

2019-20

ANNUAL REPORT



East Grampians
Health Service



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

CONTENTS

Our Vision, Mission & Values	IFC
Manner of Establishment	03
Traditional Owners	03
Nature and Range of Service	04
Grampians Health Alliance Membership	04
Organisational Structure Chart	05
Statement of Priorities	
Strategic Priorities Part A	06
Performance Priorities Part B	12
Activity and Funding Part C	14
Board Chair and Chief Executive Report	16 - 19
Financial Services Overview	19
Declaration of Report of Operations	19
Report of Operations	20-29
Comparative Financial Results	30
Corporate Governance	
Responsible Ministers	31
The Board	32
Executive Team	33
Senior Staff	34
Medical Staff	35
Legislative Compliance	
Attestations	36
Acts, Legislation and Policies	37-41
Occupational Health & Safety Data	40
Occupational Violence Statistics	41
Workforce Statistics	41
Disclosure Index	42
Additional Information	42
Glossary	43
Financial Report	
Site Directory and Contact Details	Back Cover

COVER IMAGE:

Nicole Carlyle and Dr Dan Wilson.

MANNER OF ESTABLISHMENT

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 provides our community with comprehensive information to help them review our service performance. On a regular basis information news sheets are being produced to provide the community with updates on COVID-19, quality of health care improvements, capital developments and other important health issues.

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

East Grampians Health Service's Annual Report will review progress towards meeting its vision and mission given the challenges that all health services have faced during the COVID-19 pandemic.

Following our Annual General Meeting the Annual Report will be available on our website www.eghs.net.au

TRADITIONAL OWNERS

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

ACKNOWLEDGEMENTS

Editor: Fiona Watson

Design & Layout: Digital Outlaw

Photography: Jodie Holwell

Printing: Sovereign Press

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

NATURE AND RANGE OF SERVICES

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 campuses are located at Ararat and Willaura and we also deliver community based 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 SERVICES

- 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, Personal Care Support, Hospital Admission Risk Program, Regional Assessment Service, Hospital in the Home, Palliative Care, Post Acute Care, Home Care Packages)
- Healthy@Home Telehealth Service
- Continence Support
- Dental services including outreach to schools and kindergartens
- Diabetes Education
- Dietetics
- Exercise Physiology
- Occupational Therapy
- Patricia Hinchey Centre – social support groups
- Physiotherapy
- Podiatry
- Pulmonary Rehabilitation
- Social Work
- Speech Pathology
- Women's Health Clinic – cervical screening

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

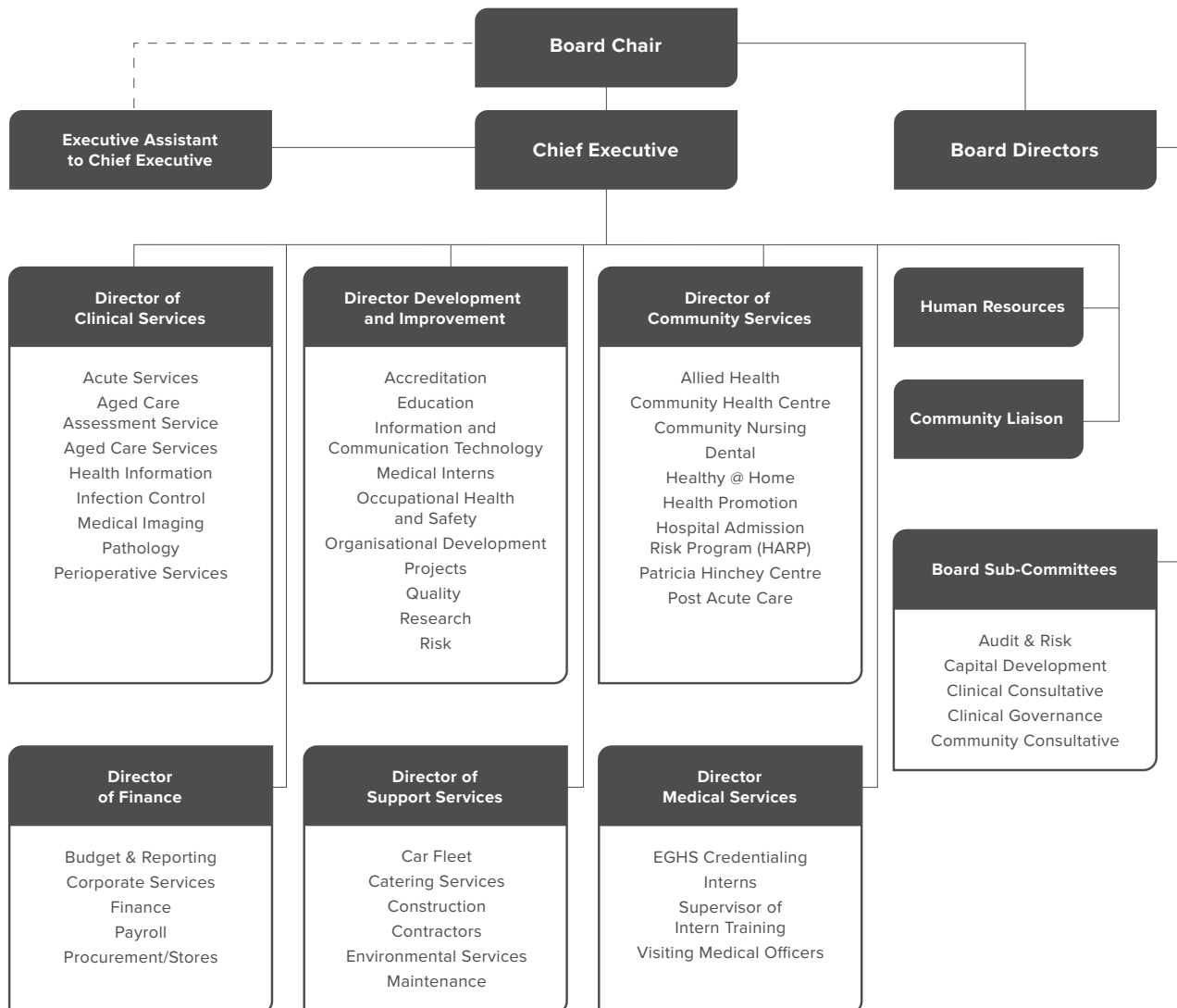
- Credentialing
- General Medicine
- General Surgery
 - Ear Nose & Throat
 - Gynaecology
 - Ophthalmology
 - Orthopaedics
 - Urology
 - Dental
- Medical Interns
- Supervision of Medical Interns
- Visiting Medical Officers

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 CHART



STATEMENT OF PRIORITIES

Reporting of Outcomes from Statement of Priorities

Part A: Strategic Priorities - Health 2040

In 2019–20 East Grampians Health Service will contribute to the achievement of the Government's commitments within *Health 2040: Advancing health, access and care* by:

BETTER HEALTH

GOALS:

- A system geared to prevention as much as treatment
- Everyone understands their own health and risks
- Illness is detected and managed early
- Healthy neighbourhoods and communities encourage healthy lifestyles

STRATEGIES:

- Reduce Statewide Risks
- Build Healthy Neighbourhoods
- Help people to stay healthy
- Target health gaps

DELIVERABLES:

East Grampians Health Service will work collaboratively with regional stakeholders to deliver the agreed outcomes of the Grampians Pyrenees integrated prevention action plan.

OUTCOMES:

East Grampians Health Service worked collaboratively with regional stakeholders to deliver the 2019/20 Health Promotion Plan which was submitted to the Department of Health and Human Services by due date of 28th October 2019.

The priority areas for the East Grampians Health Service health promotion team were healthy eating, active living and mental health. Activities were implemented to change community environments where people learn, work and play, these included:

1. Healthy choices food for staff in the East Grampians Health Service Café
2. Encouraging other workplaces to increase healthy food choices available to their employees.
3. Coordination of a local healthy workplace network.
4. Improving access to and utilisation of the Food Connect program at the Ararat Neighbourhood House.

To ensure that health promotion continued through the COVID-19 pandemic restrictions, health promotion activities have been provided via the East Grampians Health Service Facebook page.

In order to promote the health and wellbeing of staff East Grampians Health Service purchased the Resilience Project's Corporate Program consisting of 10 x 2-3 minute videos promoting practical, positive mental health strategies to build resilience and happiness.

DELIVERABLES:

In response to childhood obesity reports and in order to develop positive and healthy dietary habits in children, East Grampians Health Service health promotion staff will deliver health and wellbeing information to kindergartens and primary schools in the Ararat Rural City catchment.

OUTCOMES:

East Grampians Health Service health promotion staff delivered health and wellbeing information to seven kindergartens. These visits included oral health and healthy eating education.

The East Grampians Health Service dental team visited four primary schools and provided 14 dental treatment days. The remainder of visits were impacted by restrictions from the COVID 19 pandemic.

The Speech Pathologist and Occupational Therapist visited four kindergartens prior to COVID-19 restrictions to assess children at risk of speech and physical developmental delays. Individual screening of children from the remaining three kindergartens commenced at the Community Health Centre in May 2020.

BETTER ACCESS

GOALS:

- Care is always being there when people need it
- Better access to care in the home and community
- People are connected to the full range of care and support they need
- Equal access to care

STRATEGIES:

- Plan and invest
- Unlock innovation
- Provide easier access
- Ensure fair access

DELIVERABLES:

East Grampians Health Service will implement a telehealth referral system into its Urgent Care Centre in collaboration with the Western Victorian Primary Health Network

OUTCOMES:

East Grampians Health Service commenced the trial of the telehealth referral system in the Urgent Care Centre on the 29th September 2019. This has provided much needed support to our on call medical officers. Telehealth appointments have been appreciated by staff and patients in the timely way concerns can be dealt with.

DELIVERABLES:

East Grampians Health Service, in partnership with Ballarat Health Services and Maryborough District Health Service will implement a centralised cardiotocography support system to ensure timely access to clinicians who can provide expert advice on foetal monitoring.

OUTCOMES:

East Grampians Health Service has successfully implemented a centralised cardiotocography support system. The system went live on the 12th November 2019.

BETTER CARE

GOALS:

- Targeting zero avoidable harm
- Healthcare that focuses on outcomes
- Patients and carers are active partners in care
- Care fits together around people's needs

STRATEGIES:

- Put quality first
- Join up care
- Partner with patients
- Strengthen the workforce
- Embed evidence
- Ensure equal care

DELIVERABLES:

East Grampians Health Service will work with the Grampians region and contribute to the establishment and running of regional mortality and morbidity review committees. A perioperative mortality and morbidity committee will commence first and be held four times in the year. An urgent care mortality and morbidity committee will be held in early 2020 and an end of life mortality and morbidity committee will be held before the end of June 2020.

OUTCOMES:

East Grampians Health Service participated in and presented five cases to the first perioperative mortality and morbidity meeting which was held in September 2019. East Grampians Health Service continues to be an active participant in all subsequent meetings.

The Urgent Care mortality and morbidity meeting was scheduled to commence in March 2020 but has been delayed due to COVID-19.

DELIVERABLES:

East Grampians Health Service will deliver a Diploma of Nursing Course, in collaboration with Federation University, to encourage uptake of nurses in residential aged care.

OUTCOMES:

East Grampians Health Service has delivered the Diploma of Nursing course in 2019/2020. 23 students enrolled with the majority expected to complete the course and graduate in 2021.

STATEMENT OF PRIORITIES

Reporting of Outcomes from Statement of Priorities

Specific Priorities for 2019-20

In 2019–20 East Grampians Health Service will contribute to the achievement of the Government's priorities by:

SUPPORTING THE MENTAL HEALTH SYSTEM

Improve service access to mental health treatment to address the physical and mental health needs of consumers.

DELIVERABLES:

East Grampians Health Service will review and modify existing mental health screening tools for recognising and responding to mental health deterioration in the acute health setting with the aim of making more appropriate and timely referrals. Acute care clinical staff will be trained in mental health triage.

OUTCOMES:

East Grampians Health Service has reviewed and modified mental health screening tools with support from Ballarat Health Services Ararat Psychiatric Services team.

East Grampians Health Service is currently in the process of implementing the tools through an education program. Staff from Urgent Care have commenced the training. The training program is a feature of the East Grampians Health Service education program in 2020 and will remain on the education calendar for 2021.

SUPPORTING ENVIRONMENTAL SUSTAINABILITY

Contribute to improving the environmental sustainability of the health system by identifying and implementing projects and/or processes to reduce carbon emissions.

DELIVERABLES:

In order to reduce carbon emissions East Grampians Health Service will install solar panels to its facilities creating 300 kilowatts of power.

OUTCOMES:

In order to reduce carbon emissions East Grampians Health Service has successfully installed solar panels at Willaura and Ararat that will generate 300 kilowatts of power. The outcome of carbon emissions savings will be reported in 2020/2021.

ADDRESSING BULLYING AND HARASSMENT

Actively promote positive workplace behaviours, encourage reporting and action on all reports. Implement the department's Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination and workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services.

DELIVERABLES:

East Grampians Health Service will have implemented the "Framework for promoting a positive workplace culture: preventing bullying and harassment". In particular based on a gap analysis in 2018–19, it will implement a staff training program designed to reinforce the organisation's values and what constitutes appropriate and inappropriate behaviours and how to report inappropriate behaviour in the workplace.

OUTCOMES:

East Grampians Health Service has implemented the Framework for Promoting a Positive Workplace Culture. A Building a Positive Workplace Committee has been established with representatives from across the organisation. A number of separate initiatives ranging from one on one interviews with staff through to more creative activities that have seen staff writing onto a jigsaw how they can add to a more positive working environment.

A leadership coach has been engaged to assist managers in managing workplace behaviours in a consistent manner. Managers have taken the opportunity to meet with the coach and develop individualised plans to assist in managing difficult behaviours in the work place.

SUPPORTING VULNERABLE PATIENTS

Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to health care

DELIVERABLES:

In order to meet best practice in supporting vulnerable patients, East Grampians Health Service will focus on whole of person diversity and in particular the concept of intersectionality. We will co-design, with support from Women's Health Grampians (CORe), an education program on intersectionality for all staff.

OUTCOMES:

East Grampians Health Service worked with Women's Health Grampians to develop an online learning tool to provide educational material that focuses on whole of person diversity and the concept of intersectionality. This tool has been completed and will be provided to staff in the second half of 2020.

STATEMENT OF PRIORITIES

Reporting of Outcomes from Statement of Priorities

Specific Priorities for 2019-20 (continued)

In 2019–20 East Grampians Health Service will contribute to the achievement of the Government's priorities by:

ADDRESSING OCCUPATIONAL VIOLENCE

Foster an organisational wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation. Implement the department's security training principles to address identified security risks.

DELIVERABLES:

In order to improve East Grampians Health Service's response to Occupational Violence and Aggression, it will implement the WorkSafe Victoria Occupational Violence and Aggression Investigation Tool. This will provide a standardised approach for the recording of information to target coordinated action on security risks.

OUTCOMES:

East Grampians Health Service has implemented the use of the WorkSafe Victoria Occupational Violence and Aggression Investigation Tool into acute services. Occupational Violence and Aggression incidents are reported to the senior executive team and the Occupational Health and Safety committee.

ADDRESSING FAMILY VIOLENCE

Strengthen responses to family violence in line with the Multiagency Risk Assessment and Risk Management Framework (MARAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.

