total ICT expenditure incurred during 2017-18 is \$992k with the details shown below.

Business-As-Usual (BAU) ICT expenditure (\$ '000)	Non-Business As Usual (Non-BAU) ICT expenditure (\$ '000)	Operational expenditure (excluding GST) (\$ '000)	Capital expenditure (excluding GST) (\$ '000)
\$821	\$190	\$25	\$165

EX-GRATIA PAYMENTS

There were no Ex-Gratia Expenses this year.

FEES

Most fees charged by the Health Service are regulated by the Commonwealth Government and the Victorian Government's Department of Health. There were no changes to fees or charges during the year.

FINANCIAL MANAGEMENT ACT 1994 (FMA)

In accordance with the Direction of the Minister for Finance (Part 9.1.3 iv) information requirements have been prepared and are available to the relevant Minister, Members of Parliament and the public on request to the Chief Executive. The Board of East Grampians Health Service is confident that it has complied with its obligations as established in the FMA.

FREEDOM OF INFORMATION

East Grampians Health Service is an agency subject to the *Freedom of Information Act 1982*. As required under The Act, East Grampians Health Service has nominated the Chief Executive, Nick Bush, as the Principal Officer and Health Information Manager, Nicki Blackie as the Officer. The legislated application fee for the 2016/17 financial year was \$28.40 per application, and the processing fee included a search fee of \$20 and a photocopying fee of 20 cents per A4 page. All reports requested from the Director of Medical Services, Eric Kennelly, incurred a fee of \$100. Exemptions applied that related to privacy of patients and third parties.



In 2017-18 East Grampians Health Service received 49 requests, 43 of which were processed and granted in full.

REQUESTS

2017-18	2016-17	2015-16	2014-15
43	32	46	48

INFORMATION PRIVACY ACT 2000 AND HEALTH RECORDS ACT 2001

Privacy Legislation commenced 1 July 2002 and comprises

- *Health Records Act 2001*
- *Information Privacy Act 2000*

Information Privacy Act 2001 covers the privacy principles of:

- The collection of health information
- Use and disclosure of health information
- Data quality
- Data security and retention of information
- Openness
- Access to health information

Policies ensure strict adherence to the Act and that the personal health information of patients, residents and clients remains confidential and secure. The information will only be used by non-service staff with the consent of the consumer and is accessible by the consumer under Freedom of Information guidelines.

Patients, families, residents and clients are informed of their rights regarding their health information on first contact with the Health Service.

The Chief Executive Officer is the designated Privacy Officer and manages all enquiries relating to these two Acts.

54 written requests were received in 2017-18.

OCCUPATIONAL HEALTH AND SAFETY 2004

The *Occupational Health and Safety Act 2004* and its Schedules of 2007 guide the Health Service in its occupational health and safety responsibilities. Designated work groups operate with trained representatives who consult on matters relating to OH&S. The OH&S committee develops strategic thinking in relation to the safety and welfare of workers. Lead and lag indicators are established and quarterly reported to the Board. These indicators include the participation of staff in training; the number of incidents and the types of incidents and how they have been managed; the numbers of days lost to injury; the cost of injury and measurement of the Health Service's performance against industry Standards. The Health Service participates in WorkCover inspections and there were no Provisional Improvement Notice was issued in 2017-18.

Initiatives undertaken during the last financial year include:

- 1) Increase in the number of staff completing Management of Clinical Aggression training – now a mandatory training requirement for all employees
- 2) Improved CCTV installed (higher resolution)
- 3) Increase in the number of swipe card access to provide better security to critical areas with the ability to provide lockdown, as needed.

OCCUPATIONAL VIOLENCE STATISTICS

1. Workcover accepted claims with an occupational violence cause per 100 FTE = 0
2. Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked = 0.
3. Number of occupational violence incidents reported = 135
4. Number of occupational violence incidents reported per 100 FTE = 48.21
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition = 0

PROTECTED DISCLOSURE ACT 2012

Allegations of improper conduct by employees or the Board of the Health Service is very serious. Allegations can include corrupt conduct, substantial mismanagement of public resources or conduct involving substantial risk to public health or safety.

The *Protected Disclosure Act 2012* is designed to protect people who disclose information about serious wrongdoings within the Victorian Public Sector and to provide a framework for the investigation of these matters.

Disclosures of improper conduct by East Grampians Health Service or its employees may be made to:

The Protected Disclosure Co-ordinator
Andrew Freeman
Andrew.freeman@eghs.net.au

or

The Ombudsman Victoria
Level 22, 459 Collins Street, Melbourne, 3000
Tel: 9613 6222 Toll free: 1800 806 314

In 2017-18 there were no disclosures or notifications of disclosure relevant to the *Protected Disclosure Act* received.

REGISTRATION

All clinical practitioners engaged by the Health Service maintained their registered status throughout the year.

SAFE PATIENT CARE ACT 2015

This Act was introduced to enshrine in law the minimum number of Nurses and Midwives to care for patients. At East Grampians Health Service this Act has ensured we have the flexibility to engage Nurses and Midwives at appropriate staffing levels in line with the number of patients in our care. The Health Service has no matters to report in relation to its obligations under Section 40 of this Act.

VICTORIAN INDUSTRY PARTICIPATION POLICY 2003 (VIPP)

East Grampians Health Service complies with the requirements of the *Victorian Industry Participation Policy Act 2003* and wherever practicable and fiscally responsible will make every endeavour to purchase locally. There were no reportable disclosures during the last financial year. The Health Service has a robust policy to encourage the training and employment of members of the local community.

DISCLOSURE INDEX

The Annual Report of East Grampians 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.

Legislation Requirement	Page	Legislation Requirement	Page
Report of Operations - FRD Guidance		Legislation	
<i>Charter and Purpose</i>		<i>Freedom of Information Act 1982</i>	46
FRD 22H Manner of establishment and the relevant Ministers	03	<i>Protected Disclosure Act 2012</i>	47
FRD 22H Purpose, functions, powers and duties	04	<i>Carers Recognition Act 2012</i>	46
FRD 22H Key initiatives and key achievements	06	<i>Building Act 1993</i>	47
FRD 22H Nature and range of services provided	04	<i>Financial Management Act 1994</i>	46
<i>Management and Structure</i>		<i>Victorian Industry Participation Policy Act 2003</i>	46
FRD 22H Organisational structure	05	<i>Safe Patient Care Act 2015</i>	47
<i>Financial and Other Information</i>		Non Statutory Obligations	
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FRD 11A Disclosure of ex gratia expenses	46	Occupational Violence reporting	47
FRD 21C Responsible person and executive officer disclosures	87	Reporting of compliance with DataVic Access Policy	46
FRD 22H Application and operation of the <i>Protected Disclosure Act 2012</i>	47	Reporting of compliance Health Purchasing Victoria policy	46
FRD 22H Application and operation of the <i>Carers Recognition Act 2012</i>	46	Reporting obligations under the Safe Patient Care Act 2015	47
FRD 22H Application and operation of <i>Freedom of Information Act 1982</i>	46	Reporting of outcomes from Statement of Priorities 2015–16	06
FRD 22H Compliance with building and maintenance provisions of <i>Building Act 1993</i>	46	Additional information available on request	
FRD 22H Details of consultancies over \$10,000	46	Consistent with FRD 22H (Section 5.19) East Grampians Health Service confirms that subject to the provisions of the Freedom of Information Act, the following information is retained by the Accountable Officer:	
FRD 22H Details of consultancies under \$10,000	46	a) Declarations of pecuniary interests have been duly completed by all relevant officers;	
FRD 22H Employment and conduct principles	33	(b) Details of shares held by senior officers as nominee or held beneficially;	
FRD 22H Information and Communication Technology Expenditure	46	(c) Details of publications produced by the entity about itself, and how these can be obtained;	
FRD 22H Major changes or factors affecting performance	06	(d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service;	
FRD 22H Occupational Violence	47	(e) Details of any major external reviews carried out on the Health Service;	
FRD 22H Operational and budgetary objectives and performance against objectives	10	(f) Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations;	
FRD 22H Summary of the entity's environmental performance	39	(g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;	
FRD 22H Significant changes in financial position during the year	35	(h) Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;	
FRD 22H Statement on National Competition Policy	46	(i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;	
FRD 22H Subsequent events	91	(j) General statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations; (k) A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;	
FRD 22H Summary of the financial results for the year	35	(l) Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.	
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GLOSSARY

AACQA

Australian Aged Care Quality Agency

ACAS

Aged Care Assessment System

ACFI

Aged Care Funding Instrument

ACHS

Australian Council on Healthcare Standards

ACCREDITATION

Official certification of approval.

AUSTRALIAN STANDARDS

National Standards developed by the Standards Association of Australia/New Zealand

BEST PRACTICE

Best Practice is a technique that leads to a desired result through experience, research, review, reassessment and refinement performance of other groups

CACS&AA

Commonwealth Aged Care Standards and Accreditation Agency

CARERS

Carers of patient/clients

CATCHMENT AREA

Geographical area for which East Grampians Health Service is responsible to provide services

CLINICAL GOVERNANCE

The basis on which the Organisation is accountable to its stakeholders to continually improve the quality of its service. This is achieved by creating a culture of learning where staff are provided with opportunities for education to maximise their potential to deliver this quality service. Clinical excellence will be encouraged and will prosper

CSSD

Central Sterilising Supply Department.

