

2021-22
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

ACKNOWLEDGEMENTS

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

MANNER OF ESTABLISHMENT

Under the *Health Services Act 1988*, East Grampians Health Service was established in 1995 following the amalgamation of Ararat and District Hospital, Willaura and District Hospital and the John Pickford Geriatric Centre. 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. Its mission is to improve the health and quality of life of the community and throughout 2021-22 has worked in partnership with all stakeholders to respond to government initiatives and community expectations.

The Annual Report provides comprehensive information for our community and to our Government to ensure that our Health Service meets all mandatory legislative compliance. East Grampians Health Service, on a regular basis, provides information news sheets to our 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 Government, reviews community expectations through its Strategic Plan. Good governance is led by the Board and implemented by the Executive Team and staff who are committed to delivering patient centred care within economic boundaries. 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 continue to face 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 would like to acknowledge the Djab wurrung, Wotjobaluk, Jaadwa, Jadwadjaili, Wergaia and Jupagalk people, Traditional Custodians of the land and pay respect to all of the Traditional Custodians of the countries that our health services operate throughout the Gariwerd/Grampians region and their connections to land, waterways and community.

East Grampians Health Service would like to acknowledge our deep respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today. East Grampians Health Service recognises and values the contributions that Aboriginal and Torres Strait Islander people make in our society.

Sovereignty has never been ceded. It always was and always will be, Aboriginal land.



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NATURE AND RANGE OF SERVICES

As a medium sized rural health service, East Grampians Health Service delivers a comprehensive range of programs and services to the community that are accessed through inpatient, residential, home and community based services. The campuses are located at Ararat and Willaura and community based programs are also delivered 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 predicted to be slow, the number of older people in the community is forecast to continue to increase while the younger community will decrease.

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)
- Continence Support
- Dental services including outreach to schools and kindergartens
- Diabetes Education
- Dietetics
- Exercise Physiology
- Healthy@Home Telehealth Service
- Health Promotion
- Occupational Therapy
- Patricia Hinchey Centre – social support groups
- Physiotherapy
- Podiatry
- Pulmonary Rehabilitation
- Social Work
- Speech Pathology
- Women's Health Clinic – cervical screening

DEVELOPMENT & IMPROVEMENT

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

PYRENEES HOUSE EDUCATION CENTRE

- Diploma of Nursing
- Education and Training
- 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

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

STATEMENT OF PRIORITIES

2021-22

STRATEGIC PRIORITIES

During 2021-2022 East Grampians Health Service worked closely with the Department of Health and our Health Service partners to develop and implement several important system reforms. These included our health system through redesigned governance; driving system reforms that deliver better population health, high quality care and improved patient outcomes and experiences; and reforming clinical services to ensure that our Health Service delivers high quality care to our community.

STRATEGIC PRIORITY 1:

Maintain a robust COVID-19 readiness and response, working with the Department of Health to ensure a rapid response to outbreaks if, and when, they occur, which includes providing testing for community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of the COVID-19 vaccine immunisation program rollout, ensuring the local community's confidence in the program.

OUTCOMES:

East Grampians Health Service has maintained its COVID-19 readiness and response by ensuring all directions provided by the Department of Health, the Minister for Health and the Chief Health Officer are implemented in consultation with the Board, Executive, Senior Management and staff. Commitment to engagement in the control of the pandemic is seen in the activities listed below:

- Plans, policies and procedures are continually updated to manage the COVID-19 response and to reflect any changes and advice received from the Department of Health.
- The Health Service is the COVID-19 vaccination sub-hub for the Grampians Region. Collaboration continues with Stawell Regional Health, East Wimmera Health Service and Maryborough District Health Service to facilitate the COVID-19 vaccine roll out across the region to residents in public residential aged care facilities, followed by Health Service staff and eligible community members, in stages outlined by the Commonwealth Government. Weekly support is provided to the sub-hub partners.
- The Health Service continues to participate in all Grampians Public Health Unit meetings to ensure that the most up to date information is received.
- Bi-weekly internal meetings are continuing to ensure all areas of the Health Service are aware of changes or latest developments.
- On-call roster for the Executive to support pandemic response.
- Regular communications are occurring with internal and external stake-holders.
- All Health Service aged care residents received booster vaccines.
- Healthcare workers required to receive a third dose of COVID-19 vaccine by 12 March 2022, following a four-week extension.
- The pandemic continues to have an impact on the community and Health Service staff, and furloughed staff are difficult to replace.
- Outreach clinics have operated in Lake Bolac, Elmhurst and Willaura to expedite the rollout of vaccinations.
- Over 3,000 eligible community members vaccinated including people with a disability, prisoners and abattoir employees.
- Vulnerable clients were identified and a tailored program was provided to ensure access to the vaccine program.
- The EGHS mobile clinic visited each disability residential facility in the catchment area to ensure ease of access and minimal disruption for disability clients.
- Discussions have taken place between the Ararat Medical Centre, local pharmacies and Ararat Rural City to plan the transition of the Vaccination Clinic from Pyrenees House to the Ararat Senior Citizens.
- Health Service received VICNISS award for extraordinary efforts for compliance rates.
- Throughout lockdowns day centre staff ensured that the needs of older and vulnerable consumers living in the community were being met.
- For day centre consumers staff conducted daily welfare checks; Meals on Wheels were organised; activities, daily in person welfare checks and light exercises were provided; essential shopping undertaken; health and wellbeing monitored and, importantly, a visit from a friendly face.

STATEMENT OF PRIORITIES

2021-22

STRATEGIC PRIORITY 2:

Actively collaborate on the development and delivery of priorities within the Health Service Partnership, contribute to inclusive and consensus-based decision-making, support optimum utilisation of services, facilities and resources within the Partnership, and be collectively accountable for delivering against Partnership accountabilities as set out in the *Health Service Partnership and Guidelines*.

OUTCOMES:

- The Chief Executive maintained regular communication with Grampians Health Ballarat, Grampians Health Stawell and Beaufort Skipton Health Service to discuss the priorities within the Health Service Partnerships, including the utilisation of services, facilities and resources.
 - The Health Service complies with the partnership accountabilities as set out in the Policy and Guidelines.
 - During 2021-2022 the Health Service exceeded its National Weighted Activity Unit target by 4% and Residential aged care occupancy was greater than 94%. These were achieved against a background of ongoing capital development in the Acute and Residential areas.
 - The Health Service has partnered with Ararat Rural City and other health providers to integrate maternal and child health services to provide a seamless children's health program for the community:
 - Multidisciplinary approach to addressing developmental delays in early childhood.
 - Partnership with Ballarat Community Health for school readiness program.
 - Development of Infant Program with Health Promotion Officer with the Maternal Child and Health Team.
 - Perinatal Community Nurse from Grampians Health provides a local service for peri and post natal mothers.
 - Visiting Paediatrician from Ballarat works with high risk children.
 - Grampians Health Paediatric Registrars, with support from a Paediatrician through telehealth, have commenced fortnightly visits.
-

STRATEGIC PRIORITY 3:

Engage with the community to address the needs of patients, especially vulnerable Victorians whose care has been delayed due to the pandemic, and provide the necessary “catch-up” care to support them to get back on track. Work collaboratively with the Health Service Partnership to:

- Implement the Better at Home initiative to enhance in-home and virtual models of patient care when it is safe, appropriate and consistent with patient preference.
 - Improve elective surgery performance and ensure that patients who have waited longer than clinically recommended for treatment have their needs addressed as a priority.
-

OUTCOMES:

Better at Home

- The EGHS Healthy@Home telehealth program has supported 92 consumers with 2,348 contacts from 1 July 2021 to 30 June 2022.
- During this time 33 new consumers were admitted to the program and 25 were discharged.
- There was an increase in consumers' reliance on the calls due to COVID-19.
- More than 220 consumers have received services through Healthy@Home since its inception.
- Funding has been received through the Better at Home initiative with a Project Officer employed to roll out Healthy@Home to Maryborough & District Health Service, Beaufort Skipton Health Service and East Wimmera Health Service. With the development of Grampians Health, Stawell Regional Health has withdrawn from the project.
- The final evaluation report by Federation University of the original Healthy@Home Project identified:
 - High levels of patient satisfaction with the program/ services
 - A reduction in unplanned admissions, length of stay and presentations at Urgent Care for people enrolled in the telehealth component of Healthy@Home
 - Based on 34 participants, annual saving to the Health Service was \$148,083

Consumer Engagement

- The Health Service has a strong history of engaging with consumers to inform decision making and to monitor service provision.
- The Health Service is moving into a new phase of partnering with consumers through the employment of a consumer consultant. This part-time position will advocate for a consumer perspective in all aspects of the service and recruit, train and support other consumers, with a particular focus on achieving a diversity of views.
- The consumer consultant supplements, but does not replace, the governance achieved by non-employee consumers, for example those on Health Service committees.
- The Community Consultative Committee, in conjunction with the Partnering with Consumers Committee, has developed the next Partnering with Consumers plan (2022-2024)

Improving Services

- \$8.6 million was received in funding from the Department of Health to redevelop the pathology, radiology and theatre operating suite, including CSSD, to enhance further the quality of care provided to the local community and patients in the Grampians Region via the Ballarat surgical waiting lists.
- The redevelopment provides the latest technology, meets hospital standards, provides patient safety and improves workflow conditions for staff.
- The CSSD complex development is an essential upgrade to comply with new national sterilisation standards for Reprocessing of Reusable Medical Devices in Health Service Organisations.
- Surgical services are provided to prisoners from Hopkins Correctional Centre, enabling them to keep their place on the elective surgery list. This has ensured they are no longer avoiding surgery and are being treated within clinically appropriate timeframes.
- The provision of surgical services to this marginalised group ensures they receive sustainable access to care.
- Planning has commenced to increase theatre activity on completion of the redevelopment and expansion of the second theatre.
- A number of current surgeons have been offered extra surgical lists.
- The Health Service is working in collaboration with the Health Service Partnership Surgical Reform project, focussing on reducing wait lists held by Grampians Health Ballarat.
- Consumers have been involved in the development of the theatre/radiology project; 70 Lowe Street redevelopment; and development of aged care facilities residents' gardens.
- Our Health Service actively encourages consumer feedback as it provides constructive information and helps us to plan for the future. All formal complaints are directed to the Chief Executive and are managed according to the Health Complaints Commissioner's guidelines. However, via our consumer feedback for 2021-22 our Health Service received:
 - 723 compliments - 94 complaints

STATEMENT OF PRIORITIES

2021-22

STRATEGIC PRIORITY 4:

Address critical mental health demand pressures and support the implementation of mental health system reforms to embed integrated mental health and suicide prevention pathway for people with, or at risk of, mental illness or suicide through a whole-of-system approach as an active participant in the Health Service Partnership and through the Partnership's engagement with Regional Mental Health and Wellbeing Boards.