DELIVERABLES:

East Grampians Health Service will maintain our involvement in the regional strengthening responses to family violence program and train specific staff in how to respond and support victims of family violence. We will participate in the evaluation of existing family violence interventions.

OUTCOMES:

East Grampians Health Service continues its ongoing work to support Ballarat Health Services Strengthening Hospital Responses to Family Violence Program implementation. Education and Train the Trainer programs continue to be rolled out through 2020. East Grampians Health Service is involved in the evaluation of the program.

SUPPORTING ABORIGINAL CULTURAL SAFETY

Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.

DELIVERABLES:

The East Grampians Health Service Aboriginal Liaison Officer with support from the executive team will develop a cultural safety action plan to address cultural safety for Aboriginal patients and staff.

OUTCOMES:

East Grampians Health Service in conjunction with the Aboriginal Liaison Officer has completed the cultural safety action plan for 2019/2020.

DELIVERABLES:

The Aboriginal Liaison Officer will provide cultural safety training to East Grampians Health Service staff to equip staff to respond appropriately to Aboriginal patients and their families.

OUTCOMES:

East Grampians Health Service has engaged an Aboriginal Liaison Officer to provide leadership in cultural safety training to all staff. The liaison officer has assisted in developing local plans in support of care for the Aboriginal and Torres Strait Islander consumers.

IMPLEMENTING DISABILITY ACTION PLANS

Continue to build upon last year's action by ensuring implementation and embedding of a disability action plan which seeks to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of care and employment opportunities for people with a disability.

DELIVERABLES:

East Grampians Health Service will review its disability action plan in consultation with people with a disability, the community and staff and provide the updated action plan to DHHS. East Grampians Health Service will promote the inclusion of people with a disability in the co-design of services.

OUTCOMES:

The East Grampians Health Service Disability Action Plan has been reviewed by key stakeholders including, consumers, persons with a disability, staff and the Community Consultative Committee. Feedback has been incorporated and a new framework and action plan were developed. The framework and action plan were submitted to the Office of Disability.

STATEMENT OF PRIORITIES

Reporting of Outcomes from Statement of Priorities

The Victorian Health Services Performance monitoring framework outlines the Government's approach to overseeing the performance of Victorian health services.

Changes to the key performance measures in 2019–20 strengthen the focus on high quality and safe care, organisational culture, patient experience and access and timeliness in line with Ministerial and departmental priorities.

Further information is available at www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability

Part B: Performance Priorities

KEY PERFORMANCE MEASURE	TARGET	RESULT
-------------------------	--------	--------

ACCREDITATION

Compliance with the Aged Care Standards	Full compliance	Achieved
---	-----------------	----------

INFECTION PREVENTION AND CONTROL

Compliance with the Hand Hygiene Australia program*	83%	87%
Percentage of healthcare workers immunised for influenza	84%	97%

*Hand hygiene – Quarter 4 data is not available due to COVID-19. Result is based on available data.

PATIENT EXPERIENCE

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	98%
Victorian Healthcare Experience Survey – discharge care Quarter 1	75% very positive experience	93%
Victorian Healthcare Experience Survey – discharge care Quarter 2	75% very positive experience	93%
Victorian Healthcare Experience Survey – discharge care Quarter 3	75% very positive experience	93%
Victorian Healthcare Experience Survey – patient perception of cleanliness – Quarter 1	70%	96%
Victorian Healthcare Experience Survey – patient perception of cleanliness – Quarter 2	70%	99%
Victorian Healthcare Experience Survey – patient perception of cleanliness – Quarter 3	70%	95%

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%	3.15%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤28.6%	N/A*

*Less than 10 cases

KEY PERFORMANCE MEASURE	TARGET	RESULT
ORGANISATIONAL CULTURE		
People Matter survey - percentage of staff with an overall positive response to safety and culture questions	80%	96%
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%	97%
People Matter survey – percentage of staff with a positive response to the question, “Patient care errors are handled appropriately in my work area”	80%	98%
People Matter survey – percentage of staff with a positive response to the question, “My suggestions about patient safety would be acted upon if I expressed them to my manager”	80%	96%
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%	96%
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%	93%
People Matter survey – percentage of staff with a positive response to the question, “Trainees in my discipline are adequately supervised”	80%	90%
People Matter survey – percentage of staff with a positive response to the question, “I would recommend a friend or relative to be treated as a patient here”	80%	98%

Effective financial management

KEY PERFORMANCE MEASURE	TARGET	RESULT
FINANCE		
Operating result (\$m)	-1.30	0.29
Average number of days to paying trade creditors	60 days	40 days
Average number of days to receiving patient fee debtors	60 days	17 days
Public and Private WIES ¹ activity performance to target	100%	86%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.18%
Forecast number of days available cash (based on end of year forecast)	14 days	8.8 days
Actual number of days available cash, measured on the last day of each month.	14 days	8.8 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	\$380,000

¹ WIES is a Weighted Inlier Equivalent Separation

STATEMENT OF PRIORITIES

Reporting of Outcomes from Statement of Priorities

The performance and financial framework within which state government-funded organisations operate is described in 'Volume 2: Health operations 2019–20 of the Department of Health and Human Services Policy and funding guidelines 2019.

The Policy and funding guidelines are available at <https://www2.health.vic.gov.au/about/policy-and-funding-guidelines>

Further information about the Department of Health and Human Services' approach to funding and price setting for specific clinical activities, and funding policy changes is also available at <https://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability/pricing-funding-framework/funding-policy>

Part C: Performance Priorities

Activity and Funding

FUNDING TYPE	RESULT
ACUTE ADMITTED	
WIES Acute	2,455
WIES DVA	62
WIES TAC	0
ACUTE NON-ADMITTED	
Home Enteral Nutrition	55
Specialist Clinics	2,232
SUBACUTE & NON-ACUTE ADMITTED	
Maintenance Public	42
Subacute WIES - Palliative Care Public	18
Subacute WIES - Palliative Care Private	7
SUBACUTE NON-ADMITTED	
Health Independence Program - Public	4,475
AGED CARE	
Residential Aged Care	28,000
HACC	3,956
PRIMARY HEALTH	
Community Health / Primary Care Programs	5,546

WE LOVE ALL OUR FEEDBACK

I guess that it is probably an exaggeration for anyone to say that they enjoyed their stay in hospital, but I could almost make a statement like that in regards to my recent short stay. The room was clean and comfortable and the view out of the window was quite good. All the nurses and staff were very pleasant, friendly and helpful. They were most attentive to my every need and always seemed to have a smile whenever they came in. The meals were excellent. Not that I want another stay in hospital but I may need one at some time in the future and I am not at all apprehensive of being returned to Ararat. Score - 12/10

The experience was made easier by the pleasant lass who explained the procedure on the phone when ringing with the booking times. The nurses were pleasant and explained what was needed. They answered any questions. I greatly appreciated the nurse who had warmed a blanket and placed over me while waiting for surgery. The area seemed to be well staffed with patients moving smoothly from one area to another. Every effort was being made to ensure people were comfortable and voice any concerns they had.

We just want to take this opportunity to thank you so much for allowing us to participate in clinical placement during this pandemic. We understand that the pressure that the nursing staff are already placed under without the added stresses of the students. We just want to thank all the staff from the Urgent Care Centre, clinical educators and theatre nurses for supporting us throughout the whole placement. All the nursing staff are awesome, kind, knowledgeable and willing to share this knowledge. We cannot thank you enough for allowing us to participate during this difficult time.

I think this is the third time I have been admitted into Ararat hospital, and as with the last two times I have been very pleased with my time here. All the staff, nursing, kitchen, cleaning staff are all helpful, cheery, dedicated and makes being in hospital a nice experience. I must also mention the food. I think it must be the five star cooks of the hospital food. It is nice to know that if I ever have to be in hospital again, I will be happy to come here. P.S. It is a hospital, but it is a happy place.

Thank you and well done to all GVC staff for taking such great care of residents, especially during the past few weeks. There have been so many activities and extra support provided to assist with reducing the effects of the isolation. Staff have gone above and beyond once again. Thank you.

Just wanted to say a big thank you to you and all your wonderful staff for the ongoing supportive care you give to all residents and families, especially in this hard time and thank you for all you do for our Dad. It is so important to know he is being kept safe and cared for well. It is a load off my mind to know that. Keep up the great work and please all stay safe and well. Please pass on to all your staff how wonderful they are thank you.

CHAIR AND CHIEF EXECUTIVE REPORT

At the commencement of this financial year no one could have predicted how circumstances would evolve that have created a global pandemic, which has had an impact on every country, and every community, worldwide.

The Coronavirus (COVID-19) has significantly changed the way we live our lives.



It's pleasing to note that at East Grampians Health Service, our Clinical Governance and Risk Management Framework activities have ensured that our organisation is risk ready and we have had no outbreak of COVID-19.

We are grateful to all our staff for the way they have addressed all aspects of management of COVID-19, from the outstanding care of patients, residents and clients, to exemplary cleaning maintenance that followed all government edicts for sanitisation of facilities. It's this attention to detail that has ensured our consumers are safe.

The pandemic has brought out the best in our staff, displaying commitment to the health and wellbeing of our community through looking out for each other and coming up with innovative ideas. We've also seen wonderful displays of community generosity and kindness to our staff and residents.



One of the most memorable events has been the letters and artworks that students from across Ararat Rural City have sent to our residents at 70 Lowe Street, Garden View Court, Parkland House and Willaura. This has been part of the Kindness in the Mail project and it certainly has brightened up residents' rooms and eased their sense of isolation while they were unable to receive visitors. And in return, the residents enjoyed making and sending back cards to their new pen pals!

A whole range of social media has ensured that residents are also able to keep in touch with their families and friends. Our residents are now amongst the most tech savvy people in our community – and loving every minute of maintaining these important connections. Thanks to ACE Radio network who put together a video of staff members with the message 'Please stay home for us, so we can come to work for you'.





To minimise risk and ensure the ongoing safety of staff and our visitors, everyone entering the front door of our Health Service has their temperature taken, as well as using hand sanitiser and answering a number of questions.

Only when these questions have been answered satisfactorily can staff and visitors enter our facilities. It is this thorough approach that has kept our community safe.

It is extremely pleasing to report that our influenza vaccination rates were the second highest in the State of 96.9%. This is a fantastic outcome and we're truly grateful to staff, volunteers and auxiliary members who understand the importance of having the flu jab.



Of course, while the pandemic has been evolving since the start of the year, the Health Service has been maintaining its daily function of operating a first class rural health service.

THE BOARD AND ITS PARTNERS

The Board is a dynamic group of people who have made the commitment to work diligently for our community. They bring many skills, areas of expertise and, importantly, are not afraid to ask questions and challenge the status quo. Their role is to provide a strategic framework and oversee financial, clinical and corporate governance. They ensure that our organisation is meeting the strategic direction of the State Government and continues to work in partnership with all tiers of government. The Board is not responsible for the day to day operational management of the Health Service (that is the Chief Executive's role).

Workforce planning continues to be a key focus for the Board. A strategic decision was made by the Board to appoint a full-time doctor. After a great deal of planning and advocacy with State and Federal government, we made an appointment in 2020 through the Victorian Rural Generalist Pathway program.

At the end of last year Heather Fleming stepped down from the Board after 11 years of exemplary service to our community. This year, Don Cole was reappointed for a further three years and we welcomed four new Board members: Sybil Abbott-Burmeister, Peter Wigg, Susan Craven and Kym Peter. Their experience is broad (as can be seen on page 32) and we look forward to their input into the strategic direction of our organisation.

Ongoing education and professional development is an important component of our Board Development Plan. New Board members attend an in-house induction program. The Department of Health and Human Services conducts regular training sessions on governance, leadership and risk management and Safer Care Victoria presents clinical governance training.

In order to demystify the workings of the Board, the community is invited to attend an Annual Open Access Board Meeting to gain a greater understanding of our organisation, provide feedback and generally have a chance to talk with Board members and our Executive Team. This event is always well patronised with community members availing themselves of the opportunity to ask important questions on the future of health delivery in Ararat and surrounds.

In our Report of Operations, which reflects on our Strategic Plan, Financial Management and State Government priorities, we aim to demonstrate how our Health Service continues to focus on improving our community's health, wellbeing and quality of life through the delivery of appropriate health and community services designed to reflect the changing needs of our rural community.

CHAIR AND CHIEF EXECUTIVE REPORT

Our Strategic Plan 2019 - 2022 mirrors the Victorian Government Health 2040; Advancing Health, Access and Care Guidelines and our Report of Operations will be written against the three significant areas of:

BETTER HEALTH

BETTER ACCESS

BETTER CARE

Each goal defines our approach to caring for our community living and working in the Rural City of Ararat, whatever their age, ethnicity, social demographic and sexual orientation. Our community experiences some concerning health issues that have the ability to impact on their wellbeing and it's thanks to the commitment of the community that we are making real inroads into improving their health.

WHERE TO FROM HERE?

This has been a year like no other and we must reiterate our sincere gratitude to our staff for the way in which they have faced the challenges of this uncertain time. Their commitment to ensure that our residents, patients and clients have continued to receive the very best quality, safe health care has been exceptional. To our volunteers and auxiliaries who have supported the work of staff and have helped to minimise the sense of isolation for our vulnerable residents and clients – again you have our sincere thanks.

Throughout these difficult times our staff, auxiliaries and volunteers have still managed to support each other through some fun activities, while raising funds for their Health Service. This has included the EGHS Annual Ball, the 18th EGHS Charity Golf Day and Fun Run, the 17th WWW Dinner and the M2M Charity Bike Ride (though cancelled there were still many fundraising activities, with all funds rolling over to next year).

Throughout this time, with the support of the Victorian State Government, our Health Service has continued on a vigorous redevelopment phase which will enhance the standard of health care for our community.

We are now in a better position to provide seamless community health services and during the coming year the redevelopment of our theatre and urgent care complex will continue.

We are living in uncertain times, but we are confident that we have in place clinical governance and risk management policies and guidelines that ensure we can deliver safe and quality care to our community.

Our goal for the coming year is to continue to help our community enjoy better health and wellbeing through education and health promotion, community forums and comprehensive integrated care.



We thank those who have put their trust in us to deliver first class quality, safe health care and our Board, staff, volunteers and auxiliaries will continue to maintain the highest standards of care and integrity in all their relationships with our consumers.

Lastly we would like to recognise our staff, visiting medical officers and volunteers for your commitment to care, continuous improvement and serving the needs of the community. We congratulate you and express deep appreciation.

Andrew Freeman
Chief Executive

23 September, 2020

Nancy Panter
Board Chair

23 September, 2020



FINANCIAL OVERVIEW

2020 proved to be a challenging year on more fronts than anyone would reasonably have envisaged. Coming from a deficit position in 2019, East Grampians Health Service commenced the year with a deficit operating budget and a number of mitigating strategies were put in place to improve our financial results.

Prior to COVID-19 impacting operations, our Health Service had strong service delivery and was reporting above-target activity. From February 2020 onwards, restrictions on elective surgery saw a significant drop in acute activity. Other areas of the organisation were also affected by COVID-19, impacting on our ability to meet activity targets. This was accompanied by a reduction in associated expenditure in the first instance, but also gave rise to new expenses in response to the COVID-19 outbreak.

Throughout the year our Health Service was supported by the Department of Health and Human Services (the Department) financially in ensuring it met its service obligations to the community. In response to the pandemic, the Department went further in their support of health services by reviewing the funding guidelines and delivering specific COVID-19 grants.

Our organisation will work with the Department to ensure that our operating budget is adequate, so our community continues to receive quality care.