CT SCANNER

Computed Tomography Scanner.

DHHS

The Department of Health and Human Services Victoria.

DIAS

Diagnostic Imaging Accreditation Scheme

DRG

Diagnostic Related Groupings. Casemix Funding is based upon throughput with each patient receiving a DRG based upon the complexity of the medical condition

EAP

Employment Assistance Program

EGHS

East Grampians Health Service

E-HEALTH

The transfer of health resources and healthcare by electronic means

EQUIP ACCREDITATION

Evaluation Quality Improvement Program

FOI

Freedom of Information

GP

General Practitioner

HACC

Home and Community Care funding for services and programs which are provided in the home or the community. Three key initiatives have been implemented in order to refocus HACC services to a more capacity-building, person centred approach

ICT

Information and Communications Technology

ICARE

Software program designed for use in aged care

INPATIENT

A person who is admitted to an acute bed

LED

Light Emitting Diode

LPG

Liquid Petroleum Gas

NDIS

National Disability Insurance Scheme

OHS

Occupational Health & Safety

OUTCOME

The result of a service provided

OUTPATIENT

A patient/client who is not admitted to a bed

PAG

Planned Activity Groups

PALLIATIVE CARE

Care for patients with a life limiting illness and their families

PCP

Primary Care Partnership

PATIENT CENTRED CARE

Care designed specifically for the individual

RAC

Refundable Accommodation Contribution

RAD

Refundable Accommodation Deposit

RTW

Return to Work

STRATEGIC PLANNING

Commitment to set future plans

STAKEHOLDERS

Customers (including patients, residents and clients), volunteers, all tiers of government, contractors, media and staff

THE BOARD

The Board of Governance East Grampians Health Service

THE DEPARTMENT

Victorian Department of Health and Human Services

THE ORGANISATION

East Grampians Health Service

VCAL

Victorian Certificate of Applied Learning is a hands on option for students wishing to complete a senior secondary qualification

VALUES

The principles and beliefs that guide East Grampians Health Service

VHIA

Victorian Hospitals Industrial Association

VICNISS

Victorian Hospital Acquired Infection Surveillance System

VMO

Visiting Medical Officer

WIES

Weighted Inlier Equivalent Separation. Every patient on discharge is allocated a DRG which reflects the primary reason for the patient's episode of care. The DRG has an assigned resource weight, which is related to the complexity of the patient's medical condition on which the WIES is calculated

FINANCIAL REPORT

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East Grampians Health Service

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

The attached financial statements for East Grampians Health Service and the Consolidated Entity have been prepared in accordance with Standing Direction 5.2 of 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 2018 and the financial position of East Grampians Health Service and the Consolidated Entity at 30 June 2018.

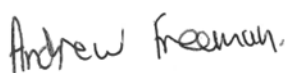
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 28th August 2018.



Ms Nancy Panter
Board President

Ararat
28 August 2018



Mr Andrew Freeman
Accountable Officer

Ararat
28 August 2018



Mr Tony Roberts
Chief Finance & Accounting Officer

Ararat
28 August 2018

Independent Auditor's Report

To the Board of East Grampians Health Service



Victorian Auditor-General's Office

Opinion	<p>I have audited the consolidated financial report of East Grampians Health Service (the health service) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none">• consolidated entity and health service balance sheet as at 30 June 2018• consolidated entity and health service comprehensive operating statement for the year then ended• consolidated entity and health service statement of changes in equity for the year then ended• consolidated entity and health service cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the health service as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other information	<p>The Board of the health service are responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the health service and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the health service and the consolidated entity. I remain solely responsible for my audit opinion.

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



MELBOURNE
31 August 2018

Ron Mak
as delegate for the Auditor-General of Victoria

East Grampians Health Service
Comprehensive Operating Statement
For the Year Ended 30 June 2018

	Note	Parent Entity 2018 \$'000	Parent Entity 2017 \$'000	Consolidated Entity 2018 \$'000	Consolidated Entity 2017 \$'000
Revenue from Operating Activities	2.1	37,545	35,161	37,660	35,201
Revenue from Non-operating Activities	2.1	245	178	245	232
Employee Expenses	3.1	(24,367)	(23,533)	(24,367)	(23,533)
Non Salary Labour Costs	3.1	(5,599)	(4,606)	(5,599)	(4,606)
Supplies & Consumables	3.1	(3,799)	(3,723)	(3,799)	(3,723)
Other Expenses	3.1	(4,494)	(3,471)	(4,521)	(3,512)
Net Result Before Capital & Specific Items		(469)	6	(381)	59
Capital Purpose Income	2.1	3,759	2,354	3,759	2,354
Depreciation	4.3	(2,814)	(2,881)	(2,814)	(2,881)
Expenditure using Capital Purpose Income	3.1	(534)	(497)	(534)	(497)
Net Result after capital and specific items		(58)	(1,018)	30	(965)
Other economic flows included in net result					
Net fair gains/(losses) on non-financial assets		34	-	34	-
Revaluation of Long Service Leave		101	(2)	101	(2)
Total other economic flows included in net result		135	(2)	135	(2)
Net result from continuing operations		77	(1,020)	165	(967)
Other comprehensive income					
Items that will not be reclassified subsequently to Net Result					
Changes in Property, Plant and Equipment Revaluation Surplus	8.1a	452	-	452	-
Items that may be reclassified subsequently to net result					
Changes to Financial Assets Available-for-Sale Revaluation Surplus	8.1a	-	-	13	11
Total other comprehensive income		452	-	465	11
COMPREHENSIVE RESULT FOR THE YEAR		529	(1,020)	630	(956)

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

East Grampians Health Service Balance Sheet

For the Year Ended 30 June 2018

	Note	Parent Entity 2018 \$'000	Parent Entity 2017 \$'000	Consolidated Entity 2018 \$'000	Consolidated Entity 2017 \$'000
Current Assets					
Cash and Cash Equivalents	6.1	2,539	6,840	2,685	7,886
Receivables	5.1	1,468	1,693	1,502	1,699
Investments and other Financial Assets	4.1	6,179	-	7,466	314
Inventories	5.2	67	57	67	57
Other Current Assets	5.4	174	154	174	154
Total Current Assets		10,427	8,744	11,894	10,110
Non-Current Assets					
Receivables	5.1	1,060	1,060	1,060	1,060
Property, Plant & Equipment	4.2	37,170	37,261	37,170	37,261
Investment Properties	4.4	1,300	1,300	1,300	1,300
Total Non-Current Assets		39,530	39,621	39,530	39,621
TOTAL ASSETS		49,957	48,365	51,424	49,731
Current Liabilities					
Payables	5.5	1,574	1,129	1,579	1,140
Provisions	3.3	5,173	4,981	5,173	4,981
Other Liabilities	5.3	4,493	3,998	4,493	3,998
Total Current Liabilities		11,240	10,108	11,245	10,119
Non-Current Liabilities					
Provisions	3.3	754	816	754	816
Total Non-Current Liabilities		754	816	754	816
TOTAL LIABILITIES		11,994	10,924	11,999	10,935
NET ASSETS		37,963	37,441	39,425	38,796
EQUITY					
Property, Plant & Equipment Revaluation Surplus	8.1(a)	22,908	22,456	22,908	22,456
Financial Asset Available for Sale Revaluation Surplus	8.1(a)	-	-	36	23
General Purpose Surplus	8.1(a)	145	142	145	142
Restricted Specific Purpose Surplus	8.1(a)	3,765	1,464	3,765	1,464
Contributed Capital	8.1(b)	19,896	19,896	19,896	19,896
Accumulated Surpluses/(Deficits)	8.1(c)	(8,752)	(6,518)	(7,326)	(5,186)
TOTAL EQUITY		37,963	37,441	39,425	38,796
Contingent Assets and Contingent Liabilities	7.3				
Commitments	6.2				

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

East Grampians Health Service

Cash Flow Statement

For the Year Ended 30 June 2018

	Note	Parent Entity 2018 \$'000	Parent Entity 2017 \$'000	Consolidated Entity 2018 \$'000	Consolidated Entity 2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Grants from Government		30,455	28,814	30,447	28,822
Patient and Resident Fees Received		4,519	4,498	4,519	4,498
GST Received from/(paid to) ATO		821	1,076	821	1,076
Interest Received		204	192	217	251
Other Receipts		3,701	2,593	3,701	2,593
Employee Expenses Paid		(24,135)	(23,301)	(24,135)	(23,301)
Non Salary Labour Costs		(6,159)	(5,067)	(6,159)	(5,067)
Payments for Supplies & Consumables		(3,180)	(4,994)	(3,183)	(4,998)
Other Payments		(6,314)	(4,617)	(6,338)	(4,654)
Cash Generated from Operations		(88)	(806)	(110)	(780)
Capital Grants from Government		3,391	1,727	3,391	1,727
Other Capital Receipts		293	627	368	627
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	8.2	3,596	1,548	3,649	1,574
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for Non-Financial Assets		(2,283)	(1,525)	(2,283)	(1,514)
Proceeds from sale of Non-Financial Assets		70	111	70	111
Purchase of Investments		(1,982)	-	(2,931)	(11)
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		(4,195)	(1,414)	(5,144)	(1,414)
NET INCREASE/(DECREASE) IN CASH HELD		(599)	134	(1,495)	160
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		2,992	2,858	3,888	3,728
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6.1	2,393	2,992	2,393	3,888

