



East Grampians
Health Service

2018-19

ANNUAL REPORT

LEADERS IN RURAL
HEALTH CARE



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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COVER IMAGE:

Midwife Sarah Power with mother Shena Nyikos and baby Luca.

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, reviews 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

EGHS wish to acknowledge the custodians of this land, the Jardwadjali and Djab Wurrung people, their Elders past, present and future. EGHS acknowledges and respects their continuing culture and the contribution they make to the life of this city and this region.

ACKNOWLEDGEMENTS

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

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 inpatient, 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)
- Healthy @ Home Telehealth service
- 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)

DEVELOPMENT & IMPROVEMENT

- Standards, Legislation and Accreditation
- Education and Professional Development
- Information & Communication Technology
- Occupational Health & Safety
- Emergency Management
- 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

FINANCE SERVICES

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

MEDICAL SERVICES

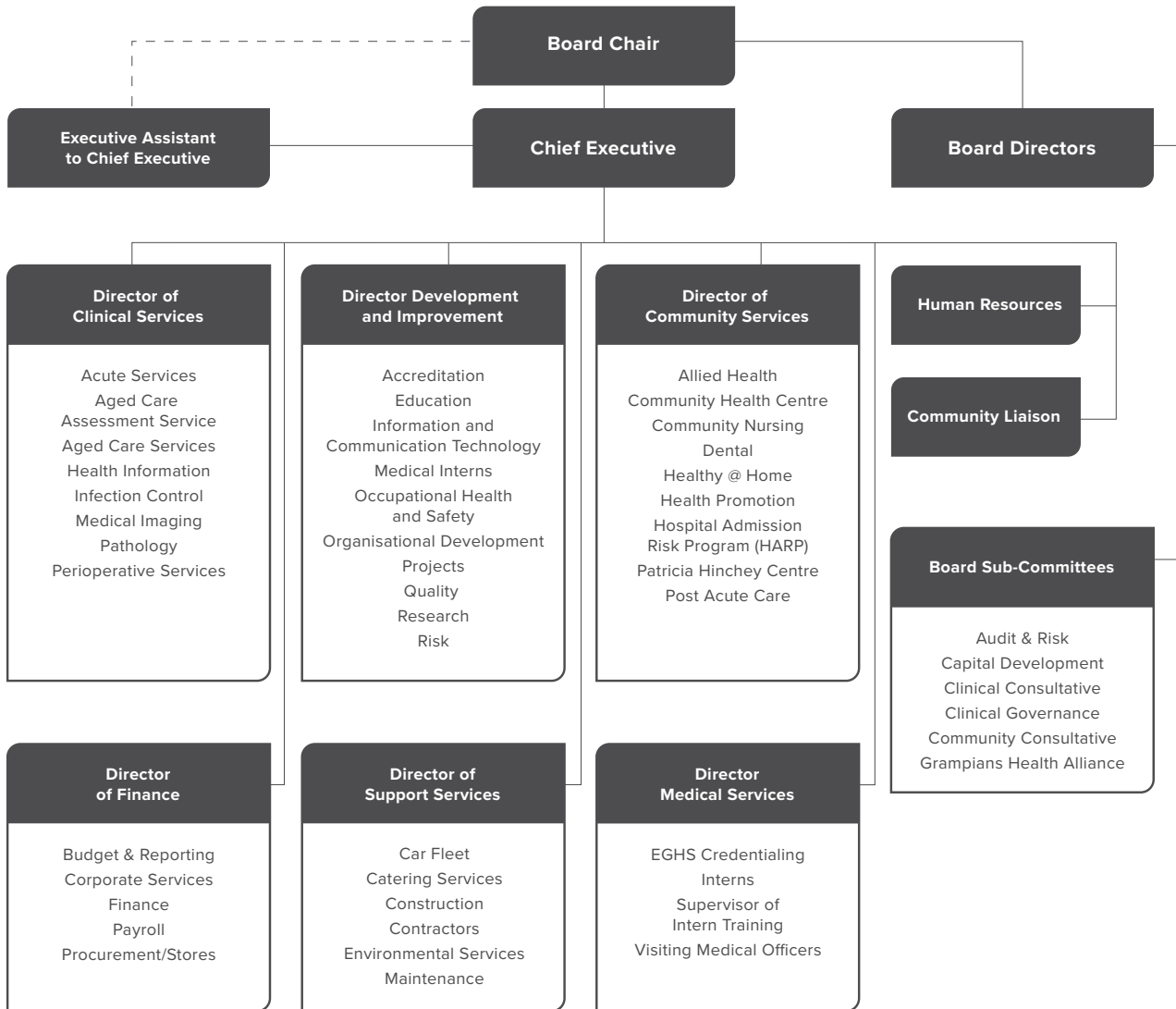
- Credentialing
- General Medicine
- General Surgery
 - Ear Nose & Throat
 - Gynaecology
 - Ophthalmology
 - Orthopaedics
 - Urology
 - Dental
- Medical Interns
- Supervision of Medical Interns
- Visiting Medical Officers

GRAMPIANS HEALTH ALLIANCE MEMBERS

- East Grampians Health Service
- Ballan District Health & Care
- Ballarat Health Services
- Beaufort Skipton Health Service
- East Wimmera Health Service
- Hepburn Health Service
- Maryborough District Health Service
- Stawell Regional Health

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 2018-19 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>Provide education for staff in accordance with the regional response to Strengthening Hospital Response to Family Violence programs.</p>	<p>East Grampians Health Service introduced a training program in collaboration with the regional response to Strengthening Hospital Response to Family Violence. This resulted in the launch of related policy and procedures, the appointment of 14 contact officers and over 40 staff completing the first session of family violence training with further sessions on offer late 2019.</p>
		<p>Provide dental screening opportunities to all primary school children in the Ararat Local Government area.</p>	<p>The East Grampians Health Service Dental Van in partnership with Dental Health Services Victoria, has provided dental services to 17 primary schools and 11 kindergartens in the Ararat Rural City and Northern Grampians Shire catchments during 2018/19</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>Participate in and contribute to a review of the Grampians Regional Partnership with the aim of developing a shared vision with agreed regional priorities directed by a shared governance model.</p>	<p>The Grampians Regional CEO Group as part of the Grampians Regional Partnerships participated in two planning days during the 2018-19 financial year in order to develop a shared vision and identify ongoing shared regional priorities.</p> <p>The first planning day resulted in the development of a shared vision. This has been used to develop a Partnership Agreement which has been endorsed by the collective CEO Group. The second planning day resulted in the endorsement of three regional priorities and a subsequent action plan was developed and has been shared with the Department as per the Rural and Regional Partnership guidelines.</p> <p>The Grampians Regional Partnership was strengthened with the recruitment and appointment of a clinical project manager appointed as the Grampians Regional Partnership Officer.</p>

GOALS	STRATEGIES	DELIVERABLES	OUTCOME
<p>Better Care</p> <p>Target zero avoidable harm</p> <p>Healthcare that focusses on outcomes</p> <p>Patients and carers are active partners in care</p> <p>Care fits together around people's needs</p>	<p>Better Care</p> <p>Put quality first</p> <p>Join up care</p> <p>Partner with patients</p> <p>Strengthen the workforce</p> <p>Embed evidence</p> <p>Ensure equal care</p>	<p>Participate in regional Clinical Governance projects that will build capability to identify and address Clinical Governance gaps within the health service and allow for the identification of regional strategies for inclusion in an improvement action plan by May 2019.</p>	<p>The Grampians Regional Chief Executive Officer's Working Group – Clinical Governance committed to undertaking a gap analysis of individual health service clinical governance capability against the Victorian Clinical Governance Framework. This effective tool mapped clinical governance capability of individual health services and the Grampians region collectively. The analysis identified opportunities for region-wide clinical governance activities that could benefit all health services, in addition to health service level quality activities, while leveraging the economies of scale.</p> <p>All Grampians region health services participated in the peer review audit. The Clinical Governance Gap Analysis report was completed and tabled at the June 2019 Working Group meeting. The report identified 18 recommendations for clinical governance improvements. These recommendations have been identified as potential priorities for the 2019-2020 Statement of Priorities.</p>
		<p>By December, develop a collaborative plan with Ballarat Health Services and Ararat Medical Centre that strengthens the sustainability of its obstetric services.</p>	<p>East Grampians Health Service has established an agreed action plan with Ballarat Health Services and Maryborough District Health Service to deliver a centralised Cardiotocography monitoring system which provides 24 hour access to clinical expertise for foetal surveillance. Further to this the Health Service has enlisted the support of two specialist obstetricians to cover the weekend obstetric roster.</p>
<p>Specific 2018-19 priorities (mandatory)</p>	<p>Disability Action Plans</p> <p>Draft Disability Action Plans are completed in 2018-19.</p>	<p>Submit a draft Disability Action Plan to the Department by 30 June 2019. The draft plan will outline the approach to full implementation within three years of publication.</p>	<p>East Grampians Health Service has reviewed and updated its existing Disability Action Plan. Following this review a new action plan is in development to bring it in line with the Department of Planning and Community Development (Office for Disability) guidelines. Consultation has commenced with disability advocates; this will provide consumer engagement, including the review of implemented actions.</p>
	<p>Volunteer engagement</p> <p>Ensure that the health service executives have appropriate measures to engage and recognise volunteers.</p>	<p>In consultation with its Community Consultative Committee, develop and implement an engagement strategy for volunteers that recognises organisational and consumer need.</p>	<p>East Grampians Health Service has revised its Terms of Reference for its Community Consultative Committee. The committee has overseen the implementation of engagement with consumers at three consumer forums in 2018/19. A role has been established for a consumer engagement officer.</p>

STATEMENT OF PRIORITIES

Part A: Continued

GOALS	STRATEGIES	DELIVERABLES	OUTCOME
Specific 2018-19 priorities (mandatory)	Bullying and harassment Actively promote positive workplace behaviours and encourage reporting. Utilise staff surveys, incident reporting data, outcomes of investigations and claims to regularly monitor and identify risks related to bullying and harassment, in particular include as a regular item in Board and Executive meetings. Appropriately investigate all reports of bullying and harassment and ensure there is a feedback mechanism to staff involved and the broader health service staff.	Review its bullying and harassment policies to ensure that there is information that states all reports of bullying are investigated.	East Grampians Health Service has reviewed all policies related to bullying, harassment and discrimination and have ensured that information contained in the policies state that investigations will occur when incidents are reported.
		All reported cases of bullying and harassment will be placed on the agenda of the Clinical Governance Board Sub Committee for discussion. Board meetings will have an agenda item for the reporting of results of bullying and harassment investigations.	East Grampians Health Service Clinical Governance Board subcommittee receives notification of all incidents of bullying, harassment and discrimination. The East Grampians Health Service's Board receives notification of all incidents of bullying, harassment and discrimination as a standing agenda item.
	Occupational violence Ensure all staff who have contact with patients and visitors have undertaken core occupational violence training, annually. Ensure the Department's occupational violence and aggression training principles are implemented.	Commencing January 2019 all staff of East Grampians Health Service will receive core training for occupational violence at a mandatory education session.	East Grampians Health Service implemented the occupational violence E-learning module as mandatory for all staff to complete in 2019. Hands on breakaway techniques have been taught at mandatory education sessions throughout 2019.
		Work with the Grampians region Occupational Health and Safety Committee to design and implement training for staff in occupational violence and aggression that reflects the unique environment of rural health and the principles of the Department.	East Grampians Health Service continues to be a partner in the Regional Occupational Violence and Aggression committee. East Grampians Health Service plans for and bases its training on the Management Of Clinical Aggression (MOCA) principles for the local context. East Grampians Health Service has four qualified MOCA trainers on staff who develop the localised training.

GOALS	STRATEGIES	DELIVERABLES	OUTCOME
<p>Specific 2018-19 priorities (mandatory)</p>	<p>Environmental Sustainability</p> <p>Actively contribute to the development of the Victorian Government's policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measurable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.</p>	<p>Reduce the use of paper inpatient forms by 50 per cent by continuing with the roll out of electronic patient forms.</p> <p>East Grampians Health Service will publicly report the results of clinical waste and general waste audits conducted in 2018–19.</p>	<p>East Grampians Health Service as part of the Grampians Region Health Alliance has worked closely in the implementation of electronic forms to support good clinical practice with the subsequent benefit of reduced use of paper records. This process is currently still being rolled out and is expected to reach a maturity level in the following years.</p> <p>East Grampians Health Service publicly reported the results of its 2018/19 waste audit in its sustainability report. This is found on the East Grampians Health Service website.</p>
	<p>LGBTI</p> <p>Develop and promulgate service level policies and protocols, in partnership with LGBTI communities, to avoid discrimination against LGBTI patients, ensure appropriate data collection, and actively promote rights to free expression of gender and sexuality in healthcare settings.</p>	<p>Actively seek advice from LGBTI advisor to assist in creating an action plan to ensure that discrimination of LGBTI patients does not occur in accordance with Rainbow eQuality Guide.</p>	<p>The East Grampians Health Service Leadership Group received education sessions from Women's Health Grampians on intersectionally and marginalised people, including lesbian, gay, bisexual, transgender and intersex community, to ensure inequality and discrimination is minimised through the revision of current practice and challenging of stereotypes. This is now a focus of work related to shared decision making and working together priorities in the statement of intent for Partnering in Healthcare.</p>

STATEMENT OF PRIORITIES

Part B: Performance Priorities

KEY PERFORMANCE INDICATOR	TARGET	RESULT
ACCREDITATION		
Accreditation against the National Safety and Quality Health Service Standards	Accredited	Achieved
Compliance with the Commonwealth's Aged Care Accreditation Standards	Accredited	Achieved
INFECTION PREVENTION AND CONTROL		
Compliance with the Hand Hygiene Australia program	80%	90.5%
Percentage of healthcare workers immunised for influenza	84%	95%
PATIENT EXPERIENCE		
Victorian Healthcare Experience Survey - data submission	Full compliance	Full compliance
Victorian Healthcare Experience Survey – patient experience Quarter 1	95% positive experience	99%
Victorian Healthcare Experience Survey – patient experience Quarter 2	95% positive experience	100%
Victorian Healthcare Experience Survey – patient experience Quarter 3	95% positive experience	99%
Victorian Healthcare Experience Survey – discharge care Quarter 1	75% very positive experience	85.1%
Victorian Healthcare Experience Survey – discharge care Quarter 2	75% very positive experience	88.6%
Victorian Healthcare Experience Survey – discharge care Quarter 3	75% very positive experience	93.8%
Victorian Healthcare Experience Survey – patient perception of cleanliness – Quarter 1	70%	97.3%
Victorian Healthcare Experience Survey – patient perception of cleanliness – Quarter 2	70%	98.9%
Victorian Healthcare Experience Survey – patient perception of cleanliness – Quarter 3	70%	93.1%
ADVERSE EVENTS		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Achieved
MATERNITY AND NEWBORN		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤1.4%	1.2%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤28.6%	0.4%

KEY PERFORMANCE INDICATOR	TARGET	RESULT
STRONG GOVERNANCE, LEADERSHIP AND CULTURE		
People Matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	95%
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%	95%
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%	95%
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%	95%
People Matter survey – percentage of staff with a positive response to the question, “Management is driving us to be a safety-centred organisation”	80%	98%
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%	96%
People Matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	86%
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%	97%

Effective financial management

KEY PERFORMANCE INDICATOR	TARGET	RESULT
ACCREDITATION		
FINANCE		
Operating result (\$m)	0.00	\$0.77m
Average number of days to paying trade creditors	60 days	48
Average number of days to receiving patient fee debtors	60 days	16
Public and Private WIES activity performance to target	100%	100%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.07
Forecast number of days a health service can maintain its operations with unrestricted available cash (based on end of year forecast)	14 days	11.4
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month.	14 days	11.4
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	(\$217K)

STATEMENT OF PRIORITIES

Part C: Performance Priorities

Activity and Funding

FUNDING TYPE	RESULT
ADMITTED	
WIES DVA	49
WIES Public	2,315
WIES Private	492
WIES TAC	1
ACUTE NON-ADMITTED	
Home Enteral Nutrition	55
Specialist Clinics - Public	4,922
SUBACUTE & NON-ACUTE ADMITTED	
Maintenance Public	29
Subacute WIES - Palliative Care Public	13
Subacute WIES - Palliative Care Private	4
Subacute WIES - DVA	3
SUBACUTE & NON-ACUTE ADMITTED	
Health Independence Program - Public	1,140
AGED CARE	
Residential Aged Care	28,847 Bed Days
HACC	3,823 Service Hours
PRIMARY HEALTH	
Community Health / Primary Care Programs	6,601 Service Hours
OTHER	
Health Workforce	13 Students

CHAIR'S REPORT



It's an exciting time at East Grampians Health Service with new faces, new projects and new opportunities. It's also a challenging time with increased clinical governance standards and tightening financial parameters.