Taken together, these measures saw our organisation record a net result of \$222k surplus.

Our Health Service continued with its program of capital replacement and renewal this year with \$2.8M of additions. This was made up of items of plant and equipment and building re-development. These purchases were funded by the Department and generous donations from the community.

Tony Roberts

Director Financial Services
East Grampians Health Service

23 September, 2020

DECLARATION IN REPORT OF OPERATIONS

Responsible Bodies Declaration as at 30 June 2020

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 2020.

Nancy Panter

Board Chair
East Grampians Health Service

23 September, 2020

REPORT OF OPERATIONS

BETTER HEALTH

At East Grampians Health Service we care for the whole community and the health of our staff is as important as the health of our external community.

Without well-supported staff we cannot deliver the range of comprehensive programs that focus on the physical and mental wellbeing of our community. Our aim is to work in partnership with all tiers of government, other healthcare agencies, tertiary institutions and, importantly key stakeholders within the Ararat community, to develop programs that will improve the health of our community. From kindergartens through to primary and secondary schools right through to our older population, we will ensure that together we can build and strengthen Healthy Neighbourhoods where people learn to look after each other and themselves.



Accreditation and Surveys

It's important that those seeking care feel confident that what we say we deliver, we do. Throughout the year our organisation participates in a range of surveys to ensure that we are maintaining the highest standards of quality care.

In the past year East Grampians Health Service was accredited against the new 2nd edition National Safety and Quality Health Service Standards. Garden View Court, one of our residential aged care facilities, was accredited against the new Aged Care Quality Standards, and all other residential aged care facilities met ongoing requirements for continued accreditation. During the accreditation process the surveyors highlighted the care, compassion and empathy of all staff and this reflects the ongoing commitment of our staff to our organisational Values. Our Medical Imaging service was reaccredited for four years with the National Association of Testing Authorities.

The Victorian Healthcare Experience Survey (VHES) gives acute patients, community clients and palliative care clients and carers the opportunity to provide feedback on the care they received from the health service. This valuable, anonymous and confidential information plays an important role in improving the safety and quality of health care and experiences. The information is collated and analysed by an external contractor through the Department of Health and Human Services (the Department), with our data compared to like-sized health services throughout Victoria. The results of the survey over the course of the year have been very positive and once again recognise the excellent work of our staff, volunteers and auxiliaries across the organisation.

As a result of COVID-19 the People Matter Survey has been postponed by the Victorian Public Sector Commission. The survey captures the views and experiences of staff throughout the Public Sector. As we believe this is an important survey to gain critical information on staff perceptions, we have developed our own Climate Survey, the results of which will be known later in the year.

In living memory there probably has been no greater danger to staff and our consumers than the threat of COVID-19. Hand hygiene has been shown to be one of the most effective ways to minimise the risk of transmission of germs between healthcare workers and those they care for. We take very seriously our organisational compliance with the Hand Hygiene Australia's program. Last year we introduced strategies to improve our compliance and we are pleased to report that this year the Ararat campus is at 97% and the Willaura campus is at 94.3%, with the target set at 83%. This is a great result and demonstrates the willingness of staff to ensure that our residents, patients and clients are receiving quality care.

Looking After Our Staff

Our Employee Assistance Program provides staff with access to external, confidential, psychological and financial counselling services. The program focuses on work-related stress but can include issues of personal welfare that may impact on a staff member's ability to function effectively in the work place. In cases where there has been a serious incident that has been more stressful than usual, experience suggests that debriefing can be useful in a group or individual situation.

Our Health Promotion priorities continue to focus on Healthy Eating & Active Living and Mental Health. Place-based activities have been designed to help other workplaces consider changing community environments, ways of thinking and delivering workplace activities.

Our Health Service has partnered with Resilient Ararat to bring The Resilience Project's Corporate Wellbeing Program to all our staff members. This program will enable staff to role model positive mental health strategies that will lead to improved work performance and support the work happening within our local community. The Resilience Project aligns with our vision "To be Leaders in Rural Healthcare" and provides an opportunity to demonstrate our Values. It also supports our strategic objective of promoting healthy eating, improved mental health and wellbeing and an increase in physical activity.

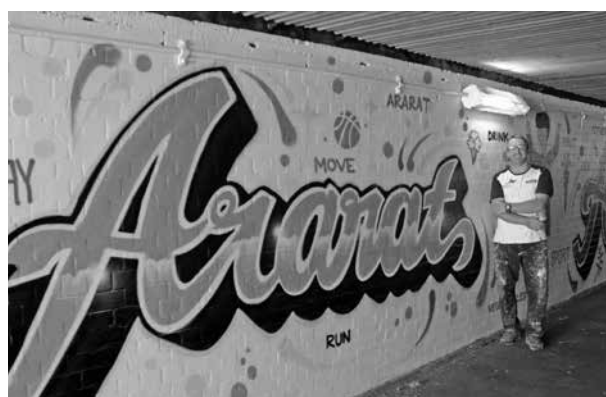
As a provider of health care it's important we demonstrate that we deliver our health message at our workplace. Café Pyrenees provides an extensive range of healthy choices that we hope will inspire other workplaces to increase the availability of healthy options to their staff.

A number of initiatives that were to be introduced during the last six months of the financial year have been delayed due COVID-19 stage 3 restrictions. These include health and wellbeing programs to four local primary schools and oral health and wellbeing education to seven kindergartens. Our dental program, including visits by the dental van and portable dental chair for dental screening and examinations to primary schools in Ararat and Willaura, has also been delayed.

We are delighted to announce that our Oral Health Therapist Lauren Milloy was awarded the Community Oral Health Champion in the Dental Health Services Victoria 2019 Public Oral Health Awards. Lauren has been instrumental in developing outreach programs and delivering oral health and dietary advice sessions. Lauren's skills and personality have facilitated the delivery of preventative dental advice to a range of people, from students, teachers and parents. This has seen patient participation rates increase with families completing their full treatment plans and self-managing their oral health.



The Health Service was successful in receiving one of eight national Heart Foundation grants of \$10,000 as part of its Active Australia Innovation Challenge. Our project Active Adventure Around Ararat has been enthusiastically taken up by different members of the community and the final stage of the project, improving the pedestrian subway to the station, is being completed in partnership with Ararat Rural City and the Department of Justice and Community Safety.



REPORT OF OPERATIONS

Keeping Clients Healthy at Home

Our Healthy@Home telehealth service has been an invaluable service during the year, as indicated by the results from an evaluation report conducted by Federation University.

- High levels of patient satisfaction with the program/ services
- Maximisation of patient centre approach
- Reduction in unplanned admissions, length of stay and presentations at Urgent Care for enrolled clients

During the year we reviewed admissions for patients diagnosed with Chronic Obstructive Pulmonary Disease (COPD). Following an audit and development of an Action Plan there has been an increase of COPD referrals to Pulmonary Rehabilitation.

During COVID-19 allied health staff at our Community Health Centre have changed the way in which they consult with patients and clients. Staff have conducted many hundreds of video or telephone consultations, including physiotherapy, occupational therapy, dietetics, speech pathology and social work.

Even exercise programs are being delivered to patients in this way! Clients and patients have embraced this new way of treatment and we are so grateful that they and staff are able to keep well.

When vulnerable clients in the community were unable to attend the Patricia Hinchey Centre, staff were conducting daily welfare checks, providing a range of activities that could be carried out at home, monitoring health and wellbeing and, importantly, providing a friendly face. These daily visits were most welcomed and well received. The clients are delighted that the service is back up and running.

Education for clinical staff in our aged care facilities has increased resulting in improved handovers, identification of early deterioration and escalation of care, reduction in avoidable aged care admissions to the Inpatient Unit and Urgent Care. We want to thank our Education staff for the way in which they have quickly converted educational material to online learning to ensure that clinical staff and student nurses have not been disadvantaged during the pandemic.



Excellence in Medical Appointment

After much planning, advocacy and support from the EGHS Board, Dr Dan Wilson has become our first full-time doctor as the Post-graduate Medical Council of Victoria's junior doctor of the year. This innovative position is supervised by Dr Michael Connellan, who was the 2019 Rural Doctors' Association of Australia doctor of the year. Dr Wilson is set to extend his skills in rural generalism, with a particular interest in women's health, sexual health, medical education and leadership. Dr Wilson has been a great asset to our Health Service and we are delighted that he has a passion for education – and rural living.

We are looking forward to developing this role in the years to come.

BETTER ACCESS

Fair and equitable access to our services means that we will not discriminate on the grounds of ethnicity, religion, sexual orientation, education or income.

This applies to the people we look after and the people who look after them. It also means that we must take a good look at the facilities where we deliver services. Some of our facilities were built before the turn of the 20th century. While this is a testament to the skill of the builders and the quality of the materials, it does mean that often the interiors are not to the standard that we currently expect from our health facilities. We have been well supported by the Victorian State Government in our redevelopment program, and we are extremely grateful for the level of funding received by our organisation.

Facilities Redevelopment

We received \$6.8 million in funding to redevelop our theatre complex, including imaging and pathology. The funding announcement was timely as our collaborative approach with Ballarat Health Services has seen an increase in patient throughput. While COVID-19 has delayed some works, we have still been able to progress the project, with the engagement of Architects and the finalisation of tender documents.

We completed the Community Health Centre (CHC) redevelopment towards the end of 2019. The Centre now provides an inviting space, with more consulting rooms, parking, greater privacy and greater opportunities for seamless multi-disciplinary health care for clients. The co-location of Maternal Child Health Nurses has resulted in increased referrals of children for dental, physiotherapy and speech services. The number of visiting health professionals and specialists has increased and the larger waiting room can cater for up to 20 clients with appropriate social distancing measures. The Ark Toy and Activity Library has also relocated to this family friendly space.



An important factor of the planning of all redevelopments is, of course, consultation with architects, staff and community representation through the Community Consultative Committee and User Groups with ongoing input throughout the project. Early in 2020 information sessions were held with these stakeholders in order that they were fully informed about the redevelopment of the theatre complex and the projected refurbishment at 70 Lowe Street.

70 Lowe Street received \$900,000 from the Department for the refurbishment of the kitchen and dining room as well as the reconstruction of double rooms to single rooms with individual en-suites. This will make a significant difference to our residents, many of whom experience memory loss and confusion.

Clinical Governance

Effective Clinical Governance underpins the framework that delivers quality health care to our community. Our systematic approach to Clinical Governance ensures that we continue to maintain and ultimately improve the quality of care to our residents, patients and clients. Committee structures have been established to support this Clinical Risk Management Framework and the requirements of all accreditation agencies. This year the Health Service participated in four Clinical Governance gap analyses that in turn support the regional Clinical Governance Collaborative project. Our Health Service participates in and is a key member of the Regional Perioperative Morbidity and Mortality Committee and the Regional Maternal and Perinatal Morbidity and Mortality meetings.

REPORT OF OPERATIONS

Strengthening Maternity Services

Many living in our catchment don't fit neatly into any one health region. For this reason we have been developing a collaborative plan with Ballarat Health Services (BHS) and Maryborough District Health Service to strengthen the sustainability of Obstetric services to ensure that pregnant women can be assured of access to an Obstetrician seven days a week. We now have a Senior Obstetric Registrar providing regular weekend cover. We also received funding of \$252,000 for the implementation of a centralised Cardiotocography (CTG) used to monitor foetal well-being and allow early detection of foetal distress.

Maternity Services has recently joined 23 other Victorian health services in the Safer Baby Collaborative, an initiative of Safer Care Victoria. The aim of the collaborative is to reduce the rate of avoidable stillbirth rates in the participating maternity services by 30%.



Expansion of Service Delivery

We provide services at the local correctional facilities and also access to some elective surgery which include general surgery, orthopaedics and urology. Discussions are currently underway for the provision of palliative care support into the prisons.

The introduction of telehealth in our Urgent Care Centre has been supported by Western Victoria Primary Health Network. Staff have undertaken education and training, while policies and procedures have been developed. Deakin University is evaluating the pilot program over the next 12 months.

While our priority is always to focus on patients from our catchment area, as the majority of our Visiting Surgeons have an ongoing relationship with Ballarat Health Services (BHS), we have been able to support BHS during COVID-19 to ensure Category 1 patients are still operated on.

The Community Consultative Committee has been an excellent conduit for information sharing and feedback between the wider Ararat and Willaura community, the Board and staff. We are extremely grateful for the members' commitment to reviewing documentation for public access to ensure it is easy to read, easy to understand, doesn't contain too much jargon and is written in conversational English for consumers. Members of the committee, along with key staff, have participated in developing a Communication Plan that will enhance the organisation's profile and provide a greater understanding of the services provided to the wider community. It has been distributed through a number of different communication platforms to service clubs, medical centres and to all our outreach locations.

During the year we held two forums for interested consumers. From past experience, we have found that these informal forums give both staff and consumers an excellent conduit for sharing information.

This year we held forums on:

- Ageing well
- Maternity

with future forums to include Perioperative.

These forums provide an excellent insight into the relationship between patients, residents, clients, family members, carers, friends, the Board and staff. Small groups come together informally to discuss service provision, customer service, gaps in services – in fact any issues that are important to consumers. The sessions often include a case study from a consumer and an overview of services. From information gathered, an Action Plan is developed which is an ongoing working document that will be updated with input from a wide variety of staff and consumers.

Our Community – our volunteers and auxiliaries, service clubs and community groups

We never underestimate the value of our community, those people who give freely of their time, their expertise and their gifts to ensure that our residents, patients and clients enjoy a fulfilling life while under our care.

We acknowledged some significant people and events this year including :

- National Volunteer Week
- 15th Annual Volunteer Recognition Awards night
- Recognition of Jane Millea, coordinator of the Willaura Healthcare Outdoor Market since its inception in 2005. Over \$90,000 has been raised over that time.
- Life Memberships to Ark Toy and Activity Library long serving volunteers Margaret Stephens and Grace Rachinger.



We also acknowledge those outstanding members of the community who support us throughout the year, including:

- Volunteers
- Willaura Healthcare Auxiliary
- Murray to Moyne bike riders - Cranks and Defibrillators (who sadly were unable to ride this year due to COVID-19. All funds raised will flow on to next year)
- Victoria Police Blue Ribbon Foundation Ararat Branch
- Ararat Breast Cancer Support Group
- EGHS Building for the Future Foundation
- EGHS Auxiliary
- EGHS Residents' Support Group
- EGHS Charity Golf Day and Fun Run
- EGHS Ark Toy & Activity Library Auxiliary
- Freemasons Victoria United Ararat Lodge Social Club and Freemasons Benevolent Fund
- Ararat Community Assist
- EGHS Past Trainees Association
- Ararat Rockers



Life Governors

Over the years there are many people who have made a significant contribution to our Health Service. In return the Board is honoured to award each a Life Governor of East Grampians Health Service. At our 2019 Annual General Meeting, in recognition of commitment and dedication to East Grampians Health Service, Dr Michael Connellan and Mrs Heather Fleming were given a Life Governor Award.