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

East Grampians Health Service
Statement of Changes in Equity
For the Year Ended 30 June 2018

Consolidated Entity		Property, Plant & Equipment Revaluation Surplus	Financial Asset Available for Sale Revaluation Surplus	General Purpose Surplus	Restricted Specific Purpose Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2016		22,370	12	140	432	19,896	(3,099)	39,752
Net result for the year		-	-	-	-	-	(967)	(967)
Other comprehensive income for the year	8.1	-	11	-	-	-	-	11
Transfer to / (from) accumulated surplus	8.1	86	-	2	1,032	-	(1,120)	-
Balance at 30 June 2017		22,456	23	142	1,464	19,896	(5,186)	38,796
Net result for the year		-	-	-	-	-	165	165
Other comprehensive income for the year	8.1	452	13	-	-	-	-	465
Transfer to / (from) accumulated surplus	8.1	-	-	3	2,301	-	(2,304)	-
Balance at 30 June 2018		22,908	36	145	3,765	19,896	(7,326)	39,425

Parent Entity		Property, Plant & Equipment Revaluation Surplus	Financial Asset Available for Sale Revaluation Surplus	General Purpose Surplus	Restricted Specific Purpose Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2016		22,370	-	140	420	19,896	(4,366)	38,461
Net result for the year		-	-	-	-	-	(1,020)	(1,020)
Other comprehensive income for the year	8.1	-	-	-	-	-	-	-
Transfer to / (from) accumulated surplus	8.1	86	-	2	1,044	-	(1,132)	-
Balance at 30 June 2017		22,456	-	142	1,464	19,896	(6,519)	37,439
Net result for the year		-	-	-	-	-	77	77
Other comprehensive income for the year	8.1	452	-	-	-	-	-	452
Transfer to / (from) accumulated surplus	8.1	-	-	3	2,301	-	(2,304)	-
Balance at 30 June 2018		22,908	-	145	3,765	19,896	(8,752)	37,963

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

Basis of presentation

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

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

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

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Notes to and Forming Part of the Financial Statements

East Grampians Health Service Annual Report 2017-18

Note 1: Summary of significant accounting policies

These annual financial statements represent the audited general purpose financial statements for East Grampians Health Service and its controlled entity for the year ended 30 June 2018. The purpose of the report is to provide users with information about East Grampians Health Service's stewardship of resources entrusted to it.

(a) Statement of Compliance

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

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

East Grampians Health Service is a not-for-profit entity and therefore applies the additional Aus paragraphs applicable to "not-for-profit" entities under the AASs.

The annual financial statements were authorised for issue by the Board of East Grampians Health Service on **28th of August 2018**.

(b) Reporting Entity

The financial statements include all the controlled activities of East Grampians Health Service.

Its principal address is: Girdlestone Street, Ararat, Victoria 3377.

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

(c) Basis of accounting preparation and measurement

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018, and the comparative information presented in these financial statements for the year ended 30 June 2017.

The financial statements are prepared on a going concern basis (refer to Note 8.12 Financial Dependency).

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

All amounts shown in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

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

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

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

- The fair value of land, buildings and plant and equipment (refer to Note 4.2 Property, Plant and Equipment);
- Superannuation expense (refer to Note 3.4 Superannuation);
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.3 Employee Benefits in the Balance Sheet); and
- Financial Assets Available for Sale (refer to Note 7.1 Financial Instruments).

Goods and Services Tax (GST)

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

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

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

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

(d) Principles of Consolidation

These statements are presented on a consolidate basis in accordance with AASB 10 Consolidated Financial

- The consolidated financial statements of East Grampians Health Service includes all reporting entities controlled by East Grampians Health Services as at 30 June 2018.
- Control exists when East Grampians Health Service has the power to govern the financial and operating policies of an organisation so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The consolidated financial statements include the audited financial statements of the controlled entities listed in Note 8.8 Controlled Entities.
- The parent entity is not shown separately in the notes.

Where control of an entity is obtained during the financial period, its results are included in the Comprehensive Operating Statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where entities adopt dissimilar accounting policies and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Intersegment Transactions

Transactions between segments within East Grampians Health Service have been eliminated to reflect the extent of the East Grampians Health Service's operations as a group.

(e) Jointly Controlled Operation

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

In respect of any interest in joint operations, East Grampians Health Service recognises in the financial statements:

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

East Grampians Health Service is a Member of the Grampians Regional Health IT Alliance Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.9 Jointly Controlled Operations).

Notes to and Forming Part of the Financial Statements

East Grampians Health Service Annual Report 2017-18

Note: 2 Funding delivery of our services

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

To enable the hospital to fulfil its objective it receives income based on parliamentary appropriations. The hospital also receives income from the supply of services.

Structure

2.1 Analysis of revenue by source

Note 2.1: Analysis of Revenue by Source

	Admitted Patients 2018 \$'000	Non-Admitted Services 2018 \$'000	Aged Care 2018 \$'000	Primary Health 2018 \$'000	RAC incl. Mental Health 2018 \$'000	Other 2018 \$'000	Total 2018 \$'000
Consolidated							
Government Grant	17,548	1,299	987	3,206	7,340	83	30,463
Indirect contributions by Department of Health and Human Services	1	-	-	-	-	27	28
Patient & Resident Fees	697	-	209	239	1,961	1,373	4,479
Commercial Activities	-	-	-	-	-	784	784
Share of Jointly Controlled Revenue	-	-	-	-	-	429	429
Other Revenue from Operating Activities	156	52	155	476	93	545	1,477
Total Revenue from Operating Activities	18,402	1,351	1,351	3,921	9,394	3,241	37,660
Interest	2	-	-	-	126	117	245
Total Revenue from Non-Operating Activities	2	-	-	-	126	117	245
Capital Purpose Income (excluding interest)	-	-	-	-	-	3,682	3,682
Share of Jointly Controlled Capital Revenue	-	-	-	-	-	77	77
Total Capital Purpose Income	-	-	-	-	-	3,759	3,759
Total Revenue	18,404	1,351	1,351	3,921	9,520	7,117	41,664

	Admitted Patients 2017 \$'000	Non-Admitted Services 2017 \$'000	Aged Care 2017 \$'000	Primary Health 2017 \$'000	RAC incl. Mental Health 2017 \$'000	Other 2017 \$'000	Total 2017 \$'000
Consolidated							
Government Grant	16,326	1,265	974	2,707	7,216	110	28,598
Indirect contributions by Department of Health and Human Services	10	-	-	-	-	30	40
Patient & Resident Fees	870	-	174	195	1,742	1,354	4,335
Commercial Activities	-	-	-	-	-	543	543
Share of Jointly Controlled Revenue	-	-	-	-	-	391	391
Other Revenue from Operating Activities	162	49	85	491	54	453	1,294
Total Revenue from Operating Activities	17,368	1,314	1,233	3,393	9,012	2,881	35,201
Interest	-	-	-	-	120	112	232
Total Revenue from Non-Operating Activities	-	-	-	-	120	112	232
Capital Purpose Income (excluding interest)	-	-	-	-	-	2,217	2,217
Share of Jointly Controlled Capital Revenue	-	-	-	-	-	137	137
Total Capital Purpose Income	-	-	-	-	-	2,354	2,354
Total Revenue	16,513	1,248	1,153	3,288	9,023	4,423	37,787

Note 2.1: Analysis of Revenue by Source (Continued)

Revenue Recognition

Income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent that it is probable that the economic benefits will flow to East Grampians Health Service and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

Government Grants and other transfers of income (other than contributions by owners)

In accordance with AASB 1004 Contributions, government grants and other transfers of income (other than contributions by owners) are recognised as income when East Grampians Health Service gains control of the underlying assets irrespective of whether conditions are imposed on East Grampians Health Services use of the contributions.

Contributions are deferred as income in advance when East Grampians Health Service has a present obligation to repay them and the present obligation can be reliably measured.

Indirect Contributions from the Department of Health and Human Services

- Insurance is recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 04/2017.

Patient and Resident Fees

Patient fees are recognised as revenue on an accrual basis.

Revenue from commercial activities

Revenue from commercial activities are recognised on an accrual basis.

Donations and Other Bequests

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

Interest Revenue

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

Category Groups

East Grampians Health Service has used the following category groups for reporting purposes for the current and previous financial years.

Admitted Patient Services (Admitted Patients) comprises all acute and subacute admitted patient services, where services are delivered in public hospitals.

Non Admitted Services comprises acute and subacute non admitted services, where services are delivered in public hospital clinics and provide models of integrated community care, which significantly reduces the demand for hospital beds and supports the transition from hospital to home in a safe and timely manner.

Aged Care comprises a range of in home, specialist geriatric, residential care and community based programs and support services, such as Home and Community Care (HACC) that are targeted to older people, people with a disability, and their carers.

Primary, Community and Dental Health (Primary Health) comprises a range of home based, community based, community, primary health and dental services including health promotion and counselling, physiotherapy, speech therapy, podiatry and occupational therapy and a range of dental health services

Residential Aged Care including Mental Health (RAC incl. Mental Health) referred to in the past as psychogeriatric residential services, comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from the department under the mental health program. It excludes all other residential services funded under the mental health program, such as mental health funded community care units and secure extended care units.