In 2018-19 we welcomed a new Board executive team, new Board members, a new Chief Executive and a new Acting Director of Medical Services.

We developed a new Strategic Plan and secured funding to upgrade our second theatre and radiology department and purchase new medical equipment. These changes would not be possible without the dedication and tireless commitment of our out-going Chair, Matthew Wood, Treasurer Russell Barker and Chief Executive Nick Bush.

Matthew Wood's leadership of the Board as Chair over the past three years, and commitment to the Health Service since 2011, has ensured that we are well-positioned to face future challenges. To acknowledge his outstanding commitment, Matthew was awarded East Grampians Health Service Life Governorship at our Annual General Meeting in 2018.

Treasurer Russell Barker, a Board Member since 2014, concluded his service in 2018. We thank him for his stewardship of the Health Service's fiscal responsibility and his mentorship of our new Treasurer Jay Petty.

Two new Board members were appointed in 2019. Paul Hooper brings to the Board expertise in small business, consulting and local government. Paul knows East Grampians Health Service well as he, along with his father, mother and two of his children were born at the hospital.

Melbourne-based lawyer Gabrielle Czarnota has expert knowledge of employee and industrial relations and adds depth to the Board's understanding of compliance and governance.

In 2019, due to work commitments, Board member Mary Cruickshank was unable to complete her term of office. We thank her for her input since 2017.

SPECIAL THANKS

A special thanks to Vice Chair Heather Fleming for her dedication to the Board over the last 11 years as she concludes her service this year.

Heather has worked tirelessly during her time with the Board and has served as Vice Chair, Acting-Chair and Chair of the Community Consultative Committee. In 2019, Heather led the Board during my Maternity Leave (March – June 2019). The empathy and experience Heather brought to the board is appreciated. Heather has been a well respected member of the Board and her contribution has been invaluable.

Our Treasurer Jay Petty is currently on Maternity Leave, returning March 2020.



CHAIR'S REPORT

CHIEF EXECUTIVE

The Health Service, Board and our community were fortunate to have Nick Bush as our Chief Executive for eight years. Nick championed excellence, education, creativity and initiative. Following Nick's departure in 2018, the Board appointed Andrew Freeman as interim-Chief Executive while an extensive recruitment process was underway.

Following the national search, we were delighted to appoint Andrew Freeman as Chief Executive. Andrew brings to the role more than 13 years' experience in rural health in a number of executive roles. He is an effective leader who is deeply committed to improving the health outcomes for rural communities.

We are confident that Andrew will lead an effective workforce to deliver appropriate healthcare within the parameters of government policy, financial responsibility and demographic sensitivity. The Board looks forward to working collaboratively with Andrew.

RETIREMENT OF DIRECTOR MEDICAL SERVICES

After a career spanning more than 40 years in the medical profession, Dr Eric Kennelly retired as Director of Medical Services. Dr Kennelly joined the staff of East Grampians Health Service in May 2011, retiring in March this year. During his time at the Health Service Dr Kennelly was a key figure in establishing the Grampians Medical Training Intern Program, now into its fifth year, with support from St John of God Healthcare Ballarat, Maryborough District Health Service and three GP clinics: Ararat Medical Centre, Nightingale Clinic and Clarendon Medical Centre – both in Maryborough. His knowledge, empathy and skills will be missed by the interns he has mentored over the past five years. We wish him well in his retirement.

DR ERIC VAN OPSTAL

It is with sadness that the Board acknowledges the life and death of Dr Eric Van Opstal. Dr Van Opstal was a valued partner of the Ararat Medical Centre and was the medical representative on our Board for over 15 years. His insight, compassion and humanity will be greatly missed and our thoughts are with his wife and children.

WELCOME

We welcome Dr Sophie Ping as the Acting Director of Medical Services. Sophie has an extensive and diverse background.

DR SOPHIE PING

Having completed a Bachelor of Arts at the University of Melbourne majoring in English Literature followed by a Science degree majoring in Physiology, Sophie then undertook a PhD in Neurophysiology, researching neuro-protective mechanisms of oestrogen neurodegenerative disease. While completing PhD studies, Sophie was employed as the Senior Tutor for Medicine, Physiotherapy and Biomedical Sciences and as a problem based learning (PBL) tutor in the Medical department at Melbourne University.



She has worked in Western Samoa, Darwin and Alice Springs before returning to Victoria to complete her MBBS at Deakin University. Sophie continues her work as a forensic examiner and advocates for and supports survivors of family violence.

She is also dedicated to supporting medical education and welfare for doctors and is passionate about improving opportunities, training and support for both junior and senior doctors in regional and rural health services, and acknowledging the integral role that medical services play in sustaining rural communities.

Sophie is a keen and talented musician and was a member of the Ballarat Symphony Orchestra for many years. As our Health Service is committed to encouraging a sustainable medical workforce, the Board is delighted that Sophie's medical training has a strong emphasis on support and education for rural doctors.



STRATEGIC PLAN 2019-2022

East Grampians Health Service has every reason to be proud of its accomplishments achieved through collaboration between the Board, staff and our stakeholders. Together, we created our organisational Values that have shaped our progress in delivering quality and safe healthcare to our community.

The commencement of the 2019 financial year has been a time of change for East Grampians Health Service. The year has not been without its challenges. It's how we address these challenges that defines the Health Service as an organisation.

While our organisational Values determine our attitudes to work, there are two significant documents that guide us - the Strategic Plan 2019 – 2022 and the Statement of Priorities 2018-2019.

The completion of the 2019-2022 Strategic Plan was a priority for the Board. The three Strategic Goals of Better Health, Better Access and Better Care address the challenges faced by our Health Service and are based on the priorities detailed in the Victorian Government document: Health 2040 Advancing Health, Access and Care. This document details the State Government's priorities for rural and regional Victoria.

The Strategic Plan Implementation Framework ensures our Strategic Plan remains a dynamic and meaningful document achievable with defined and measurable actions for staff and the Board.

STATEMENT OF PRIORITIES 2018-2019

This Agreement between the Secretary for the Department of Health and Human Services and our Health Service is consistent with our Strategic Plan, and relates to Government policy directions and priorities.

In this report we will provide a strategic overview based on our organisational plan and goals. Chief Executive Andrew Freeman will outline in more detail the organisational imperatives to accomplish positive health outcomes for our community as outlined in the Statement of Priorities. The Strategic Plan is also on our website: www.eghs.net.au

We understand that change can be a challenge, but accepting that change is an important component of transition, the Health Service will maintain its visionary approach to the health and wellbeing of our community. The Board will work with the management team to formulate strategies to prepare and adapt work practices to deliver first class, contemporary health care to our community.

Our organisation delivers healthcare to a rural area with an ageing population, low socioeconomic status and a high burden of disease.

A sustainable workforce is one of our biggest challenges. We have implemented strategies including incentives, education and training programs to encourage our community residents to embark on a career in health.

The key to achieving our Strategic Plan and Goals is to work in partnership with all tiers of Government, tertiary institutions, members of the Grampians Health Alliance and other agencies within our community.

STRATEGIC GOALS

BETTER HEALTH

Strategic Objective 1

EGHS will promote healthy eating, improved mental health and wellbeing and an increase in physical activity

Through the provision of appropriate health information we are providing greater opportunities for increased awareness of our programs, services and inclusive activities.

Utilising their knowledge, skills and strengths we have been able to deliver first class services that have addressed the health status of our community.

With the development of the Healthy@Home (H@H) building as part of the Community Health Centre redevelopment, a number of clinical disciplines are now working under one roof, allowing for improved access for teams working with clients with common goals. The pilot program for H@H has been evaluated and now receives ongoing funding from the Department of Health and Human Services. The program offers innovative service supports to individuals, particularly those with chronic and/or complex illnesses. The H@H model supports patients to remain in their own home, while decreasing the level of preventable hospital admissions.

Our Health Service was successful in gaining one of eight national Heart Foundation grants of \$10,000 in the Active Australia Innovation Challenge. The "Active Adventure Around Ararat" is being developed in partnership with Ararat Rural City and will provide a free walking trail, activating parks and green spaces around Ararat, with a puzzle component to be solved at each space. This will create a free and permanent community based program that enables individuals of all abilities to be more physically active, while enjoying and engaging with many of the beautiful green spaces around Ararat.



Our Health Service works in partnership across three Local Government Areas to implement the Grampians Pyrenees Integrated Prevention Action Plan. The priority areas for East Grampians Health Service's health promotion are Healthy Eating & Active Living and Mental Health. Place-based activities are implemented to change community environments where people learn, work and play. Some of the activities include:

- Healthy choices framework to improve our health service café and catering and inspire other workplaces to increase healthy choices available to their employees;
- Coordinating a local healthy workplace network; and
- Improving access and utilisation of the Food Connect program at Ararat Neighbourhood House.

Research demonstrates that exercise is good for physical and mental health. Our Physiotherapist runs staff exercise classes to help staff stay healthy through a mixture of exercise and companionship with colleagues. Not only does exercise make us feel better but it can reduce the risk of illnesses like heart and lung disease, high blood pressure, diabetes, obesity, cancer and dementia, diseases which have been implicated in the health of residents in our catchment area.

As an organisation, we promote healthy habits for our staff, including exercise, eating and drinking.

Café Pyrenees continues to lead the way in providing healthy food choices and drink options for staff and visitors. We are optimistic that our catering service will inspire other workplaces to increase healthy choices for their employees.

As a Board, we have a responsibility to ensure that our staff feel supported in the workplace and that their psychological wellbeing is as important as the wellbeing of our patients, clients and residents. We are reviewing the Department of Health and Human Services' policy on its framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination and we will be implementing education and training to staff to ensure our organisation complies with this framework.

An Employee Assistance Program is available to all staff with free, confidential counselling available to support and enhance employees' wellbeing in the workplace and personal lives.

Strategic Objective 2

EGHS will drive preventative dental health and active health and wellbeing programs for school children in the Local Government Area

To lessen the anxiety of attending hospital and encourage a better rate of attendance at our dental clinic, the dental van and portable dental chair have visited primary schools and kindergartens in our catchment area this financial year. Dental care, along with health and wellbeing information, has been introduced to these schools and kindergartens. We have extended our Dental Services to include Stawell West Primary School. Our dental team provides training to kindergarten staff so they can undertake the Smiles 4 Miles Award.

Local kinder groups have also come on fact finding tours of the Health Service, to meet with nurses and visit the Theatres.

Strategic Objective 3

EGHS will reduce avoidable hospital admissions by working with our community and health partners to identify the areas of chronic disease most in need

The introduction of the Healthy@Home telehealth service has been well received by patients, with an interim evaluation undertaken by Federation University Ballarat, indicating a high level of satisfaction with the program. By monitoring the health status of patients by phone, there has been a reduction in unplanned admissions and presentations at Urgent Care for patients enrolled in the telehealth component of H@H. A final evaluation of the service will be available at the start of the next financial year and will include recommendations for future service planning.



BETTER ACCESS

Strategic Objective 1

EGHS will work with its consumers and health care partners to ensure streamlined and coordinated equitable access to health care that meets the need of the community

We are proud of the quality of healthcare we deliver at East Grampians Health Service and continue to strive to meet community expectations through the delivery of patient-focussed, safe, quality care.

The Royal Commission into Aged Care Quality and Safety was established in October 2018 by the Governor-General of the Commonwealth of Australia, His Excellency General the Honourable Sir Peter Cosgrove AK MC (Retd). The aim of the Commission is to find out from consumers, including staff, families and carers, what they think about aged care services, including what works well, what doesn't and how improvements can be made. Our Health Service has responded to a request it received from the Commission.

Following unannounced visits from the Aged Care Quality and Safety Commission to Parkland House, Willaura Nursing Home, 70 Lowe Street and Garden View Court, our Health Service received notification that it remains fully accredited. This is excellent news for our community and for our staff who work assiduously to maintain the highest standards in quality and safe care. We thank staff for their continuing commitment to residents, patients and clients.

The Grampians Regional Credentialing and Privileging Committee met in Ararat for its annual meeting to review 70 Visiting Medical Officer applications and make recommendations regarding scope of practice and clinical privileges. Medical Officers and Health Service executives from the Grampians Region met with representatives from the Australian College of Rural and Remote Medicine, Royal Australian College of General Practitioners, Dental Health Services Victoria with support from Ballarat Health Services to discuss the applications.

CHAIR'S REPORT



The Murray to Moyne bike riders, fondly known as Cranks and Defibrillators, teamed up with the EGHS Auxiliary earlier this year to raise funds to replace treatment chairs in the Dialysis Unit. The Board is most appreciative of the staff and other community members who endure hours of training to participate in the Murray to Moyne event.