OUTCOMES:

- The Chief Executive is collaborating with Grampians Health Director of Mental Health on the Mental Health Royal Commission and the role the Health Service will play in the implementation of recommendations, including the Regional Mental Health and Wellbeing plan and hub. The Health Service successfully lobbied for the hub to be allocated to Ararat.
- A Wellbeing Implementation Plan is being developed by Human Resources.

This plan is to implement interventions and strategies to support the psychological, psychosocial and physical needs of staff at East Grampians Health Service to enhance their resilience and reduce the risk of adverse mental health and trauma related issues. This is essential for workforce sustainability, productivity and patient safety.

We have identified and created meaningful strategies to address issues associated with burnout and safety for all the staff at East Grampians Health Service.

We have also provided training and education within evidence based wellbeing initiatives, which included training of five staff to implement a Mental Health First Aid training program.

Through the implementation of the Be Well Be Safe program we have established and developed additional rest and recovery spaces providing practical measures to immediately support the health and wellbeing needs of both clinical and non-clinical staff. EGHS has upgraded several staff rooms and outdoor spaces providing up to date and quality facilities including a reflection area, outdoor seating, water filters and upgraded furniture.

- Throughout the year we continued to participate in well-being initiatives including RUOK Day and Family Violence awareness.

STRATEGIC PRIORITY 5:

Embed the Aboriginal and Torres Strait Islander Cultural Safety Framework into the organisation and build a continuous quality improvement approach to improving cultural safety, underpinned by Aboriginal self-determination, to ensure delivery of culturally safe care to Aboriginal patients and families, and to provide culturally safe workplaces for Aboriginal employees.

OUTCOMES:

- Our Health Service values and recognises the contribution that First Nations people make to our community and continue to work collaboratively with the Eastern Maar Aboriginal Corporation and Budja Budja Aboriginal Medical Centre in Halls Gap to improve the health and well being of patients.
- A Memorandum of Understanding has been established with Grampians Health Ballarat to engage an Aboriginal Liaison Officer, one day per month to assist in the implementation of effective communication with the local Aboriginal and Torres Strait islander community and the development of a sustainable cultural safety environment within the Health Service.
- A Cultural Safety Action Plan has been completed and submitted to the Department of Health.
- Following the announcement by the Minister for Health in July that all Aboriginal and Torres Strait Islander people are eligible for public dental health care, there has been an increase of 138 consumer dental contact visits during the year.
- Dental services are delivered at Budja Budja on a regular basis, addressing the current financial and geographical barriers in accessing dental care.
- Dental health outcomes for Aboriginal and Torres Strait islander people in our community is being strengthened through building positive relationships and supplying patients with information necessary for them to confidently make informed decisions about their own oral health.
- Ongoing provision of fortnightly visiting Diabetes Educator and Podiatrist to Budja Budja.

High quality and safe care

KEY PERFORMANCE MEASURE	TARGET	OUTCOME
INFECTION PREVENTION AND CONTROL		
Compliance with the Hand Hygiene Australia program*	85%	92.6%
Percentage of healthcare workers immunised for influenza	92%	99%
PATIENT EXPERIENCE		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Qtr 1	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Qtr 2	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Qtr 3	95%	87.4%
MATERNITY AND NEWBORN		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤1.4%	1.0%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤28.6%	0

Strong governance, leadership and culture

KEY PERFORMANCE MEASURE	TARGET	OUTCOME
ORGANISATIONAL CULTURE		
People Matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	79%

Effective financial management

KEY PERFORMANCE MEASURE	TARGET	OUTCOME
FINANCE		
Operating result (\$m)	\$0.00	0.12
Average number of days to paying trade creditors	60 days	31
Average number of days to receiving patient fee debtors	60 days	26
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.8
Actual number of days available cash, measured on the last day of each month.	14 days	-0.9
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	\$12,190

Activity and Funding

FUNDING TYPE	ACTIVITY	
CONSOLIDATED ACTIVITY FUNDING		
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	3,679.49	NWAU
ACUTE ADMITTED		
National Bowel Cancer Screening Program NWAU	1.94	NWAU
Acute admitted DVA	16.10	NWAU
Acute admitted TAC	0	NWAU
ACUTE NON-ADMITTED		
Home Enteral Nutrition	5.66	NWAU
AGED CARE		
Residential Aged Care	27,943	Bed Days
HACC	3,269	Service Hours
PRIMARY HEALTH		
Community Health / Primary Care Programs	5,601	Service Hours

CHAIR AND CHIEF EXECUTIVE REPORT

From lockdowns to living with COVID-19, East Grampians Health Service has been at the forefront of keeping our community safe during the pandemic, while continuing to provide quality health services across the continuum of care.



COVID-19 is a virulent, infectious disease that knows no boundaries, crossing international borders and affecting millions of people worldwide. It has certainly had a significant impact on our community.

During the past year the Board has been supported by the Department of Health, staff, health partners, volunteers and, importantly, the community to continue to provide high quality services and programs. We acknowledge that it has not been an easy time but we are grateful for the respect and understanding people have for each other as the Health Service delivers the best quality patient care.

As a Board, with the full support of the Executive, we have made it a priority to care for staff affected in many ways by the pandemic. We have great admiration and gratitude for the way staff across the organisation have worked diligently to care for our consumers and each other. We understand that working in challenging conditions has placed an additional burden on some staff. To address a number of issues in regard to mental health and wellbeing, The Resilience Project's Corporate Program, promoting practical, positive mental health strategies to build resilience and happiness has been introduced.

Following an extensive recruitment process, the Board was delighted to announce that Nick Bush would be appointed to the Health Service as its Chief Executive. Nick knows this community well, having been Chief Executive for eight years before moving to another regional health service for three years. His return has been greeted most favourably by the staff and community.

Our five Strategic Priorities have been developed by the Board, Executive and staff, endorsed by the Department of Health and embedded into our Strategic Plan 2019-2022. It is a working document that reflects the Department of Health's priorities of collaboration, modernisation, improved patient outcomes and clinical services reform. Our commentary on our Strategic Priorities should be read in conjunction with the Statement of Priorities (page 5).

STRATEGIC PRIORITIES

STRATEGIC PRIORITY 1

The pandemic has not abated, but with appropriate policies, procedures and an updated risk-management framework we are managing to live with it, to be cautious and optimistic at the same time. We continue as the COVID-19 sub-hub for the Grampians Region, working collaboratively with Grampians Health - Stawell, East Wimmera Health Service and Maryborough District Health Services. Excellent vaccination results have been achieved because our community has chosen to protect themselves, and others, through being vaccinated with follow up booster shots. However, we are mindful that vaccinations were lower in a number of rural areas and have established outreach vaccination clinics at Lake Bolac, Elmhurst and Willaura.

Initial and booster vaccinations have also been provided to disability providers, correction services, abattoirs and the Aboriginal community.

The collaborative approach between our Health Service, the Ararat Medical Centre and Tristar earned the praise of the Mayor of Ararat Rural City Cr Jo Armstrong who said that the effort and dedication between doctors and nurses, along with the community's desire to do the right thing, had provided these positive results.



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Over a four-day period in October 2021, the **EGHS Swab Clinic tested more than 2,000 people**. This was a fantastic effort and exemplifies the commitment of our staff in caring for our community through innovative health and wellbeing programs. We have experienced wonderful displays of community generosity and kindness to our staff and residents during these challenging times.

Of course, COVID-19 is not the only infectious disease that requires diligent monitoring. After a year when there were no notifiable deaths from influenza in 2021 in Australia, it is predicted that with borders opening there will be serious consequences for people not taking up the influenza vaccination. It was pleasing to note that in 2021 our Ararat campus achieved a healthcare worker influenza vaccination rate of 99%, which exceeded the Department of Health's compliance rate of 92%. For the extraordinary efforts undertaken by the Executive and Infection Control staff for having the highest compliance rates at both campuses, the Health Service was presented with a Certificate of Excellence by VICNISS the infection surveillance service for the Department of Health.

In 2022, the rollout for influenza vaccinations began in April, with all eligible staff and aged care residents receiving the vaccination. The 2022 target for influenza vaccinations is 100% for frontline health care workers.

Antimicrobial Stewardship remains a focus as the organisation works towards meeting the requirements of the Antimicrobial Stewardship Clinical Care Standard 2020. Antimicrobial Stewardship requires a multi-disciplinary approach to ensure the effectiveness of prescribing and administration of these medications. The Health Service participates in the National Antimicrobial Prescribing survey annually in Surgical, Medical and Aged care disciplines.

99%

It was pleasing to note that in 2021 our Ararat campus achieved a **healthcare worker influenza vaccination rate of 99%**, which exceeded the Department of Health's compliance rate of 92%.



VICNISS
HEALTHCARE ASSOCIATED INFECTION SURVEILLANCE

For the extraordinary efforts undertaken by the Executive and Infection Control staff for having the highest compliance rates at both campuses, the Health Service was presented with a Certificate of Excellence by VICNISS the infection surveillance service for the Department of Health.

CHAIR AND CHIEF EXECUTIVE REPORT

STRATEGIC PRIORITY 2

East Grampians Health Service is an active member of the Grampians Health Service Partnership. We understand the need to work together as a region to meet the health care needs of the community. The establishment of Grampians Health, which brings together four previously independent health services, will bring forward many opportunities for health care sustainability in the region. The EGHS Board made the decision not to explore amalgamation with Grampians Health. However, we value the shared commitment between our regional partners to deliver quality health care and support each other in identifying gaps in clinical governance, participate in the Regional Morbidity and Mortality Committee for Perioperative Services and competency-based training for existing staff.

We are working closely with Grampians Health Ballarat to develop a sustainable obstetric workforce.

- Obstetric locum cover is provided regularly by Ballarat Obstetricians, with supervised senior registrars.
- External (non-Ararat Medical Centre) General Practice Obstetrician cover is in place, approximately every four weeks for a 7-day period.
- In 2021 and 2022 three General Practice Obstetricians completed the Rural Generalist Advanced training at Grampians Health Ballarat, with the expectation that one trainee will potentially consolidate in Ararat in 2023.
- Cardiotocography monitoring support is provided by Ballarat Health Services and utilised as required.