Life Governors as at 30 June 2020

Mrs V Albert	Mr B Jones
Mr G Anderson	Mrs L King
Mrs P Armstrong	Mr G Laidlaw
Mrs J Burke	Mrs J Liddle
Mr P Carthew	Mr B McCutcheon
Dr M Connellan	Mrs J Millear
Mrs N Dalkin	Mr G Millear
Mr I Daly	Mrs A Milvain
Mr C de Fegely	Mrs M Murray
Mrs P Ervin	Mrs J Nunan
Mr J Evans	Mr A O'Neill
Mr N Faneco	Mrs S Philip
Mrs H Fleming	Dr M Plunkett
Mrs C Forster	Mrs D Radford OAM
Mr G Foster	Mr D Reid
Mr I Foster	Mr R Roberts
Mr L Gason	Mrs S Shannon
Mr D Haddow	Mr K Shea
Mrs S Handscombe	Mrs V Tosch
Mrs K Harvey	Mr N Tosch
Mrs W Heard	Miss K Turner
Mrs M Heard	Mr T Weeks APM OAM
Mrs F Hull	Mr M Wood
Mrs J Jenkinson	Mrs M Young



REPORT OF OPERATIONS

BETTER CARE

As in all our activities and decision making, liaising with key stakeholders is paramount to successfully implementing programs that will support our organisational Values.

All our Organisational Values are important but Integrity and Community Focus describe how we interact with others in our lives. We can achieve this through caring, listening, reflecting and ultimately acting in the best interest of those for whom we care.

In order to provide the very best health care we need to know what our consumers want, what can we provide to make them healthier and happier, and how they perceive our health service. This can be achieved only when we are prepared to listen, to understand consumer fears and frustrations, and to be willing to accept justifiable comments and criticism.

We believe that we do this through our series of consumer forums, informal and formal feedback and surveys, compliments and concerns, individual interviews, People Matter Survey and the Victorian Healthcare Experience Survey.

Our Diverse Community

As we develop as a Health Service it's important that we continue to provide quality safe care to all members of our community who live, work or visit our catchment area based on respect, integrity and excellence. We acknowledge that there are members of our community who are disadvantaged or who have a disability and we have made a commitment to ensure they receive the same level of health care as the rest of the community. We have developed a Disability Framework and a Disability Action Plan. The Disability Framework helps us to reduce discrimination and meet our obligations under State and Federal Laws. The Disability Framework builds on the strategies implemented in the "Access for All" plan developed in 2010 and reviewed annually. This plan includes updated consultations and service review. Within our organisation we encourage all staff, patients and visitors to support the inclusion of people with disabilities.

Our Disability Action Plan (DAP) ensures that facilities, services and programs do not exclude people with a disability or treat them less favourably than others. It has been developed with input from consumers and advocates with each discussion point provided with a responsible manager and estimated completion date. All areas of our organisation are covered in the action plan.

The four main domains for the DAP:

1. Reduce barriers to persons with a disability accessing goods, services and facilities
2. Reduce barriers to persons with a disability obtaining and maintaining employment
3. Promote inclusion and participation in the community of persons with a disability
4. Achieve tangible changes in attitudes and practices which discriminate against persons with a disability

In 2013 we developed a Partnership Agreement (Memorandum of Understanding) with the Budja Budja Cooperative and since then we have been providing a visiting dental, podiatry and diabetes education service to the Cooperative in Halls Gap. We continue to engage the services of the Aboriginal Liaison Officer from Ballarat Health Services who has provided invaluable support to our staff in the implementation of effective communication with the local Aboriginal and Torres Strait Island community and the development of a sustainable cultural safety environment at our Health Service. Our Cultural Safety Action Plan has been developed with input from the Aboriginal Liaison Officer who is also providing leadership in cultural safety training to all staff.

An education program by Women's Health Grampians (WHG) has provided important information to the leadership group to ensure that inequality is minimised for intersectionally and marginalised people including the lesbian, gay, bisexual, transgender, queer or questioning and intersex and asexual or allied (LGBTQIA+) community. An online educational tool, developed by WHG gives ease of access for staff requiring immediate information.

In June staff were encouraged to wear rainbow colours to work for IDAHOBIT (International Day Against Homophobia, Biphobia, Interphobia & Transphobia) to raise awareness of LGBTQIA+ people globally. Staff donated money and purchased rainbow lapel pins. The funds raised were donated to Minus18 a Foundation supporting young, isolated LGBTQIA+ people.





Education

The start of a new life has to be one of the most significant events for a woman. Our midwifery and obstetric workforce are highly skilled to deliver an expert service for mothers and babies. The midwifery team is set to grow with a Registered Nurse preparing to complete the Diploma of Midwifery at the end of 2020. We are grateful to Epworth Hospital for its funding to assist our registered nurses to extend their skills to become midwives.

We have continued to provide PROMPT training for clinical staff who care for mothers and their babies. It is an evidence-based, multi-professional obstetric training package in the effective management of obstetric emergencies. As a medium sized rural health service, this training is vital to help reduce preventable harm for mothers and their babies.

With the onset of COVID-19, in conjunction with Federation University Ballarat, the education and training for the Diploma of Nursing students has continued online. They have had the ability to return on-site for practical learning and clinical placements. It's certainly been a steep learning curve for lecturers and students. We are confident that 20 students enrolled in the course will be graduating from the course in early 2021.

Eight Registered Nurses started their Graduate Nurse Program in February 2020, whilst completing Care of the Older Person (COOPs) as part of the program. This provides graduate nurses with the opportunity to complete a post-graduate degree in Gerontology early in their career. Two Enrolled Nurses, in partnership with Beaufort Skipton Health Service, commenced a graduate program to enhance and develop their skills within a supported environment.

The graduate study days have been able to continue to support their learnings from clinical experience.

In conjunction with the University of South Australia, Medical Imaging has appointed sonography student Hayley Lennon who completed her Bachelor of Biomedical Science at Federation University Ballarat. She will be working in Ararat for three days per week for the next two years.

This is the sixth year that we have welcomed medical interns to the Grampians Medical Training Program. The eight interns have completed their initial studies at universities and are undertaking their first year as doctors at our Health Service. The doctors work on rotation through the operating theatre and at the Ararat Medical Centre. Past experience shows that by training doctors in rural areas they are more likely to stay and practice within a rural setting. We have received excellent feedback about the program as it gives interns hands on opportunities which they rarely get in metro hospitals.



REPORT OF OPERATIONS

The *Whole of Person Retention* research project undertaken by the University of Melbourne concluded in December 2019. Recommendations will be integrated into our Workforce Development Plan. The EGHS Foundation accepted a proposal to award a bursary to a Grade 1 Occupational Therapist, which was presented to Laura Peake at the 2019 Annual General Meeting. Key components of the project include:

- career pathway tool development and education sessions
- recruitment marketing plan for allied health
- regular inter-professional education sessions
- review of allied health clinical supervision
- social activities for new staff

Other bursaries conferred at the meeting were:

Building for the Future Foundation

- Brooke Currie to study a CPA (Certified Practising Accountant)
- Deborah Bennett to study a Master of Nursing (Nurse Practitioner)
- Laura Peake – Allied Health Bursary to support continued professional development in Occupational Therapy and its application in aged care.

Angela Laidlaw Clinical Scholarship

- Sandy Golamari to undertake a Diploma of Nursing

In our commitment for staff to continue to develop their potential through education, training and mentoring, we have provided leadership programs to support our strong desire to create meaningful career pathways. Sustainable succession planning is vital for our Health Service's viability and future development.

Supporting the mental health of our community

This has been a particularly challenging time for everyone living through this pandemic: people have been stood down from their jobs, mortgages have been difficult to meet, children having to stay home from school. All of these factors can lead to added stress for families.

We have been working with Ballarat Health Services Ararat Psychiatric Services to provide education for clinical care staff working in acute services. Screening tools have been reviewed and modified in order for clinical staff to recognise and respond to mental health deterioration with the aim of making timely referrals.

East Grampians Health Service will not tolerate violence against any member of staff. To provide an organisational wide occupational health and safety risk management approach, with a focus on prevention and improved reporting and consultation, we have implemented the WorkSafe Victoria Occupational Violence and Aggression Investigation Tool.

Our work on actively promoting positive workplace behaviour is of course closely connected with occupational violence and aggression. Our Organisational Values are paramount to the way in which we expect all stakeholders to conduct themselves within our facilities. If we can demonstrate a positive workplace culture through listening, reflecting and helping our staff this will give them the confidence to assess other inappropriate behaviours.

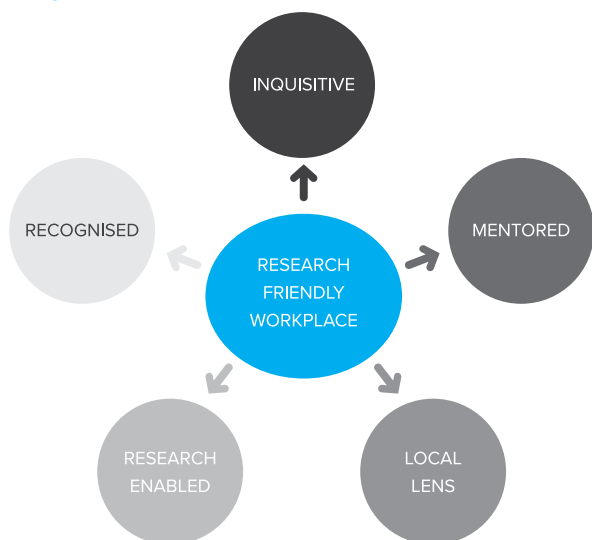
We have maintained our involvement in the regional Strengthening Responses to Family Violence program and have provided training to front line staff in how to respond and support victims of family violence.

Partnerships with Tertiary Institutions

Research, collaboration, questioning, diagnoses, best practice and clinical care are all ways in which we can provide safe, quality health care and encourage the culture of never being afraid to ask questions. We have continued our partnership with tertiary institutions, Western Alliance and other health services to continue the amazing work achieved through collaboration. We have supported the development of an application for Western Alliance to become a Centre for Innovation in Regional Health which, if granted, will enable the availability and access of funds for further research. Western Alliance has established several Research Translation Coordinator positions, one of which will be based at our Health Service.

The new Research Translation Coordinator position has strengthened our capacity to perform local research in priority areas and supported us to form new research partnerships to address health challenges across the region. A key goal of the position is to facilitate a more research friendly workplace (Diagram 1). In a research friendly workplace, our staff thrive in an environment where research is considered an important tool to improve the care we provide to our patients and the community.

DIAGRAM 1



We are committed to maintaining strong relationships with our education and training partners, without whom we would not achieve the high standard of quality health care. We acknowledge the following:

- University of Melbourne
- Federation University Ballarat
- Deakin University
- LaTrobe University Bendigo
- University of South Australia
- Department of Health and Human Services
- Better Care Victoria
- Western Victoria Primary Health Network
- Ballarat Health Services
- Maryborough District Health Service
- Ballan District Health & Care
- Beaufort Skipton Health Service
- East Wimmera Health Service
- Hepburn Health Service
- Stawell Regional Health
- Ararat Rural City Council
- Ararat Medical Centre
- Visiting Medical Staff
- East Grampians Health Service's staff

And for broadcasting stories on our Health Service community and on important health issues:

- The Ararat Advertiser
- Ararat Advocate
- ACE Radio Station
- The Weekly Advertiser

Supporting a Sustainable Environment

Since 2005 our Health Service has recognised the need to reduce its environmental impact by demonstrating and continuing to demonstrate our commitment to a more sustainable environment. Our Environmental Management Plan outlines our progress to reducing landfill waste, reducing energy usage and promotion of energy efficient behaviours. Annually we report on the Health Service's environmental performance through our website: www.eghs.net.au, our Annual Report and quarterly in the internal Performance Indicator Report.

We really are very excited at the way we are improving our organisation's environmental sustainability through our comprehensive solar project. Since 2017 electricity costs have increased by 75%. The money saved will be reinvested back into the Health Service and we are making real inroads into meeting our future carbon emission targets.

The first stage of our emPOWERing EGHS project, the installation and commissioning of solar panels at the Willaura campus, the main Ararat campus, Community Health Centre, support service, mental health building, 70 Lowe Street and Garden View Court, was made possible through the generous bequest from local Ararat businessman Joe Kapp. Bequests are an important way in which our community can support our ongoing facilities development and staff education.

The second stage of the project, to install solar carpark shelters for staff and visitor car parks, has received funding of \$650,000 from the Victorian Government and the support of Ballarat Renewable Energy and Zero Emissions inc (BREAZE). We really are so grateful for this level of support and believe that our project can provide an important economic stimulus to the region's economy.

At the start of this financial year we introduced changes to the way in which e-waste is disposed of, that is, a range of equipment that uses a plug, battery or power cord. E-waste is growing three times faster than the rate of standard waste and contains many components that are potentially hazardous but valuable, which do not belong in landfill.



FINANCIAL SERVICES

Parent Entity Comparative Financial Results for the Past Five Financial Years

FOR THE PAST FIVE FINANCIAL YEARS	2020 \$000	2019 \$000	2018 \$000	2017 \$000	2016 \$000
Operating Result	293	(777)	(469)	6	679
Total Revenue	49,338	42,306	41,568	37,693	35,558
Total Expenses	48,367	44,153	41,683	38,711	36,701
Net Result from Transactions	971	(1,847)	(115)	(1,018)	(1,143)
Total other Economic Flows	(749)	(337)	192	(2)	(185)
Net Result	222	(2,184)	77	(1,020)	(1,328)
Total Assets	66,601	65,036	49,957	48,365	49,828
Total Liabilities	15,613	14,264	11,994	10,924	11,367
Net Assets / Total Equity	50,988	50,773	37,963	37,441	38,461

Reconciliation between Operating Result and Net Result from transactions

	2020 \$000
Operating Result	293
Capital purpose income	5,052
Expenditure for capital purpose	833
Depreciation and amortisation	3,439
Finance costs (other)	7
Net result from transactions	971

CORPORATE GOVERNANCE

Responsible Ministers and Officers for the reporting period 1 July 2019 – 30 June 2020

STATE

- Jenny Mikakos MLA
Minister for Health
Minister for Ambulance Services
Member for Northern Metropolitan
- Martin Foley MLA
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 MEMBERS

As at 30 June 2020

Chair:	Nancy Panter
Vice Chair:	Fiona Cochrane
Treasurer:	Don Cole
Board Members:	Annie Rivett
	Jay Petty
	Gabrielle Czarnota
	Paul Hooper
	Kym Peter
	Sybil Abbott - Burmeister
	Peter Wigg
	Susan Craven

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 Committee
- Grampians Regional Credentialing Committee

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.

At its meeting in March 2018, the Board resolved to endorse the Audit and Risk Committee recommendation that following successful police checks, Mr Jason Hargreaves and Ms Euphemie (Phee) Barr are appointed as members of the East Grampians Health Service Audit and Risk Committee for an initial period of three years. The term offered is from March 2018 – March 2021.