In providing the very best care to our consumers we are supported by our volunteers, auxiliary members and financial donors, without whom we as a Health Service could not provide some of the additional facilities for our patients and residents. We have over 150 volunteers, five auxiliaries and many external service groups who make a significant contribution to help us achieve our goals. The contribution by so many, is greatly appreciated.

Adapting to change is equally important to this group of people and to ensure that we provide a safe environment and fulfilling work we have sought input and feedback through the Community Consultative Committee. The Board values this important communication between consumers, volunteers and auxiliaries and, where necessary, has made changes to work practices.

Congratulations to the Willaura Healthcare Auxiliary which was recognised in this year's Australia Day Awards with the Ararat Rural City Community Spirit Award. The award recognised members' contribution to the Willaura Healthcare Outdoor Market, which has been bringing Willaura and the wider community together since 2005. While our volunteers and auxiliary members don't expect recognition, it's wonderful to receive acknowledgement for a job truly well done.

This year was the 14th annual Volunteer recognition awards ceremony and we were delighted to recognise volunteers and auxiliary members who have made a long term commitment to the Health Service. I hope our volunteers and auxiliary members know how important they are to our Health Service, for without them it would be more difficult for the Board to achieve its aims of providing quality and safe healthcare to the community.

Volunteers and auxiliary members are an excellent conduit between our consumers of service and our staff and their input into the Board's strategic planning is invaluable.

We encourage our community of volunteers, auxiliary members and other interested people to participate in Forums on specific programs and to consider membership of the Community Consultative Committee. Community involvement on Board sub-committees strengthens the Board's ability to deliver programs and services that meet the needs and expectations of our diverse community.

The Board has informed the Department of Health and Human Services of its decision to continue to provide existing services at Willaura. We will be working with the Department on co-designing a suitable contemporary service at Willaura.

Sincere thanks to the following auxiliaries and service clubs that have supported us in their fundraising activities:

- Victoria Police Blue Ribbon Foundation Ararat Branch
- Ararat Breast Cancer Support Group
- EGHS Building for the Future Foundation
- EGHS Auxiliary
- Resident's Support Group
- EGHS Charity Golf Day
- Cranks and Defibrillators – M2M
- Ark Toy & Activity Library Auxiliary
- Patricia Hinchey Centre Auxiliary
- Willaura Healthcare Auxiliary
- Rotary Club of Ararat
- Lions Club of Ararat
- Ararat Rockers



Strategic Objective 2

EGHS will engage with consumers and community stakeholders to define, then deliver information about the services provided, taking into account the health literacy of the community

Our catchment area is home to a diverse community from many different countries, and socioeconomic backgrounds. In promoting our programs and services it is vital that we communicate appropriately so that we understand our community and they in turn understand how important it is to fully comprehend information about their care. Our Consumer Forums and the Community Consultative Committee, a sub-committee of the Board, with representation from the Board, community, volunteer and auxiliary members, are both significant information sharing conduits back to the Board. They provide the opportunity for honest feedback that shapes our strategic planning to increase the health and safety of our consumers through quality care and decreases the chance of risks and adverse events. The Community Consultative Committee also provides feedback on consumer brochures and patient handouts to assess the readability and clarity of information.

Health Literacy education has been provided to staff so that they are also aware of the importance of communicating in a manner that patients, residents and clients understand. Staff training in the Montessori Model of Care has been of exceptional value to residents at 70 Lowe Street, and the program has been acknowledged as a finalist in the Victorian Public Healthcare Awards in the category Excellence in Public Sector Aged Care.

We gained valuable feedback on how to improve Maternity Services from a Consumer Forum held in February. Parents, and grandparents, who had used Maternity Services within the last 24 months were invited to share their experiences and this information will be used to help shape and enhance future Maternity Services.



Strategic Objective 3

To support the Urgent Care Department and Obstetric Services EGHS will explore the use of technology to ensure that there is equitable access to expert advice and treatment

We value our relationship with all tiers of government and understand how vital strong partnerships are to the effective management of our Health Service. Our approach to working strategically with government has secured some excellent outcomes for our community. It is pleasing that the State Government has shared our vision for expanding clinical services to our community, setting aside financial resources to explore the use of technology to ensure there is equitable access to expert advice and treatment.

We want to thank the Premier the Hon Daniel Andrews and Health Minister Jenny Mikakos for their ongoing support of our Health Service.

The Victorian State Government has provided over \$11 million to fund the redevelopment of the Community Health Centre and the redevelopment and expansion of our Theatre complex and Radiology and Pathology departments.

We received \$250,000 to purchase a centralised CTG monitoring system for the obstetric service. This new system will improve safety and collaboration with Ballarat Health Services.

CHAIR'S REPORT

BETTER CARE

Strategic Objective 1

EGHS will collaborate with its consumers and community to develop customer needs plan

In delivering appropriate quality care it is vital that we meet with and listen to our consumers in order that our strategic direction fits with future service planning needs. This year a number of Community Forums have taken place and we have gained important information from consumers that will help define our services and programs. The Consumer Consultative Committee has been re-energised and provides the Board with meaningful input to ensure that as an organisation we are continuing to meet our responsibilities to deliver quality, safe care throughout our catchment area.

The Victorian Healthcare Experience Survey provides us with an excellent opportunity to review our service delivery. In line with the Government's monitoring structure, The Victorian Health Services Performance Monitoring Framework, we know that staff work diligently to perform above agreed standards, and results are reported to the Board on a monthly basis.

Strategic Objective 2

EGHS will pursue the integration of care between services with the goal of delivering seamless care that reduces duplication and supports the flow of care for consumers

We are indebted to the Ararat Rural City Council for its cooperation in the development of the Community Health Centre, where shared programs will enhance the client experience.

Home Care is now situated in one location, thereby making access easier for clients. The implementation of BOSSnet, a digital medical record that improves access to patient information including pathology and radiology results, will ease access to information, and make transfers to and from health services in the Grampians Region more efficient. Ongoing enhancements to BOSSnet will also help to minimise duplication.

Strategic Objective 3

To ensure sustainable workforce and service delivery EGHS will invest in the development of its staff through targeted education for midwifery, urgent care, allied health and aged care. We will also focus on the provision of programs that support succession planning to future proof the loss of key personnel

The Board is mindful that one of the biggest challenges our Health Service faces is a sustainable workforce that is knowledgeable, flexible and appropriately qualified to accommodate the health needs of our diverse community now and into the future.

One of our pivotal core Values is the provision of a learning culture achieved through training, education and mentoring. We know how important it is to provide opportunities for career pathways that offer both professional and personal fulfilment and where commitment to learning is acknowledged.

Our Strategic Plan addresses these issues by creating strategic goals and objectives that demonstrate our investment in the development of staff through targeted education for midwifery, urgent care, allied health and aged care. The Learning, Education, Training and Sustainability (LETS) program was pivotal in the Health Service being recognised as the Premier's Medium Sized Health Service of the Year in 2016 and 2017. Developed in 2012 the program has increased both the clinical and non-clinical workforce capacity and capability to meet the health needs of our community. The Board has continued to invest in education providing opportunities for those living in the Ararat district and beyond to study here.

Our aim is to educate and encourage students to ultimately continue their relationship with the Health Service in order to secure a sustainable workforce into the future. In this objective we have secured a new partnership with Federation University Ballarat to deliver the Diploma of Nursing, conducted through its TAFE component. It is pleasing to note that five of our Registered Nurses are teaching contemporary experience-based learning to the first 24 student intake of this diploma course.

Through "growing our own" we are confident that we are providing career pathways that present opportunities for further training, leadership and fulfilment.

We are grateful to SaferCare Victoria for its support in providing a Leadership Development program to assist emerging leaders within the organisation to manage in their work place. The dynamic program complements our education programs and offers opportunities for mentoring and secondments.

Balancing work, study and family can be challenging and the Board is extremely grateful to the EGHS Building for the Future Foundation, the Laidlaw family and Epworth Healthcare who have provided bursaries and scholarships to staff who have demonstrated a loyalty to our Health Service and commitment to study, in addition to managing other aspects of their work and home life.

Rebecca Peters

EGHS Building for the Future Foundation
Master's in Leadership and Management in Healthcare

Nicole Carlyle

EGHS Building for the Future Foundation
Graduate Certificate/Diploma in Perioperative Nursing

Michael Hermosilla

Angela Laidlaw Clinical Scholarship
Graduate Certificate in Nursing – Acute Care

Shae Hannett

Epworth Foundation
Graduate Diploma of Midwifery

We know how important our Obstetrics Service is to our community. Through our Maternity Forum, the Victorian Healthcare Experience Survey and informal feedback, repeatedly families tell us that having a baby in Ararat means so much to them; from initial consultations with the Midwife and GP Obstetrician, through to delivery. We continue to work with our partners to maintain the integrity of this service.

The Grampians Regional Allied Health Clinical Educator (GRAHCE) role was introduced at Ballarat Health Services in February 2018 to facilitate education and training opportunities for Allied Health clinicians in the region. Strong and broader links have been established with tertiary institutions, student placements and other regional training organisations. Our Allied Health clinicians, having input into what opportunities and challenges exist, are connected on a broader scale with colleagues from the region and are able to influence future directions for this service.

Grampians Medical Training Intern Program, now in its fifth year, provides a potential pathway for new Doctors to gain a positive experience in rural health, in the hope, of course, that they might wish to take up a permanent position in this vibrant rural community.

Education is not limited to formal training, clinical placements or tertiary studies, but also to helping our community and staff gain a better understanding of how our Health Service functions. An annual "Open Access Board Meeting", initiated in 2012, has proved to be a useful introduction to the processes involved in the strategic and operational management of the Health Service. We certainly anticipate that we will continue to provide the many opportunities for our community to participate in the planning and structure of services at their Health Service.

THE FUTURE

Change is often experienced as a challenge, but it is also an opportunity to reflect, assess and determine our future. Working with the Board to strategically plan and inform the direction of the Health Service are the Executive Team and staff who are committed to providing the very best outcomes for our community. We will not waiver from our resolve to continue providing quality, safe healthcare within our fiscal limitations which meets government directives and community expectations. We should all be proud and positive about the future of our Health Service.



Nancy Panter

Chair
East Grampians Health Service

REPORT OF OPERATIONS

RESPONSIBLE BODIES DECLARATION

Responsible Bodies Declaration as at
30 June 2019

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 2019.



Nancy Panter

Board Chair
East Grampians Health Service

10 September, 2019

CHIEF EXECUTIVE'S REPORT



In June 2018 I was approached by the Board of East Grampians Health Service to act as Interim Chief Executive during the recruitment process, following Nick Bush's resignation. I found the organisational approach to providing first class healthcare exemplary, with staff committed to ongoing education.

East Grampians Health Service is an organisation that understands the diverse communities of Ararat, Willaura and the surrounding district.

In a short time I was made to feel welcome and part of this excellent community. I was delighted that the Board placed its trust and has appointed me to the position of Chief Executive. I am looking forward to the challenge of leading and managing this dynamic health service and thank the Board, Executive Team and staff for their support during this transition period. I too am confident that the Health Service is in an excellent position to deliver quality, safe healthcare to our community.

Board Chair Nancy Panter's report provides a strategic overview and my report will describe how as an organisation we have delivered on our commitments to both the Government and our community.

BETTER HEALTH

The key components to delivering better health to our community include:

- the development of a system that focusses on prevention as much as treatment
- the provision of a range of communication platforms in order that consumers understand their own health risks
- working with consumers in order to detect and manage illnesses early
- collaboration with all tiers of Government to promote healthy neighbourhoods and communities that encourage healthy lifestyles

These goals have been achieved through listening to and talking with our consumers, which includes consumers of services, families and carers, volunteers, visitors and, of course, our staff.

Wellbeing Programs

East Grampians Health Service understands that our community has a number of health issues that impact adversely on their wellbeing. Our Health Promotion team is working with key staff, consumers and stakeholders to develop and implement programs that will address many of the issues underlying the current statistical health outcomes. Working collaboratively with regional stakeholders we continue to implement the agreed outcomes of the Grampians Pyrenees Integrated Prevention Action Plan.

Our Health Service was successful in receiving a Heart Foundation grant for our program Active Adventure Around Ararat where we are working towards changing community environments where people learn, work and play. Activities include:

- Healthy choices framework to improve catering options at our Café and inspire other workplaces to increase healthy choices available to employees.
- Coordinating a local healthy workplace network.
- Improve access and utilisation of the Food Connect program at Ararat Neighbourhood House.

Dental Health and Active Health for school children

Dental care is provided to primary schools and kindergartens through visits from the dental van and portable dental chair. Our Dental Service has extended past Ararat's Local Government Area to include Stawell West Primary School.

Allied Health Staff also provide health and wellbeing education to the primary schools and kindergartens, and have provided training for school staff in order for them to undertake the Smiles 4 Miles Award.

Early screening by our Speech Pathologist of students in kindergartens in the early part of 2019 will assist in identifying possible underlying issues for future development in reading, school development and behaviour.



Family Violence

Family Violence is a divisive, repeated behaviour that is intended to assert power and control over victims.

Regrettably, as has been reported in the Ararat Advertiser, Ararat Rural City has one of the highest incidents of Family Violence in Western Victoria. In the 12 months to July 2017 it experienced a 12 per cent increase, with Ararat police seeing 2499 family violence incidents per 100,000 people in 2016-17, the fourth highest rate in western Victoria behind Mildura, Swan Hill and Central Goldfields.

We, of course, work closely with the Police and other agencies and have invested in education and training to assist staff identify people at risk. Within our region Ballarat Health Services has the responsibility of supporting and coordinating education programs to ensure we meet our obligations under the Strengthening Hospital Response to Family Violence programs. We have 14 Contact Officers who have received specialised training to support out staff.

Reduction in avoidable hospital admissions

We have continued to invest in Healthy@Home (H@H) to support vulnerable people at risk of unplanned hospital admissions and presentations to the Urgent Care Centre. At present 57 patients receive regular phone calls to monitor their health status through the H@H telehealth service. We are pleased that we have received recurrent funding for this program. An interim evaluation of the program by Federation University Ballarat indicates a high level of satisfaction with the program from community members enrolled in the telehealth component, with a reduction in unplanned admissions and presentations at Urgent Care.

BETTER ACCESS

To ensure that we are providing better access for our community:

- care will be available when consumers need it
- we will provide more access to care in the home and in the community
- relevant communication will keep people connected to the full range of care and support that they need
- that care is delivered in a fair and equitable way

Communication

We are working diligently to inform our consumers about how they can access services and work with us to look after their own health. Effective communication is the key to informing stakeholders of services, programs and health information and working through, amongst others, the Community Consultative Committee, a Communication Plan has been developed that will be delivered throughout the community via a variety of communication platforms.