Practical Obstetric Multi-Professional Training (PROMPT) has continued this year to ensure that all midwives working in the birthing suite will be at level three status Foetal Surveillance Education Program accredited. This will be achieved at the conclusion of 2022.

The East Grampians Medical Training Intern program has been incorporated in the Grampians Victorian Rural Generalist Program (VRGP), and following funding from the Department of Health, a Program Coordinator has been appointed. There are currently 20 VRGP candidates at training stages ranging from internships to consolidation of procedural skills as fellowed general practitioners in the Grampians Region. Seven participants have been retained across the region since the program's inception.

In partnership with Grampians Health Ballarat, Maryborough District Health Service and Wimmera Health Care Group, the establishment of a regional midwife position has been well-received. The position helps support the Health Service midwifery service with region wide response.

The Board is grateful to the ongoing support of philanthropic trusts, individuals and organisations to support the education of staff through bursaries and scholarships that ensure the long-term viability and future of our workforce.

This year we acknowledge:

- The EGHS Building for the Future Foundation awards three \$15,000 scholarships, two from the Foundation and one in the name of the late Joe Kapp. Joe Kapp and his wife Monika, long term residents of the Ararat community, have always been great supporters of the Health Service. We allocated \$465,000 from their generous donation to the installation of solar panels in Ararat and Willaura which have greatly reduced our carbon footprint.

The Joe Kapp scholarship means that dedicated clinical staff will be able to pursue life-long learning, which is one of our key Values.



The Joe Kapp scholarship was awarded to Gemma Hardy who will undertake a Graduate Certificate in Physiotherapy (Paediatrics).

- The EGHS Building for the Future Foundation awards were awarded to Marnie Bibby who will undertake a Graduate Diploma of Midwifery and Rommy Nicht who will undertake a Bachelor of Nursing.
- Epworth Healthcare for its scholarship of \$15,000 to enable Registered Nurses to train as Registered Midwives. Lauren Cooper will undertake a Graduate Diploma of Midwifery. Epworth Healthcare also supports our organisation with the recruitment and training of midwives which is essential for our Health Service to maintain its maternity delivery service.



The Angela Laidlaw Clinical Scholarship this year was awarded to Lacey Honeyman, who will undertake a Graduate Diploma of Nursing Specialisation – Perioperative Nursing.

The award acknowledges the effort of the recipient to demonstrate commitment to study in addition to usual work commitments.

East Grampians Health Service continues to partner with universities, Western Alliance, Ararat Rural City Council and other health services to develop research strategies that support rural health improvement.

We actively promote and encourage a culture of asking questions about best practice and clinical care which leads to opportunities for research collaboration.

Western Alliance has established Research Translation Coordinator positions, with one based at our Ararat campus. A number of research opportunities, governance arrangements and projects are in place, including:

- Pregnancy Research and Translation Ecosystem in collaboration with Deakin University and Barwon Health; and
- The development of Grampians Victorian Rural Generalist Program (VRGP) pathways through creating and evaluating a salaried medical officer position on service provision and performance at a rural health service. Research concluded that a salaried medical officer position improved work efficiency, increased accessibility to timely medical advice and improved quality of care, particularly patients at risk of sudden deterioration. The research was published in the Australian Journal of Rural Health and subsequently the salaried medical officer position has been embedded as a significant training rotation in the Grampians VRGP pathway. East Grampians Health Service, Ararat Rural City Council and Federation University were allocated \$3.62 million in funding from the National Medical Research Council to assist chronic disease management.

Our partnership with the University of Melbourne continues in the implementation of the recommendations of the Whole of Person Retention research project, which includes the development of a 3-year graduate allied health training pathway.

The East Grampians Health Service Foundation has awarded three bursaries to enable allied health staff to apply for funding to participate in this training.

Negotiations are continuing with Deakin University Medical School to deliver a stronger on the ground presence at our Health Service, through the provision of increasing the number of local students to study medicine, and secondary students to undertake allied health or nursing courses. We anticipate that the first local medical student will commence in 2023.

Our relationship with Ararat Rural City Council has gone from strength to strength as we pursue services and programs that benefit our community. Together we will be conducting research activities in pursuit of the Municipal Health and Wellbeing Plan, a strategic plan that establishes overall aims and priorities protecting, improving and promoting the public health and wellbeing of the local community. We have given our support to a research submission by Ararat Rural City and Federation University into assisting chronic illness support.

Our philosophy of providing quality health care to the community also encourages the community to care for itself. We have been working with regional stakeholders, including the Grampians Public Health Unit, to deliver the agreed outcomes of the Grampians Pyrenees Integrated Prevention Action Plan. Our focus is on *Healthy Eating, Active Living and Mental Health*. This includes working with Ararat Rural City Council and the Grampians Public Health Unit to supervise and monitor the plan's performance.

CHAIR AND CHIEF EXECUTIVE REPORT

STRATEGIC PRIORITY 3

Effective community engagement is a vital component to ensure that we continue to deliver appropriate, safe, quality health care. Our community is made up of various sectors: consumers of care, staff, volunteers, visitors and government. Each plays an important role in our delivery of health care to enhance the consumer experience.

Information is shared and gathered in a number of ways, for example:

- through our health promotion team working with key stakeholders to develop and implement programs for health and wellbeing for staff;
- staff working collaboratively with regional stakeholders to deliver agreed outcomes of the Pyrenees Integrated Prevention Plan;
- the development of a communication plan that has enhanced our service and program profile, delivered to the community through a variety of communication platforms; and
- ongoing consultation with Equality Advocates and Women's Health Grampians who have developed an education program on intersectionality. The responses from the training package will be incorporated into our Disability Framework and associated Action Plan.

This year we have invited staff and the community to participate in the development of our 2023-2026 Strategic Plan Survey. The Board is seeking the perspectives of community members in relation to priorities that the Health Service should focus on over the next four-year period. The survey aims to gain insight into the thoughts of the community and the direction of our Health Service and will assist the Board to determine a series of priority areas as we move forward. The priority areas are:

- Workforce;
- Sustainability (financial, environmental, facilities, infrastructure);
- Technology and innovation;
- Collaboration and partnerships;
- Data and information analytics;
- Best practice, quality and governance;
- Consumer and community relationships; and
- Service delivery, models of care and service access.

The results will be collated and reviewed prior to the Strategic Plan being finalised and endorsed by the Board and Department of Health and released next year.

Our Consumer Engagement Strategy has a profound consequence on the effectiveness and quality of the health services we provide. It is our responsibility to ensure that we provide quality information to our consumers, that is verbal, written or electronic, that clearly sets out our aims, goals and values. Along with our Strategic Plan, the Consumer Engagement Strategy is also a living document, updated regularly to reflect the views of our consumers and to ensure that our diverse community has the opportunity to participate. This is such an important aspect of our service that we have engaged a paid consumer representative to support this strategy.



The Health Service has over 150 volunteers and four auxiliaries. This committed group of the community is a wonderful resource that we greatly appreciate. Not only do they provide an excellent auxiliary service to our acute, residential aged care and day centre staff, fund raise, and manage the Toy Library, they are also an excellent conduit for providing important feedback that helps us reflect on, and respond to, service delivery.

Each person is provided with an orientation, training, information on rights and responsibilities. This year we appointed a permanent volunteer/consumer officer to manage the volunteer program.

The volunteers and Health Service have found COVID-19 challenging and many of the volunteer support and activities have been ceased during 2021/2022.

We acknowledge and thank:

- Our volunteers;
- Willaura Healthcare Auxiliary;
- Murray to Moyne bike riders – Cranks and Defibrillators;
- Victoria Police Blue Ribbon Foundation Ararat Branch;
- Ararat Breast Cancer Support Group;
- EGHS Building for the Future Foundation;
- EGHS Auxiliary;
- EGHS Residents' Support Group; and
- EGHS Ark Toy & Activity Library Auxiliary.

VALE

It was with much sadness that we acknowledged the death earlier this year of Terry Weeks APM OAM and Life Governor of our Health Service.



Terry was a founding member of the Victoria Police Blue Ribbon Foundation Ararat branch in 2002, and was president for 20 years.

His commitment to the Ararat Branch and to the Health Service was truly outstanding. Under his leadership the Ararat branch has raised almost \$1 million towards equipment and services at our Health Service. It was an achievement of which he was justifiably proud.

The current redevelopment of the Medical Imaging Department will be named the Blue Ribbon Foundation Wing in recognition of its ongoing commitment to our Health Service.

LIFE GOVERNORS

Life Governors are members of the community 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.

Life Governors as at 30 June 2022

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

CHAIR AND CHIEF EXECUTIVE REPORT

STRATEGIC PRIORITY 4

The impact of the pandemic has been experienced by the whole community: first responders, health service staff, vulnerable and disadvantaged people, rurally isolated, residential aged care residents and elderly people living in the community, school students and correctional services detainees.

All have experienced the uncertainty around the pandemic, but at East Grampians Health Service we have worked diligently to provide up-to-date information to the community through regular communications.

The health and wellbeing of staff has been paramount in enabling them to continue to provide exemplary health care to our community. Our Be Well Be Safe program has been rolled out across the organisation and promotes practical, positive mental health strategies to build resilience and happiness.

Through a collaborative approach with Grampians Health Ballarat and the re-development and expansion of our operating theatres we have supported other hospitals to help reduce waiting lists for surgery. During lockdowns and the pandemic, operations and procedures had to be postponed or cancelled and we were very pleased to help our health partners.



“

There is no better way for our residents to feel good than to participate in gentle exercise conducted by our Exercise Physiologists with support from Leisure and Lifestyle staff and, thanks to funding from the Victorian Department of Health, to enjoy the benefits of gardening. Willaura gardens have now been completed with residents tending to gardens and using home grown produce to cook.

STRATEGIC PRIORITY 5

Our relationship with First Nations people is significant to our whole community. We continue to build clinical and cultural relationships. Our relationship with the Eastern Maar Aboriginal Corporation and Budja Budja Health Service has been reported on page 08. In April we launched an art competition, open to all Aboriginal and Torres Strait Islander artists, inviting them to create a work of art that will be used to promote the important work the Health Service does every day to ensure it is a safe and welcoming place for First Nations people. The design had to incorporate the local Aboriginal culture as the organisation acknowledges the importance of being respectful to the local traditional custodians and community members.

While we acknowledge that our five Strategic Priorities are the focus of our planning, development and delivery of health care, alongside this are many other functions to ensure that our Health Service will always reflect the diversity of our community, their needs and our pursuit of a vision for a healthier community.