Board Members:
Susan Craven, Gabrielle Czarnota 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 and understanding of 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, GAICD*
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 Board Chair Network



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 Consultative
Capital Development



VICE CHAIR

Fiona Cochran *BPharm*
Pharmacist
Board Member since: 01.07.14
Term of Appointment: 01.07.17 – 30.06.20
Committee Membership
Building for the Future Foundation
Clinical Consultative



BOARD DIRECTOR

Sybil Abbott-Burmeister
Business owner and operator
Appointed: 01.07.19
Term of Appointment: 01.07.19 – 30.06.22
Committee Membership
Clinical Governance
Community Consultative



TREASURER

Don Cole *BEng, MBA*
Board Member since: 01.07.13
Term of Appointment: 01.07.19 – 30.06.22
Committee Membership
Audit & Risk



BOARD DIRECTOR

Peter Wigg *BB, Dip Real Estate*
Property Valuation and Advisory Practice
Appointed: 01.07.19
Term of Appointment: 01.07.19 – 30.06.22
Committee Membership
Clinical Governance
Capital Development



BOARD DIRECTOR

Annie Rivett *RN, DIPCE MBA*
Manager Central Allocations Unit, Ballarat Health Services
Board Member since: 01.07.15
Term of Appointment: 01.07.17 – 30.06.20
Committee Membership
Clinical Governance



BOARD DIRECTOR

Susan Craven *MA (Social Policy), Master of Industrial & Employee Relations*
Senior Management in Public Health
Appointed: 03.12.19
Term of Appointment: 03.12.19 – 30.06.22
Committee Membership
Clinical Governance



BOARD DIRECTOR

Jay Petty *BCom, CA*
Manager Financial Services, Northern Grampians Shire Council
Board Member since: 30.11.17
Term of Appointment: 01.12.17 – 30.06.20
Committee Membership
Audit & Risk



BOARD DIRECTOR

Kym Peter *RN, RM, CCRN, PICNC, BCom(Eco), MHSc, MEd, MCLN, GradDipHlthEco, GradDipAdvNse, DipFP, DipDem*
Senior nurse and midwifery management in Grampians and Barwon Regions
Appointed: 03.12.19
Term of Appointment: 03.12.19 – 30.06.21
Committee Membership
Clinical Governance



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
Audit & Risk
Community Consultative

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.



DIRECTOR OF MEDICAL SERVICES: Dr Sophie Ping

BA, BSc (Hons), PhD, MBBS

Appointed: 2018

The Director of Medical Services (DMS) has a medical leadership role within the Health Service with responsibility for credentialing and privileging of all Visiting Medical Officers to define their scope of practice. The Director is also responsible for aspects of the Health Services' Medico legal work. The Director liaises closely with 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 strategically on Government priorities. 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 allied health and dental services provided through the Community Health Centre, Community Nursing, and Patricia Hinchey Centre.



DIRECTOR OF CLINICAL SERVICES: Peter Armstrong

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

Appointed: 2013

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

SENIOR STAFF

(as at 30 June 2020)

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 Smith *RN, BN, Grad Dip Nurs (Periop), Cert Infection Control and Sterilisation*

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*

Business Manager
Amanda Kumnick

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*

Maintenance Co-ordinator
Johnathon Jende

Environmental Services Co-ordinator
Dayle Smith

CLINICAL SERVICES

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

Senior Clinician Radiology
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 2020)

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 Mana Nasser Akbar *MD*

Dr Faraz Ahmad *MBBS*

Dr Vidya Jacob *MBBS (Registrar)*

Dr Michelle Chee *MBBS (Registrar)*

ANAESTHETIST

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

CARDIOLOGIST

Dr Christopher Hengel *MBBS, FRACP*

Dr Rodney Reddy *MB ChB, FRACP*

EAR, NOSE & THROAT SURGEON

Mr Niall McConchie *MBBS, FRACS*

GENERAL SURGEONS

Ms Ruth Bollard *MBChB, FRCS, FRACS*

Mr Michael Condous *MBBS, FRACS*

Mr Thomas Fisher *MBBS (Melb) FRACS*

Mr Abrar Maqbool *MBBS, FRACS*

Mr Ahmed Naqeeb *MBBS, FRACS*

Mr Kontoku Shimokawa *MBBS, FRACS*

DIRECTOR OF OBSTETRICS

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

GYNAECOLOGIST

Mr Michael Carter *MBBS, FRANZCOG*

Ms Katrina Guerin *MBBS, DRANZCOG*

Ms Jessica Holden *MBBS, MPH*

NEPHROLOGY

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

ONCOLOGIST & HAEMATOLOGIST

Dr Craig Carden *MBBS, FRACP*

Dr Pohan Lukito *MBBS, FRACP*

MEDICAL REGISTRAR

Dr Daniel Wilson *MD*

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*

PAIN SPECIALIST

Dr Suran Dahnapala *MBBS, FANZC*

PALLIATIVE CARE

Dr Penny Cotton *MBBS, FACHPM*

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

RADIOLOGISTS

Dr Damien Cleeve *MBBS, FRANZCR*

Dr John Eng *MBBS, FRANZCR*

Dr Robert Jarvis *MBBS, FRANZCR*

Dr Sarah Skinner *MBBS FRANZCR*

Dr Jill Wilkie *MBBS RCR*

Dr Julius Tamangani *MBChB (Hons), MSc, FRCR*

UROLOGISTS

Ms Lydia Johns Putra *MBBS, FRACS*

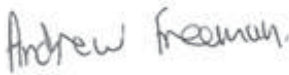
VISITING DENTAL STAFF

Dr Charles Reid *BDSc (Liverpool)*

LEGISLATIVE COMPLIANCE

CONFLICT OF INTEREST

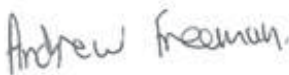
I, Andrew Freeman, certify that East Grampians Health Service has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' 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
23 September, 2020

DATA INTEGRITY

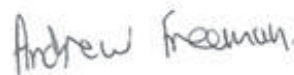
I, Andrew Freeman, certify that East Grampians Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. East Grampians Health Service has critically reviewed these controls and processes during the year.



Andrew Freeman
Accountable Officer
East Grampians Health Service
23 September, 2020

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
23 September, 2020

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

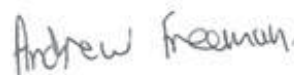
I, Nancy Panter, on behalf of the Responsible Body^[1], certify that the East Grampians Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Nancy Panter
Responsible Officer
East Grampians Health Service
23 September, 2020

INTEGRITY, FRAUD AND CORRUPTION

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
23 September, 2020

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	4
Building certified for approval	3
Works in construction and subject of mandatory inspection	3
Occupancy Permits issued	1

Maintenance

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

Building Works July 2019 – June 2020

	Approved	Mandatory Inspection	Occ Permit
70 Lowe Street significant refurbishment	Yes	Yes	-
Community Health Centre Project	Yes	Yes	Yes
Gas Boiler Project	Yes	Yes	-
Theatre/Radiology Project	-	-	-

CARERS' RECOGNITION ACT 2012

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

CAR PARKING

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

COMPETITIVE NEUTRALITY

All competitive neutrality requirements comply with the National Competition Policy and have been made in accordance with Government costing policies for public hospitals. East Grampians Health Service complies with the requirements of the policy statement Competitive Neutrality Policy Victoria, and any subsequent reforms.

CONSULTANCIES

Details of consultancies (under \$10,000)

In 2019-20, there were 4 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2019-20 in relation to these consultancies were \$31,262 (excl. GST).

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

In 2019-20, there were no consultancies where the total fees payable to consultants were \$10,000 or greater

DISCLOSURE OF ICT EXPENDITURE

The total ICT expenditure incurred during 2019-20 is \$1,277,893 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)
985,054	292,839	22,376	270,463

ENVIRONMENTAL PERFORMANCE AND SUSTAINABILITY

This report to be read in conjunction with the Chief Executive's on page 29.

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.

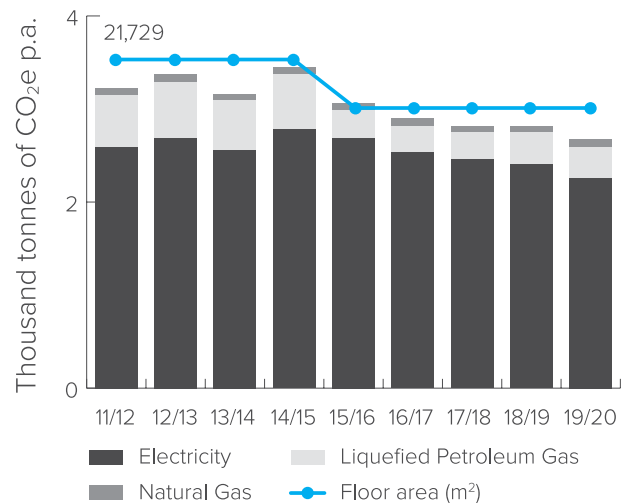
Recognition of the link between the health and wellness of people and the health and wellness of the environment, is in keeping with our Mission Statement: East Grampians Health Service will improve our community's health and quality of life through strong partnerships and by responding to changing needs.

LEGISLATIVE COMPLIANCE

ENERGY AND WATER PERFORMANCE 2019 - 2020

Expenditure	2018-19 (\$ thousand)	2019-20 (\$ thousand)	Change from previous year
Electricity	\$482	\$445	-7.9%
Liquefied Petroleum Gas	\$30	\$32	6.9%
Natural Gas	\$99	\$117	17.8%
Potable Water	\$45	\$40	-11.3%
Total	\$657	\$633	-3.5%

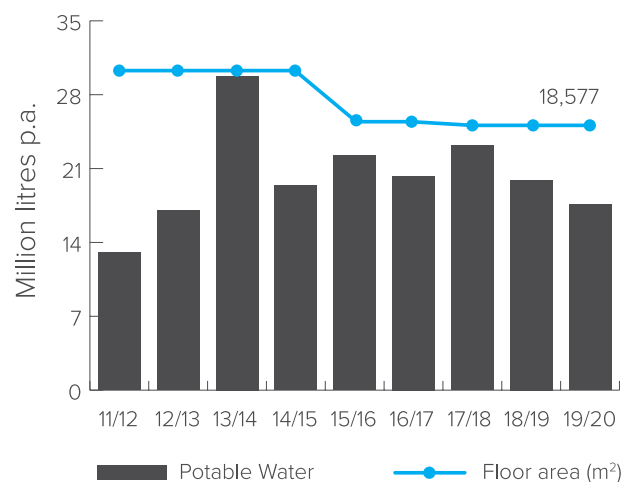
CARBON EMISSIONS



WASTE MANAGEMENT PERFORMANCE

Waste cost (collection & disposal)	2018-19	2019-20	Changes from previous year
Clinical waste	\$25,648	\$27,891	8.7%
General waste	\$18,648	\$28,323	51.9%
Recycling	\$13,514	\$22,657	67.7%
Total	\$57,811	\$78,871	36.4%

WATER USE



WASTE GENERATION

Clinical Waste (kg)	2018-19	2019-20
Incinerated	1,494	1,237
Sharps	237	590
Treated	12,283	11,574
Total	14,015	13,401

General Waste (kg)	2018-19	2019-20
Bins		
Compactors		
Skips	108,441	118,834
Total	108,441	118,834

WASTE COSTS

Waste costs (\$/PPT)	2018-19	2019-20
Clinical waste	0.57	0.63
General waste	0.41	0.63
Recycling	0.30	0.51

Carbon emissions	2018-19	2019-20
Carbon (tonnes CO2-e)	146	158

Factors influencing waste	2018-19	2019-20
Aged Care OBD	28,473	28,407
ED Departures LOS	11,083	11,173
Separations	5,639	5,042
Per patient treated	45,195	44,623

Over the past year the waste volume/weight has not increased significantly, however the contractor now charges to collect cardboard recycling and general waste, and this has increased expenditure.

Recycling Items

Recycling Items	Kgs
Batteries	28
Cardboard	17,160
Commingle	22,013
E-waste	300
Fluorescent tubes	49
Grease Traps	344
Organics (garden)	8,811
Paper (confidential)	3,785
PVC	122
Total	52,612

ENVIRONMENTAL IMPACTS & ENERGY USE

Energy Use	2018-19	2019-20
Electricity (MWh)	2,239	2,211
Liquefied Petroleum Gas (kL)	43	48
Natural Gas (gigajoules)	6,796	6,444

Carbon Emissions (thousand tonnes of CO2e)	2018-19	2019-20
Electricity	2	2.26
Liquefied Petroleum Gas	0	0.08
Natural Gas	0	0.33
Total emissions	3	2.66

Water Use (million litres)	2018-19	2019-20
Potable Water	20	17.51

Factors influencing environmental impacts	2018-19	2019-20
Floor area (m2)	15,524	15,524
Separations	5,639	5,043
In-Patient Bed Days	11,083	11,173
Aged Care Bed Nights	28,473	28,407

LEGISLATIVE COMPLIANCE

FEES

Most fees charged by the Health Service are regulated by the Commonwealth Government and the Victorian Government's Department of Health and Human Services. 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 FOI Officer. The legislated application fee for the 2019-20 financial year was \$29.60 per application, and the processing fee included a search fee of \$20 and the access charges included a search fee of \$22.21 per hour or part of an hour, supervision charges of \$5.55 per quarter hour or part of a quarter hour 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 2019-20 East Grampians Health Service received 55 requests, 46 of which were processed and granted in full.

REQUESTS

2019-20	2018-19	2017-18	2016-17
55	52	32	46

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

55 written requests were received in 2019-20.

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 2019-20 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 reported quarterly 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 Notices issued in 2019-20.

The number of injuries for the year = 52 the number per FTE = 16.50

OH&S is a key component of training for all new and current Board members and staff. It provides an important framework for ongoing adherence to risk management, staff safety and wellbeing throughout the organisation. During the year we have continued staff education and induction into high risk activities and, where appropriate, competency testing on equipment being used.

OCCUPATIONAL HEALTH AND SAFETY DATA

Occupational Health and Safety Statistics	2019-20	2018-19	2017-18
The number of reported hazards/incidents for the year per 100 FTE	43.98	57.92	48.25
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.71	1.68	2.85
The average cost per WorkCover claim for the year ('000)	\$66,698	\$221,694	\$71,881

OCCUPATIONAL VIOLENCE STATISTICS

1. WorkCover accepted claims with an occupational violence cause per 100 FTE = 0
2. Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked = 0.
3. Number of occupational violence incidents reported = 121
4. Number of occupational violence incidents reported per 100 FTE = 38.41
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition = 0%

PUBLIC INTEREST 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 Public Interest 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 Public Interest 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 2019-20 there were no disclosures or notifications of disclosure relevant to the *Public Interest 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.

WORKFORCE DATA

We continue to use contemporary recruitment practices based on fair and equitable employment principles. Our 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	
	2019	2020	2019	2020
Nursing	131.80	129.04	132.90	130.61
Administration and Clerical	50.40	53.05	50.80	53.23
Medical Support	7.40	8.95	7.50	7.64
Hotel and Allied Services	73.10	75.98	73.70	74.54
Medical Officers	0.30	1.69	0.30	0.88
Hospital Medical Officers	7.60	7.72	7.70	7.80
Sessional Clinicians	0.00	0.00	0.00	0.00
Ancillary Staff (Allied Health)	24.60	27.00	24.80	25.72
TOTALS	295.40	303.42	297.70	300.42

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	36
FRD 22H Manner of establishment and the relevant Ministers	03, 31	Attestation on managing Conflicts of Interest	36
FRD 22H Purpose, functions, powers and duties	03	Attestation on Integrity, Fraud and Corruption	36
FRD 22H Nature and range of services provided	04		
FRD 22H Activities, programs and achievements for the reporting period	06-14	Other Reporting Requirements	
FRD 22H Significant changes in key initiatives and expectations for the future	16-18	Reporting of outcomes from Statement of Priorities 2019-2020	06-14
<i>Management and Structure</i>		Occupational Violence reporting	10, 41
FRD 22H Organisational structure	05	Reporting of compliance Health Purchasing Victoria policy	36
FRD 22H Occupational Health and Safety	40	Reporting obligations under the Safe Patient Care Act 2015	41
FRD 22H Workforce data/employment and conduct principles	41	Reporting of compliance regarding Car Parking Fees (if applicable)	37
<i>Financial Information</i>		Additional information available on request	
FRD 22H Summary of the financial results for the year	19, 30	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 Significant changes in financial position during the year	FR	(a) Declarations of pecuniary interests have been duly completed by all relevant officers;	
FRD 22H Operational and budgetary objectives and performance against objectives	FR	(b) Details of shares held by senior officers as nominee or held beneficially;	
FRD 22H Subsequent events	FR	(c) Details of publications produced by the entity about itself, and how these can be obtained;	
FRD 22H Details of consultancies over \$10,000	37	(d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service;	
FRD 22H Details of consultancies under \$10,000	37	(e) Details of any major external reviews carried out on the Health Service;	
FRD 22H Disclosure of ICT expenditure	37	(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;	
Legislation		(g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;	
FRD 22H Application and operation of <i>Freedom of Information Act 1982</i>	40	(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 Compliance with building and maintenance provisions of <i>Building Act 1993</i>	37	(i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;	
FRD 22H Application and operation of <i>Public Interest Disclosure Act 2012</i>	41	(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;	
FRD 22H Statement on National Competition Policy	37	(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 Application and operation of <i>Carers Recognition Act 2012</i>	37	(l) Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.	
FRD 22H Summary of the entity's environmental performance	29, 37-39		
FRD 22H Additional information available on request	42		
Other Relevant Reporting Directives			
FRD 25D <i>Local Jobs First Act</i> disclosures	40		
SD 5.1.4 Financial Management Compliance attestation	36		
SD 5.2.3 Declaration in Report of Operations	19		

GLOSSARY

ACAS

Aged Care Assessment Service

ACCREDITATION

Official certification of approval.