Redevelopment Projects

The Victorian Government has funded a number of important projects that will provide ease of access, less duplication of services and effective delivery. These include:

- the redevelopment of the Community Health Centre, with programs delivered in partnership with Ararat Rural City, integrating maternal and child health services to provide a seamless children's health program for the community, with this project set to be completed by August 2019.
- the \$2.9 million redevelopment of our theatre complex to enhance the scope of surgery and increase throughput. This will enable us to work collaboratively with Ballarat Health Services and other hospitals to help reduce surgery waitlists.
- the redevelopment of our imaging and pathology departments with funding of \$3.9 million.

CHIEF EXECUTIVE'S REPORT

Clinical Governance

Clinical Governance underpins so much of what we do. It is the thread that binds all our activities, from the Board and Executive, through to clinicians and consumers in the delivery of quality, safe healthcare. To ensure that we are compliant in all legislative requirements we regularly review policies that reflect our approach to clinical governance and, of course, ensure that our health professionals are all appropriately qualified. All clinicians renew their registration annually, which is then sighted by the Director of Medical Services and other appropriate Directors. The Grampians Region Credentialing Committee oversees the management of the credentialing and privileging process which has well defined principles to ensure our community will always be assured of quality, safe healthcare.

In supporting the Regional Clinical Governance Collaborative project, the Health Service has participated in four clinical governance gap analyses. We are promoting the development of a Regional Morbidity and Mortality Committee for Perioperative services and continue to be an active participant in the Regional Obstetric Morbidity and Mortality meetings. This regional approach in determining improvements will strengthen not only our delivery of safe, quality health care, but to health services throughout the Grampians Region.

Obstetric Services

To strengthen the sustainability of Obstetric Services in Ararat a collaborative plan has been developed between our Health Service, Ballarat Health Services and Maryborough District Health Service along with Ararat Medical Centre to identify pathways for rural specialists to work in Ararat. It is pleasing to note that two Obstetricians from Ballarat are providing Specialist Obstetric locum cover for weekends in order that this vital service can continue to be delivered in Ararat.

Partnerships

East Grampians Health Service recognises the importance to nurture strong partnerships with other health services and the local community. We regularly meet with Elmhurst and Lake Bolac Bush Nursing Centres to provide support.

East Grampians Health Service has been an active participant in the Grampians Regional Partnership meetings and agreed priorities for the region have been established.

BETTER CARE

In providing better care we will ensure that our consumers receive the very best quality, safe care delivered by appropriately qualified staff through the provision of:

1. targeting zero in avoidable harm
2. healthcare that focuses on outcomes
3. healthcare plans so that consumers are active partners in their care
4. care that fits together around consumers' needs.

Better Care is achieved through knowledge, respect and effective communication. In providing Better Care we have to ensure that our staff maintain the highest standards throughout the Health Service and remain well educated.

This year 59 staff have undertaken formal education to pursue and extend their ongoing professional development to provide quality, safe healthcare that meets the needs of our community. Throughout the year staff also participate in courses to upgrade practical and administrative skills.

East Grampians Health Service is committed to developing our staff and supports this learning culture financially, or through the provision of scholarships and bursaries (as outlined on page 21 by the Board Chair).



Course	Provider	Number enrolled
Certificate IV in Business Administration	South West TAFE	10
Master of Health Service Management	Australian Catholic University	1
Certificate IV in Training and Assessment	South West TAFE	7
Certificate III in Dental Technology	RMIT	1
Diploma of Community Services	Partners Training	1
Diploma of Nursing	Federation University TAFE	8
Master of Nursing (Nurse Practitioner)	Flinders University	1
Bachelor of Nursing	Australian Catholic University	1
Graduate Diploma Applied Gerontology	Flinders University	1
Bachelor of Nursing/Para Medicine	Australian Catholic University	2
Graduate Diploma Infection Control	University of Adelaide	1
Graduate Diploma Nursing (Perioperative)	University of Tasmania	2
Certificate III Carpentry	Federation University	1
Certificate III Commercial Cookery	Gordon Institute	2
RIPERN	Cunningham Centre	2
Graduate Certificate in Acute Care – Nursing	University of Tasmania	1
AHRI Practicing Certificate	Australian HR Institute	1

The safe care of our consumers is our number one priority. This is achieved through fastidious clinical governance policies, sharing honest information with our colleagues to identify gaps in service delivery, ensuring that the delivery of care is understood and agreed upon by consumers and, importantly, by listening and responding to consumers in shared decision making arrangements.

Accreditation

During the year we have had aged care service accreditations and unannounced visits. It is pleasing to report that the whole of the Health Service continues to be fully accredited.

Consumer Feedback

Gaining feedback from our consumers is vital to informing us on how we are progressing in meeting their expectations. There are a number of ways to gather this information, some formal, some required by Government, and some through informal networks. All are important.

Our targeted Forums have highlighted the importance of our listening to and seeking feedback from our consumers, including our staff. This financial year we have conducted:

- Maternity Services Forum
- Aged Care Forum
- Dementia Support Forum

The Victorian Healthcare Experience Survey offers consumers the opportunity to evaluate their in-hospital experience, the outcomes of which are invaluable to us in reflecting on our performance. Again this year the results from the survey demonstrate that we are meeting our community's expectations by providing exemplary quality health care. In the latest results 99% of respondents rated the care they received as very good or good, as compared to 92% for the State and 98% for our peer group. This is a fantastic reflection on the commitment and dedication of all our staff, from clinicians, through to support and administrative staff. I'm very proud of them all.

The People Matter Survey is an annual voluntary staff survey and results for this financial year affirm our philosophy that if you offer a working environment based on our Values, the organisation will be repaid with high quality motivated engaged staff. This year is no exception and I am delighted with the results that demonstrate our staff feel supported in the workplace. Reporting of results can be found in the Statement of Priorities on Page 11.

CHIEF EXECUTIVE'S REPORT

Diversity

Integrity is one of our organisational Values, outlining our approach to honesty and respect in all relationships. At East Grampians Health Service we are firmly of the belief that our service delivery is inclusive in all aspects of cultural, religious and sexual diversity. We endeavour to ensure that our staff reflect the broader community. We employ a diverse workforce, with over 15 countries represented, adding to our wonderful cultural mix.

To ensure that our policies reflect our better understanding of diversity we have been working with key community members to ensure we actively promote and support diversity in the workplace and the community.

We are continuing our partnership with Ballarat Health Services' Aboriginal Liaison Officer to access support for Aboriginal and Torres Strait Islander consumers. Women's Health Grampians has been engaged to provide education to the leadership group on intersectionally and marginalised people including the lesbian, gay, bisexual, transgender and intersex (LGBTI) community, to ensure that inequality is minimised.

We are now in a better position to identify the different needs of our diverse, dynamic community and plan programs that reflect individual requirements. We are currently developing an organisational Disability Action Plan that will address any barriers that impede receiving health care within our organisation.

Our 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 background or belief.

Workforce Statistics

HOSPITALS LABOUR CATEGORY	JUNE CURRENT MONTH FTE		JUNE YTD FTE	
	2018	2019	2018	2019
Nursing	130.70	131.80	129.20	132.90
Administration and Clerical	52.00	50.40	51.40	50.80
Medical Support	9.20	7.40	9.10	7.50
Hotel and Allied Services	72.80	73.10	72.00	73.70
Medical Officers	0.40	0.30	0.40	0.30
Hospital Medical Officers	7.80	7.60	7.70	7.70
Sessional Clinicians	0.00	0.00	0.00	0.00
Ancillary Staff (Allied Health)	21.80	24.60	21.60	24.80
TOTALS	294.60	295.40	291.40	297.70

Workplace Behaviours

We are actively promoting positive workplace behaviour and will not tolerate bullying and harassment from or between consumers of our service, nor between staff. To ensure that we are addressing the Department of Health and Human Service's Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination we have instigated an extensive education and training program for all staff and are reviewing all relevant policies.



Occupational Violence

Management of Clinical Aggression (MOCA) is targeted training for all staff who are all the more frequently exposed to occupational violence. To ensure that we support our staff we provide education that helps staff identify potential situations where aggression may occur and the reasons for those situations. Staff are taught de-escalation skills to help prevent situations getting to the aggressive stage. If this is unavoidable staff are reminded to make sure that their safety and the safety of their patients is paramount.

Environmental Sustainability

Throughout the extensive redevelopment of the Ararat campus we have made a conscious effort to recycle, re-utilise and upcycle existing equipment and materials. This has alleviated the need to purchase new fittings thus providing the Health Service with substantial cost savings and minimising the impact on the environment.

We have progressed to a scanned medical record as a precursor to an electronic medical record once the full implementation of BOSSnet occurs.

Further information on Environmental Performance and Sustainability can be found on Page 36.

IN CONCLUSION

This is an exciting time to have been appointed as Chief Executive of East Grampians Health Service, renowned for its excellence in health care. A robust capital works program will see the completion of the Community Health Centre, commencement of the redevelopment of the theatre complex and radiology and pathology departments. This will improve access and make service delivery more efficient.

But while bricks and mortar will certainly add to the contemporary environment of the Health Service; it really is the people who work here to whom I want to give thanks. The staff are creative, committed and love a challenge!

I would like to thank our many auxiliaries and volunteers who continue to support our Health Service, your commitment is outstanding. I thank the Board for its trust in me and I also want to thank our regional partners as together we are achieving great outcomes for our community. It's through sharing knowledge and expertise that we can strengthen our relationship with our community. And finally, a sincere thank you to our community who daily put their trust in our staff and services.

Andrew Freeman

Andrew Freeman
Chief Executive

FINANCIAL SERVICES

Parent Entity Comparative Financial Results for the Past Five Financial Years

FOR THE PAST FIVE FINANCIAL YEARS	2019 \$000	2018 \$000	2017 \$000	2016 \$000	2015 \$000
Operating Result	(777)	(469)	6	679	75
Total Revenue	42,306	41,568	37,693	35,558	32,329
Total Expenses	44,153	41,683	38,711	36,701	34,099
Net Result from Transactions	(1,847)	(115)	(1,018)	(1,143)	(1,770)
Total other Economic Flows	(337)	192	(2)	(185)	0
Net Result	(2,184)	77	(1,020)	(1,328)	(1,770)
Total Assets	65,036	49,957	48,365	49,828	48,578
Total Liabilities	14,264	11,994	10,924	11,367	8,704
Net Assets / Total Equity	50,773	37,963	37,441	38,461	39,875

The 2018-19 Operating Result for East Grampians Health Service is a deficit of \$777K. This result being before capital, depreciation and specific items reflects both the level of service demand and the rising costs of healthcare experienced by the Health Service this year.

The Board and Executive continue to work closely with the Department of Health and Human Services (DHHS) to ensure East Grampians Health Service's operating budget is sufficient to ensure our community continues to receive quality services and the best possible care.

East Grampians Health Service's Net Result after accounting for capital income, expenses and depreciation was a deficit of \$2.18 million. This does not include the significant revaluation of assets that has contributed \$15 million to the Comprehensive surplus of \$12.8 million.

In 2019, East Grampians Health Service continued to enhance its assets with over \$2 million in refurbishment and replacement. This program which continues to be supported by the DHHS and our community, ensures that East Grampians Health Service continues to have contemporary facilities and equipment.

Net Operating Results for the Past Five Financial Years

FOR THE PAST FIVE FINANCIAL YEARS	2019 \$000	2018 \$000	2017 \$000	2016 \$000	2015 \$000
Net Operating Result	(777)	(469)	6	679	75
Capital and specific items					
Capital purpose income	2,830	3,717	2,354	1,451	984
Specific income					
Assets provided free of charge					
Assets received free of charge					
Expenditure for capital purpose	624	569	497	564	201
Depreciation and amortisation	2,852	2,814	2,881	2,709	2,628
Impairment of non-financial assets					
Finance costs (other)	10	9			
Net result from transactions	(1,847)	(115)	(1,018)	(1,143)	(1,770)

CORPORATE GOVERNANCE

Responsible Ministers and Officers for the reporting period 1 July 2018 – 30 June 2019

STATE

- Hon Jill Hennessy MLA
01.07.18 – 29.11.18
Minister for Health and Minister for Ambulance Services
Member for Altona
- Jenny Mikakos MLA
30.11.18 – 30.06.19
Minister for Health and Minister for Ambulance Services
Member for Northern Metropolitan
- Martin Foley MLA
01.07.18 – 30.06.19
Minister for Mental Health
Member for Albert Park

DEPARTMENT OF HEALTH & HUMAN SERVICES

- Kym Peake
Secretary

RURAL AND REGIONAL HEALTH

- Andrew Crow
Director Rural and Regional Health

BOARD

As at 30 June 2019

- Chair: Nancy Panter
Vice Chair: Heather Fleming
Treasurer: Jay Petty
Board Members: Fiona Cochrane
Don Cole
Gabrielle Czarnota
Paul Hooper
Annie Rivett

Chief Executive: Andrew Freeman

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:
Jay Petty and Don Cole

Community Representatives:
Lucy Tribe and Ken Weldin

Health Service Representatives:

- Andrew Freeman, Chief Executive
- Tony Roberts, Director of Finance
- Mario Santilli, Director Development & Improvement

THE 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.

OUR BOARD



CHAIR

Nancy Panter *BA*

Owner local Winery and Marketing Consultant

Board Member since 01.07.14

Term of Appointment

01.07.17 – 30.06.20

Committee Membership

Building for the Future Foundation

Grampians Region Building Board

Capacity



BOARD DIRECTOR

Paul Hooper

Chair of Grampians Tourism, Consultant to small business and local government

Board Member since 01.07.18

Term of Appointment

01.07.18 – 30.06.21

Committee Membership

Clinical Governance

Clinical Consultative



VICE CHAIR

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



BOARD DIRECTOR

Don Cole *BEng, MBA*

Board Member since 01.07.13

Term of Appointment

01.07.16 – 30.06.19

Committee Membership

Audit & Risk

Capital Development



TREASURER

Jay Petty *BCom, CA*

Manager Financial Services, Northern Grampians Shire Council

Board Member since 30.11.17

Term of Appointment

01.12.17 – 30.06.20

Committee Membership

Audit & Risk



BOARD DIRECTOR

Gabrielle Czarnota *LLB, BA(Hons)*

Lawyer Wilson Group

Board Member since 01.07.18

Term of Appointment

01.07.18 – 30.06.21

Committee Membership

Community 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 Consultative



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

EXECUTIVE TEAM



CHIEF EXECUTIVE: Andrew Freeman *BBUS(Acct), MBA, GAICD, ASA, AFCHSM*

Appointed: 2018

The Chief Executive takes responsibility to lead 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 rural community of Western Victoria. The Chief Executive also has line management for Business Support including Compliments and Concerns, Human Resources and Community Liaison.