OUR WORKFORCE

Our workforce is the most significant sustainability issue for our Health Service as we consider the provision of health services for our community into the future. We are proud of our staff for their approach to supporting each other through this pandemic and their willingness to continue to study to gain new skills to enhance the delivery of health care.

As with other rural health services we have significant vacancies for medical staff, nurses and allied health professionals. These shortages put existing staff under pressure to work longer hours. Ensuring a work life balance is challenging and we are investigating a different approach through encouraging universities to lead the development of rural students who are confident and able to undertake medical, nursing and allied health training within their own environment. Currently, the number of students undertaking medical training at Deakin University and dentistry at La Trobe University of rural origin are well below where we would like them to be. We are working with universities to increase the number of local students studying to be medical officers and dental practitioners. Technology and infrastructure are already established in Ararat for this to happen. Discussions have commenced with Deakin University medical school for the university to have a stronger presence with us, to focus on increasing the number of local students studying medicine and secondary students undertaking allied health or nursing courses.

We are investigating the option of purpose built staff accommodation. The requirement for accommodation for our staff has increased as a significant number do not live locally.

Our relationship with Federation University Ballarat remains robust and we have signed a new agreement for the next intake of nursing students to undertake a Diploma of Nursing Program. Since 2015 when we introduced this grow-our-own initiative, 64 students have been enrolled, four went on to further study and 33 have been employed at East Grampians Health Service.

Our Dental Service has recruited a part time Dentist, one of our 2021 dental students and a part time locum dentist. With the delivery of a two-chair treatment van, training for staff is underway. The feedback from schools who have participated in the Smile Squad dental health screening program has been very positive. Discussions are underway with Dental Health Services Victoria to further expand dental services into all public primary and secondary schools within the local government area and also into the South West Region.

To strengthen the sustainability of our workforce in Obstetrics, Anaesthetics and Emergency Medicine, we lead the Rural Generalist Pathway (RGP) for the Grampians Region. There are:

- currently 16 candidates in the RGP pathways;
- four current interns signed on; and
- eight candidates completing Rural Generalist Advanced skills training:
 - two in Obstetrics, one candidate completed General Practice Obstetrician consolidation training at Maryborough District Health Service.

We have partnered with Northern Health to create an anaesthetics training position. The candidate has committed to two years in Ararat, for consolidation from 2023. Discussions are also underway with Grampians Health Ballarat to have the position offered in Ballarat in 2023.

Staff participated in the 2021 People Matter Survey with positive results, comparing favourably to our comparators. In the survey 79% of staff reported an overall positive response to safety and culture, which reflects our continued support to a culture of safety and quality. All incidents are reviewed and, when required, external clinical reviews are undertaken. Participating in external Mortality and Morbidity meetings further enhance this culture.

CHAIR AND CHIEF EXECUTIVE REPORT



We have received consistently strong results over several years in the Victorian People Matter survey, and 2021 was no exception with East Grampians Health Service the lead organisation of our comparator group of public health services on leadership, accountability, human rights, responsiveness, respect, staff satisfaction, intention to stay, impartiality and integrity, highlighting the continued commitment to our organisational Values.

In the October-December 2021 Victorian Health Experience Survey (VHES) report for inpatient care, 100% of East Grampians Health Service's consumers rated the overall care they received as very good or good. This exceeded both the VHES benchmark (95%) and results from other hospitals in the Grampians Region (89.4%). Similarly, the VHES benchmark and peer results were exceeded by East Grampians Health Service in the three additional key aspects of care (feeling safe, feeling cared for, information provided prior to admission). These results reflect the high level of consumer engagement achieved by our Health Service and the commitment to safe, effective and person-centred care.

EMBRACING DIVERSITY

With the introduction by the State Government of a new Gender Equality Act, and as a defined entity under the Act, our Health Service is working towards implementing the Act in all aspects of service delivery. Our organisational Values already underpin the precept of the Act. However, Women's Health Grampians will be assisting us with the initial implementation of a plan to comply with the Act to ensure that voices of women, men and gender diverse people from a range of backgrounds are heard and respected.

A Gender Equality Action Plan has been developed with input from staff and executive that has been endorsed by the Board. Senior management has responsibility to action the Plan which will be reported on every two years.

FACILITIES DEVELOPMENT

Having notified the Department of Health of the Board's decision to continue to provide existing services at our Willaura campus, an initial concept proposal to redevelop the Willaura site has been prepared and submitted to the Victorian Minister for Health. The redevelopment has been identified as an Ararat Rural City priority. We will work with the Victorian Government to improve the facilities for residents, staff and the community at Willaura.

The development of the second theatre will increase the surgical services we offer into the future. We are hopeful to be open and operating in October 2022.



THE FUTURE

Planning has started to identify services our community needs now and into the future. With the Strategic Plan development we need to ensure there are medical officers to provide these services locally. This means that we will also need to increase General Practitioner Anaesthetists and nurses to undertake the increased workload. We will be providing services for our catchment area and, in an arrangement with the State Government and Grampians Health, will play a crucial role in operating on some patients from the Ballarat area.

Nick Bush
Chief Executive

Nancy Panter
Board Chair

FINANCIAL SERVICES

East Grampians Health Service continued to operate under COVID-19 conditions in the 2021-2022 financial year. As with previous years, the Health Service responded to the changing COVID-19 measures. Activity across the organisation increased when compared to prior years. This was driven by the return of elective theatre and ongoing demand on the swabbing and vaccination clinics.

Throughout the year our Health Service was supported by the Department of Health financially in ensuring it met its obligations to the community and staff members. In response to the pandemic, the Department of Health continued its support of health services by reviewing the funding guidelines and delivering specific COVID-19 grants.

Taken together, these measures saw our organisation record an operating result of \$12k surplus. Our Health Service continued with its program of capital replacement and renewal this year with \$5.6M of additions. This was made up of items of plant and equipment and building re-development. These purchases were funded by the Department of Health and generous donations from the community.

East Grampians Health Service will work with the Department of Health to ensure that our operating budget is adequate, so our community continues to receive quality care.

DECLARATION IN REPORT OF OPERATIONS

Responsible Bodies Declaration as at 30 June 2022.

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 2022.



Nancy Panter
Board Director
East Grampians Health Service

23 August 2022

Parent Entity Comparative Financial Results for the Past Five Financial Years

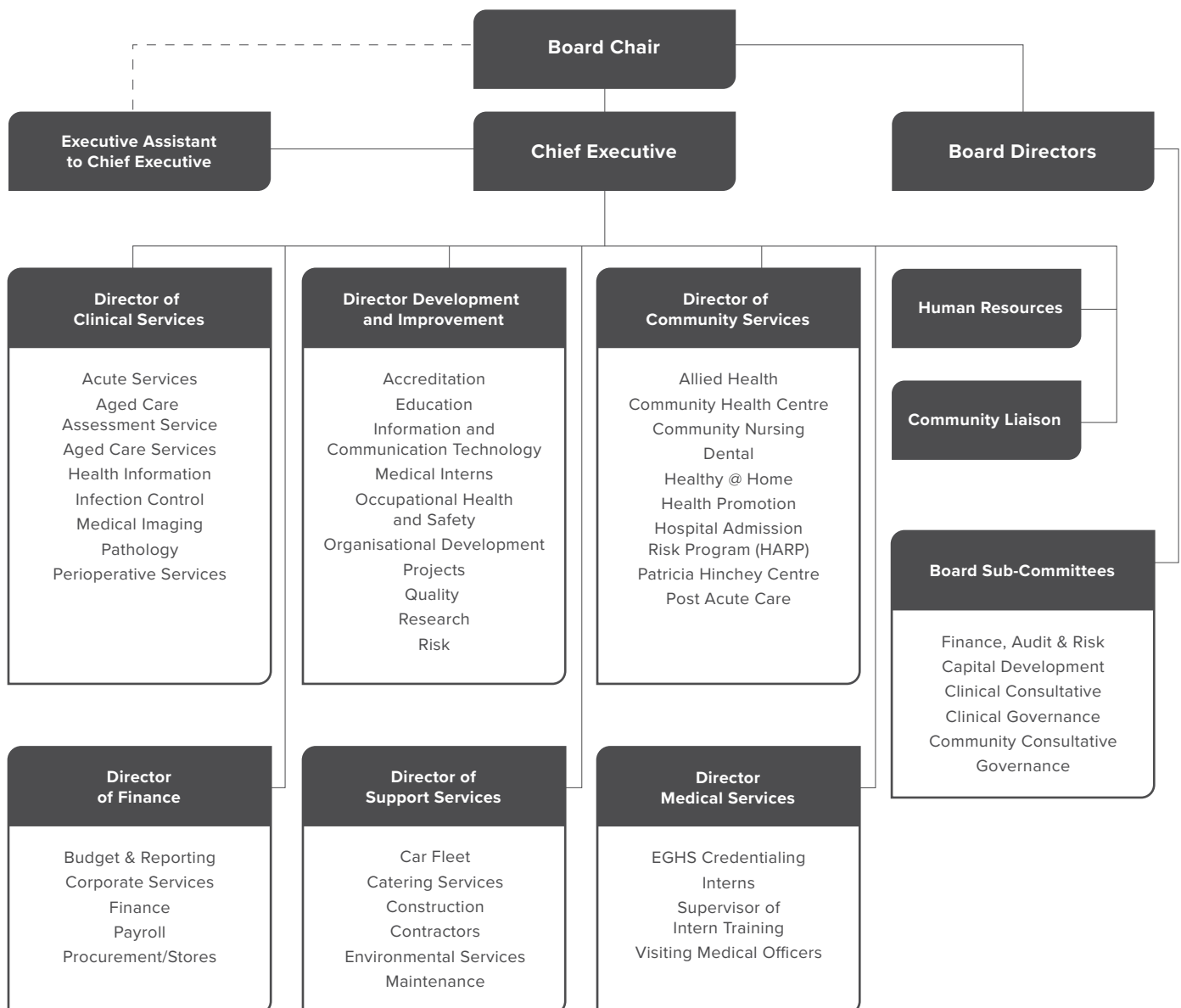
FOR THE PAST FIVE FINANCIAL YEARS	2022 \$000	2021 \$000	2020 \$000	2019 \$000	2018 \$000
Operating Result	12	451	293	(777)	(469)
Total Revenue	54,828	54,418	49,338	42,306	41,568
Total Expenses	56,763	52,214	48,367	44,153	41,683
Net Result from Transactions	(1,935)	2,206	971	(1,847)	(115)
Total other Economic Flows	1,448	1,751	(749)	(337)	192
Net Result	(487)	3,957	222	(2,184)	77
Total Assets	77,476	70,473	66,601	65,036	49,957
Total Liabilities	17,716	15,263	15,613	14,264	11,994
Net Assets / Total Equity	59,760	55,209	50,988	50,773	37,963