AGED CARE QUALITY STANDARDS

The Quality Standards focus on outcomes for consumers and reflect the level of care and services the community can expect from organisations that provide Commonwealth subsidised aged care services

AGED CARE SAFETY AND QUALITY COMMISSION

Aged Care Quality and Safety Commission protects and enhances the safety, health, wellbeing and quality of life of people receiving aged care

BEST PRACTICE

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

CARERS

Carers of patients/clients

CATCHMENT AREA

EGHS produced its own survey during COVID-19 to gain critical information on staff perceptions

CLIMATE SURVEY

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

CT SCANNER

Computed Tomography Scanner.

DHHS

The Department of Health and Human Services Victoria.

DIAS

Diagnostic Imaging Accreditation Scheme

EAP

Employment Assistance Program

EGHS

East Grampians Health Service

e-HEALTH

The transfer of health resources and healthcare by electronic means

FOI

Freedom of Information

GP

General Practitioner

ICT

Information and Communications Technology

INPATIENT

A person who is admitted to an acute bed

NATIONAL ASSOCIATION OF TESTING AUTHORITIES

Provides accreditation for Medical Imaging

NATIONAL SAFETY & QUALITY HEALTH STANDARDS

The primary aims of the NSQHS Standards are to protect the public from harm and to improve the quality of health service provision. They provide a quality assurance mechanism that tests whether relevant systems are in place to ensure that expected standards of safety and quality are met

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

PALLIATIVE CARE

Care for patients with a life limiting illness and their families

PATIENT CENTRED CARE

Care designed specifically for the individual

PEOPLE MATTER SURVEY

People Matter Survey in 2020 was postponed due to COVID-19. In its place our Health Service developed its own Climate Survey

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

VALUES

The principles and beliefs that guide East Grampians Health Service

VHES

Victorian Healthcare Experience Survey

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

CONTENTS

Certification	45
Victorian Auditor-General's Report	46
Financial Statements	
Operating Statement	48
Balance Sheet	49
Cash Flow Statement	50
Statement of Changes in Equity	51
Notes to the financial statements	52
Accountable Officer, Chief Financial Officer and Responsible Body declaration sign off	45
Rounding of Amounts	52
Responsible Persons Disclosures	82

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 Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

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

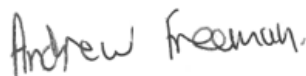
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 23 September 2020.



Ms Nancy Panter
Board President

Ararat
23 September 2020



Mr Andrew Freeman
Accountable Officer

Ararat
23 September 2020



Mr Tony Roberts
Chief Finance & Accounting Officer

Ararat
23 September 2020

Independent Auditor's Report

To the Board of East Grampians Health Service

Opinion	<p>I have audited the consolidated financial report of East Grampians Health Service (the health service) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none"> consolidated entity and health service balance sheets as at 30 June 2020 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 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service 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>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>
Other Information	<p>The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2020, 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>

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
5 October 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

East Grampians Health Service
Comprehensive Operating Statement
For the Year Ended 30 June 2020

	Note	Parent Entity 2020 \$'000	Parent Entity 2019 \$'000	Consolidated Entity 2020 \$'000	Consolidated Entity 2019 \$'000
Income from Transactions					
Operating Activities	2.1	48,966	41,771	48,989	41,873
Non-operating Activities	2.1	372	535	423	535
Total Income from Transactions		49,338	42,306	49,412	42,408
Expenses from Transactions					
Employee Expenses	3.1	(32,592)	(30,975)	(32,592)	(30,975)
Supplies & Consumables	3.1	(5,916)	(5,502)	(5,916)	(5,502)
Finance Costs	3.1	(7)	(10)	(7)	(10)
Depreciation	4.3	(3,439)	(2,852)	(3,439)	(2,852)
Other Operating Expenses	3.1	(6,413)	(4,814)	(6,037)	(4,861)
Total Expenses from Transactions		(48,367)	(44,153)	(47,991)	(44,200)
Net Result from Transactions - Net Operating Balance		971	(1,847)	1,423	(1,792)
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	3.2	-	190	-	190
Net gain/(loss) on financial instruments	3.2	(502)	19	(510)	39
Other Gain/(Loss) from Other Economic Flows	3.2	(245)	(523)	(245)	(523)
Share of Other Economic Flows from Joint Operation	3.2	(2)	(23)	(2)	(23)
Total other economic flows included in net result		(749)	(337)	(757)	(317)
Net result for the year		222	(2,184)	666	(2,109)
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	-	14,997
Total other comprehensive income		-	14,997	-	14,997
COMPREHENSIVE RESULT FOR THE YEAR		222	12,813	666	12,888

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

East Grampians Health Service Balance Sheet

For the Year Ended 30 June 2020

	Note	Parent Entity 2020 \$'000	Parent Entity 2019 \$'000	Consolidated Entity 2020 \$'000	Consolidated Entity 2019 \$'000
Current Assets					
Cash and Cash Equivalents	6.1	7,976	8,490	8,195	8,728
Receivables	5.1	2,269	1,688	2,280	1,705
Financial Assets	4.1	2,299	10	4,071	1,341
Inventories		75	70	75	70
Other Assets		220	168	220	168
Total Current Assets		12,839	10,426	14,841	12,012
Non-Current Assets					
Receivables	5.1	656	910	656	910
Property, Plant & Equipment	4.2	51,616	52,210	51,616	52,210
Investment Properties	4.4	1,490	1,490	1,490	1,490
Total Non-Current Assets		53,762	54,610	53,762	54,610
TOTAL ASSETS		66,601	65,036	68,603	66,622
Current Liabilities					
Payables	5.2	2,532	2,664	2,554	2,713
Borrowings	6.2	1,208	-	1,208	-
Provisions	3.4	5,313	4,833	5,313	4,833
Other Liabilities	5.3	5,429	5,880	5,429	5,880
Total Current Liabilities		14,482	13,377	14,505	13,427
Non-Current Liabilities					
Provisions	3.4	1,098	887	1,098	887
Borrowings	6.2	33		33	
Total Non-Current Liabilities		1,131	887	1,131	887
TOTAL LIABILITIES		15,613	14,264	15,636	14,314
NET ASSETS		50,988	50,773	52,968	52,309
EQUITY					
Property, Plant & Equipment Revaluation Surplus	4.2(f)	37,904	37,904	37,904	37,904
General Purpose Surplus		136	141	136	141
Restricted Specific Purpose Surplus		3,769	3,523	3,769	3,523
Contributed Capital		19,896	19,896	19,896	19,896
Accumulated (Deficits)		(10,717)	(10,691)	(8,737)	(9,155)
TOTAL EQUITY		50,988	50,773	52,968	52,309

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

East Grampians Health Service
Cash Flow Statement
For the Year Ended 30 June 2020

	Note	Parent Entity 2020 \$'000	Parent Entity 2019 \$'000	Consolidated Entity 2020 \$'000	Consolidated Entity 2019 \$'000
Cash Flows from Operating Activities					
Operating Grants from Government		36,378	32,404	36,378	32,404
Capital Grants from Government - Cwlth		1,902	1,224	1,902	1,224
Capital Grants from Government - State		296	-	296	
Patient Fees Received		5,227	4,812	5,227	4,812
Private Practice Fees Received		46	-	46	
GST Received from/(paid to) ATO		460	916	461	918
Interest and Investment Income Received		148	260	190	326
Other Receipts		3,213	1,999	3,213	2,067
Total Receipts		47,670	41,615	47,713	41,751
Employee Expenses Paid		(31,744)	(30,954)	(31,744)	(30,954)
Payments for Supplies & Consumables		(6,815)	(5,911)	(6,815)	(5,911)
Payments for Medical Indemnity Insurance		(417)	(413)	(417)	(413)
Payments for Repairs and Maintenance		(1,228)	(853)	(1,228)	(853)
Finance Costs		(7)	(10)	(7)	(10)
Cash Outflows for Leases		(6)	-	(6)	-
Other Payments		(5,606)	(3,610)	(5,292)	(3,629)
Total Payments		(45,823)	(41,751)	(45,509)	(41,770)
Net Cash Flows from/(used in) Operating Activities	8.1	1,848	(136)	2,204	(19)
Cash Flows from Investing Activities					
Proceeds/(Purchase) of Investments		(10)	6,168	(455)	6,143
Payments for Non-Financial Assets		(2,842)	(2,895)	(2,842)	(2,895)
Capital Donations and Bequests Received		9	1,606	80	1,606
Net Cash Flows from/(used in) Investing Activities		(2,843)	4,879	(3,217)	4,854
Cash Flows from Financing Activities					
Proceeds from Borrowing		1,241	-	1,241	-
Receipt of Accommodation Deposits		1,832	2,124	1,832	2,124
Repayment of Accommodation Deposits		(2,389)	(915)	(2,389)	(915)
Net Cash Flows from /(used in) Financing Activities		684	1,209	684	1,209
Net Increase/(Decrease) in Cash and Cash Equivalents Held		(311)	5,952	(329)	6,044
Cash and Cash Equivalents at Beginning of Year		8,491	2,539	8,728	2,685
CASH AND CASH EQUIVALENTS AT END OF PERIOD	6.1	8,180	8,491	8,399	8,728

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 2020

Consolidated Entity	Property, Plant & Equipment Revaluation Surplus	General Purpose Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 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
Net result for the year	-	-	-	-	666	666
Transfer to / (from) accumulated surplus	-	(4)	247	-	(243)	-
Balance at 30 June 2020	37,904	136	3,769	19,896	(8,734)	52,968

Parent Entity	Property, Plant & Equipment Revaluation Surplus	General Purpose Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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
Net result for the year	-	-	-	-	222	222
Transfer to / (from) accumulated surplus	-	(4)	247	-	(243)	-
Balance at 30 June 2020	37,904	136	3,769	19,896	(10,714)	50,988

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

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 2020. 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 AASB's, 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 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 have been applied in preparing the financial statements for the year ended 30 June 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019. 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, and 7.1.

The financial statements are prepared on a going concern basis (refer to Note 8.10 Economic 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); and
- 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).

COVID - 19

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

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

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

For further details refer to Note 2.1 Funding delivery of our services.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

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 2020.

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.

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.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

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 (a): Income from Transactions

	Consolidated	Consolidated
	Total 2020 \$'000	Total 2019 \$'000
Government Grants (State) - Operating ¹	26,856	24,078
Government Grants (Commonwealth) - Operating	9,022	7,628
Government Grants (State)- Capital	1,902	1,224
Other Capital purpose income	296	430
Capital Donations	2,854	1,176
Patient and Resident Fees	5,295	4,719
Private Practice Fees	46	44
Commercial Activities ²	261	384
Other Revenue from Operating Activities (including non-capital donations)	2,457	2,190
Total Income from Operating Activities	48,989	41,873
Other Interest	112	259
Dividends	159	23
Other Revenue from Non-Operating Activities	152	253
Total Income from Non-Operating Activities	423	535
Total Income from Transactions	49,412	42,408

¹ Government Grant (State) – Operating includes \$810k funding received due to COVID-19 impact on health service operations

² Commercial activities represent business activities which health service enter into to support their operations.

Impact of COVID-19 on revenue and income

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

Revenue Recognition

Income is recognised in accordance with either:

- contributions by owners, in accordance with AASB 1004;
- income for not-for-profit entities, in accordance with AASB 1058;
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- a lease liability in accordance with AASB 16;
- a financial instrument, in accordance with AASB 9; or
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

Note 2.1: Analysis of Revenue by Source (Continued)

Government Grants

Income from grants to construct Health Facility assets is recognised when (or as) East Grampians Health Service satisfies its obligations under the transfer. This aligns with East Grampians Health Service's obligation to construct the asset. The progressive percentage costs incurred is used to recognise income because this most closely reflects the construction's progress as costs are incurred as the works are done.

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

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

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

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

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

Performance obligations

The types of government grants recognised under AASB15 *Revenue from Contracts with Customers*

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

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

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

Previous accounting policy for 30 June 2019

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

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

For non-reciprocal grants, East Grampians Health Service recognises revenue when the grant is received. Grants can be received as general purpose grants, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

Patient and Resident Fees

The performance obligations related to patient fees for the provision of inpatient, district nursing and allied health services. These performance obligations have been selected as they align with the terms and conditions of the providing services. Revenue is recognised as these performance obligations are met. Where there is judgement around whether a performance obligation is met, East Grampians Health Service exercises judgement over whether performance obligations related to the provision of medical services are met. This is measured by a review of such services.

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

Note 2.1: Analysis of Revenue by Source (Continued)

Private Practice Fees

The performance obligations related to private practice fees have been selected as they align with the terms and conditions agreed with the private provider. Revenue is recognised when invoices are raised. Private practice fees include recoupments from the private practice for the use of hospital facilities. Where there is judgement around whether a performance obligation is met, East Grampians Health Service exercises judgement over whether performance obligations related to the services provided. This is measured by a review of services.

Commercial activities

Revenue from commercial activities includes items such as the provision of meals to external users, cafés and recoveries for salaries and wages. Performance obligations related to commercial activities are the complete provision of the activities listed above and are generally transactional. These performance obligations have been selected as they align with the terms and conditions per the contract with the provider of the commercial activities.

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

	2020 \$'000	2019 \$'000
Cash donations and gifts	2,454	1,176
PPE under State Supply	30	-
Total fair value of assets and services received free of charge or for nominal consideration	2,484	1,176

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

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

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

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

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

Voluntary Services: Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would not have been purchased if not donated. East Grampians Health Service did receive volunteer services which assisted in the non clinical support of service delivery but does not depend on volunteer services.

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

Performance obligations and revenue recognition policies

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

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

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover the returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables (Note 5.3) and the right to recover returned goods is included in inventory. East Grampians Health Service reviews its estimate of expected returns at each reporting date and updates the amount of the asset and liability accordingly. As the sales are made with a short credit term, there is no financing element present. There has been no change in the recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.2 (b)).