Other Services not reported elsewhere - (Other) comprises services not separately classified above, including: Public Health Services including laboratory testing, blood borne viruses / sexually transmitted infections clinical services, Kooris liaison officers, immunisation and screening services, drugs services including drug withdrawal, counselling and the needle and syringe program, Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also falls in this category group.

Notes to and Forming Part of the Financial Statements

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Note 3: The Cost of delivering services

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

Structure

3.1 Analysis of expenses by source

3.2 Analysis of expense and revenue by internally managed and restricted specific purpose funds

3.3 Provisions

3.4 Superannuation

Note 3.1: Analysis of Expenses by Source

	Admitted Patients 2018 \$'000	Non-Admitted 2018 \$'000	Aged Care 2018 \$'000	Primary Health 2018 \$'000	RAC incl. Mental Health 2018 \$'000	Other 2018 \$'000	Total 2018 \$'000
Consolidated							
Employee Expenses	14,113	454	1,032	2,592	5,381	797	24,367
Non Salary Labour Costs	4,900	4	2	448	243	2	5,599
Supplies & Consumables	3,000	78	24	262	263	172	3,799
Other Expenses	3,339	23	43	188	288	240	4,121
Share of Jointly Controlled Expenses	-	-	-	-	-	400	400
Total Expenditure from Operating Activities	25,352	559	1,102	3,491	6,175	1,611	38,286
Expenditure for Capital Purposes	-	-	-	-	-	532	532
Depreciation (refer note 4.3)	1,863	41	81	257	454	118	2,814
Share of Jointly Controlled Capital Expenses	-	-	-	-	-	2	2
Total other expenses	1,863	41	81	257	454	652	3,348
Total Expenses	27,215	600	1,183	3,748	6,629	2,263	41,634

	Admitted Patients 2017 \$'000	Non-Admitted 2017 \$'000	Aged Care 2017 \$'000	Primary Health 2017 \$'000	RAC incl. Mental Health 2017 \$'000	Other 2017 \$'000	Total 2017 \$'000
Consolidated							
Employee Expenses	10,488	454	752	3,532	7,172	1,137	23,533
Non Salary Labour Costs	4,211	13	-	90	289	3	4,606
Supplies & Consumables	2,503	80	44	116	823	157	3,723
Other Expenses	2,709	12	20	86	139	166	3,132
Share of Jointly Controlled Expenses	-	-	-	-	-	380	380
Total Expenditure from Operating Activities	19,911	559	816	3,824	8,423	1,843	35,374
Expenditure for Capital Purposes	-	-	-	-	-	466	466
Depreciation (refer note 4.3)	1,622	46	67	312	686	150	2,881
Share of Jointly Controlled Expenses	-	-	-	-	-	31	31
Total other expenses	1,622	46	67	312	686	647	3,378
Total Expenses	21,533	605	883	4,136	9,109	2,490	38,752

Note 3.1: Analysis of Expenses by Source (Continued)
Expense Recognition

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

Employee expenses

Employee expenses include:

- Wages and salaries;
- Leave entitlements;
- Fringe Benefits Tax;
- Termination payments; and
- Workcover premiums

Grants and Other Transfers

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies and personal benefit payments made in cash to individuals.

Other operating expenses

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

- Supplies and consumables - Supplies and services costs which are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.
- Fair Value of Assets, Services and Resources Provided Free of Charge or for Nominal Consideration - Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them.

Net gain/ (loss) on non-financial assets

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

- Revaluation gains/ (losses) of non-financial physical assets (Refer to Note 4.2 Property plant and equipment.)
- Net gain/ (loss) on disposal of non-financial assets

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

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

- the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and
- transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

Note 3.2: Analysis of expense and revenue by internally managed and restricted specific purpose funds for services supported by hospital and community initiatives

	Expense		Revenue	
	Consol'd 2018 \$'000	Consol'd 2017 \$'000	Consol'd 2018 \$'000	Consol'd 2017 \$'000
Diagnostic Imaging	1,470	1,390	1,484	1,464
Catering & Conference	431	376	399	362
Other Activities				
Fundraising and Community Support	12	10	19	33
TOTAL	1,913	1,776	1,902	1,859

Note 3.3: Employee benefits in the balance sheet

	Consol'd 2018 \$'000	Consol'd 2017 \$'000
Current Provisions		
Employee Benefits (i)		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months (ii)	1,656	1,510
- Unconditional and expected to be settled wholly after 12 months (iii)	144	131
Accrued days off		
- Unconditional and expected to be settled wholly within 12 months (ii)	68	72
Accrued salaries and wages		
- Unconditional and expected to be settled wholly within 12 months (ii)	659	598
Long service leave		
- Unconditional and expected to be settled wholly within 12 months (ii)	335	342
- Unconditional and expected to be settled wholly after 12 months (iii)	1,757	1,794
	4,619	4,447
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months (ii)	326	303
- Unconditional and expected to be settled wholly after 12 months (iii)	228	231
	554	534
Total Current Provisions	5,173	4,981
Non-Current Provisions		
Employee Benefits (i)	673	729
Provisions related to Employee Benefit On-Costs	81	87
Total Non-Current Provisions	754	816
Total Provisions	5,927	5,797
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and related on-costs		
Unconditional LSL Entitlement	2,343	2,392
Annual Leave Entitlements	2,016	1,838
Accrued Wages and Salaries	738	670
Accrued Days Off	76	81
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements (iii)	754	816
Total Employee Benefits and Related On-Costs	5,927	5,797
Notes:		
(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.		
(ii) The amounts disclosed are nominal values		
(iii) The amounts disclosed are discounted to present values		
(b) Movements in provisions		
Movement in Long Service Leave:		
Balance at start of year	3,208	3,091
Provision made during the year		
- Revaluations	(101)	48
- Expense recognising Employee Service	455	483
Settlement made during the year	(466)	(414)
Balance at end of year	3,096	3,208

Employee Benefit Recognition

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

Provisions

Provisions are recognised when East Grampians Health Service has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee Benefits

This provision arises for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Wages and Salaries, Annual Leave and Accrued Days Off

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are all recognised in the provision for employee benefits as 'current liabilities', because the health service does not have an unconditional right to defer settlements of these liabilities.

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

- Undiscounted value – if the health service expects to wholly settle within 12 months; or
- Present value – if the 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 East Grampians 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:

- Undiscounted value – if East Grampians Health Service expects to wholly settle within 12 months; or
- Present value – if East Grampians Health Service does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service (currently 10 years). This non current LSL liability is required to be measured at present value.

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

Termination Benefits

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

East Grampians Health Service recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

On-Costs Related to Employee Expense

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

Note 3.4: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Consol'd 2018 \$'000	Consol'd 2017 \$'000	Consol'd 2018 \$'000	Consol'd 2017 \$'000
Defined benefit plans:				
First State Superannuation Fund	162	142	8	8
Defined contribution plans:				
First State Superannuation Fund	1,467	1,137	43	41
HESTA Superannuation Fund	473	432	19	18
Total	2,102	1,711	70	66

Employees of East Grampians Health Service are entitled to receive superannuation benefits and East Grampians Health Service contributes to both the defined benefit and defined contribution plans. The defined benefit plan(s) provide benefits based on years of service and final average salary.

Defined contribution plans

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

Defined benefit plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

The name and details of the major employee superannuation funds and contributions made by the East Grampians Health Service are disclosed above.

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

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

Note 4: Key Assets to support service delivery

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

Structure

- 4.1 Investments and other financial assets
- 4.2 Property, plant & equipment
- 4.3 Depreciation and amortisation
- 4.4 Investment properties

Note 4.1: Investments and Other Financial Assets

	Capital Fund		Consol'd	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
CURRENT				
Loans and Receivables				
<i>Term Deposit</i>				
Aust. Dollar Term Deposits > 3 months	7,133	-	7,133	-
Available-for-Sale				
<i>Equities and Managed Investment Schemes</i>				
Australian Listed Equity Securities	333	314	333	314
Total Current	7,466	314	7,466	314
TOTAL	7,466	314	7,466	314
Represented by:				
Health Service Investments	1,932		1,932	
Foundation Investments	1,287	314	1,287	314
Monies Held in Trust	4,247	-	4,247	-
Accommodation Bonds (Refundable Entrance Fees)	-	-	-	-
TOTAL	7,466	314	7,466	314

Investment Recognition

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

Investments are classified in the following categories:

- Loans and receivables; and
- Available-for-sale financial assets.

East Grampians Health Service classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

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

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

Derecognition of financial assets

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

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

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

Impairment of Financial Assets

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

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2018 for its portfolio of financial assets, East Grampians Health Service and its controlled entities used the market value of investments held provided by the portfolio managers.

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

Doubtful debts

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful debts are classified as other economic flows in the net result.