Reconciliation between the Net result from transactions reported in the Operating Result as agreed in the Statement of Priorities

	2022 \$000
Net Operating Result	12
Capital purpose income	1,522
Specific income	N/A
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	724
State supply items consumed up to 30 June 2022	(724)
Assets provided free of charge	N/A
Assets received free of charge	101
Expenditure for capital purpose	(223)
Depreciation and amortisation	(3,337)
Impairment of non-financial assets	N/A
Finance costs (other)	(10)
Net result from transactions	(1,935)

MANAGEMENT STRUCTURE

ORGANISATIONAL STRUCTURE



WORKFORCE DATA

WORKFORCE STATISTICS

HOSPITALS LABOUR CATEGORY	JUNE CURRENT MONTH FTE		JUNE YTD FTE	
	2022	2021	2022	2021
Nursing	138.68	133.21	135.17	135.47
Administration and Clerical	63.72	55.48	62.10	56.42
Medical Support	10.57	9.4	10.30	9.56
Hotel and Allied Services	93.35	82.3	90.97	83.69
Medical Officers	1.36	1.41	1.32	1.43
Hospital Medical Officers	8.21	7.78	8.00	7.91
Sessional Clinicians	0.00	0.00	0.00	0.00
Ancillary Staff (Allied Health)	22.13	23.82	21.56	24.22
TOTALS	338.02	313.46	329.42	318.71

EMPLOYMENT AND CONDUCT PRINCIPLES

East Grampians Health Service continues to use contemporary recruitment practices based on fair and equitable employment principles. The Diversity Action Plan acknowledges the Health Service's organisational responsibility to remain inclusive and responsive to the health and wellbeing of the whole community whatever their background or beliefs.

OCCUPATIONAL HEALTH AND SAFETY DATA

Occupational Health and Safety Statistics	2021-22	2020-21	2019-20
The number of reported hazards/incidents for the year per 100 FTE	57.51	50.20	43.98
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.82	1.57	1.71
The average cost per WorkCover claim for the year ('000)	\$86	\$104	\$66

OCCUPATIONAL HEALTH AND SAFETY (OH&S) 2004

The *Occupational Health and Safety Act 2004* and its Schedules of 2007 guide the Health Service in its occupational health and safety responsibilities. Designated work groups operate with trained representatives who consult on matters relating to OH&S. The OH&S committee develops strategic thinking in relation to the safety and welfare of workers. Lead and lag indicators are established and quarterly reported to the Board. These indicators include the participation of staff in training; the number of incidents and the types of incidents and how they have been managed; the numbers of days lost to injury; the cost of injury and measurement of the Health Service's performance against industry Standards. The Health Service participates in WorkCover inspections and there were no Provisional Improvement Notices issued in 2021-22.

The number of incidents for the year = 176

The number per FTE = 1.73

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 VIOLENCE

Occupational violence statistics	2020-21	2021-22
Workcover accepted claims with an occupational violence cause per 100 FTE	0.00	0.00
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.00	0.00
Number of occupational violence incidents reported	144	112
Number of occupational violence incidents reported per 100 FTE	45.18	36.6
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0.00	0.00

ENVIRONMENTAL PERFORMANCE AND SUSTAINABILITY

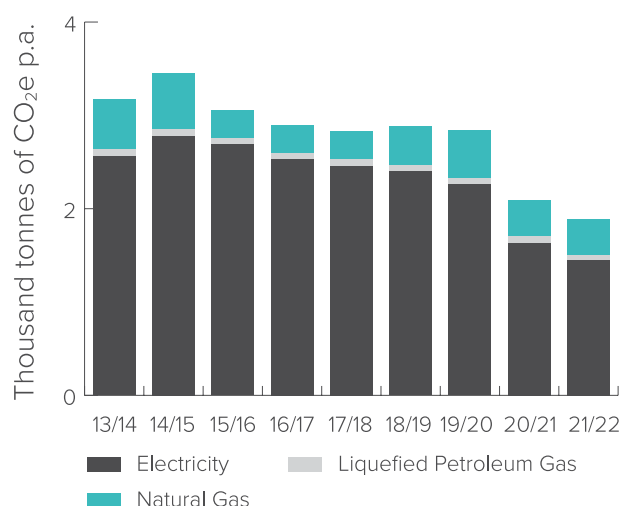
East Grampians Health Service continues to demonstrate its commitment to a more sustainable environment through a program of recycling appropriate waste, reducing energy consumption, reusing equipment and supplies and considering sustainability when purchasing these items.

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

ENERGY AND WATER PERFORMANCE 2021 - 2022

Expenditure	2020-21 (\$ thousand)	2021-22 (\$ thousand)	Change from previous year
Electricity	\$345	\$322	-6.6%
Liquefied Petroleum Gas	\$19	\$31	61.2%
Natural Gas	\$117	\$118	0.2%
Potable Water	\$28	\$34	22.4%
Total	\$509	\$505	-0.9%

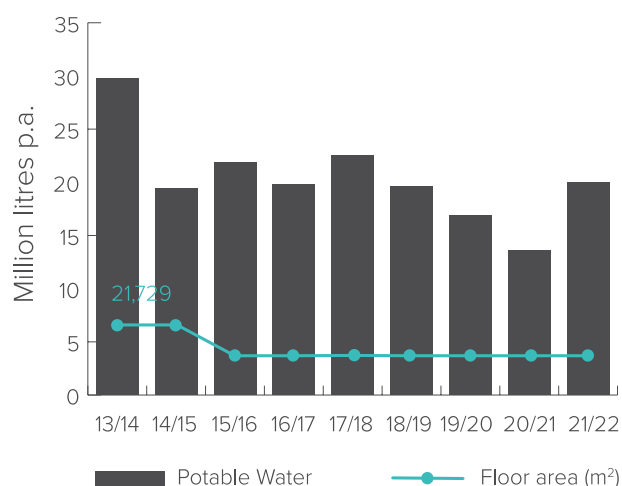
CARBON EMISSIONS



WASTE MANAGEMENT PERFORMANCE

Waste cost (collection & disposal)	2020-21	2021-22	Changes from previous year
Clinical waste	\$45,888	\$61,495	34.0%
General waste	\$29,395	\$33,260	13.1%
Recycling	\$25,913	\$28,353	5.9%
Total	\$101,196	\$123,109	20.6%

WATER USE



WASTE GENERATION

Clinical Waste (kg)	2020-21	2021-22
Incinerated	1,206	1,294
Sharps	645	557
Treated	18,598	20,951
Total	20,449	22,801

General Waste (kg)	2020-21	2021-22
Bins	-	-
Compactors	-	-
Skips	118,057	114,964
Total	118,057	114,964

WASTE COSTS

Waste costs (\$/PPT)	2020-21	2021-22
Clinical waste	1.07	1.44
General waste	0.69	0.78
Recycling	0.61	0.66

Carbon emissions	2020-21	2021-22
Carbon (tonnes CO2-e)	180	179

Factors influencing waste	2020-21	2021-22
Aged Care OBD	27,693	26,660
ED Departures LOS	9,986	10,716
Separations	5,055	5,431
Per patient treated	42,734	42,807

ENVIRONMENTAL IMPACTS & ENERGY USE

Recycling Items	2020-21 Kgs	2021-22 Kgs
Batteries	19	-
Cardboard	17,160	17,490
Commingle	22,900	26,920
E-waste	14	-
Fluorescent tubes	12	-
Grease Traps	925	982
Organics (garden)	15,955	11,777
Paper (confidential)	32,889	3,152
PVC	36	125
Total	59,951	60,445

ENVIRONMENTAL IMPACTS & ENERGY USE

Energy Use	2020-21	2021-22
Electricity (MWh)	1,664	1,589
Liquefied Petroleum Gas (kL)	37	48
Natural Gas (gigajoules)	7,359	7,360

Carbon Emissions (thousand tonnes of CO2e)	2020-21	2021-22
Electricity	1.63	1.45
Liquefied Petroleum Gas	0.06	0.07
Natural Gas	0.38	0.38
Total emissions	2.07	1.90

Water Use (million litres)	2020-21	2021-22
Potable Water	13.56	16.94

Factors influencing environmental impacts	2020-21	2021-22
Floor area (m2)	15,524	15,524
Separations	5,055	5,431
Inpatient Bed Days	9,986	10,716
Aged Care Bed Nights	27,693	26,660

CORPORATE GOVERNANCE

THE BOARD

Directors of the Board of East Grampians Health Service are 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. Directors of the Board receive remuneration in accordance with the State Government Appointment and Remuneration Guidelines.

Board directors' responsibilities include the governance of the Health Service, development of strategies, overseeing financial and service performance, responding and adapting to challenges affecting the Health Service, ensuring all regulatory and government policies and standards are met.

East Grampians Health Service's Board comprises motivated community members who have demonstrated they have the necessary skills to undertake the responsibilities required to govern a public health service including a commitment to and understanding of corporate and clinical governance, strategic planning and business acumen. To ensure a wide cross section of skills, a skills matrix identifies gaps within the Board.

Board directors are required to attend at least one professional development session each year.