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

Note 2.1: Analysis of Revenue by Source (Continued)

2.1 (c) Other income

	2020 \$'000	2019 \$'000
Rental income	152	253
Dividends received from investments	159	23
Other interest	112	259
Total other income	423	535

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

Interest Income

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

Dividend Income

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

Rental and Lease Income

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

2.1 (d) Operating lease income

	2020 \$'000	2019 \$'000
Non-cancellable operating lease receivables		
Not longer than one year	51	51
Longer than one year but not longer than five years	102	153
Longer than five years	-	-
Total	153	204

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

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 2020 \$'000	Consolidated Total 2019 \$'000
Salaries and Wages	22,937	21,193
On-costs	5,454	5,367
Fee for Service Medical Officer Expenses	3,845	4,109
Workcover Premium	358	306
Total Employee Expenses	32,593	30,975
Drug Supplies	1,313	847
Medical and Surgical Supplies (including Prostheses)	2,414	2,338
Diagnostic and Radiology Supplies	691	607
Other Supplies and Consumables	1,498	1,710
Total Supplies and Consumables	5,916	5,502
Finance Costs	7	10
Total Finance Costs	7	10
Fuel, Light, Power and Water	713	731
Repairs and Maintenance	716	399
Maintenance Contracts	400	376
Medical Indemnity Insurance	379	381
Other Administrative Expenses	2,991	2,349
Expenses Related to Short Term Leases	6	-
Expenditure for Capital Purposes	833	624
Total Other Operating Expenses	6,037	4,860
Depreciation and Amortisation (refer Note 4.3)	3,439	2,851
Total Other Non-Operating Expenses	3,439	2,851
Total Expenses from Transactions	47,991	44,198

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 of \$1,000).

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.

Operating lease payments

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

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

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

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

Note 3.2: Other economic flows

	Consolidated 2020 \$'000	Consolidated 2019 \$'000
<u>Net gain/(loss) on non-financial assets</u>		
Revaluation of investment property	-	190
Total net gain/(loss) on non-financial assets	-	190
<u>Net gain/(loss) on financial instruments</u>		
Allowance for impairment losses of contractual receivables	(11)	19
Net gain/(loss) arising from revaluation of financial assets at fair value through profit or loss	(499)	20
Total net gain/(loss) on financial instruments	(510)	39
<u>Share of other economic flows from Joint Operations</u>		
Change in equity share of joint entities	(2)	(23)
Total Share of other economic flows from Joint Operations	(2)	(23)
<u>Other gains/(losses) from other economic flows</u>		
Net gain/(loss) arising from revaluation of long service liability	(245)	(523)
Total other gains/(losses) from other economic flows	(245)	(523)
Total other gains/(losses) from economic flows	(757)	(317)

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

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

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.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

Note 3.1: Expenses from Transactions (Continued)

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

Catering & Conference
TOTAL

Expense		Revenue	
Consol'd 2020 \$'000	Consol'd 2019 \$'000	Consol'd 2020 \$'000	Consol'd 2019 \$'000
288	409	261	384
288	409	261	384

Note 3.4: Employee benefits in the balance sheet

	Consolidated 2020 \$'000	Consolidated 2019 \$'000
Current Provisions		
Employee Benefits (i)		
Annual leave		
- Unconditional and expected to be settled wholly within 12 months (ii)	1,999	1,714
- Unconditional and expected to be settled wholly after 12 months (iii)	174	149
Accrued days off		
- Unconditional and expected to be settled wholly within 12 months (ii)	78	77
Long service leave		
- Unconditional and expected to be settled wholly within 12 months (ii)	399	618
- Unconditional and expected to be settled wholly after 12 months (iii)	2,093	1,757
	4,743	4,315
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled within 12 months (ii)	297	289
- Unconditional and expected to be settled wholly after 12 months (iii)	272	229
	569	518
Total Current Provisions	5,312	4,833
Non-Current Provisions		
Conditional long service leave (iii)	980	792
Provisions related to Employee Benefit On-Costs (iii)	118	95
Total Non-Current Provisions	1,098	887
Total Provisions	6,410	5,720
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and related on-costs		
Unconditional LSL Entitlement	2,791	2,660
Annual Leave Entitlements	2,434	2,087
Accrued Days Off	87	86
Non-Current Employee Benefits and related on-costs		
Conditional Long Service Leave Entitlements (iii)	1,098	887
Total Employee Benefits and Related On-Costs	6,410	5,720

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	613	559
Additional provisions recognised	82	50
Unwinding of discount and effect of changes in the discount rate	29	39
Reduction due to transfer out	(37)	(35)
Balance at end of year	687	613

Consolidated 2020 \$'000	Consolidated 2019 \$'000
613	559
82	50
29	39
(37)	(35)
687	613

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 2020 \$'000	Consolidated 2019 \$'000	Consolidated 2020 \$'000	Consolidated 2019 \$'000
Defined benefit plans:				
First State Superannuation Fund	96	107	4	5
Defined contribution plans:				
First State Superannuation Fund	1197	1574	56	74
HESTA Superannuation Fund	613	541	29	26
Other - Various	438	-	20	-
Total	2,344	2,222	109	105

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.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

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	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
CURRENT				
Financial Assets at Amortised cost				
Term Deposits > 3 months	1,440	985	1,440	985
Financial instruments at fair value through profit and loss				
Australian Listed Equity Securities	2,631	356	2,631	356
Total Current	4,071	1,341	4,071	1,341
TOTAL	4,071	1,341	4,071	1,341
Represented by:				
Health Service Investments	2,299	-	2,299	-
Foundation Investments	1,772	1,341	1,772	1,341
TOTAL	4,071	1,341	4,071	1,341

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.

Australian Listed Equity Securities are subsequently measured at fair value based on current share price. Management regards the current share price to be a reliable and relevant basis to determine fair value. Whilst these share prices are applicable at 30 June 2020, the fair value of shares will continue to be subject to the impacts of COVID-19 in future accounting periods.

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'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.

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

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

Note 4.2: Property, Plant & Equipment

(a) Gross carrying amount and accumulated depreciation

	Consolidated 2020 \$'000	Consolidated 2019 \$'000
Land		
Freehold Land	242	165
Crown Land at Fair Value	1,077	1,077
Land Improvements at Fair Value	941	941
Less Accumulated Depreciation	(37)	-
Total Land	2,223	2,183
Buildings		
Buildings at Fair Value	47,482	43,643
Less Accumulated Depreciation	(2,486)	-
Buildings Work in Progress at Cost	744	3,354
Total Buildings	45,740	46,997
Plant and Equipment		
Plant and Equipment at Fair Value	3,938	2,698
Less Accumulated Depreciation	(2,101)	(1,705)
Total Plant and Equipment	1,837	993
Motor Vehicles		
Motor Vehicles at Fair Value	1,098	1,098
Less Accumulated Depreciation	(968)	(861)
Motor Vehicles	130	237
Medical Equipment		
Medical Equipment at Fair Value	4,006	3,796
Less Accumulated Depreciation	(2,702)	(2,384)
Total Medical Equipment	1,304	1,412
GRHA Equipment		
GRHA Equipment at Fair Value	533	487
Less Accumulated Depreciation	(191)	(99)
Total Jointly Controlled Equipment	342	388
Right of Use Vehicles		
Right of Use Vehicles	47	-
Less Accumulated Depreciation	(7)	-
Total Right of Use	40	-
TOTAL	51,616	52,210

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

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	Rights of Use Motor Vehicles \$'000	Total \$'000
Balance at 1 July 2018	1,634	32,168	1,159	385	1,511	312	-	37,170
Additions	-	2,314	244	-	236	99	-	2,893
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
Additions	77	1,363	1,115	-	203	43	47	2,848
Disposals	-	-	-	-	-	-	-	-
Net Transfers between Classes	-	(132)	132	-	-	-	-	-
Depreciation (note 4.3)	(37)	(2,486)	(402)	(107)	(311)	(89)	(7)	(3,439)
Balance at 30 June 2020	2,223	45,740	1,837	131	1,304	342	40	51,616

Land and buildings carried at valuation

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

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

The VGV indices, which are based on data to March 2020, indicate a Nil movement across all land parcels and a 3% increase in buildings.

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

As the accumulative movement was less than 10% for land and buildings no managerial revaluation was required.

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

Note 4.2: Property, Plant & Equipment (Continued)

(c) Fair value measurement hierarchy for assets

	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:				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⁾			Level 1 ⁽¹⁾	Level 2 ⁽¹⁾	Level 3 ⁽¹⁾
Land at fair value									
Non-specialised land	242	-	242	-		165	-	165	-
Specialised land	1,981	-	-	1,981		2,018	-	-	2,018
Total land at fair value	2,223	-	242	1,981		2,183	-	165	2,018
Buildings at fair value									
Non-specialised buildings	264	-	264	-		280	-	280	-
Specialised buildings	44,732	-	-	44,732		43,363	-	-	43,363
Total building at fair value	44,996	-	264	44,732		43,643	-	280	43,363
Plant and equipment at fair value									
Plant equipment and vehicles at fair value									
- Motor Vehicles	130	-	130	-		237	-	237	-
- Plant and equipment	1,837	-	-	1,837		993	-	-	993
Total plant, equipment and vehicles at fair value	1,967	-	130	1,837		1,230	-	237	993
Medical equipment at fair value									
Specialised medical equipment	1,304	-	-	1,304		1,412	-	-	1,412
Total medical equipment at fair value	1,304	-	-	1,304		1,412	-	-	1,412
Jointly controlled equipment at fair value									
Specialised ICT equipment	342	-	-	342		388	-	-	388
Total jointly controlled equipment at fair value	342	-	-	342		388	-	-	388
TOTAL	50,832	-	636	50,196		48,856	-	682	48,174

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 2019	2,018	43,363	993	1,412	388	48,174
Purchases (sales)	-	3,838	1,245	203	43	5,329
Net Revaluation Increments/(Decrements)	-	-	-	-	-	-
Subtotal	2,018	47,201	2,238	1,615	431	53,503
Gains or losses recognised in net result						
- Depreciation	(37)	(2,470)	(402)	(311)	(89)	(3,309)
Subtotal	(37)	(2,470)	(402)	(311)	(89)	(3,309)
Balance at 30 June 2020	1,981	44,731	1,837	1,304	342	50,196

	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

Note 4.2: Property, Plant & Equipment (Continued)

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

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Non-specialised land	Market approach	n.a.
Specialised Land (Crown / Freehold)	Market approach	Community Service Obligations Adjustments (-20%)
Non-specialised buildings	Market approach	n.a.
Specialised buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Vehicles	Market approach	n.a.
Rights of Use Assets - Vehicles	Market approach	n.a.
Plant and equipment	Depreciated replacement cost approach	- Cost per unit - Useful life
Medical equipment	Depreciated replacement cost approach	- Cost per unit - Useful life

A community service obligation (CSO) of 20% was applied to the health services specialised land classified in accordance with the fair value hierarchy.

(f) Property, Plant & Equipment Revaluation Surplus

	Consolidated 2020 \$'000	Consolidated 2019 \$'000
Property, Plant and Equipment Revaluation Surplus		
Balance at the beginning of the reporting period	37,905	22,908
Revaluation Increment		
- Land	-	572
- Buildings	-	14,425
Balance at the end of the reporting period*	37,905	37,905
* Represented by:		
- Land	3,184	3,184
- Buildings	34,721	34,721
	37,905	37,905

Note 4.2: Property, Plant & Equipment (Continued)

Initial Recognition

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

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

Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

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

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

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

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

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

Right-of-use asset – Subsequent measurement

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

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

Note 4.2: Property, Plant & Equipment (Continued)

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.

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

Fair value measurement

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

For the purpose of fair value disclosures, 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.

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.

Note 4.2: Property, Plant & Equipment (Continued)

Non-Specialised Land and Non-Specialised Buildings

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

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

Specialised Land and Specialised Buildings

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

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

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

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

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

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

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 2020.

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

Note 4.3: Depreciation

	Consolidated 2020 \$'000	Consolidated 2019 \$'000
Depreciation		
Land Improvements	37	23
Buildings	2,486	1,912
Plant & Equipment	402	411
Motor Vehicles	107	147
Medical Equipment	311	335
GRHA Depreciation	89	23
Rights of Use Motor Vehicles	7	-
Total Depreciation	3,439	2,851

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.

	2020	2019
Buildings		
- Structure Shell Building Fabric	24 to 38 years	5 to 50 years
- Site Engineering Services and Central Plant	14 to 28 years	5 to 50 years
Central Plant		
- Fit Out	7 to 18 years	5 to 50 years
- Trunk Reticulated Building Systems	7 to 18 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.

The change in remaining useful life for Buildings and central plant, was a result of revaluation of land and buildings completed in 2019. The Valuer is required to reassess the estimated useful life based on the current building conditions. The change in remaining useful life has resulted in an increase in depreciation expense of \$0.34M for buildings.

Note 4.4: Investment Properties

(a) Movements in carrying value for investment properties as at 30 June 2020

	Consolidated 2020 \$'000	Consolidated 2019 \$'000
Balance at Beginning of Period	1,490	1,490
Net Gain/(Loss) from Fair Value Adjustments	-	190
Balance at End of Period	1,490	1,490

(b) Fair value measurement hierarchy for investment properties as at 30 June 2020

	Carrying amount as at 30 June 2020	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 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	-

⁽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 2020 have been arrived on the basis of an independent valuation carried out by the Valuer General Victoria in 2019. 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. No material changes in valuation to 30 June 2020 have been identified.

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 2020.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

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 2020 \$'000	Consolidated Entity 2019 \$'000
CURRENT		
Contractual		
Trade Debtors	762	827
GRHA Receivables	5	16
Patient Fees	223	155
Accrued Investment Income	108	27
Accrued Revenue - Other	448	420
Less: Allowance for impairment losses of contractual receivables		
- Patient Fees	(20)	(9)
	1,526	1,436
Statutory		
DHHS Grant Receivable	-	211
GST Receivable	551	59
PAYGWH	204	-
	2,281	1,706
TOTAL CURRENT RECEIVABLES	2,280	1,705
NON CURRENT		
Statutory		
Long Service Leave - Department of Health and Human Services	656	910
	656	910
TOTAL NON-CURRENT RECEIVABLES	656	910
TOTAL RECEIVABLES	2,936	2,615

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

	Consolidated Entity 2020 \$'000	Consolidated Entity 2019 \$'000
Balance at beginning of year	9	28
Amounts written off during the year	-	(31)
Increase/(decrease) in allowance recognised in net result	11	12
Balance at end of year	20	9

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.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

Note 5.2: Payables and Contract Liabilities

		Consolidated 2020 \$'000	Consolidated 2019 \$'000
Current	Note		
Contractual			
Trade Creditors		740	1,123
Accrued Salaries & Wages		1,224	845
Accrued Expenses		396	500
GRHA Payables		28	59
GRHA Income in Advance	5.2(a)	131	-
Income in Advance	5.2(a)	34	-
		2,553	2,527
Statutory			
PAYGWH Payable		-	186
		-	186
TOTAL CURRENT		2,553	2,713
TOTAL		2,553	2,713

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 5.2 (a) Contract liabilities

	2020 \$'000
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	-
Add: Payments received for performance obligations yet to be completed during the period	165
Add: Grant consideration for sufficiently specific performance obligations received during the year	-
Less: Revenue recognised in the reporting period for the completion of a performance obligation	-
Less: Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	-
Total contract liabilities	165
Represented by	
Current contract liabilities	165

Contract liabilities include consideration received in advance from customers in respect of grants and share of GRHA income in advance. Income is recognised once the goods and services are delivered provided.