Note 4.2: Property, Plant & Equipment

(a) Gross carrying amount and accumulated depreciation

	Consol'd 2018 \$'000	Consol'd 2017 \$'000
Land		
Crown Land at Fair Value	1,035	1,035
Land Improvements at Fair Value	727	727
Less Accumulated Depreciation	(128)	(104)
Total Land	1,634	1,658
Buildings		
Buildings Under Construction at cost	2,140	1,427
Buildings at Fair Value	30,028	36,213
Less Accumulated Depreciation	-	(5,898)
Buildings at Cost	-	546
Less Acc'd Depreciation	-	(7)
Total Buildings	32,168	32,281
Plant and Equipment		
Plant and Equipment at Fair Value	3,673	3,101
Less Accumulated Depreciation	(2,129)	(1,656)
Total Plant and Equipment	1,544	1,445
Medical Equipment		
Medical Equipment at Fair Value	3,570	3,344
Less Accumulated Depreciation	(2,059)	(1,732)
Total Medical Equipment	1,511	1,612
GRHA Property, Plant & Equipment		
GRHA Property, Plant & Equipment at Fair Value	415	338
Less Accumulated Depreciation	(102)	(73)
Total Jointly Controlled Property, Plant & Equipment	313	265
TOTAL	37,170	37,261

Note 4.2: Property, Plant & Equipment (Continued)

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

	Land & Improvements \$'000	Buildings \$'000	Plant & Equipment \$'000	Medical Equipment \$'000	Jointly Controlled PP&E \$'000	Total \$'000
Balance at 1 July 2016	1,674	33,651	1,566	1,841	166	38,898
Additions	17	701	616	189	99	1,622
Disposals	-	-	(379)	-	-	(379)
Depreciation (note 4.8)	(34)	(2,071)	(358)	(418)	-	(2,881)
Balance at 1 July 2017	1,658	32,281	1,445	1,612	265	37,261
Additions	-	1,360	604	220	77	2,261
Disposals	-	-	9	-	-	9
Net Revaluation Increments/(Decrements)	-	452	-	-	-	452
Depreciation (note 4.3)	(24)	(1,925)	(514)	(321)	(30)	(2,814)
Balance at 30 June 2018	1,634	32,168	1,544	1,511	312	37,170

Land and buildings carried at valuation

An independent valuation of the East Grampians Health Service land and buildings was performed by the Valuer-General Victoria as at 30 June 2014 to determine the fair value of the land and buildings. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments.

In compliance with FRD 103F, in the year ended 30 June 2018, East Grampians Health Services's management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indices for the financial year ended 30 June 2018.

The latest indices required a managerial revaluation in 2018. The indexed value was then compared to individual assets written down book value as at 30 June 2018 to determine the change in their fair values. The Department of Health and Human Services approved a managerial revaluation of the building asset class of \$452k.

There was no material financial impact on change in fair value of land.

Notes to and Forming Part of the Financial Statements

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Note 4.2: Property, Plant & Equipment (Continued)

(c) Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2018	Fair value measurement at end of reporting period using:				Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using:		
		Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾			Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾
Land at fair value									
Specialised land	1,634	-	-	1,634		1,658	-	-	1,658
Total land at fair value	1,634	-	-	1,634		1,658	-	-	1,658
Buildings at fair value									
Specialised buildings	30,028	-	-	30,028		32,281	-	-	32,281
Total building at fair value	30,028	-	-	30,028		32,281	-	-	32,281
Plant and equipment at fair value									
Plant equipment and vehicles at fair value									
- Vehicles	386	-	386	-		498	-	498	-
- Plant and equipment	1,158	-	-	1,158		947	-	-	947
Total plant, equipment and vehicles at fair value	1,544	-	386	1,158		1,445	-	498	947
Medical equipment at fair value									
Specialised medical equipment	1,511	-	-	1,511		1,612	-	-	1,612
Total medical equipment at fair value	1,511	-	-	1,511		1,612	-	-	1,612
Jointly controlled property, plant & equipment at fair value									
Specialised ICT equipment	313	-	-	313		265	-	-	265
Total jointly controlled property, plant & equipment at fair value	313	-	-	313		265	-	-	265
TOTAL	35,030	-	386	34,644		37,261	-	498	36,763

Note

(i) Classified in accordance with the fair value hierarchy,

(ii) Vehicles are categorised to Level 3 assets if the depreciated replacement cost is used in estimating the fair value. However, entities should consult with an independent valuer in determining whether a market approach is appropriate for vehicles with an active resale market available. If yes, a Level 2 categorisation for such vehicles would be appropriate.

There have been no transfers between levels during the period.

(d) Reconciliation of Level 3 fair value

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Medical Equipment \$'000	GRHA PP&E \$'000	Total \$'000
30-Jun-18						
Opening Balance	1,658	32,281	947	1,612	265	36,763
Purchases (sales)	-	1,360	725	220	77	2,382
Net Revaluation Increments/(Decrements)	-	452	-	-	-	452
Subtotal	1,658	34,093	1,672	1,832	342	39,597
Gains or losses recognised in net result						
- Depreciation	(24)	(1,925)	(514)	(321)	(30)	(2,814)
Subtotal	(24)	(1,925)	(514)	(321)	(30)	(2,814)
Closing Balance	1,634	32,168	1,158	1,511	312	36,784
30-Jun-17						
Opening Balance	1,674	33,651	1,068	1,841	166	38,400
Purchases (sales)	17	701	237	189	99	1,243
Subtotal	1,691	34,352	1,305	2,030	265	39,643
Gains or losses recognised in net result						
- Depreciation	(34)	(2,071)	(358)	(418)	-	(2,881)
Subtotal	(34)	(2,071)	(358)	(418)	-	(2,881)
Closing Balance	1,658	32,281	947	1,612	265	36,763

Note 4.2: Property, Plant & Equipment (Continued)

(e) PPE (Fair Value Determination)

Asset class	Examples of types of assets	Expected fair value level	Likely valuation approach	Significant inputs (Level 3 only) ^(c)
Specialised Land (Crown / Freehold)	- Land subject to restriction as to use and/or sale - Land in areas where there is not an active market	Level 3	Market approach	Community Service Obligations Adjustments ^(c)
Specialised buildings	Specialised buildings with limited alternative uses and/or substantial customisation e.g. prisons, hospitals	Level 3	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	If there is an active resale market available	Level 2	Market approach	n.a.
Plant and equipment	Specialised items with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life
Medical equipment	Any Type	Level 3	Depreciated replacement cost approach	- Cost per unit - Useful life

There were no changes in valuation techniques throughout the period to 30 June 2018.

Note 4.2: Property, Plant & Equipment (Continued)

Initial Recognition

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

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

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

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

Subsequent Measurement

Consistent with AASB 13 Fair Value Measurement, East Grampians Health Service determines the policies and procedures for recurring property, plant and equipment fair value measurements, in accordance with the requirements of AASB 13 and the relevant FRDs.

All property, plant and equipment for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

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

In addition, East Grampians 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.

For the purpose of fair value disclosures, East Grampians Health Service has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

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

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

Note 4.2: Property, Plant & Equipment (Continued)

Fair value measurement

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

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

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

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

Therefore, an assessment of the HBU will be required when the indicators are triggered within a reporting period, which suggest the market participants would have perceived an alternative use of an asset that can generate maximum value. Once identified, Health Services are required to engage with VGV or other independent valuers for formal HBU assessment.

These indicators, as a minimum, include:

External factors:

- Changed acts, regulations, local law or such instrument which affects or may affect the use or development of the asset;
- Changes in planning scheme, including zones, reservations, overlays that would affect or remove the restrictions imposed on the asset's use from its past use;
- Evidence that suggest the current use of an asset is no longer core to requirements to deliver a Health Service's service obligation;
- Evidence that suggests that the asset might be sold or demolished at reaching the late stage of an asset's life cycle.

Valuation hierarchy

Health Services need to use valuation techniques that are appropriate for the circumstances and where there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

Identifying unobservable inputs (level 3) fair value measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and non-financial assets. Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Assumptions about risk include the inherent risk in a particular valuation technique used to measure fair value (such as a pricing risk model) and the risk inherent in the inputs to the valuation technique. A measurement that does not include an adjustment for risk would not represent a fair value measurement if market participants would include one when pricing the asset or liability i.e., it might be necessary to include a risk adjustment when there is significant measurement uncertainty. For example, when there has been a significant decrease in the volume or level of activity when compared with normal market activity for the asset or liability or similar assets or liabilities, and the Health Service has determined that the transaction price or quoted price does not represent fair value.

A Health Service shall develop unobservable inputs using the best information available in the circumstances, which might include the Health Service's own data. In developing unobservable inputs, a Health Service may begin with its own data, but it shall adjust this data if reasonably available information indicates that other market participants would use different data or there is something particular to the Health Service that is not available to other market participants. A Health Service need not undertake exhaustive efforts to obtain information about other market participant assumptions. However, a Health Service shall take into account all information about market participant assumptions that is reasonably available. Unobservable inputs developed in the manner described above are considered market

Note 4.2: Property, Plant & Equipment (Continued)

Specialised Land and Specialised Buildings

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

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

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

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

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

An independent valuation of East Grampians Health Service 's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2014.

In June 2018 a managerial valuation was carried out in accordance with FRD 103F to revalue buildings to their fair value.

Vehicles

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

Plant and Equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2018.

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

Revaluations of Non-Current Physical Assets

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

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

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

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

Revaluation surplus is not transferred to accumulated funds on de-recognition of the relevant asset.