ACTING DIRECTOR OF MEDICAL SERVICES: Dr Sophie Ping

BA, BSc (Hons), PhD, MBBS

Appointed: 2018

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 Service's Medico legal work. She liaises closely with her 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 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.

***Eric Kennelly resigned as Director of Medical Services in 2018**



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 2019)

EXECUTIVE SERVICES

Chief Executive (Freedom of Information Principal Officer)
Andrew Freeman *BBUS(Acct), MBA, GAICD, ASA, AFCHSM*

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*

Dental Coordinator
Kaylene Jackson *Dip Den Therapy, Dip Mgmt*

Chief Physiotherapist
Christine Perry *BAppSc (Physio), GradCertMgmt*

SUPPORT SERVICES

Director
Stuart Kerr *PIHHC, DipBus*

Manager Support Services
Ann Grierson *AdDipMgmt*

Executive Chef/Co-ordinator
Michael Kelly *Cert III in Commercial Cookery, DipBus, Cert IV in Workplace Training and Assessment*

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
Tracey Walters *BNsg, BaHSc(Hons), Grad Dip Midw, Adv Dip Mgmt*

Manager Perioperative Services
Kirsten Carr *RN(DipAppSciNsg), PostGradCertPeriOpNsg, AdDipMgmt*

Manager Health Information
Andrea Cardinaels *BAppSc (MRA)*

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
Leeanne Atkinson *BNsg RN, GradCertNephrology, GradCert Infection Control*

MEDICAL STAFF

(as at 30 June 2019)

ACTING DIRECTOR OF MEDICAL SERVICES

Dr Sophie Ping *BA, BSc (Hons), PhD, MBBS*

VISITING MEDICAL STAFF

Dr Derek Pope *MBBS, DRANZCOG, FACRRM*

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

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

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

Dr Prasad Fonseka *MBBS (Sri Lanka) FRACGP*

Dr Saif Abdul Rahman *MBChB*

Dr Tanzeel Shah *MBBS*

Dr Majid Sharifian *MD*

Dr Mana Nasser Akbar *MD*

Dr Catherine Law *MBBS*

Dr Audrey Goh *MBBS*

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

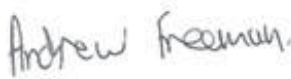
Dr Charles Reid *BDS (Liverpool)*

LEGISLATIVE COMPLIANCE

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

CONFLICT OF INTEREST

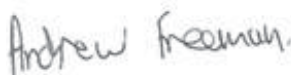
I, Andrew Freeman, certify that East Grampians Health Service has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' 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.



Andrew Freeman
Accountable Officer
East Grampians Health Service
10 September, 2019

DATA INTEGRITY

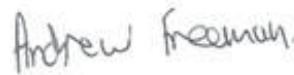
I, Andrew Freeman, certify that East Grampians Health Service has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at East Grampians Health Service during the year.



Andrew Freeman
Accountable Officer
East Grampians Health Service
10 September, 2019

COMPLIANCE WITH HEALTH PURCHASING VICTORIA (HPV) HEALTH PURCHASING POLICIES

I, Andrew Freeman 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.



Andrew Freeman
Accountable Officer
East Grampians Health Service
10 September, 2019

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 2018 under the Financial Management Act 1994 and instructions.



Nancy Panter
Responsible Officer
East Grampians Health Service
10 September, 2019

BUILDING ACT 1993

The Health Service continues to comply with the Building Act 1993 and Standards for Publicly Owned Buildings November 1994, as under FRD22H (Section 5.18(b))

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	2
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.

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 2018-19, there were 3 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2018-19 in relation to these consultancies is \$16,320 (excl. GST).

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

In 2018-19, there were no consultancies where the total fees payable to the consultants were \$10,000 or greater.

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 2018-19 is \$1.025 million 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)
\$0.862 million	\$0.162 million	\$0.016 million	\$0.147 million

LEGISLATIVE COMPLIANCE

ENVIRONMENTAL PERFORMANCE AND SUSTAINABILITY

This report to be read in conjunction with the Chief Executive's on Page 27.

East Grampians Health Service continues to demonstrate its commitment to a more sustainable environment through a program of recycling appropriate waste, reducing energy consumption, reusing equipment and supplies and considering sustainability when purchasing these items.

Recognition of the link between the health and wellness of people and the health and wellness of the environment, is in keeping with our Mission Statement: East Grampians Health Service will improve our community's health and quality of life through strong partnerships and by responding to changing needs.

ENERGY AND WATER PERFORMANCE

Electricity – reduced due to installation of energy efficient LED lights continuing in stages, installation of Cbus light timers/sensors as part of refurbishments

Natural Gas – increased due to main gas boilers reaching end of life and working less efficiently – Project to replace started in July 2019

Water – reduced due to fixing leaks and replacement old pipe work.

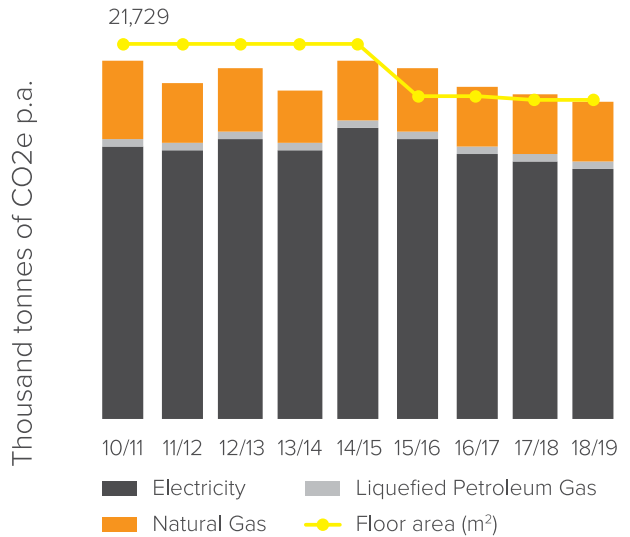
Clinical waste – increase in Theatre days

General waste – increased in volume due to project works, but decrease in cost due to new fee process (charged by weight rather than volume)

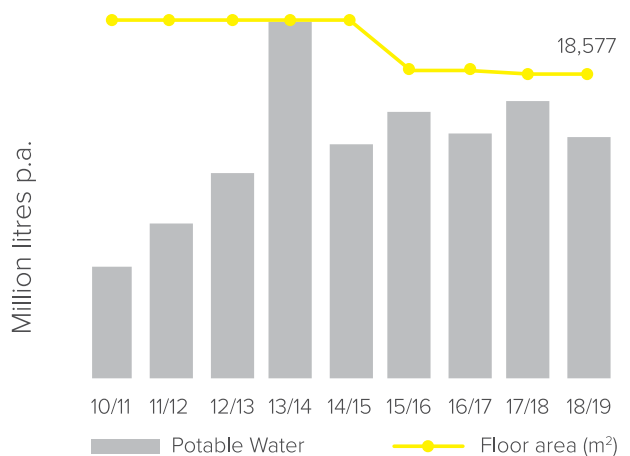
Recycling – decreased. Reuse of materials in projects where possible, scrap metal materials sold to local merchant. Fluorescent tubes replaced by LED lights where possible. Ongoing staff education on reusing/recycling.

Recycling Items	Kgs
Cardboard	17,066
Commingled	26,338
Grease Traps	368
Organics (garden)	5,801
Paper (confidential)	2,627
Total	52,199

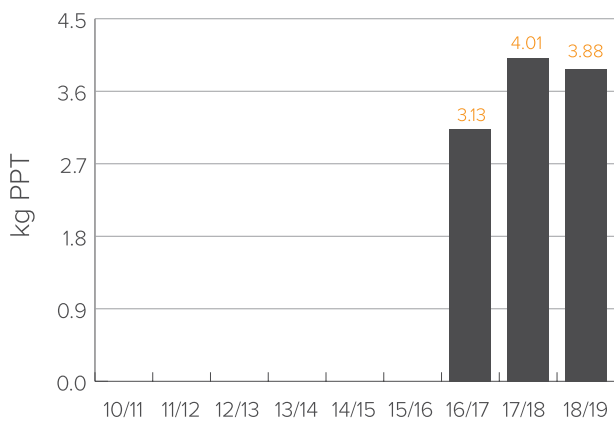
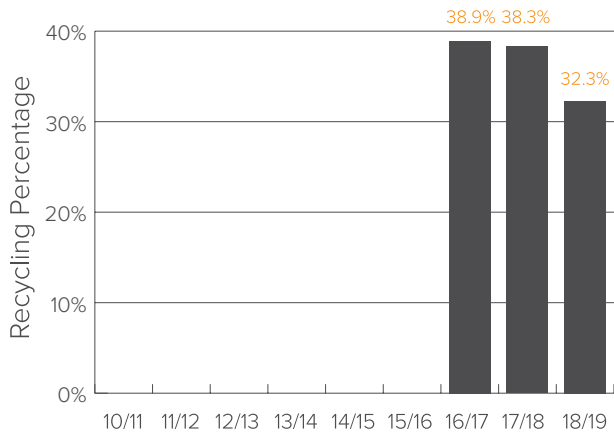
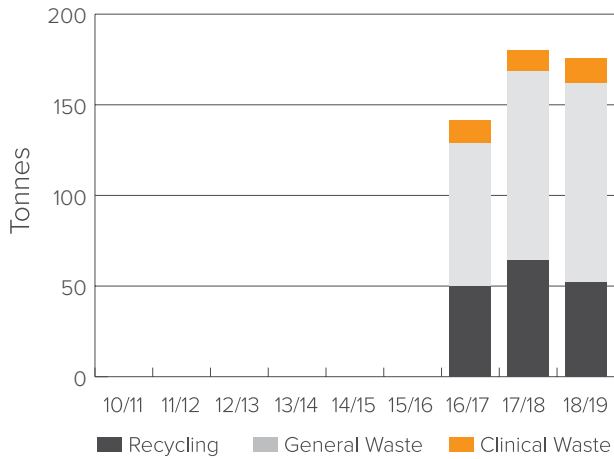
CARBON EMISSIONS



WATER USE



WASTE MANAGEMENT PERFORMANCE



FEES

Most fees charged by the Health Service are regulated by the Commonwealth Government and the Victorian Government's Department of Health. There were only minimal indexation of fees applied for the financial year.

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, Andrew Freeman, as the Principal Officer and Health Information Manager, Andrea Cardinaels as the Officer. The legislated application fee for the 2018-19 financial year was \$28.90 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 incurred a fee of \$125. Exemptions applied that related to privacy of patients and third parties.

In 2018-19 East Grampians Health Service received 52 requests, 44 of which were processed and granted in full.

REQUESTS

2018-19	2017-18	2016-17	2015-16
52	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.

52 written requests were received in 2018-19.

LEGISLATIVE COMPLIANCE

LOCAL JOBS FIRST ACT 2003

East Grampians Health Service complies with the requirements of the Local Jobs First Act disclosures and wherever practicable and fiscally responsible will make every endeavour to purchase locally. In 2018 -19 there were no contracts requiring disclosure under the Local Jobs First Policy. The Health Service has a robust policy to encourage the training and employment of members of the local community.

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 2018-19.

Initiatives undertaken during the last financial year include:

- 1) Secure fencing of the Willaura campus
- 2) Improved CCTV coverage and recording
- 3) Increased door access controls
- 4) Two new staff trained as Management of Clinical Aggression educators

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 = 1.
3. Number of occupational violence incidents reported = 142
4. Number of occupational violence incidents reported per 100 FTE = 45
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition = 2%

No workplace fatalities have been recorded in the last year.

Number of reported staff injuries for the year per 100 FTE staff members

2018/19 Staff Injuries = 38 Staff Injuries per 100 FTE = 12.14

Number of lost time standard claims for the year per 100 FTE staff members

2018/19 Lost time claims = 9 2018/19 Lost time claims per 100 FTE = 2.8

2018/19 Days Lost = 403

The average cost per claim for the year

2018/19 Average cost per claim = \$16,121 2018/19 estimated outstanding costs = \$218,144

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 2018-19 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.

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		Attestations		
<i>Charter and Purpose</i>		Attestation on Data Integrity	34	
FRD 22H	Manner of establishment and the relevant Ministers	03	Attestation on managing Conflicts of Interest	34
FRD 22H	Purpose, functions, powers and duties	03	Attestation on Integrity, Fraud and Corruption	34
FRD 22H	Nature and range of services provided	04		
FRD 22H	Activities, programs and achievements for the reporting period	22	Other Reporting Requirements	
FRD 22H	Significant changes in key initiatives and expectations for the future	06	Reporting of outcomes from Statement of Priorities 2018-2019	6-12
			Occupational Violence reporting	08 & 38
			Reporting of compliance Health Purchasing Victoria policy	34
			Reporting obligations under the Safe Patient Care Act 2015	38
<i>Management and Structure</i>		Additional information available on request		
FRD 22H	Organisational structure	05	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	Workforce data/employment and conduct principles	26	(a) Declarations of pecuniary interests have been duly completed by all relevant officers;	
FRD 22H	Occupational Health and Safety	37	(b) Details of shares held by senior officers as nominee or held beneficially;	
			(c) Details of publications produced by the entity about itself, and how these can be obtained;	
<i>Financial Information</i>			(d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service;	
FRD 22H	Summary of the financial results for the year	28	(e) Details of any major external reviews carried out on the Health Service;	
FRD 22H	Significant changes in financial position during the year	FR	(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	Operational and budgetary objectives and performance against objectives	FR	(g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;	
FRD 22H	Subsequent events	FR	(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	Details of consultancies over \$10,000	35	(i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;	
FRD 22H	Details of consultancies under \$10,000	35	(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	Disclosure of ICT expenditure	35	(l) Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.	
Legislation				
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	37		
FRD 22H	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	35		
FRD 22H	Application and operation of <i>Protected Disclosure Act 2012</i>	38		
FRD 22H	Statement on National Competition Policy	35		
FRD 22H	Application and operation of <i>Carers Recognition Act 2012</i>	35		
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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 2019 and the financial position of East Grampians Health Service and the Consolidated Entity at 30 June 2019.

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 10th September 2019.