Note 5.3: Other Liabilities

	Consolidated 2020 \$'000	Consolidated 2019 \$'000
Current		
Monies Held in Trust*		
- Patient Monies Held in Trust*	294	266
- Accommodation Bonds (Refundable Entrance Fees)*	4,900	5,457
- Other Monies Held in Trust*	236	157
Total Current	5,430	5,880
Total Other Liabilities	5,430	5,880
* Total Monies Held in Trust		
Represented by the following assets:		
Cash Assets	5,430	5,880
TOTAL	5,430	5,880

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

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

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

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 Borrowings
- 6.3 Commitments for expenditure

Note 6.1: Cash and Cash Equivalents

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

	Consolidated Total 2020 \$'000	Consolidated Total 2019 \$'000
Cash on Hand (excluding Monies held in trust)	3	3
Cash at Bank (excluding Monies held in trust)	2,439	2,677
Cash at Bank - GRHA	323	168
Cash on Hand (Monies held in trust)	1	1
Cash at Bank (Monies held in trust)	5,430	5,880
TOTAL	8,195	8,728

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: Borrowings

	Consolidated 2020 \$'000	Consolidated 2019 \$'000
CURRENT		
Lease liability ⁽ⁱ⁾	8	-
Advances from government ⁽ⁱⁱ⁾	1,200	-
Total Current Borrowings	1,208	-
NON CURRENT		
Lease liability ⁽ⁱ⁾	33	-
Total Non Current Borrowings	33	-
Total Borrowings	1,241	-

- (i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in
(ii) These are unsecured loans which bear no interest.

(a) Maturity Analysis of Borrowings

Please refer to Note 7.1 for the ageing analysis of borrowings.

(b) Defaults and Breaches

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

(c) Lease Liabilities

Repayments in relation to leases are payable as follows:

	Minimum future lease Consolidated 2020 \$'000	Consolidated 2019 \$'000	Present value of minimum Consolidated 2020 \$'000	Consolidated 2019 \$'000
Not later than one year	10	-	8	-
Later than 1 year and not later than 5 years	33	-	33	-
Later than 5 years	-	-	-	-
Minimum lease payments	43	-	41	-
Less future finance charges	2	-	-	-
TOTAL	41	-	41	-
Included in the financial statements as:				
Current borrowings - lease liability	8	-	8	-
Non-current borrowings - lease liability	33	-	33	-
TOTAL	41	-	41	-

The weighted average interest rate implicit in the finance lease is 8.59%.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

Note 6.2: Borrowings (Cont.)

Leases

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

East Grampians Health Service's leasing activities

The Health Service has entered into leases related to Motor Vehicles.

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

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate.

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

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

Lease Liability – subsequent measurement

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

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

Presentation of right-of-use assets and lease liabilities

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

Borrowings

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs.

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

Note 6.3: 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 2020 \$'000	Consolidated 2019 \$'000
Capital Expenditure Commitments		
Not later than one year	634	101
Total Commitments for Capital Expenditure (inclusive of GST)	634	101
Less GST recoverable from Australian Tax Office	(58)	(9)
TOTAL COMMITMENTS FOR EXPENDITURE (exclusive of GST)	576	92

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

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
2020		\$'000		\$'000	\$'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.1	8,195	-	-	8,195
<i>Receivables</i>					
- Trade Debtors	5.1	965	-	-	965
- Other Receivables	5.1	561	-	-	561
<i>Investments and Other Financial Assets</i>					
- Term Deposits	4.1	1,440	-	-	1,440
- Australian listed equities	4.1	-	2,631	-	2,631
Total Financial Assets¹		11,161	2,631	-	13,792
Financial Liabilities					
Payables	5.2	-	-	2,388	2,388
Borrowings	6.2	-	-	1,241	1,241
Other Financial Liabilities					
- Accommodation bonds	5.3	-	-	4,900	4,900
- Other	5.3	-	-	530	530
Total Financial Liabilities¹		-	-	9,059	9,059

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
<i>Receivables</i>					
- Trade Debtors		1,290	-	-	1,290
- Other Receivables		146	-	-	146
<i>Investments and Other Financial Assets</i>					
- 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

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

Note 7.1: Financial Instruments (Continued)

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.

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)
- borrowings;

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
- The 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
- The Health Service has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

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

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Health Service's business model for managing its financial assets has changes such that its previous model would no longer apply.

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

	Note	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates			
				Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000
2020							
Financial Liabilities							
At amortised cost							
Payables	5.2	2,388	2,388	2,350	38	-	-
Borrowings	6.1	1,241	1,241	1,201	2	5	33
Other Financial Liabilities (i)							
- Accommodation Deposits	5.3	4,900	4,900	-	-	4,900	-
- Other	5.3	530	530	530	-	-	-
Total Financial Liabilities		9,059	9,059	4,081	40	4,905	33
2019							
Financial Liabilities							
At amortised cost							
Payables	5.2	2,527	2,527	1,085	38	-	-
Other Financial Liabilities (i)							
- Accommodation Deposits	5.3	5,457	5,457	-	-	5,457	-
- Other	5.3	423	423	423	-	-	-
Total Financial Liabilities		8,407	8,407	1,508	38	5,457	-

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

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

Note 7.1 (c) : Contractual receivables at amortised cost

	30-Jun-20	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		1,217	273	36	0	20	1546
Loss allowance		0	0	0	0	20	20

	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 – Financial Instruments

East Grampians Health Service records the allowance for expected credit loss for the relevant financial instruments in accordance with AASB 9's financial instruments 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

	2020	2019
Balance at beginning of the year	9	28
Opening Loss Allowance	9	28
Increase in provision recognised in the net result	11	12
Reversal of provision of receivables written off during the year as uncollectible	0	-31
Balance at end of the year	20	9

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

Note 7.2 Contingent Assets and Contingent Liabilities

There are no known contingent assets or contingent liabilities for East Grampians Health Service at the date of this report (Nil 2019).

Note 8: Other disclosures

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

Structure

- 8.1 Reconciliation of net result for the year to net cash 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 Activities

	Consolidated 2020 \$'000	Consolidated 2019 \$'000
Net Result for the Year	666	(2,109)
Non-Cash Movements:		
Depreciation & Amortisation	3,439	2,852
Revaluation of Investment Property	-	(190)
Change in Provision for Doubtful Debts	11	(19)
Impairment of Financial Assets	499	(20)
Movements included in Investing and Financing Activities:		
Capital Donations	(2,854)	(1,606)
Change in Operating Assets & Liabilities		
(Increase)/Decrease in Receivables	(127)	(34)
(Increase)/Decrease in Other Assets	(52)	6
(Increase)/Decrease in Inventories	(5)	(3)
Increase/(Decrease) in Payables	(324)	475
Increase/(Decrease) in Provisions	690	452
Increase/(Decrease) in Other Liabilities	263	177
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2,204	(19)

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 Jenny Mikakos, Minister for Health, Minister for Ambulance Services

The Honourable Martin Foley, Minister for Mental Health

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

Governing Boards

Ms N Panter (Chair of Board)

Mr D Cole

Ms F Cochrane

Ms A Rivett

Ms J Petty

Mr P Hooper

Ms G Czarnota

Ms S Burmeister-Abbott

Mr P Wigg

Ms S Craven

Mr K Peter

Accountable Officers

Mr A Freeman

Remuneration of Responsible Persons

Income Band

\$0 - \$9,999

\$10,000 - \$19,999

\$140,000 - \$149,999

\$280,000 - \$289,999

Total Numbers

Period
1/07/2019 - 30/06/2020
1/07/2019 - 30/06/2020
1/07/2019 - 30/06/2020
1/07/2019 - 30/06/2020
1/07/2019 - 30/06/2020
1/07/2019 - 30/06/2020
1/07/2019 - 30/06/2020
1/07/2019 - 30/06/2020
1/07/2019 - 30/06/2020
1/07/2019 - 30/06/2020
27/01/2020 - 30/06/2020
27/01/2020 - 30/06/2020
1/07/2019 - 30/06/2020

Parent 2020 No.	Parent 2019 No.
11	9
-	1
-	1
1	-
12	11
2020 \$'000	2019 \$'000
326	193

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

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

For the year ended 30 June 2020

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	
	2020 \$'000	2019 \$'000
Short-term employee benefits	744	734
Post-employment benefits	82	101
Other long-term benefits	22	21
Total Remuneration	848	856
Total number of executives (i)	5	5
Total annualised employee equivalent (AEE) (ii)	5	5

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.4)

(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	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	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	Ms S Burmeister-Abbott	Board Member
East Grampians Health Service	Mr P Wigg	Board Member
East Grampians Health Service	Ms S Craven	Board Member
East Grampians Health Service	Mr K Peter	Board Member
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
East Grampians Health Building for the Future	Mr D Hosking	Chair of the Foundation
East Grampians Health Building for the Future	Mr W Jones	Trustee
East Grampians Health Building for the Future	Ms J Tivey	Trustee
East Grampians Health Building for the Future	Mr G Laidlaw	Trustee
East Grampians Health Building for the Future	Mrs H Fleming	Trustee
East Grampians Health Building for the Future	Mr G Foster	Trustee

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	2020 (\$'000)	2019 (\$'000)
Short-term employee benefits	1,040	909
Post-employment benefits	104	117
Other long-term benefits	29	23
Termination benefits	-	-
Share-based payments	-	-
Total (i)	1,173	1,049

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

For the year ended 30 June 2020

Note 8.4: Related parties (Continued)

Significant transactions with government related entities

East Grampians Health Service received the following funding from the Department of Health and Human Services.

	2020 (\$,000)	2019 (\$'000)
Grant Funding	27,211	23,687
Indirect Contributions	28	28
DHHS LSL Debtor mvt	-	-
Funding Advance	1,200	-
Total DHHS Funding	28,183	23,715

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 2020.

There were no related party transactions required to be disclosed for East Grampians Health Services Board of Directors, Executive Directors or Trustees of the East Grampians Health Building for the Future Foundation in 2020.

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 2020.

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.

	2020 \$'000	2019 \$'000
Distribution of funds by East Grampians Health Building for the Future Foundation	49	40
EGHS Transfer to the East Grampians Building for the Future Foundation	400	-

Note 8.5: Remuneration of auditors

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

2020 \$'000	2019 \$'000
19	17
19	17

Note 8.6: Events Occurring after the Balance Sheet Date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by East Grampians Health Service at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on East Grampians Health Service, its operations, its future results and financial position.

The state of emergency in Victoria was extended on 4 September 2020 for a further six months until 16 March 2021 and the state of disaster still in place.

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

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

	2020 \$'000	2019 \$'000
NET RESULT FOR THE YEAR		
East Grampians Health Building for the Future Foundation	442	74

Note 8.8: Jointly Controlled Operations and Assets

Name of Entity	Principal Activity	Ownership Interest	
		2020 %	2019 %
Grampians Region Health IT Alliance	ICT Systems	7.65	7.30

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:

	2020 \$'000	2019 \$'000
Current Assets		
Cash and Cash Equivalents	323	168
Receivables	5	16
Other Current Assets	14	22
Total Current Assets	342	206
Non Current Assets		
Property, Plant and Equipment	341	388
Total Non Current Assets	341	388
Total Assets	683	594
Current Liabilities		
Payables	159	59
Total Current Liabilities	159	59
Total Liabilities	159	59

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

	2020 \$'000	2019 \$'000
Revenues		
Operating receipts	539	423
Capital receipts	52	-
Total Revenue	591	423
Expenses		
Information Technology and Administrative Expenses	537	388
Capital expenses	89	58
Total Expenses	626	446
Net result	(35)	(23)

Contingent Liabilities and Capital Commitments

As at 30 June 2020 the Grampians Region Health IT Alliance has not reported any contingent liabilities.

Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2020

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 2020 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 2020, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. 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 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 2020	The standard is not expected to have a significant impact on the public sector.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	0 January 2022. However, ED 301 has been issued with the intention to defer application to 1 January 2023.	The standard is not expected to have a significant impact on the public sector.

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 2019-20 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business.
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework.
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.
- AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements.
- AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.
- AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).

Note 8.10: Financial Dependency

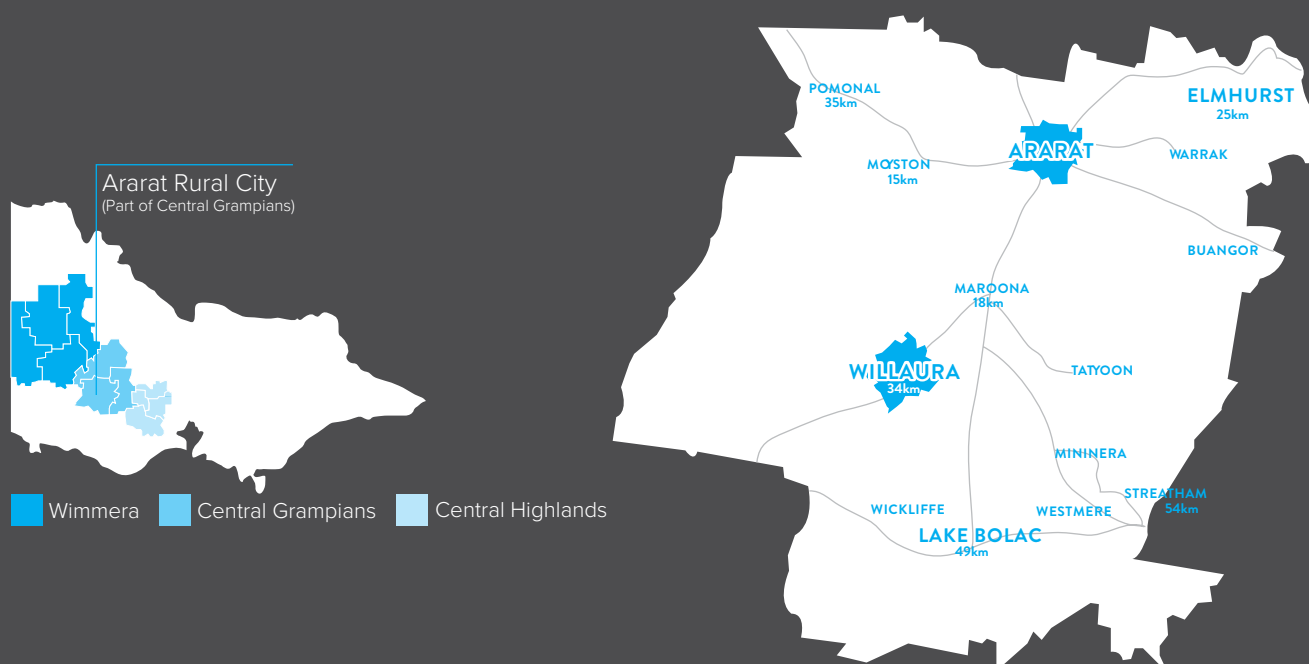
East Grampians Health Service is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health and Human Services.

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 the next financial year. On that basis, the financial statements have been prepared on a going concern basis.



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

Lowe Street, Ararat 3377
P: 03 5352 9324

PATRICIA HINCHEY CENTRE

Girdlestone Street, Ararat 3377
P: 03 5352 9326

WILLAURA HEALTH CARE

Delacombe Way, Willaura 3379
P: 03 5354 1600

PARKLAND HOUSE

Delacombe Way, Willaura 3379
P: 03 5354 1613



Find us on:
facebook®

LEADERS IN RURAL HEALTH CARE