Note 4.3: Depreciation

	Consol'd 2018 \$'000	Consol'd 2017 \$'000
Depreciation		
Land Improvements	24	34
Buildings	1,925	2,071
Plant & Equipment	514	358
Medical Equipment	321	418
GRHA Depn	30	-
Total Depreciation	2,814	2,881

Depreciation

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

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

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

	<u>2018</u>	<u>2017</u>
Buildings		
- Structure Shell Building Fabric	5 to 50 years	5 to 50 years
- Site Engineering Services and Central Plant	5 to 50 years	5 to 50 years
Central Plant		
- Fit Out	5 to 50 years	5 to 50 years
- Trunk Reticulated Building Systems	5 to 50 years	5 to 50 years
Plant & Equipment	5 to 15 years	5 to 15 years
Medical Equipment	5 to 15 years	5 to 15 years
Computers and Communication	3 to 5 years	3 to 5 years
Furniture and Fitting	5 to 15 years	5 to 15 years
Motor Vehicles	5 to 7 years	5 to 7 years

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

Note 4.4: Investment Properties

(a) Movements in carrying value for investment properties as at 30 June 2018

	Consol'd 2018 \$'000	Consol'd 2017 \$'000
Balance at Beginning of Period	1,300	1,019
Net Gain/(Loss) from Fair Value Adjustments	-	281
Balance at End of Period	1,300	1,300

(b) Fair value measurement hierarchy for investment properties as at 30 June 2018

Carrying amount as at 30 June 2018	Fair value measurement at end of reporting period using:		
	Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾
Investment properties	1,300	-	1,300
	1,300	-	1,300

Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using:		
	Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾
Investment properties	1,300	-	1,300
	1,300	-	1,300

⁽¹⁾ classified in accordance with the fair value hierarchy

The fair value of the Health Service's investment properties at 30 June 2018 have been arrived on the basis of an independent valuation carried out by independent valuers Herron Todd White. The valuation was determined by reference to market evidence of transaction process for similar properties with no significant unobservable adjustments, in the same location and condition and subject to similar lease and other contracts.

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the health services.

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the Health Service.

Subsequent to initial recognition at cost, investment properties are revalued to fair value, determined annually by independent valuers. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. Investment properties are neither depreciated nor tested for impairment.

Rental revenue from leasing of investment properties is recognised in the comprehensive operating statement in the periods in which it is receivable on a straight line basis over the lease term.

Note 5: Other assets and liabilities

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

Structure

- 5.1 Receivables
- 5.2 Inventories
- 5.3 Other liabilities
- 5.4 Prepayments and other assets
- 5.5 Payables

Note 5.1: Receivables

	Consol'd Entity 2018 \$'000	Consol'd Entity 2017 \$'000
CURRENT		
Contractual		
Trade Debtors	609	978
DHHS Grant Receivable	114	-
GRHA Receivables	21	31
Patient Fees	248	275
Accrued Investment Income	94	74
Accrued Revenue - Other	263	305
Less Allowance for Doubtful Debts		
- Patient Fees	(28)	(15)
	1,321	1,648
Statutory		
GST Receivable	182	51
	1,502	1,699
TOTAL CURRENT RECEIVABLES		
NON CURRENT		
Statutory		
Long Service Leave - Department of Health/ Department of Health and Human Services	1,060	1,060
	1,060	1,060
TOTAL NON-CURRENT RECEIVABLES	1,060	1,060
TOTAL RECEIVABLES	2,562	2,759

(a) Movement in the Allowance for doubtful debts

	Consol'd Entity 2018 \$'000	Consol'd Entity 2017 \$'000
Balance at beginning of year	15	126
Amounts written off during the year	(4)	(105)
Increase/(decrease) in allowance recognised in net result	17	(6)
Balance at end of year	28	15

Receivables Recognition

Receivables consist of:

- Contractual receivables, which includes mainly debtors in relation to goods and services and accrued investment income; and
- Statutory receivables, which includes predominantly amounts owing from the Victorian Government and GST input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less any accumulated impairment.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Note 5.2: Inventories

	Consol'd 2018 \$'000	Consol'd 2017 \$'000
Pharmaceuticals		
At cost	11	11
Medical and Surgical Lines		
At cost	56	46
TOTAL INVENTORIES	67	57

Inventory Recognition

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

Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition. Cost for all other inventory is measured on the basis of weighted average cost.

Note 5.3: Other Liabilities

	Consol'd 2018 \$'000	Consol'd 2017 \$'000
CURRENT		
- Patient Monies Held in Trust*	173	100
- Accommodation Bonds (Refundable Entrance Fees)*	4,247	3,858
- Other Monies Held in Trust*	73	40
Total Current	4,493	3,998
Total Other Liabilities	4,493	3,998
* Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets	4,493	3,998
TOTAL	4,493	3,998

Note 5.4: Prepayments and Other Assets

	Consol'd 2018 \$'000	Consol'd 2017 \$'000
Prepayments	147	140
Rental Property Bonds	15	12
GRHA Other Assets	12	2
CURRENT	174	154
TOTAL	174	154

Prepayments Recognition

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Note 5.5: Payables

	Consol'd 2018 \$'000	Consol'd 2017 \$'000
CURRENT		
Contractual		
Trade Creditors	1,097	405
Accrued Expenses	442	362
GRHA Payables	40	41
	1,579	808
Statutory		
Department of Health & Human Services	-	332
	-	332
TOTAL CURRENT	1,579	1,140
TOTAL	1,579	1,140

Payables Recognition

Payables consist of:

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

Note 5.5(a): Payables and Borrowings Maturity Analysis

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

Maturity analysis of Financial Liabilities as at 30 June

	Carrying Amount \$'000	Contractual Cash Flows \$'000	Maturity Dates			
			Less than 1 Month \$'000	1-3 Months \$'000	3 months - \$'000	1-5 Years \$'000
2018						
Financial Liabilities						
Payables	1,579	1,579	1,534	45	-	-
Other Financial Liabilities						
- Accommodation Bonds	4,247	4,247	-	-	4,247	-
- Other	246	246	246	-	-	-
Total Financial Liabilities	6,072	6,072	1,780	45	4,247	-
2017						
Financial Liabilities						
Payables	808	808	808	-	-	-
Other Financial Liabilities						
- Accommodation Bonds	3,858	3,858	-	-	3,858	-
- Other	140	140	140	-	-	-
Total Financial Liabilities	4,806	4,806	948	-	3,858	-

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

Note 6: How we finance our operations

This section provides information on the sources of finance utilised by the hospital during its operations and other information related to financing activities of the hospital.

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

Structure

6.1 Cash and cash equivalents

6.2 Commitments for expenditure

Note 6.1: Cash and Cash Equivalents

For the purposes of the cash flow statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

	Consol'd Entity 2018 \$'000	Consol'd Entity 2017 \$'000
Cash on Hand	3	3
Cash at Bank	2,425	453
Term Deposits	-	7,198
Cash at Bank - GRHA	258	232
TOTAL	2,685	7,886
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	2,393	3,888
Foundation Cash	146	-
Cash for Monies Held in Trust		
- Cash on Hand	1	1
- Cash at Bank	145	3,997
Total Cash and Cash Equivalents	2,685	7,886

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet.

Note 6.2: Commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note 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 individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

East Grampians Health Service notes no commitments for expenditure arising from contractual commitments at 30 June 2018.

	Consol'd 2018 \$'000	Consol'd 2017 \$'000 ⁱ
LEASE RECEIVABLE COMMITMENTS		
Commitments in relation to leases		
receivable are as follows:		
Not later than one year	56,487	40,882
Later than 1 year and not later than 5 years	209,853	-
TOTAL	266,340	40,882
Total Receivable Commitments (inclusive of GST)	266,340	40,882
Less GST payable to the Australian Tax Office	24,213	3,716.55
TOTAL RECEIVABLE COMMITMENTS (exclusive of GST)	242,127	37,165

ⁱ The prior year amounts have been updated and are now comparable to the current year disclosure.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Note 7: Risks, contingencies & valuation uncertainties

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

Structure

7.1 Financial instruments

7.2 Contingent assets and contingent liabilities

Note 7.1: Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of East Grampians Health Services' activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

(a) Categorisation of financial instruments

	Contractual financial assets - loans and receivables \$'000	Contractual financial assets - available for sale \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
2018				
Contractual Financial Assets				
Cash and cash equivalents	2,685	-	-	2,685
Receivables				
- Trade Debtors	1,101	-	-	1,101
- Other Receivables	220	-	-	220
Other Financial Assets				
- Shares in Other Entities	-	333	-	333
- Term deposits	7,133	-	-	7,133
Total Financial Assets ⁽¹⁾	11,139	333	-	11,472
Financial Liabilities				
Payables			1,579	1,579
Other Financial Liabilities				
- Accommodation bonds	-	-	4,247	4,247
- Other	-	-	246	246
Total Financial Liabilities ⁽¹⁾	-	-	6,072	6,072
2017				
Contractual Financial Assets				
Cash and cash equivalents	7,886	-	-	7,886
Receivables				
- Trade Debtors	1,388	-	-	1,388
- Other Receivables	260	-	-	260
Other Financial Assets				
- Shares in Listed Entities	-	314	-	314
Total Financial Assets ⁽¹⁾	9,534	314	-	9,848
Financial Liabilities				
Payables			808	808
Other Financial Liabilities				
- Accommodation bonds	-	-	3,858	3,858
- Other	-	-	140	140
Total Financial Liabilities ⁽¹⁾	-	-	4,806	4,806

¹ The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivable) and statutory payables (i.e. Revenue in Advance and DHHS payable).

Notes to and Forming Part of the Financial Statements

East Grampians Health Service Annual Report 2017-18

Categories of Non-Derivative Financial Instruments

Loans and Receivables

Receivables and Cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). East Grampians Health Service recognises the following assets in this category:

- cash assets
- receivables (excluding statutory receivables)
- term deposits

Available-for-Sale Financial Assets

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, gains and losses arising from changes in fair value are recognised in 'Other Comprehensive Income' until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in net result for the period.