Ms Nancy Panter
Board President

Ararat
10 September 2019



Mr Andrew Freeman
Accountable Officer

Ararat
10 September 2019



Mr Tony Roberts
Chief Finance & Accounting
Officer

Ararat
10 September 2019

Independent Auditor's Report

To the Board of East Grampians Health Service

<p>Opinion</p>	<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 sheets as at 30 June 2019 • consolidated entity and health service comprehensive operating statements for the year then ended • consolidated entity and health service statements of changes in equity for the year then ended • consolidated entity and health service cash flow statements 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 2019 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>
<p>Basis for Opinion</p>	<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>
<p>Other Information</p>	<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 2019, 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>
<p>Board's responsibilities for the financial report</p>	<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>

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
13 September 2019



Travis Derricott
as delegate for the Auditor-General of Victoria

East Grampians Health Service
Comprehensive Operating Statement

For the Year Ended 30 June 2019

	Note	Parent Entity 2019 \$'000	Parent Entity 2018 \$'000	Consolidated Entity 2019 \$'000	Consolidated Entity 2018 \$'000
Income from Transactions					
Operating Activities	2.1	41,771	41,113	41,873	41,228
Non-operating Activities	2.1	535	455	535	455
Total Income from Transactions		42,306	41,568	42,408	41,683
Expenses from Transactions					
Employee Expenses	3.1	(30,975)	(28,708)	(30,975)	(28,708)
Supplies & Consumables	3.1	(5,502)	(5,373)	(5,502)	(5,373)
Finance Costs	3.1	(10)	(9)	(10)	(9)
Depreciation	4.3	(2,852)	(2,814)	(2,852)	(2,814)
Other Operating Expenses	3.1	(4,814)	(4,779)	(4,861)	(4,806)
Total Expenses from Transactions		(44,153)	(41,683)	(44,200)	(41,710)
Net Result from Transactions - Net Operating Balance		(1,847)	(115)	(1,792)	(27)
Other economic flows included in net result					
Net gains/(losses) on non-financial assets	3.2	190	34	190	34
Net gain/(loss) on financial instruments	3.2	19	(17)	39	(17)
Other Gain/(Loss) from Other Economic Flows	3.2	(523)	101	(523)	101
Share of Other Economic Flows from Joint Operation	3.2	(23)	74	(23)	74
Total other economic flows included in net result		(337)	192	(317)	192
Net result for the year		(2,184)	77	(2,109)	165
Other comprehensive income					
Items that will not be reclassified to Net Result					
Changes in Property, Plant and Equipment Revaluation Surplus	4.2(f)	14,997	452	14,997	452
Items that may be reclassified subsequently to net result					
Changes to Financial Assets Available-for-Sale Revaluation Surplus		-	-	-	13
Total other comprehensive income		14,997	452	14,997	465
COMPREHENSIVE RESULT FOR THE YEAR		12,813	529	12,888	630

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

East Grampians Health Service Balance Sheet

For the Year Ended 30 June 2019

	Note	Parent Entity 2019 \$'000	Parent Entity 2018 \$'000	Consolidated Entity 2019 \$'000	Consolidated Entity 2018 \$'000
Current Assets					
Cash and Cash Equivalents	6.1	8,490	2,539	8,728	2,685
Receivables	5.1	1,688	1,468	1,705	1,502
Investments and other Financial Assets	4.1	10	6,179	1,341	7,466
Inventories		70	67	70	67
Other Financial Assets		168	174	168	174
Total Current Assets		10,426	10,427	12,012	11,894
Non-Current Assets					
Receivables	5.1	910	1,060	910	1,060
Property, Plant & Equipment	4.2	52,210	37,170	52,210	37,170
Investment Properties	4.4	1,490	1,300	1,490	1,300
Total Non-Current Assets		54,610	39,530	54,610	39,530
TOTAL ASSETS		65,036	49,957	66,622	51,424
Current Liabilities					
Payables	5.2	2,664	2,233	2,713	2,238
Provisions	3.4	4,833	4,514	4,833	4,514
Other Liabilities	5.3	5,880	4,493	5,880	4,493
Total Current Liabilities		13,377	11,240	13,427	11,245
Non-Current Liabilities					
Provisions	3.4	887	754	887	754
Total Non-Current Liabilities		887	754	887	754
TOTAL LIABILITIES		14,264	11,994	14,314	11,999
NET ASSETS		50,773	37,963	52,309	39,425
EQUITY					
Property, Plant & Equipment Revaluation Surplus	4.2(f)	37,904	22,908	37,904	22,908
Financial Asset Available for Sale Revaluation Surplus		-	-	-	36
General Purpose Surplus		141	145	141	145
Restricted Specific Purpose Surplus		3,523	3,765	3,523	3,765
Contributed Capital		19,896	19,896	19,896	19,896
Accumulated Surpluses/(Deficits)		(10,691)	(8,752)	(9,155)	(7,326)
TOTAL EQUITY		50,773	37,963	52,309	39,425

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

East Grampians Health Service

Cash Flow Statement

For the Year Ended 30 June 2019

Note	Parent Entity 2019 \$'000	Parent Entity 2018 \$'000	Consolidated Entity 2019 \$'000	Consolidated Entity 2018 \$'000
Cash Flows from Operating Activities				
Operating Grants from Government	32,404	30,455	32,404	30,447
Capital Grants from Government	1,224	3,391	1,224	3,391
Other Capital Receipts	1,606	293	1,606	368
Patient and Resident Fees Received	4,812	4,519	4,812	4,519
GST Received from/(paid to) ATO	916	821	918	821
Interest and Investment Income Received	260	204	326	217
Other Receipts	1,999	2,869	2,067	2,869
Total Receipts	43,221	42,552	43,357	42,632
Employee Expenses Paid	(30,954)	(30,294)	(30,954)	(30,294)
Payments for Supplies & Consumables	(5,911)	(3,180)	(5,911)	(3,183)
Payments for Medical Indemnity Insurance	(413)	(369)	(413)	(369)
Payments for Repairs and Maintenance	(853)	(766)	(853)	(766)
Other Payments	(3,620)	(5,179)	(3,639)	(5,203)
Total Payments	(41,751)	(39,788)	(41,770)	(39,815)
Net Cash Flows from/(used in) Operating Activities	1,470	2,764	1,587	2,817
8.1				
Cash Flows from Investing Activities				
Proceeds/(Purchase) of Investments	6,168	(1,982)	6,143	(2,931)
Payments for Non-Financial Assets	(2,895)	(2,283)	(2,895)	(2,283)
Proceeds from sale of Non-Financial Assets	-	70	-	70
Net Cash Flows from/(used in) Investing Activities	3,273	(4,195)	3,248	(5,144)
Cash Flows from Financing Activities				
Receipt of Accommodation Deposits	2,124	3,664	2,124	3,664
Repayment of Accommodation Deposits	(915)	(2,832)	(915)	(2,832)
Net Cash Flows from /(used in) Financing Activities	1,209	832	1,209	832
Net Increase/(Decrease) in Cash and Cash Equivalents Held	5,952	(599)	6,044	(1,495)
Cash and Cash Equivalents at Beginning of Year	2,539	3,138	2,685	4,180
CASH AND CASH EQUIVALENTS AT END OF PERIOD	8,491	2,539	8,729	2,685
6.1				

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 2019

Consolidated Entity	Note	Property, Plant & Equipment Revaluation Surplus	Financial Asset Available for Sale Revaluation Surplus	General Purpose Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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		452	13	-	-	-	-	465
Transfer to / (from) accumulated surplus		-	-	3	2,301	-	(2,304)	-
Balance at 1 July 2018		22,908	36	145	3,765	19,896	(7,326)	39,424
Change in Accounting Policy			(36)				36	-
Restated balance as at 1 July 2018		22,908	-	145	3,765	19,896	(7,290)	39,424
Net result for the year		-	-	-	-	-	(2,109)	(2,109)
Other comprehensive income for the year		14,997	-	-	-	-	-	14,997
Transfer to / (from) accumulated surplus		-	-	(4)	(241)	-	245	-
Balance at 30 June 2019		37,904	-	141	3,523	19,896	(9,155)	52,309

Parent Entity	Note	Property, Plant & Equipment Revaluation Surplus	Financial Asset Available for Sale Revaluation Surplus	General Purpose Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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		452	-	-	-	-	-	452
Transfer to / (from) accumulated surplus		-	-	3	2,301	-	(2,304)	-
Balance at 30 June 2018		22,908	-	145	3,765	19,896	(8,751)	37,963
Net result for the year		-	-	-	-	-	(2,184)	(2,184)
Other comprehensive income for the year		14,997	-	-	-	-	-	14,997
Transfer to / (from) accumulated surplus		-	-	(4)	(241)	-	245	-
Balance at 30 June 2019		37,904	-	141	3,523	19,896	(10,691)	50,773

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.

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 2019. 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 Assistant Treasurer.

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 AASBs.

(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 2019, and the comparative information presented in these financial statements for the year ended 30 June 2018. Where applicable, the comparative figures have been restated to align with the presentation in the current year. Figures have been restated at Notes 2.1, 3.1, 3.2, 3.4, 5.2 and 7.1.

The financial statements are prepared on a going concern basis (refer to Note 8.10 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 East Grampians Health Service operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

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 AASBs 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);
- Defined benefit superannuation expense (refer to Note 3.5 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 3.4 Employee Benefits in the Balance Sheet); and

Note 1: Summary of significant accounting policies

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 Statements:

- The consolidated financial statements of East Grampians Health Service includes all reporting entities controlled by East Grampians Health Services as at 30 June 2019.
- 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 8.7 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 8.8 Jointly Controlled Operations).

(f) Equity

Contributed Capital

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

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

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

Financial Assets Available-for-Sale Revaluation Surplus

The 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 surplus which relates to that financial asset is effectively realised and is recognised in the Comprehensive Operating Statement. Where a revalued financial asset is impaired that portion of the surplus which relates to that financial asset is recognised in the Comprehensive Operating Statement.

Specific Restricted Purpose Surplus

The Specific Restricted Purpose Surplus 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: 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.

The hospital is predominantly funded by accrual based grant funding for the provision of outputs. The hospital also receives income from the supply of services.

Structure

2.1 Income from Transactions

Note 2.1: Income from Transactions

	Consolidated	Consolidated
	Total 2019 \$'000	Total 2018 \$'000
Government Grants - Operating	32,351	31,033
Government Grants - Capital	1,224	3,391
Other Capital purpose income (including capital donations)	1,606	326
Patient and Resident Fees	4,719	4,418
Private Practice Fees	44	36
Commercial Activities ¹	384	396
Other Revenue from Operating Activities (including non-capital donations)	1,545	1,628
Total Income from Operating Activities	41,873	41,228
Other Interest	259	245
Dividends	23	15
Other Revenue from Non-Operating Activities	253	195
Total Income from Non-Operating Activities	535	455
Total Income from Transactions	42,408	41,683

¹ Commercial activities represent business activities which health service enter into to support their operations.

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.

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

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.

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

The Department of Health and Human Services makes some payments on behalf of health services as follows:

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

Patient and Resident Fees

Patient fees are recognised as revenue on an accrual basis.

Private Practice Fees

Private practice fees are recognised as revenue at the time invoices are raised, and include recoupments from private practice for the use of hospital facilities.

Revenue from commercial activities

Revenue from commercial activities are recognised on an accrual basis.

Other Income

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

Interest 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.

Dividend Revenue

Dividend revenue is recognised when the right to receive payment is established. Dividends represent the income arising from East Grampians Health Service and its controlled entities' investments in financial

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 Expenses from Transactions
- 3.2 Other economic flows
- 3.3 Analysis of expenses and revenue
- 3.4 Employee benefits in the balance sheet
- 3.5 Superannuation

Note 3.1: Expenses from Transactions

	Consolidated Total 2019 \$'000	Consolidated Total 2018 \$'000
Salaries and Wages	21,193	19,621
On-costs	5,367	4,732
Fee for Service Medical Officer Expenses	4,109	4,091
Workcover Premium	306	264
Total Employee Expenses	30,975	28,708
Drug Supplies	847	884
Medical and Surgical Supplies (including Prostheses)	1,788	1,560
Diagnostic and Radiology Supplies	607	616
Other Supplies and Consumables	2,260	2,313
Total Supplies and Consumables	5,502	5,373
Finance Costs	10	9
Total Finance Costs	10	9
Fuel, Light, Power and Water	731	730
Repairs and Maintenance	399	347
Maintenance Contracts	376	383
Medical Indemnity Insurance	381	369
Other Administrative Expenses	2,349	2,408
Expenditure for Capital Purposes	624	569
Total Other Operating Expenses	4,860	4,806
Depreciation and Amortisation (refer Note 4.3)	2,851	2,814
Total Other Non-Operating Expenses	2,851	2,814
Total Expenses from Transactions	44,198	41,710

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Note 3.1: Expenses from Transactions (Continued)

Finance Costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred);
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance charges in respect of finance leases which are recognised in accordance with AASB 117 Leases.

Other Operating Expenses

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

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

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

Non-Operating Expenses

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

Note 3.2: Other economic flows

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
<i>Net gain/(loss) on non-financial assets</i>		
Revaluation of investment property	190	-
Net gain on disposal of property plant and equipment	-	34
Total net gain/(loss) on non-financial assets	190	34
<i>Net gain/(loss) on financial instruments</i>		
Allowance for impairment losses of contractual receivables	19	(17)
Net gain/(loss) arising from revaluation of financial assets at fair value through profit or loss	20	-
Total net gain/(loss) on financial instruments	39	(17)
<i>Share of other economic flows from Joint Operations</i>		
Change in equity share of joint entities	(23)	74
Total Share of other economic flows from Joint Operations	(23)	74
<i>Other gains/(losses) from other economic flows</i>		
Net gain/(loss) arising from revaluation of long service liability	(523)	101
Total other gains/(losses) from other economic flows	(523)	101
Total other gains/(losses) from economic flows	(317)	192

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 4.4 Investment Properties.)
- Net gain/ (loss) on disposal of non-financial assets
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/ (loss) on financial instruments

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

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

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

	Expense		Revenue	
	Consol'd 2019 \$'000	Consol'd 2018 \$'000	Consol'd 2019 \$'000	Consol'd 2018 \$'000
Catering & Conference	409	431	384	399
TOTAL	409	431	384	399

Note 3.4: Employee benefits in the balance sheet

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Current Provisions		
Employee Benefits (i)		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months (ii)	1,714	1,656
- Unconditional and expected to be settled wholly after 12 months (iii)	149	144
Accrued days off		
- Unconditional and expected to be settled wholly within 12 months (ii)	77	68
Long service leave		
- Unconditional and expected to be settled wholly within 12 months (ii)	618	335
- Unconditional and expected to be settled wholly after 12 months (iii)	1,757	1,757
	4,315	3,960
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months (ii)	289	326
- Unconditional and expected to be settled wholly after 12 months (iii)	229	228
	518	554
Total Current Provisions	4,833	4,514
Non-Current Provisions		
Conditional long service leave (iii)	792	673
Provisions related to Employee Benefit On-Costs (iii)	95	81
Total Non-Current Provisions	887	754
Total Provisions	5,720	5,268
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and related on-costs		
Unconditional LSL Entitlement	2,660	2,343
Annual Leave Entitlements	2,087	2,016
Accrued Days Off	86	76
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements (iii)	887	-
Total Employee Benefits and Related On-Costs	5,720	4,435
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 on-costs provisions		
Balance at start of year	559	572
Provision made during the year		
Additional provisions recognised	50	55
Unwinding of discount and effect of changes in the discount rate	39	(12)
Reduction due to transfer out	(35)	(56)
Balance at end of year	613	559

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

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.