Health Board Director Introduction

Kym Peter, Danielle Walker, Cam Evans, Sue Craven, Sybil Abbott-Burmeister

Board Clinical Governance Induction Session

Cam Evans, Kym Peter

Conflict of Interest Education

Nancy Panter, Sybil Abbott-Burmeister, Danielle Walker, Fiona Cochrane, Don Cole, Sue Craven, Kym Peter, Peter Wigg, Kim White, Cam Evans, Ken Weldin

Board Capability Improvement

Nancy Panter, Sybil Abbott-Burmeister, Danielle Walker, Fiona Cochrane, Don Cole, Sue Craven, Kym Peter, Peter Wigg, Kim White, Cam Evans, Ken Weldin

Good Governance in Practice

Fiona Cochrane, Sue Craven, Kym Peter, Nancy Panter, Cam Evans, Danielle Walker, Peter Wigg, Don Cole

Australia Governance Summit

Nancy Panter, Ken Weldin

Relevant Ministers and Officers for the reporting period 1 July 2021 – 30 June 2022

STATE

Minister for Health Minister for Ambulance Services Minister for Equality

1 July 2021 to 27 June 2022
The Hon Martin Foley MP

Minister for Health Minister for Ambulance Services

27 June 2022 to 30 June 2022
The Hon Mary-Anne Thomas MP

Minister for Mental Health

1 July 2021 to 27 June 2022
The Hon James Merlino

Minister for Mental Health

27 June 2022 to 30 June 2022
The Hon Gabrielle William MP

BOARD MEMBERS

As at 30 June 2022

Chair: Nancy Panter

Vice Chair: Sybil Abbott-Burmeister

Treasurer: Danielle Walker

Board Members: Fiona Cochrane
Susan Craven
Cam Evans
Kym Peter
Ken Weldin
Kim White
Peter Wigg

Chief Executive: Nick Bush

Bankers:
Commonwealth Bank of Australia

Solicitors:
Health Legal

Auditors:
Coffey Hunt Chartered
Accountants

Internal Auditors:
HLB Mann Judd

COMMITTEES

- Finance, Audit and Risk
- Building for the Future Foundation
- Capital Development
- Clinical Consultative
- Clinical Governance
- Community Consultative
- Governance Committee
- Grampians Board Chair Network

FINANCE, AUDIT & RISK COMMITTEE

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

Board Representatives:

Danielle Walker (C), Cam Evans, Kym Peter

OUR BOARD



CHAIR

Nancy Panter BA, GAICD

Owner local winery and Marketing Consultant

Board Member since: 01.07.14

Term of Appointment: 01.07.20 – 30.06.23

Committee Membership

Governance Committee

Grampians Board Chair Network



VICE CHAIR

Sybil Abbott-Burmeister

Business owner and operator

Appointed: 01.07.19

Term of Appointment: 01.07.19 – 30.06.22

Committee Membership

Clinical Governance

Building for the Future



TREASURER

Danielle Walker B.Com, CPA, GAICD

Board Member since: 01.07.20

Term of Appointment: 01.07.20 – 30.06.23

Clinical Governance

Finance, 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: 01.07.21 – 30.06.24

Committee Membership

Clinical Governance

Finance, Audit & Risk



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

Capital Development

Community Consultative



BOARD DIRECTOR

Fiona Cochrane BPharm

Pharmacist

Appointed: 01.07.14

Term of Appointment: 01.07.20 – 30.06.23

Committee Membership

Clinical Consultative



BOARD DIRECTOR

Cam Evans

Owner Telecommunications and ICT companies Ararat

Appointed: 01.07.21

Term of Appointment: 01.07.21 – 30.06.24

Committee Membership

Building for the Future Foundation

Capital Development



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

Building for the Future Foundation

Capital Development



BOARD DIRECTOR

Ken Weldin

Fellow of Governance Committee of Australia, Member national Legislation Re-view Committee, Chair of its Victorian State Council, joint head of Audit and Assurance PKF

Appointed: 01.07.21

Term of Appointment: 01.07.21 – 30.06.26

Committee Membership

Building for the Future Foundation

Capital Development



BOARD DIRECTOR

Kim White BN, MBA,

Grad Cert Leadership & Catholic Culture

Nursing and quality leadership in private and public health in regional, rural and metropolitan Victorian

Appointed: 01.07.21

Term of Appointment: 01.07.21-30.06.23

Committee Membership

Building for the Future Foundation

Capital Development



BOARD DIRECTOR

Don Cole BEng, MBA

Board Member since: 01.07.13

Term of Appointment: 01.07.19 – 30.06.22

Committee Membership

Community Consultative

Clinical Governance

EXECUTIVE TEAM

Members of the Executive Team, under the guidance of the Chief Executive, have important roles that go beyond their day-to-day responsibilities. They are leaders and motivators and through their actions espouse the Values of the Health Service. They seek new partnerships to enhance service delivery with health services, educational facilities or funding opportunities. They challenge and inspire staff and ensure that all employees working within a safe environment are appropriately qualified and have equipment and resources to deliver quality health care.



CHIEF EXECUTIVE: **Nick Bush** *MHA, Dip HSc(Nsg), Grad Cert Crit Care, Grad Dip HSc(Admin), GAICD*

Appointed: 2011-2018 Reappointed: 2022

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



DIRECTOR 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, MBA

Appointed: 2010

The Director of Development & Improvement has responsibility to integrate Risk Management across the organisation, to ensure that all Standards for Accreditation are met by providing safe and quality care. The Director oversees research, information technology, education and management of interns. The Director is also responsible for creating an environment that is safe for Aboriginal and Torres Strait Islander people. 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 of 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: **Sarah Woodburn**

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

Appointed: 2021

The Director of Community Services is responsible for the services provided through the Community Health Centre, Community Nursing and Patricia Hinchey Centre. In addition to on-site services, many of the Community Services are offered as outreach services to Willaura; the Bush Nursing Centres in Lake Bolac and Elmhurst; Budja Budja Aboriginal Co-operative in Halls Gap; and the correctional facilities in the immediate region. Community Nursing and Occupational Therapists provide home visits to consumers throughout the Ararat Rural City catchment and the Palliative Care team's services extend throughout the Northern Grampians and Pyrenees Shires.



DIRECTOR OF CLINICAL SERVICES: **Peter Armstrong**

RN, RPN, BNsg, GradDipPsychNsg, MBA, Child Safety Officer, 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 2022)

EXECUTIVE SERVICES

Chief Executive (Freedom of Information Principal Officer)
Nick Bush *MHA, Grad Dip H Science (Admin) Grad Cert
Crit Care, Dip of H Sc (Nursing), GAICD*

Executive Assistant to Chief Executive
(Customer Feedback Officer)
Jo Summers *AdDipMgmt*

Human Resources Manager
Ros Bloomfield *Cert IV in Employment Services*

Community Liaison Officer
Jodie Holwell

DEVELOPMENT AND IMPROVEMENT

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

Manager Development & Improvement
Jaclyn Bishop *BPharm(Hons), Grad Cert Mgt, MPH, PhD*

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

Information Technology Consultant
Christopher Milloy *DipIT*

COMMUNITY SERVICES

Director
Sarah Woodburn *B AppSc (Pod), Grad Dip HSci (Ex.
Rehab), Grad Cert Mgmt, MBA, Grad Cert in Health Service
Management (Safety and Quality)*

**Manager Community Nursing - including District
Nursing and Palliative Care**
Kate Pitcher *RN, BN, Graduate Certificate in Advanced
Practice Nursing (Rural and Remote), Cert IV TAE*

Manager Patricia Hinchey Centre
Grace Rethus *Diploma Diversional Therapy, Cert III
Community Svcs, Cert IV Health & Recreation*

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

Allied Health Team Leader
Caroline Hamilton *BAppSc (Physio)*

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

Business Manager
Amanda Kumnick

Administration Manager
Ruth Guy

FINANCIAL SERVICES

Director
Tony Roberts *BCom, Grad Dip ICAA*

SUPPORT SERVICES

Director
Stuart Kerr *PIHHC, DipBus*

Manager Support Services
Ann Grierson *AdDipMgmt*

Catering / Environmental Service Team Leader
Diana Hine *Cert IV in Workplace Training and
Assessment, Advanced Diploma in HR Management,
Diploma Hospitality Management*

Maintenance Team Leader
Bart James *Cert III in Mechanical Engineering*

Compliance Co-ordinator
Dayle Smith *Cert IV in Workplace Training and Assessment*

CLINICAL SERVICES

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

Deputy Director of Clinical Services
Rebecca Peters *BN, RIPRN, GradCertHAdmin,
MLead&MgmtHealthCare*

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
Christine Jordan *RN, RPN*

Manager Garden View Court
Natalie Wohlers *RN*

Manager Willaura Healthcare
Elizabeth Atkinson *RN*

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 2022)

DIRECTOR OF MEDICAL SERVICES

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

VISITING MEDICAL STAFF

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) MD (Anaesthesiology), FRACGP*

Dr Saif Abdul Rahman *MBChB (Iraq), FRACGP, JCCA*

Dr Tanzeel Shah *MBBS*

Dr Upendra Shrestha *MBBS*

Dr Faraz Ahmad *MBBS*

Dr Sivaluxman Sivananthavel *MBBS*

Dr Holly Grimalkin *MBBS (Registrar)*

Dr Adam Girardin *(Registrar)*

Dr Farhana Akter *MBBS*

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*

GERIATRICIAN

Dr Ruth Teh *MBBS, FRACP*

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*

Mr Sujith Krishnamoorthy *MBBS, FRACS*

DIRECTOR OF OBSTETRICS

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

GYNAECOLOGISTS

Mr Michael Carter *MBBS, FRANZCOG*

Ms Katrina Guerin *MBBS, DRANZCOG*

Dr Lachlan Brennan *MBBS, FRANZCOG*

NEPHROLOGY

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

Dr John Richmond *MBBS FRACP*

Elaine Sanders *NP*

ONCOLOGIST & HAEMATOLOGIST

Dr Craig Carden *MBBS, FRACP*

Dr Pohan Lukito *MBBS, FRACP*

MEDICAL OFFICERS

Dr Molly Robinson *MBBS*

Dr Conor Dickson *MBBS*

Dr Laura Simpson *MBBS*

OPHTHALMIC SURGEONS

Mr David Francis *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*

Dr Kiran Tippur *MBBS, FANZCA*

PALLIATIVE CARE

Dr Penny Cotton *MBBS, 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*

UROLOGIST

Ms Lydia Johns Putra *MBBS, FRACS*

VISITING DENTAL STAFF

Dr Charles Reid *BDSc (Liverpool)*

Dr Won Ki Noh *BDSc*

LEGISLATIVE COMPLIANCE

ATTESTATIONS

CONFLICT OF INTEREST

I, Nick Bush, certify that East Grampians Health Service has in place appropriate in-ternal 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 complet-ed by all executive staff within East Grampians Health Service and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Nick Bush
Accountable Officer
East Grampians Health Service
23 August 2022

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Nancy Panter, on behalf of the Responsible Body, certify that 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 August 2022

DATA INTEGRITY DECLARATION

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



Nick Bush
Accountable Officer
East Grampians Health Service
23 August 2022

INTEGRITY, FRAUD AND CORRUPTION

I, Nick Bush, 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.



Nick Bush
Accountable Officer
East Grampians Health Service
23 August 2022

LEGISLATIVE COMPLIANCE

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

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

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

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

Building Works	3 active
Building certified for approval	3 active
Works in construction and subject of mandatory inspection	3 active (2 closed)
Occupancy Permits issued	0

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 2021 – June 2022

	Approved	Mandatory Inspection	Occ Permit
70 Lowe Street refurbishment - Stage 2	Yes	Yes	-
Installation Solar Panels	Yes	Yes	-
Solar Car Park Shelter	Yes	Yes	-
Theatre/Radiology Project	Yes	Yes	-
Air conditioner chiller replacement			
Upgrade (to be completed June 2022)	Yes	Yes	-

Please note:- Building works July 2019 – June 2020 completed works

70 Lowe Street Refurbishment - Stage 1	Completed
Community Health Centre Project	Completed
Gas Boiler Project	Completed

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 2021-22, there was one consultancy where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2021-2022 in relation to these consultancies was \$5,000 (excl. GST).