Financial Liabilities at Amortised Cost

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

- payables (excluding statutory payables);

(b) Net holding gain/(loss) on financial instruments by category

	Net holding gain/(loss) \$'000	Total interest income / (expense) \$'000	Fee income / (expense) \$'000	Total \$'000
2018				
Financial Assets				
Cash and Cash Equivalents ⁽ⁱ⁾	-	230	-	230
Available for Sale ⁽ⁱ⁾	13	-	15	28
Total Financial Assets	13	230	15	258
Financial Liabilities				
2017				
Financial Assets				
Cash and Cash Equivalents ⁽ⁱ⁾	-	219	-	128
Available for Sale ⁽ⁱ⁾	11	-	13	24
Total Financial Assets	11	219	13	243

ⁱ For cash and cash equivalents, loans or receivables and financial assets available-for-sale, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.

ⁱⁱ For financial liabilities measured at amortised cost, the net gain or loss is calculated by taking the interest expense measured at amortised cost.

Note 7.2: Contingent Assets and Contingent

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

As at 30 June 2018 East Grampians Health Service has no knowledge of any contingent assets or liabilities. (Nil for 30 June 2017.)

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 Equity
- 8.2 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities
- 8.3 Responsible persons disclosures
- 8.4 Executive officer disclosures
- 8.5 Related parties
- 8.6 Remuneration of auditors
- 8.7 Events occurring after the balance sheet date
- 8.8 Controlled entities
- 8.9 Jointly controlled operations and assets
- 8.10 AASBs issued that are not yet effective
- 8.11 Alternative presentation of comprehensive operating statement
- 8.12 Economic Dependency

Note 8.1: Equity

	Consol'd 2018 \$'000	Consol'd 2017 \$'000
(a) Surpluses		
Property, Plant and Equipment Revaluation Surplus (i)		
Balance at the beginning of the reporting period	22,456	22,370
Revaluation Increment/(Decrements)		
- Buildings	452	86
Balance at the end of the reporting period*	22,908	22,456
* Represented by:		
- Land	2,612	2,612
- Buildings	20,296	19,844
	22,908	22,456
Financial Assets Available-for-Sale Revaluation Surplus (ii)		
Balance at the beginning of the reporting period	23	12
Valuation gain/(loss) recognised	13	11
Balance at end of the reporting period	36	23
General Purpose Surplus		
Balance at the beginning of the reporting period	142	140
Transfer to General Reserve	3	2
Balance at the end of the reporting period	145	142
Restricted Specific Purpose Surplus		
Balance at the beginning of the reporting period	1,464	432
Transfer to and from Restricted Specific Purpose Reserve	2,301	1,032
Balance at the end of the reporting period	3,765	1,464
Total Reserves	26,854	24,085
(b) Contributed Capital		
Balance at the beginning of the reporting period	19,896	19,896
Balance at the end of the reporting period	19,896	19,896
(c) Accumulated Surpluses/(Deficits)		
Balance at the beginning of the reporting period	(5,186)	(3,099)
Net Result for the Year	165	(967)
Transfers to/(from):		
- General Purpose Surplus	(3)	(2)
- Restricted Specific Purpose Surplus	(2,301)	(1,032)
- Financial Assets available for Sale Reval Surplus	-	(86)
Balance at the end of the reporting period	(7,326)	(5,186)
Total Equity at end of financial year	39,425	38,796

ⁱ Represents the revaluation of Property, Plant and Equipment. The Crown Land previously classified as held for sale has been transferred to the Department of Health and Human Services in accordance with FRD 103F.

ⁱⁱ The financial assets available-for-sale revaluation surplus arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, that portion of the reserve which relates to the financial asset is effectively realised and is recognised in the Comprehensive Operating Statement. Where a revalued financial asset is impaired, that portion of the reserve which relates to that financial asset is recognised in the Comprehensive Operating Statement.

Note 8.1: Equity (continued)

Equity Recognition

Contributed Capital

Consistent with Australian Accounting Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities and FRD 119 Contributions by Owners, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions or distributions that have been designated as contributed capital are also treated as contributed capital.

Property, Plant & Equipment Revaluation Surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

Financial Assets Available for Sale Revaluation Surplus

The financial asset available for sale revaluation surplus is used to record increments and decrements on the revaluation of financial assets.

General Reserves

A general purpose reserve is established where East Grampians Health Service has placed a restriction and/or condition on the use of particular funds received.

Specific Restricted Purpose Reserve

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

Note 8.2: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from

	Consol'd 2018 \$'000	Consol'd 2017 \$'000
Net Result for the Year	165	(967)
Depreciation & Amortisation	2,784	2,881
Change in Provision for Doubtful Receivables	13	(111)
Net (Gain)/Loss from Sale of Plant and Equipment	(34)	-
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	184	341
(Increase)/Decrease in Other Assets	(22)	(136)
Increase/(Decrease) in Payables	420	(705)
Increase/(Decrease) in Provisions	148	234
Increase/(Decrease) in Other Liabilities	-	37
Increase/(Decrease) in Inventories	(10)	1
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	3,649	1,574

Note 8.3: 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.

Responsible Minister:

The Honourable Jill Hennessy, Minister for Health, Minister for Ambulance Services

The Honourable Martin Foley, Minister for Housing, Disability and Ageing and Minister for Mental Health

Governing Boards

Mr M Wood

Mrs H Fleming

Mr R Barker

Mr D Cole

Ms N Panter

Mrs F Cochrane

Mrs A Rivett

Mrs M Cruickshank

Ms J Petty

Accountable Officers

Mr N Bush

Period
1/07/2017 - 30/06/2018
1/07/2017 - 30/06/2018
1/07/2017 - 30/06/2018
1/07/2017 - 30/06/2018
1/07/2017 - 30/06/2018
1/07/2017 - 30/06/2018
1/07/2017 - 30/06/2018
1/07/2017 - 30/06/2018
1/07/2017 - 30/06/2018
1/07/2017 - 30/06/2018
1/07/2017 - 30/06/2018

Remuneration of Responsible Persons

Income Band

\$0 - \$9,999

\$220,000 - \$229,999

\$260,000 - \$269,999

Total Numbers

2018 No.	Parent 2017 No.
9	8
-	1
1	-
10	9

Total remuneration received or due and

\$262,563	\$226,583
------------------	------------------

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in the East Grampians Health Service's controlled entities financial statements.

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report as disclosed in note 8.5 Related Parties.

Note 8.4: Executive Officer Disclosures

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

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

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

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

Remuneration of executives

	Total remuneration	
	2018 \$'000	2017 \$'000
Short-term employee benefits	\$ 697	\$ 625
Post-employment benefits	\$ 91	\$ 93
Other long-term benefits	\$ 19	-\$ 15
Total Remuneration	\$ 807	\$ 703
Total number of executives (i)	6	5
Total annualised employee equivalent (AEE) (ii)	5	5

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.5)

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

Note 8.5: Related parties

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

- All key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Controlled Entities - East Grampians Health Building for the Future Foundation;
- Jointly Controlled Operation - GRHA; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

Notes to and Forming Part of the Financial Statements

East Grampians Health Service Annual Report 2017-18

Note 8.5: Related parties (Continued)

The Board of Directors and the Executive Directors of East Grampians Health Service and its controlled entities are deemed to be KMPs.

Entity	KMPs	Position Title
East Grampians Health Service	Mr M Wood	Chair of the Board
East Grampians Health Service	Mrs H Fleming	Board Member
East Grampians Health Service	Mr R Barker	Board Member
East Grampians Health Service	Mr D Cole	Board Member
East Grampians Health Service	Ms N Panter	Board Member
East Grampians Health Service	Mrs F Cochrane	Board Member
East Grampians Health Service	Mrs A Rivett	Board Member
East Grampians Health Service	Mrs M	Board Member
East Grampians Health Service	Ms J Petty	Board Member
East Grampians Health Building for the Future Foundation	Mr D Hosking	Trustee & Chair
East Grampians Health Building for the Future Foundation	Mr W Jones	Trustee
East Grampians Health Building for the Future Foundation	Ms J Tivey	Trustee
East Grampians Health Building for the Future Foundation	Mr G Laidlaw	Trustee
East Grampians Health Service	Mr N Bush	Chief Executive
East Grampians Health Service	Mr P Armstrong	Director of Clinical Services
East Grampians Health Service	Mr S Kerr	Director of Support Services
East Grampians Health Service	Ms D Schulz	Director of Community Services (01/07/17 - 11/01/18)
East Grampians Health Service	Ms S Philip	Director of Community Services (from 10/04/18 onwards)
East Grampians Health Service	Mr M Santilli	Director of Quality & Improvement
East Grampians Health Service	Mr T Roberts	Director of Finance

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

Compensation	2018 (\$'000)	2017 (\$'000)
Short-term employee benefits	\$ 928	\$ 846
Post-employment benefits	\$ 117	\$ 127
Other long-term benefits	\$ 25	\$ 43
Termination benefits	\$ -	\$ -
Share-based payments	\$ -	\$ -
Total (i)	\$ 1,070	\$ 930

ⁱ KMPs are also reported in Note 8.3 Responsible Persons or Note 8.4 Remuneration of Executives.