Annual Leave and Accrued Days Off

Liabilities for annual leave and accrued days off 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:

- Nominal 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:

- Nominal 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.

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.

On-Costs Related to Employee Expense

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

Note 3.5: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Consolidated 2019 \$'000	Consolidated 2018 \$'000	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Defined benefit plans:				
First State Superannuation Fund	107	162	5	8
Defined contribution plans:				
First State Superannuation Fund	1,574	1,467	74	43
HESTA Superannuation Fund	541	473	26	19
Total	2,222	2,102	105	70

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		Consolidated	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
CURRENT				
Financial Assets at Amortised cost				
Term Deposits > 3 months	985	7,133	985	7,133
Financial instruments at fair value through profit and loss				
Australian Listed Equity Securities	356	333	356	333
Total Current	1,341	7,466	1,341	7,466
TOTAL	1,341	7,466	1,341	7,466
Represented by:				
Health Service Investments	-	1,932	-	1,932
Foundation Investments	1,341	1,287	1,341	1,287
Monies Held in Trust				
Accommodation Bonds (Refundable Entrance Fees)	-	4,247	-	4,247
TOTAL	1,341	7,466	1,341	7,466

Investment Recognition

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

Investments are classified as financial assets at amortised cost or financial instruments at fair value through profit and loss.

The East Grampians Health Service classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset.

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

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

East Grampians Health Service's controlled entities manage their investments in accordance with their own investment policy as approved by their Board and their investments are consolidated into East Grampians Health Service for reporting purposes as it is the ultimate beneficiary of East Grampians Health Service Foundation.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement 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.

Note 4.2: Property, Plant & Equipment

(a) Gross carrying amount and accumulated depreciation

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Land		
Crown Land at Fair Value	1,242	1,035
Land Improvements at Fair Value	941	727
Less Accumulated Depreciation	-	(128)
Total Land	2,183	1,634
Buildings		
Buildings at Fair Value	43,643	30,028
Buildings Work in Progress at Cost	3,354	2,140
Total Buildings	46,997	32,168
Plant and Equipment		
Plant and Equipment at Fair Value	2,698	2,575
Less Accumulated Depreciation	(1,705)	(1,416)
Total Plant and Equipment	993	1,159
Motor Vehicles		
Motor Vehicles at Fair Value	1,098	1,098
Less Accumulated Depreciation	(861)	(713)
Motor Vehciles	237	385
Medical Equipment		
Medical Equipment at Fair Value	3,796	3,570
Less Accumulated Depreciation	(2,384)	(2,059)
Total Medical Equipment	1,412	1,511
GRHA Equipment		
GRHA Equipment at Fair Value	487	415
Less Accumulated Depreciation	(99)	(102)
Total Jointly Controlled Equipment	388	313
TOTAL	52,210	37,170

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	Motor Vehicles \$'000	Medical Equipment \$'000	Jointly Controlled Equipment \$'000	Total \$'000
Balance at 1 July 2017	1,658	32,281	1,102	343	1,612	265	37,261
Additions	-	1,360	486	118	220	77	2,261
Disposals	-	-	-	9	-	-	9
Net Revaluation Increments/(Decrements)	-	452	-	-	-	-	452
Depreciation (note 4.3)	(24)	(1,925)	(429)	(85)	(321)	(30)	(2,814)
Balance at 30 June 2018	1,634	32,168	1,159	385	1,511	312	37,170
Additions	-	2,314	244	-	236	99	2,893
Disposals	-	-	-	-	-	-	-
Net Revaluation Increments/(Decrements)	572	14,425	-	-	-	-	14,997
Depreciation (note 4.3)	(23)	(1,912)	(411)	(147)	(335)	(23)	(2,851)
Balance at 30 June 2019	2,183	46,995	992	238	1,412	388	52,208

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 a 30 June 2019 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. The effective date of the valuation is 30 June 2019.

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Note 4.2: Property, Plant & Equipment (Continued)

(c) Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using:			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⁾		Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾
Land at fair value								
Non-specialised land	165	-	165	-	95	-	95	-
Specialised land	2,018	-	-	2,018	1,539	-	-	1,539
Total land at fair value	2,183	-	165	2,018	1,634	-	95	1,539
Buildings at fair value								
Non-specialised buildings	280	-	280	-	187	-	187	-
Specialised buildings	43,363	-	-	43,363	29,841	-	-	29,841
Total building at fair value	43,643	-	280	43,363	30,028	-	187	29,841
Plant and equipment at fair value								
Plant equipment and vehicles at fair value								
- Motor Vehicles	237	-	237	-	386	-	386	-
- Plant and equipment	993	-	-	993	1,158	-	-	1,158
Total plant, equipment and vehicles at fair value	1,230	-	237	993	1,544	-	386	1,158
Medical equipment at fair value								
Specialised medical equipment	1,412	-	-	1,412	1,511	-	-	1,511
Total medical equipment at fair value	1,412	-	-	1,412	1,511	-	-	1,511
Jointly controlled equipment at fair value								
Specialised ICT equipment	388	-	-	388	313	-	-	313
Total jointly controlled equipment at fair value	388	-	-	388	313	-	-	313
TOTAL	48,856	-	682	48,174	35,030	-	668	34,362

Note

(1) Classified in accordance with the fair value hierarchy, 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 Equipment \$'000	Total \$'000
Consolidated						
Balance at 1 July 2018	1,469	29,748	1,159	1,511	312	34,199
Purchases (sales)	-	1,102	244	236	99	1,681
Net Revaluation Increments/(Decrements)	572	14,425	-	-	-	14,997
Subtotal	2,041	45,275	1,403	1,747	411	50,877
Gains or losses recognised in net result						
- Depreciation	(23)	(1,912)	(411)	(335)	(23)	(2,704)
Subtotal	(23)	(1,912)	(411)	(335)	(23)	(2,704)
Balance at 30 June 2019	2,018	43,363	993	1,412	388	48,174

	Land \$'000	Buildings \$'000	Plant & Equipment \$'000	Medical Equipment \$'000	GRHA Equipment \$'000	Total \$'000
Consolidated						
Balance at 1 July 2017	1,493	31,221	1,102	1,612	265	35,693
Purchases (sales)	-	-	486	220	77	783
Subtotal	1,493	31,221	1,588	1,832	342	36,476
Gains or losses recognised in net result						
- Depreciation	(24)	(1,925)	(429)	(321)	(30)	(2,729)
Subtotal	(24)	(1,925)	(429)	(321)	(30)	(2,729)
Items recognised in other comprehensive income						
- Revaluation	-	452	-	-	-	452
Subtotal	-	452	-	-	-	452
Balance at 30 June 2018	1,469	29,748	1,159	1,511	312	34,199

Note 4.2: Property, Plant & Equipment (Continued)

(e) Property, Plant & Equipment (Fair Value Determination)

Asset class	Examples of types of assets	Expected fair value level	Likely valuation approach	Significant inputs (Level 3 only)
Non-specialised land	In areas where there is an active market: - Vacant land - Land not subject to restrictions as to use or sale	Level 2	Market approach	n.a.
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 (-20%)
Non-specialised buildings	For general/commercial buildings that are just built	Level 2	Market approach	n.a.
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 2019.

(f) Property, Plant & Equipment Revaluation Surplus

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Property, Plant and Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	22,908	22,456
Revaluation Increment		
- Land	572	-
- Buildings	14,425	452
Balance at the end of the reporting period*	37,905	22,908
* Represented by:		
- Land	3,184	2,612
- Buildings	34,721	20,296
	37,905	22,908

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.

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.

Revaluations of Non-Current Physical Assets

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103H Non-Current Physical Assets. This revaluation process normally occurs 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, except where an asset is transferred via contributed capital.

Fair value measurement

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

For the purpose of fair value disclosures, 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.

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)

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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.

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.

Note 4.2: Property, Plant & Equipment (Continued)

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 2019.

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

Note 4.3: Depreciation

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Depreciation		
Land Improvements	23	24
Buildings	1,912	1,925
Plant & Equipment	411	429
Motor Vehicles	147	85
Medical Equipment	335	321
GRHA Depreciation	23	30
Total Depreciation	2,851	2,814

Depreciation

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

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

	<u>2019</u>	<u>2018</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 2019

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Balance at Beginning of Period	1,300	1,300
Net Gain/(Loss) from Fair Value Adjustments	190	-
Balance at End of Period	1,490	1,300

(b) Fair value measurement hierarchy for investment properties as at 30 June 2019

	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using:		
		Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾
Investment properties	1,490	-	1,490	-
	1,490	-	1,490	-

	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	-

⁽¹⁾ classified in accordance with the fair value hierarchy

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.

For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

The fair value of the Health Service's investment properties at 30 June 2019 have been arrived on the basis of an independent valuation carried out by the Valuer General Victoria. 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.

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.

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2019.

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 Payables

5.3 Other liabilities

Note 5.1: Receivables

	Consolidated Entity 2019 \$'000	Consolidated Entity 2018 \$'000
CURRENT		
Contractual		
Trade Debtors	827	609
GRHA Receivables	16	21
Patient Fees	155	248
Accrued Investment Income	27	94
Accrued Revenue - Other	420	263
Less: Allowance for impairment losses of contractual receivables		
- Patient Fees	(9)	(28)
	1,436	1,207
Statutory		
DHHS Grant Receivable	211	114
GST Receivable	59	182
	1,705	3,005
TOTAL CURRENT RECEIVABLES		
NON CURRENT		
Statutory		
Long Service Leave - Department of Health/ Department of Health and Human Services	910	1,060
	910	1,060
TOTAL NON-CURRENT RECEIVABLES	910	1,060
TOTAL RECEIVABLES	2,615	4,065

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

	Consolidated Entity 2019 \$'000	Consolidated Entity 2018 \$'000
Balance at beginning of year	28	15
Amounts written off during the year	(31)	(4)
Increase/(decrease) in allowance recognised in net result	12	17
Balance at end of year	9	28

Receivables Recognition

Receivables consist of:

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

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

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

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

Impairment losses of contractual receivables

Refer to Note 7.1 (c) Contractual receivables at amortised costs for East Grampians Health Service's contractual impairment losses.

Note 5.2: Payables

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
CURRENT		
Contractual		
Trade Creditors	1,123	1,027
Accrued Salaries & Wages	845	729
Accrued Expenses	500	442
GRHA Payables	59	40
	2,527	2,238
Statutory		
PAYGWH Payable	186	-
	186	-
TOTAL CURRENT	2,713	2,238
TOTAL	2,713	2,238

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

Maturity analysis of payables

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

Note 5.3: Other Liabilities

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
CURRENT		
- Patient Monies Held in Trust*	266	173
- Accommodation Bonds (Refundable Entrance Fees)*	5,457	4,247
- Other Monies Held in Trust*	157	73
Total Current	5,880	4,493
Total Other Liabilities	5,880	4,493
* Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets	5,880	246
Investment and other Financial Assets (refer to Note 4.1)	-	4,247
TOTAL	5,880	4,493

Notes to and Forming Part of the Financial Statements

East Grampians Health Service Annual Report 2018-19

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
- 6.3 Commitments for Income

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.

	Consolidated Total 2019 \$'000	Consolidated Total 2018 \$'000
Cash on Hand (excluding Monies held in trust)	3	3
Cash at Bank (excluding Monies held in trust)	2,677	2,178
Cash at Bank - GRHA	168	258
Cash on Hand (Monies held in trust)	1	1
Cash at Bank (Monies held in trust)	5,880	245
TOTAL	8,728	2,685

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. The cash flow statement includes monies held in trust.

Note 6.2: Commitments for Expenditure

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 has construction commitments for the completion of a building project.

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Capital Expenditure Commitments		
Not later than one year	101	-
Total Commitments for Capital Expenditure (inclusive of GST)	101	
Less GST recoverable from Australian Tax Office	(9)	
TOTAL COMMITMENTS FOR EXPENDITURE (exclusive of GST)	92	-

Note 6.3 Commitments for Income

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
LEASE RECEIVABLE COMMITMENTS		
Commitments in relation to leases receivable are as follows:		
Not later than one year	56	56
Later than 1 year and not later than 5 years	169	210
TOTAL	226	266
Total Receivable Commitments (inclusive of GST)	226	266
Less GST payable to the Australian Tax Office	21	24
TOTAL RECEIVABLE COMMITMENTS (exclusive of GST)	205	242

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.

Notes to and Forming Part of the Financial Statements

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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

Consolidated	Financial Assets at Amortised Cost	Financial Assets at Fair Value Through Net Result	Financial Liabilities at Amortised Cost	Total
2019	\$'000		\$'000	\$'000
Contractual Financial Assets				
Cash and Cash Equivalents	8,728	-	-	8,728
Receivables				
- Trade Debtors	1,290	-	-	1,290
- Other Receivables	146	-	-	146
Investments and Other Financial Assets				
- Term Deposits	985	-	-	985
- Australian listed equities	-	356	-	356
Total Financial Assets¹	11,149	356	-	11,505
Financial Liabilities				
Payables	-	-	2,527	2,527
Other Financial Liabilities				
- Accommodation bonds	-	-	5,457	5,457
- Other	-	-	423	423
Total Financial Liabilities¹	-	-	8,407	8,407
Consolidated	Contractual financial assets - loans and receivables	Contractual financial assets - available for sale	Contractual financial liabilities at amortised cost	Total
2018	\$'000	\$'000	\$'000	\$'000
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

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).

Note 7.1: Financial Instruments (Continued)

From 1 July 2018, East Grampians Health Service applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial assets under AASB 9:

Financial assets at amortised cost

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

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

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

The Health Service recognises the following assets in this category:

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

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, East Grampians Health Service may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

East Grampians Health Service recognises listed equity securities as mandatorily measured at fair value through net result.