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

In 2021-2022, there were no consultancies where the total fees payable to the consultants were \$10,000 or greater.

DISCLOSURE OF ICT EXPENDITURE

The total ICT expenditure incurred during 2021-22 is \$1,461,461 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)
1,258,696	207,765	82,522	120,243

GENDER EQUALITY ACT

The *Victorian Gender Equality Act* came into effect on 31 March 2021. It acknowledges that gender equality is a human right and precondition to social justice, it brings significant economic, social and health benefits for Victoria. As a defined entity under the Act, East Grampians Health Service has undertaken a workforce audit as of 30 June 2021 and conducted a staff survey called the People Matter Survey. The audit and survey findings will identify gender composition at all levels of the Health Service workforce, gender composition of the Board, gendered work segregation, workplace sexual harassment, improvement opportunities in recruitment and promotion and how leave and work flexibility is accessed by the different genders. The findings will be used to develop strategies for a four year plan to increase gender equity and an inclusive workforce. Our Health Service we will report to our progress every two years to the Commission for Gender Equality in the Public Sector.

FEES

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

FREEDOM OF INFORMATION

East Grampians Health Service is an agency subject to the *Freedom of Information Act 1982*. As required under The Act, East Grampians Health Service has nominated the Chief Executive, Nick Bush, as the Principal Officer and Health Information Manager, Andrea Cardinaels as the FOI Officer. The legislated application fee for the 2021-22 financial year was \$30.06 per application, and the processing fee included search and access charges of \$22.54 per hour or part of an hour. Supervision charges of \$5.63 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.

In 2021-22 East Grampians Health Service received 89 requests, 41 of which were processed and granted in full under The Act, three did not proceed, two were withdrawn, 10 had no documents and 33 were processed outside of The Act.

REQUESTS

2021-22	2020-21	2019-20	2018-19
89	76	55	52

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.

89 written requests were received in 2021-22.

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 2021-22 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.

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

Nick Bush

nick.bush@eghs.net.au

or

The Ombudsman Victoria

Level 22, 459 Collins Street, Melbourne, 3000

Tel: 9613 6222 Toll free: 1800 806 314

In 2021-22 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.

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	29
FRD 22 Manner of establishment and the relevant Ministers	03	Attestation on managing Conflict of Interest	29
FRD 22 Purpose, functions, powers and duties	03	Attestation on Integrity, Fraud and Corruption	29
FRD 22 Nature and range of services provided	04		
FRD 22 Activities, programs and achievements for the reporting period	05	Other reporting requirements	
FRD 22 Significant changes in key initiatives and expectations for the future	18	Reporting of outcomes from Statement of Priorities 2021-2022	10-18
<i>Management and Structure</i>		Occupational Violence reporting	21
FRD 22 Organisational structure	20	Reporting obligations under the <i>Safe Patient Care Act 2015</i>	31
FRD 22 Occupational Health and Safety	21	Reporting of compliance regarding Car Parking Fees (if applicable)	30
FRD 22 Workforce data/employment and conduct principles	21	Gender Equality Act 2020	30
<i>Financial Information</i>		Additional information available on request	
FRD 22 Summary of the financial results for the year	19	Consistent with FRD 22 (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 22 Significant changes in financial position during the year	FR	(a) Declarations of pecuniary interests have been duly completed by all relevant officers;	
FRD 22 Operational and budgetary objectives and performance against objectives	FR	(b) Details of shares held by senior officers as nominee or held beneficially;	
FRD 22 Subsequent events	FR	(c) Details of publications produced by the entity about itself, and how these can be obtained;	
FRD 22 Details of consultancies over \$10,000	30	(d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service;	
FRD 22 Details of consultancies under \$10,000	30	(e) Details of any major external reviews carried out on the Health Service;	
FRD 22 Disclosure of ICT expenditure	30	(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 22 Application and operation of <i>Freedom of Information Act 1982</i>	31	(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 22 Compliance with building and maintenance provisions of <i>Building Act 1993</i>	30	(i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;	
FRD 22 Application and operation of <i>Public Interest Disclosure Act 2012</i>	31	(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 22 Statement on National Competition Policy	30	(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 22 Application and operation of <i>Carers Recognition Act 2012</i>	30	(l) Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.	
FRD 22 Summary of the entity's environmental performance	22-23		
FRD 21 Additional information available on request	32		
Other relevant reporting directives			
FRD 25 <i>Local Jobs First Act</i> disclosures	31		
SD 5.1.4 Financial Management Compliance attestation	29		
SD 5.2.3 Declaration in Report of Operations	19		

FINANCIAL REPORT

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Responsible Persons Disclosures	100

Financial Statements

Financial Year ended 30 June 2022

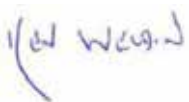
Board member's, accountable officer's, and chief finance & accounting officer's declaration

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and the financial position of East Grampians Health Service at 30 June 2022.

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 19/10/2022.

Board member	Accountable Officer	Chief Finance & Accounting Officer
		
Ken Weldin	Nick Bush	Tony Roberts
Chair	Chief Executive	Chief Finance and Accounting Officer
Ararat	Officer Ararat	Ararat
19/10/2022	19/10/2022	19/10/2022

Independent Auditor's Report

To the Board of East Grampians Health Service

Opinion	<p>I have audited the financial report of East Grampians Health Service (the health service) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2022 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2022 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 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. 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 Financial Management Act 1994, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</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's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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



Dominika Ryan

as delegate for the Auditor-General of Victoria

MELBOURNE
16 November 2022

East Grampians Health Service
Comprehensive Operating Statement
For the Year Ended 30 June 2022

		2022 \$'000	2021 \$'000
Revenue and income from transactions			
Operating activities	2.1	53,786	53,332
Non-operating activities	2.1	293	316
Share of revenue from joint operations	8.7	749	770
Total revenue and income from transactions		54,828	54,418
Expenses from transactions			
Employee expenses	3.1	(39,145)	(35,823)
Supplies and consumables	3.1	(7,693)	(6,128)
Finance costs	3.1	(10)	(8)
Depreciation and amortisation	4.5	(3,337)	(3,471)
Share of expenditure from joint operations	8.7	(881)	(774)
Other administrative expenses	3.1	(3,338)	(3,333)
Other operating expenses	3.1	(2,359)	(2,677)
Total Expenses from transactions		(56,763)	(52,214)
Net result from transactions - net operating balance		(1,935)	2,206
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	3.2	1,217	1,235
Net gain/(loss) on financial instruments	3.2	14	117
Share of other economic flows from joint arrangements	3.2	-	(3)
Other gain/(loss) from other economic flows	3.2	217	402
Total other economic flows included in net result		1,448	1,751
Net result for the year		(487)	3,957
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.2(b)	5,038	263
Total other comprehensive income		5,038	263
Comprehensive result for the year		4,551	4,220

This statement should be read in conjunction with the accompanying notes

East Grampians Health Service Balance Sheet

For the Year Ended 30 June 2022

		2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	6.2	8,617	9,816
Receivables and contract assets	5.1	1,509	1,790
Inventories		102	114
Investments and other financial assets	4.1	2,564	2,489
Share of assets in joint operations	8.7	391	635
Prepaid expenses		259	182
Total current assets		13,442	15,026
Non-current assets			
Receivables and contract assets	5.1	778	670
Share of assets in joint operations	8.7	185	334
Property, plant and equipment	4.2(a)	58,720	51,481
Right of use assets	4.3(a)	321	237
Investment property	4.6(a)	4,030	2,725
Total non-current assets		64,034	55,447
Total assets		77,476	70,473
Current liabilities			
Payables and contract liabilities	5.2	2,332	2,360
Borrowings	6.1	82	54
Employee benefits	3.3	7,036	5,948
Share of liabilities in joint operations	8.7	180	441
Other liabilities	5.3	7,196	5,314
Total current liabilities		16,826	14,117
Non-current liabilities			
Borrowings	6.1	236	184
Employee benefits	3.3	654	962
Total non-current liabilities		890	1,146
Total liabilities		17,716	15,263
Net assets		59,760	55,209
Equity			
Revaluation surplus	4.4	43,207	38,169
Restricted specific purpose reserve	SCE	3,927	4,915
Contributed capital	SCE	19,896	19,896
Accumulated (deficit)	SCE	(7,270)	(7,771)
Total equity		59,760	55,209

This balance sheet should be read in conjunction with the accompanying notes.

East Grampians Health Service
Statement of Changes in Equity
For the Year Ended 30 June 2022

	Revaluation Surplus \$'000	General purpose surplus \$'000	Restricted Specific Purpose Reserve \$'000	Contributed Capital \$'000	Accumulated (Deficit) \$'000	Total \$'000
Balance at 1 July 2020	37,904	136	3,769	19,896	(10,713)	50,992
Net result for the year	-	-	-	-	3,957	3,957
Other comprehensive income for the year	263	-	-	-	-	263
Transfer from/(to)	-	(136)	1,147		(1,011)	-
Balance at 30 June 2021	38,169	-	4,915	19,896	(7,771)	55,209
Net result for the year	-	-	-	-	(487)	(487)
Other comprehensive income for the year	5,038	-	-	-	-	5,038
Transfer from/(to)	-	-	(988)		988	-
Balance at 30 June 2022	43,207	-	3,927	19,896	(7,270)	59,760

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

East Grampians Health Service
Cash Flow Statement
For the Year Ended 30 June 2022