Note 8.5: Related parties (Continued)

Significant transactions with government related entities

East Grampians Health Service received funding from the Department of Health and Human Services of \$24.4 million (2017: \$22.7 million)

Expenses incurred by East Grampians Health Service in delivering services and outputs are in accordance with Health Purchasing Victoria requirements. Some goods and services including procurement and operational support are provided by other Victorian Health Service Providers on commercial terms.

Professional medical indemnity insurance and other insurance products are obtained from a Victorian Public Financial Corporation.

Treasury Risk Management Directions require East Grampians Health Service to hold cash (in excess of working capital) and investments, and source all borrowings from Victorian Public Financial Corporations.

Transactions with KMPs and Other Related Parties

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

Outside of normal citizen type transactions with the Department of Health and Human Services, all other related party transactions that involved KMPs and their close family members have been entered into on an arm's length basis. Transactions are disclosed when they are considered material to the users of the financial report in making and evaluation decisions about the allocation of scarce resources.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2018.

There were no related party transactions required to be disclosed for East Grampians Health Services Board of Directors and Executive Directors in 2018.

Except for the transaction listed below, there were no other related party transactions required to be disclosed for East Grampians Health Building for the Future Foundation Trustees in 2018.

Controlled Entities Related Party Transactions

East Grampians Health Building for the Future Foundation Foundation

The transactions between the two entities relate to reimbursements made by East Grampians Health Building for the Future Foundation to East Grampians Health Service for goods and services and the transfer of funds by way of distributions made to the hospital. All dealings are in the normal course of business and are on normal commercial terms and conditions.

	2018 \$'000	2017 \$'000
Distribution of funds by East Grampians Health Building for the Future Foundation	27	38
Intercompany receivable at 30 June	-	-

Note 8.6: Remuneration of auditors

	2018 \$'000	2017 \$'000
Victorian Auditor-General's Office		
Audit or review of financial statement	17	14
Other Providers		
Internal Audit reviews	20	30

Note 8.7: Events Occurring after the Balance Sheet Date

No significant events occurred after the reporting date.

Note 8.8: Controlled Entities

Name of entity	Country of incorporation	Equity Holding
East Grampians Health Building for the Future Foundation	Australia	100%

CONTROLLED ENTITIES CONTRIBUTION TO THE CONSOLIDATED RESULTS

	2018 \$'000	2017 \$'000
NET RESULT FOR THE YEAR		
East Grampians Health Building for the Future Foundation	88	53

Note 8.9: Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Ownership Interest	
		2018 %	2017 %
Grampians Region Health IT Alliance	ICT Systems	7.35	7.14

East Grampians Health Service's interest in the above jointly controlled operations and assets is detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2018 \$'000	2017 \$'000
Current Assets		
Cash and Cash Equivalents	258	232
Receivables	21	31
Other Current Assets	12	2
Total Current Assets	291	265
Non Current Assets		
Property, Plant and Equipment	313	265
Total Non Current Assets	313	265
Total Assets	604	530
Current Liabilities		
Payables	40	41
Total Current Liabilities	40	41
Total Liabilities	40	41

East Grampians Health Service's interest in revenues and expenses resulting from jointly controlled operations and assets are detailed below:

	2018 \$'000	2017 \$'000
Revenues		
Operating receipts	429	391
Capital receipts	77	137
Total Revenue	506	528
Expenses		
Information Technology and Administrative Expenses	400	380
Capital expenses	32	31
Total Expenses	432	411
Net result	74	117

Contingent Liabilities and Capital Commitments

As at 30 June 2018 the Grampians Region Health IT Alliance has not reported any contingent liabilities.

Note 8.10: AASBs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2018 reporting period. DTF assesses the impact of all these new standards and advises East Grampians Health Service of their applicability and early adoption where applicable.

As at 30 June 2018, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. East Grampians Health Service has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on financial statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. While there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed.
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AASBs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	Amends the measurement of trade receivables and the recognition of dividends. Trade receivables, that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when: · the entity's right to receive payment of the dividend is established; · it is probable that the economic benefits associated with the dividend will flow to the entity; and · the amount can be	1 Jan 2018, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector.
AASB 2016-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15	This Standard defers the mandatory effective date of AASB 15 from 1 January 2018 to 1 January 2019.	1 Jan 2018	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.

Note 8.10: AASBs issued that are not yet effective (Continued)

AASB 2017-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	This Standard amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. The amendments require: · A promise to transfer to a customer a good or service that is 'distinct' to be recognised as a separate performance obligation; · For items purchased online, the entity is a principal if it obtains control of the good or service prior to transferring to the customer; and · For licences identified as being distinct from other goods or services in a contract, entities need to determine whether the licence transfers to the customer.	1 Jan 2018	The assessment has indicated that there will be no significant impact for the public sector, other than the impact identified for AASB 15 above.
AASB 2017-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 2017-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not- for-Profit Entities	This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events. The amendments: · require non-contractual receivables arising from statutory requirements (i.e. taxes, rates and fines) to be initially measured and recognised in accordance with AASB 9 as if those receivables are financial instruments; and · clarifies circumstances when a contract with a customer is not a contract.	1 Jan 2019	The assessment has indicated that there will be no significant impact for the public sector, other than the impacts identified for AASB 9 and AASB 15 above.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1-Jan-19	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge. There will be no change for lessors as the classification of operating and finance leases remains unchanged.
AASB 2017-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non- Cash-Generating Specialised Assets of Not-for-Profit Entities	The standard amends AASB 136 Impairment of Assets to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2018	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 Fair Value Measurement is the same as the depreciated replacement cost concept under AASB 136.

Notes to and Forming Part of the Financial Statements

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AASB 1058 Income of Not-for- Profit Entities	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.
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Note 8.11: Alternate Presentation of Comprehensive operating statement

	2018 \$'000	2017 \$'000
Interest	245	232
Sales of goods and services	5,263	4,878
Grants	34,173	30,855
Other Income	1,949	1,822
Total revenue	41,630	37,787
Employee expenses	24,367	23,533
Depreciation	2,814	2,881
Other operating expenses	14,453	12,338
Total expenses	41,634	38,754
Net result from transactions - Net operating balance	(4)	(967)
Net gain/ (loss) on sale of non-financial assets	34	-
Total Other Economic Flows Included in Net Result	34	-
Net result	30	(967)

Note 8.12: Financial Dependency

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

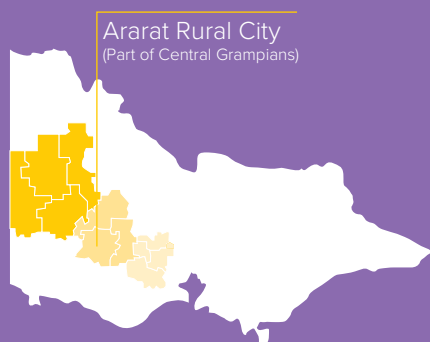
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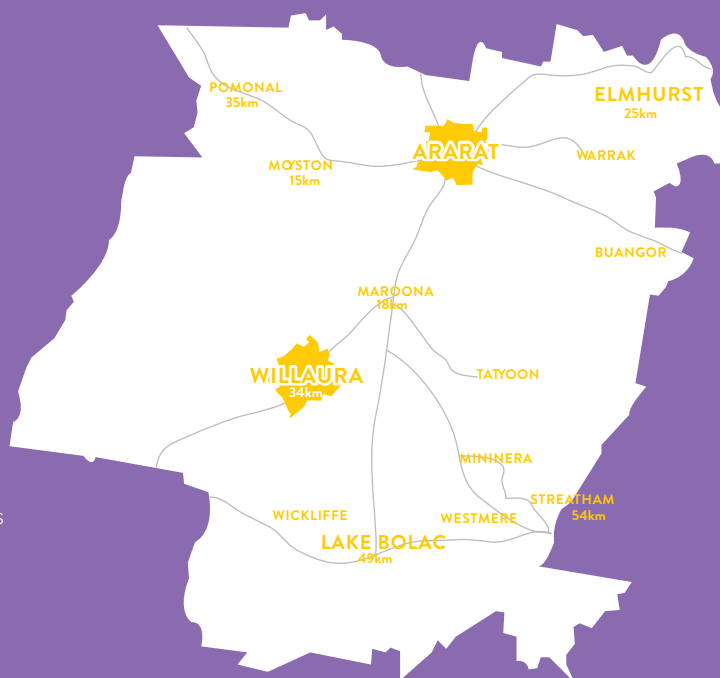
SITE DIRECTORY AND LOCATION MAPS

East Grampians
Health Service



Ararat Rural City
(Part of Central Grampians)

Wimmera Central Grampians Central Highlands



EAST GRAMPIANS HEALTH SERVICE

PO Box 155
Girdlestone Street, Ararat 3377

P: 03 5352 9300

F: 03 5352 5676

E: info@eghs.net.au

www.eghs.net.au

70 LOWE STREET

Aged Care Facility
70 Lowe Street, Ararat 3377

P: 03 5352 9323

GARDEN VIEW COURT

Lowe Street, Ararat 3377

P: 03 5352 9324

PATRICIA HINCHEY CENTRE

Girdlestone Street, Ararat 3377

P: 03 5352 9326

WILLAURA HEALTH CARE

Delacombe Way, Willaura 3379

P: 03 5354 1600

PARKLAND HOUSE

Delacombe Way, Willaura 3379

P: 03 5354 1613



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