Categories of financial instruments previously under AASB 139

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);

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.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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

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

Notes to and Forming Part of the Financial Statements

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Note 7.1 (b): 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

2019	Note	Carrying \$'000	Nominal \$'000	Maturity Dates			
				Less than 1 \$'000	1-3 Months \$'000	3 months - 1 \$'000	1-5 Years \$'000
Financial Liabilities							
<i>At amortised cost</i>							
Payables	5.2	1,123	1,123	1,085	38	-	-
Other Financial Liabilities (i)							
- Accommodation Deposits	5.3	5,457	5,457	-	-	5,457	-
- Other	5.3	423	423	-	-	-	-
Total Financial Liabilities		7,003	7,003	1,508	38	5,457	-
2018							
Financial Liabilities							
<i>At amortised cost</i>							
Payables	5.2	1,579	1,579	1,534	45	-	-
Other Financial Liabilities (i)							
- Accommodation Deposits	5.3	4,247	4,247	-	-	4,247	-
- Other	5.3	246	246	246	-	-	-
Total Financial Liabilities		6,072	6,072	1,780	45	4,247	-

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

Note 7.1 (c) : Contractual receivables at amortised cost

	1-Jul-18	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate		0%	0%	0%	0%	100%	
Gross carrying amount of contractual receivables		973	214	20	0	28	1235
Loss allowance		0	0	0	0	28	28

	30-Jun-19	Current	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	Total
Expected loss rate		0%	0%	0%	0%	100%	
Gross carrying amount of contractual receivables		1146	256	34	0	9	1445
Loss allowance		0	0	0	0	9	9

Impairment of financial assets under AASB 9 – applicable from 1 July 2018

From 1 July 2018, the East Grampians Health Service has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the East Grampians Health Service's contractual receivables, statutory receivables and its investment in debt instruments.

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

Contractual receivables at amortised cost

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

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

Reconciliation of the movement in the loss allowance for contractual receivables

	2018	2017
Balance at beginning of the year	28	15
Opening retained earnings adjustment on adoption of AASB 9	0	0
Opening Loss Allowance	28	15
Modification of contractual cash flows on financial assets	0	0
Increase in provision recognised in the net result	12	17
Reversal of provision of receivables written off during the year as uncollectible	-31	-4
Reversal of unused provision recognised in the net result	0	0
Balance at end of the year	9	28

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

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

Statutory receivables and debt investments at amortised cost [AASB2016-8.4]

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

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No additional loss allowance required upon transition into AASB 9 on 1 July 2018.

Note 8: Other disclosures

This section includes additional material disclosures required by accounting standards or

Structure

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

Note 8.1: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating

	Consolidated 2019 \$'000	Consolidated 2018 \$'000
Net Result for the Year	(2,129)	165
Non-Cash Movements:		
Depreciation & Amortisation	2,852	2,814
Revaluation of Investment Property	(190)	-
Change in Provision for Allowance for impairment losses	(19)	17
Net (Gain)/Loss from Sale of Plant and Equipment	-	(34)
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	(34)	180
(Increase)/Decrease in Other Assets	6	(22)
Increase/(Decrease) in Payables	475	420
Increase/(Decrease) in Provisions	452	148
Increase/(Decrease) in Other Liabilities	177	(861)
Increase/(Decrease) in Inventories	(3)	(10)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	1,587	2,817

Note 8.2: Responsible Persons Disclosures

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

Responsible Minister:

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

The Honourable Martin Foley, Minister for Mental Health

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

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

Governing Boards

Ms N Panter (Chair of Board)

Mrs H Fleming

Mr D Cole

Mrs F Cochrane

Mrs A Rivett

Mrs M Cruickshank

Ms J Petty

Mr P Hooper

Ms G Czarnota

Accountable Officers

Mr N Bush

Mr A Freeman

	Period
	1/07/2018 - 29/11/2018
	29/11/2018 - 30/06/2019
	1/07/2018 - 30/06/2019
	1/07/2018 - 29/11/2018
	29/11/2018 - 30/06/2019
	1/07/2018 - 30/06/2019
	1/07/2018 - 30/06/2019
	1/07/2018 - 30/06/2019
	1/07/2018 - 30/06/2019
	1/07/2018 - 30/06/2019
	1/07/2018 - 30/06/2019
	1/07/2018 - 30/06/2019
	1/07/2018 - 30/06/2019
	1/07/2018 - 15/07/2018
	16/07/2018 - 30/06/2019

Remuneration of Responsible Persons

Income Band

\$0 - \$9,999

\$10,000 - \$19,999

\$140,000 - \$149,999

\$260,000 - \$269,999

Total Numbers

Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:

	Parent 2019 No.	Parent 2018 No.
	9	9
	1	-
	1	-
	-	1
	11	10
	\$192,556	\$262,563

Amounts relating to the controlled entities' 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.

Notes to and Forming Part of the Financial Statements

East Grampians Health Service Annual Report 2018-19

Note 8.3: Remuneration of Executives

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.

Termination Benefits

Termination of employment payments, such as severance packages.

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	
	2019 \$'000	2018 \$'000
Short-term employee benefits	\$ 734	\$ 697
Post-employment benefits	\$ 101	\$ 91
Other long-term benefits	\$ 21	\$ 19
Total Remuneration	\$ 856	\$ 807
Total number of executives (i)	5	6
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 8.4)

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

Note 8.4: 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.

The Board of Directors, Accountable Officer and Executives of East Grampians Health Service and its controlled entities are deemed to be KMPs.

Entity	KMPs	Position Title
East Grampians Health Service	Ms N Panter	Chair of the Board
East Grampians Health Service	Mrs H Fleming	Board Member
East Grampians Health Service	Mr D Cole	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 Cruickshank	Board Member
East Grampians Health Service	Ms J Petty	Board Member
East Grampians Health Service	Mr P Hooper	Board Member
East Grampians Health Service	Ms G Czarnota	Board Member
East Grampians Health Service	Mr N Bush	Chief Executive
East Grampians Health Service	Mr A Freeman	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 S Philip	Director of Community Services
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	2019 (\$'000)	2018 (\$'000)
Short-term employee benefits	\$ 909	\$ 928
Post-employment benefits	\$ 117	\$ 117
Other long-term benefits	\$ 23	\$ 25
Termination benefits	\$ -	\$ -
Share-based payments	\$ -	\$ -
Total (i)	\$ 1,049	\$ 1,070

ⁱ KMPs are also reported in Note 8.2 Responsible Persons and 8.3 Remuneration of Executives.

Notes to and Forming Part of the Financial Statements

East Grampians Health Service Annual Report 2018-19

Note 8.4: Related parties (Continued)

Significant transactions with government related entities

East Grampians Health Service received funding from the Department of Health and Human Services of **\$23.7 million** (2018: \$24.4 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.

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

Transactions with KMPs and Other Related Parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the 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 2019.

There were no related party transactions required to be disclosed for East Grampians Health Services Board of Directors and Executive Directors in 2019.

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 2019.

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.

	2019 \$'000	2018 \$'000
Distribution of funds by East Grampians Health Building for the Future Foundation	40	27

Note 8.5: Remuneration of auditors

Victorian Auditor-General's Office
 Audit of the Financial Statements

	2019 \$'000	2018 \$'000
	17	17
	17	17

Note 8.6: Events Occurring after the Balance Sheet Date

No significant events occurred after the reporting date.

Note 8.7: 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

	2019 \$'000	2018 \$'000
NET RESULT FOR THE YEAR		
East Grampians Health Building for the Future Foundation	54	88

Note 8.8: Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Ownership Interest	
		2019 %	2018 %
Grampians Region Health IT Alliance	ICT Systems	7.30	7.35

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:

	2019 \$'000	2018 \$'000
Current Assets		
Cash and Cash Equivalents	168	258
Receivables	16	21
Other Current Assets	22	12
Total Current Assets	206	291
Non Current Assets		
Property, Plant and Equipment	388	313
Total Non Current Assets	388	313
Total Assets	594	604
Current Liabilities		
Payables	59	40
Total Current Liabilities	59	40
Total Liabilities	59	40

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

	2019 \$'000	2018 \$'000
Revenues		
Operating receipts	423	429
Capital receipts	-	77
Total Revenue	423	506
Expenses		
Information Technology and Administrative Expenses	388	400
Capital expenses	58	32
Total Expenses	446	432
Net result	(23)	74

Contingent Liabilities and Capital Commitments

As at 30 June 2019 the Grampians Region Health IT Alliance has not reported any contingent liabilities.

Commitments	2019 \$'000	2018 \$'000
Capital Expenditure Commitments		
Capital commitments not later than 1 year	48	19
Operating expenditure commitments		
Not later than one year	90	85
Later than 1 year and not later than 5 years	23	24
	113	109
Total commitments for expenditure inc GST	161	128
Less GST payable to the Australian Tax Office	15	12
Total commitments for expenditure (exc GST)	146	116

Notes to and Forming Part of the Financial Statements

East Grampians Health Service Annual Report 2018-19

Note 8.9: AASBs issued that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2019 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 2019, 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 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. Note that amending standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1	1 Jan 2019	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. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as the performance obligations attached to the grant are satisfied. There is an expectation that this will impact gcapital grant funding, however it is not possible to quantify the impact until such time as the funding is received and projects are commenced.
AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for-Profit Public-Sector Licensors	AASB 2018-4 amends AASB 15 and AASB 16 to provide guidance for revenue recognition in connection with taxes and Non-IP licences for Not-for-Profit entities.	1-Jan-19	AASB 2018-4 provides additional guidance for not-for-profit public sector licenses, which include: <ul style="list-style-type: none"> • Matters to consider in distinguishing between a tax and a license, with all taxes being accounted for under AASB 1058; • IP licenses to be accounted for under AASB 15; and • Non-IP, such as casino licenses, are to be accounted for in accordance with the principles of AASB 15 after first having determined whether any part of the arrangement should be accounted for as a lease under AASB 16. <p>There is no material impact expected.</p>

Notes to and Forming Part of the Financial Statements
East Grampians Health Service Annual Report 2018-19

Note 8.9: AASBs issued that are not yet effective (Continued)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on financial statements
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	<p>AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15.</p> <p>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.</p>	1-Jan-19	<p>This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include:</p> <p>AASB 9</p> <ul style="list-style-type: none"> Statutory receivables are recognised and measured similarly to financial assets. <p>AASB 15</p> <ul style="list-style-type: none"> The 'customer' does not need to be the recipient of goods and/or services; <ul style="list-style-type: none"> The "contract" could include an arrangement entered into under the direction of another party; Contracts are enforceable if they are enforceable by legal or 'equivalent means'; <ul style="list-style-type: none"> Contracts do not have to have commercial substance, only economic substance; and Performance obligations need to be 'sufficiently specific' to be able to apply AASB 15 to these transactions. <p>The impact on reporting capital funding has potential to result in material change,</p>
AASB 16 Leases	<p>The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.</p>	1-Jan-19	<p>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.</p> <p>In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.</p> <p>There will be no change for lessors as the classification of operating and finance leases remains unchanged.</p> <p>There is no material impact from implementation of this standard due to lack of existing operating leases.</p>
AASB 2018-8 Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit entities	<p>This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.</p>	1 Jan 2019	<p>Under AASB 1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions.</p> <p>For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB 2018-8 provides a temporary option for Not-for-Profit entities to measure at initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption.</p> <p>The State has elected to apply the temporary option in AASB 2018-8 for not-for-profit entities to not apply the fair value provisions under AASB 1058 for these right-of-use assets.</p> <p>In making this election, the State considered that the methodology of valuing peppercorn leases was still being developed.</p> <p>No material impact during the period applicable under the election.</p>
AASB 1058 Income of Not-for-Profit Entities	<p>AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions.</p> <p>The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context. AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.</p>	1 Jan 2019	<p>Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 Contributions.</p> <p>The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed.</p> <p>The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement.</p> <p>Impact is not able to be quantified until such time as capital grants are received and projects commenced.</p>

Note 8.9: AASBs issued that are not yet effective (Continued)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on financial statements
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1-Jan-20	The standard is not expected to have a significant impact on the public sector. No material impact is expected.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2018-19 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments
- AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments
- AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation
- AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards – Plan Amendments, Curtailment or Settlement
- AASB 2018-3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements
- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

Note 8.10: Financial Dependency

East Grampians Health Service is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health and Human Services.

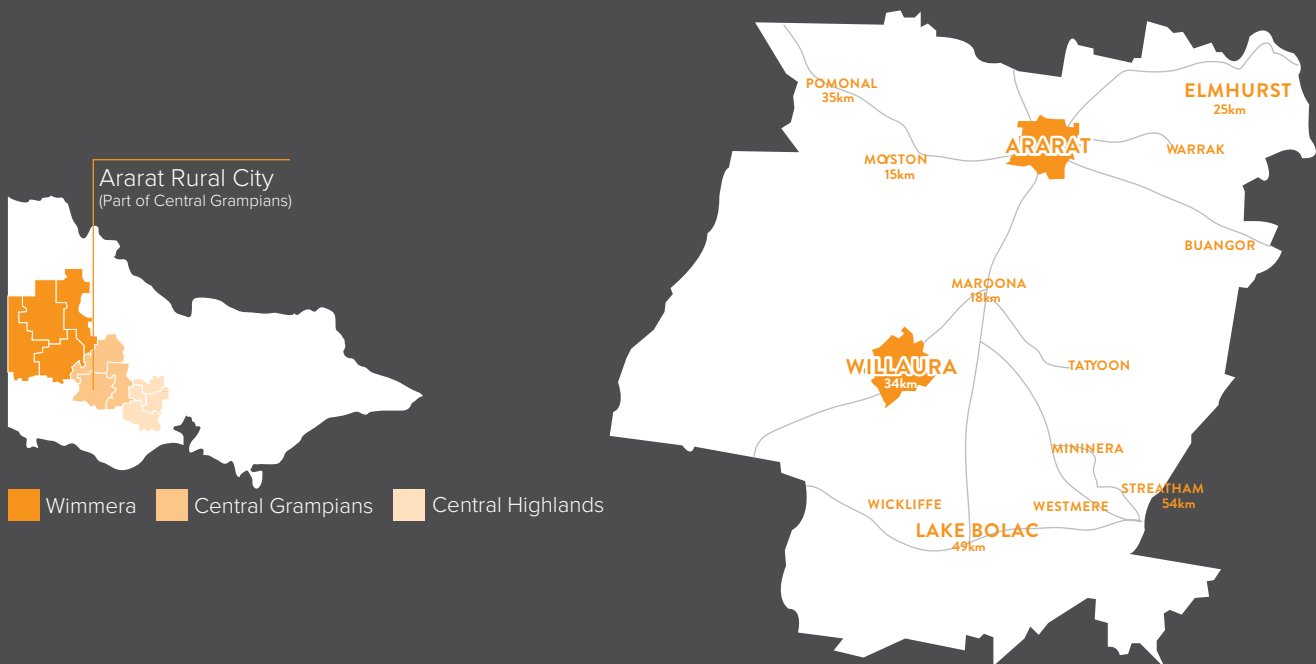
The Department of Health and Human Services has provided confirmation that it will continue to provide the East Grampians Health Service adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to September 2020. On that basis, the financial statements have been prepared on a going concern basis.

The health service's Net Operating Balance has deteriorated (2019: (\$1,792k) and 2018 (\$27k)), and current asset ratio continues to be below an adequate short term position (2019: 0.89 and 2018: 1.06).



East Grampians
Health Service

SITE DIRECTORY AND LOCATION MAPS



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

Low 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



LEADERS IN RURAL HEALTH CARE