	Note	2022 \$'000	2021 \$'000
Cash Flows from operating activities			
Operating grants from State Government		32,653	40,030
Capital grants from State Government		1,844	4,658
Operating grants from Commonwealth Government		8,479	2,345
Patient fees received		5,838	5,123
Private practice fees received		-	34
GST received from ATO		1,955	1,773
Interest and investment income received		32	210
Other receipts received		4,470	1,453
Total receipts		55,271	55,626
Employee expenses		(38,049)	(35,720)
Payments for supplies and consumables		(7,160)	(5,945)
Payments for repairs and maintenance		(1,226)	(1,191)
Finance costs		(10)	(8)
GST paid to ATO		(1,903)	(1,484)
Other payments		(4,489)	(4,122)
Total payments		(52,837)	(48,470)
Net cash flows from operating activities	8.1	2,434	7,156
Cash Flows from investing activities			
Purchase of non-financial assets		(5,575)	(3,585)
Purchase of financial assets		-	(53)
Capital donations and bequests received		100	47
Net cash flows (used in) investing activities		(5,475)	(3,591)
Cash flows from financing activities			
Repayment of borrowings		-	(1,200)
Repayment of principal portion of lease liabilities		(55)	-
Repayment of accommodation deposits		(661)	(4,265)
Receipt of accommodation deposits		2,558	4,193
Net cash flows from/(used in) financing activities		1,842	(1,272)
Net (decrease)/increase in cash and cash equivalents held		(1,199)	2,293
Cash and cash equivalents at beginning of year		9,816	7,523
Cash and cash equivalents at end of year	6.2	8,617	9,816

This statement should be read in conjunction with the accompanying notes

Note 1: Basis of preparation

Structure

1.1 Basis of preparation of the financial statements

1.2 Impact of COVID-19 pandemic

1.3 Abbreviations and terminology used in the financial statements

1.4 Joint arrangements

1.5 Key accounting estimates and judgements

1.6 Accounting standards issued but not yet effective

1.7 Goods and Services Tax (GST)

1.8 Reporting entity

These financial statements represent the audited general purpose financial statements for East Grampians Health Service for the year ended 30 June 2022. The report provides users with information about East Grampians Health Service's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation of the financial statements

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

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

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

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

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

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

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of East Grampians Health Service on 19 October 2022.

Note 1.2 Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. On 2 August 2020 a state of disaster was added with both operating concurrently. The state of disaster in Victoria concluded on 28 October 2020 and the state of emergency concluded on 15 December 2021.

The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the health service at the reporting date. Management recognises that it is difficult to reliably estimate with certainty, the potential impact of the pandemic after the reporting date on the health service, its operations, its future results and financial position.

In response to the ongoing COVID-19 pandemic, East Grampians Health Service has:

- introduced restrictions on non-essential visitors
- utilised telehealth services
- deferred elective surgery and reduced activity
- transferred inpatients to private health facilities
- performed COVID-19 testing
- established and operated vaccine clinics
- changed infection control practices
- implemented work from home arrangements where appropriate.

Where financial impacts of the pandemic are material to East Grampians Health Service, they are disclosed in the explanatory notes. For East Grampians Health Service, this includes:

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services.

Note 1.3 Abbreviations and terminology used in the financial statements

The following table sets out the common abbreviations used throughout the financial statements:

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

Note 1.4 Joint arrangements

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

East Grampians Health Service has the following joint arrangements:

- Grampians Rural Health Alliance (GRHA)

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

Note 1.5 Key accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

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

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

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

Note 1.6 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: <i>Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2021-2: <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.</i>	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-5: <i>Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.

Note 1.6 Accounting standards issued but not yet effective (Cont)

Standard	Adoption Date	Impact
AASB 2021-6: <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards</i>	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-7: <i>Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.

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

Note 1.7 Goods and Services Tax (GST)

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

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

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

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

Note 1.8 Reporting Entity

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

Its principal address is:

Girdlestone Street
ARARAT VIC 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.

Note 2: Funding delivery of our services

East Grampians Health Service's overall objective is to provide quality health service that support and enhance the wellbeing of all Victorians. East Grampians Health Service is predominantly funded by grant funding for the provision of outputs. East Grampians Health Service also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

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

Telling the COVID-19 story

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

Activity based funding decreased as the level of activity agreed in the Statement of Priorities couldn't be delivered due to reductions in the number of patients being treated at various times throughout the financial year.

This was offset by additional funding provided by the DH to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs, including:

- increased staffing costs to service the vaccination hubs and the in-house contact tracing unit
- pathology testing costs due to COVID-19 tests
- increased personal protective equipment costs
- costs related to the expansion of emergency services

Funding provided included:

- COVID swabbing clinics
- COVID vaccination clinics
- Aged care staff retention
- COVID-19 and state repurposing grants
- Additional elective surgery funding
- Local public health unit funding
- Sustainability funding

For the year ended 30 June 2022, the COVID-19 pandemic has impacted East Grampians Health Service's ability to satisfy its performance obligations contained within its contracts with customers. East Grampians Health Service received indication there would be no obligation to return funds to each relevant funding body where performance obligations had not been met.

This resulted in \$2,370,418 being recognised as income for the year ended 30 June 2022 in relation to COVID funding received which would have otherwise been recognised as a contract liability.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 2.1: Revenue and income from transactions

		2022	2021
	Note	\$'000	\$'000
Operating activities			
Revenue from contracts with customers			
Government grants (State) - Operating		23,431	21,357
Government grants (Commonwealth) - Operating		8,479	9,379
Patient and resident fees		5,789	5,292
Private practice fees		-	34
Commercial activities ¹		247	217
Total revenue from contracts with customers	2.1(a)	37,946	36,279
Other sources of income			
Government grants (State) - Operating		9,493	9,321
Government grants (State) - Capital		1,844	4,658
Other capital purpose income		389	971
Assets received free of charge or for nominal consideration	2.1(b)	825	452
Other income from operating activities		3,289	1,651
Total other sources of income		15,840	17,053
Total revenue and income from operating activities		53,786	53,332
Non-operating activities			
Income from other sources			
Rental income		201	214
Other interest		32	39
Dividends		60	63
Total other sources of income		293	316
Total income from non-operating activities		293	316
Total revenue and income from transactions		54,079	53,648

1. Commercial activities represent business activities which East Grampians Health Service enters into to support its operations.

Note 2.1: Revenue and income from transactions

Note 2.1(a): Timing of revenue from contracts with customers

	2022 \$'000	2021 \$'000
East Grampians Health Service disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	37,699	36,062
Over time	247	217
Total revenue from contracts with customers	37,946	36,279

How we recognise revenue and income from operating activities

Government operating grants

To recognise revenue, East Grampians Health Service assesses each grant to determine whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*.

When both these conditions are satisfied, the health service:

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

If a contract liability is recognised, East Grampians Health Service recognises revenue in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices.

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

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058.

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

Note 2.1: Revenue and income from transactions

This policy applies to each of East Grampians Health Service's revenue streams, with information detailed below relating to East Grampians Health Service's significant revenue streams:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	<p>The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the DH in the annual Statement of Priorities.</p> <p>Revenue is recognised at a point in time, which is when a patient is discharged.</p> <p>WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group (DRG).</p> <p>WIES was superseded by NWAU from 1 July 2021, for acute, sub-acute and state-wide (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services.</p>
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	<p>NWAU funding commenced 1 July 2021 and supersedes WIES for acute, sub-acute and state-wide services (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services.</p> <p>NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.</p> <p>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations	<p>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.</p>

Capital grants

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

Note 2.1: Revenue and income from transactions

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

Patient and resident fees

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

Private practice fees

Private practice fees include recoupments from various private practice organisations for the use of hospital facilities. Private practice fees are recognised over time as the performance obligation, the provision of facilities, is provided to customers.

Commercial activities

Revenue from commercial activities includes items such as provision of meals to external users, cafes and recoveries for salaries and wages. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

How we recognise revenue and income from non-operating activities

Rental income – investment properties

Rental income from investment properties is recognised on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the pattern of use of the underlying asset.

Dividend Income

Dividend income is recognised when the right to receive payment is established. Dividends represent the income arising from East Grampians Health Service investments in financial assets.

Interest Income

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

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

	2022 \$'000	2021 \$'000
Cash donations and gifts	101	68
Personal protective equipment and other consumables	724	384
Total fair value of assets and services received free of charge or for nominal consideration	825	452

Note 2.1: Revenue and income from transactions

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

Donations and bequests

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

Personal protective equipment

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

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

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions

3.2 Other economic flows

3.3 Employee benefits in the balance sheet

3.4 Superannuation

Telling the COVID-19 story

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

Additional costs were incurred to deliver the following additional services:

- establish facilities within East Grampians Health Service for the treatment of suspected and admitted COVID-19 patients resulting in an increase in employee costs and additional equipment purchases
- implement COVID safe practices throughout East Grampians Health Services including increased cleaning, increased security and consumption of personal protective equipment provided as resources free of charge
- assist with COVID-19 case management and outbreak management contributing to an increase in employee costs
- establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in employee costs and consumables, and
- establish COVID-19 testing facilities for staff and the community, resulting in an increase in employee costs and consumables
- implement work from home arrangements resulting in increased ICT infrastructure costs and additional equipment purchases

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	<p>East Grampians Health Service applies significant judgment when classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if East Grampians Health Service does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if East Grampians Health Service has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>

East Grampians Health Service

Notes to the Financial Statements

For the Year Ended 30 June 2022

Key judgements and estimates	Description
Measuring employee benefit liabilities	<p>East Grampians Health Service applies significant judgment when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period.</p> <p>All other entitlements are measured at their nominal value.</p>

Note 3.1: Expenses from transactions

		2022	2021
	Note	\$'000	\$'000
Salaries and wages		26,874	25,022
On-costs		6,955	6,312
Fee for service medical officer expenses		4,620	4,050
Workcover premium		696	439
Total employee expenses		39,145	35,823
Drug supplies		1,578	1,332
Medical and surgical supplies (including Prostheses)		2,487	2,415
Diagnostic and radiology supplies		857	848
Other supplies and consumables		2,771	1,533
Total supplies and consumables		7,693	6,128
Finance costs		10	8
Total finance costs		10	8
Other administrative expenses		3,338	3,333
Total other administrative expenses		3,338	3,333
Fuel, light, power and water		527	553
Repairs and maintenance		821	697
Maintenance contracts		405	494
Medical indemnity insurance		383	370
Expenditure for capital purposes		223	563
Total other operating expenses		2,359	2,677
Total operating expenses		52,545	47,969
Depreciation and amortisation	4.5	3,337	3,471
Total depreciation and amortisation		3,337	3,471
Total non-operating expenses		3,337	3,471
Total expenses from transactions		55,882	51,440

How we recognise expenses from transactions

Expense recognition

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

Note 3.1: Expenses from transactions (cont)

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

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

Other operating expenses

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

- Fuel, light and power
- Repairs and maintenance
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$1,000).

The DH 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 outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

Note 3.2: Other economic flows

	2022 \$'000	2021 \$'000
Net gain/(loss) on revaluation of investment property	1,305	1,235
Net gain/(loss) on disposal of property plant and equipment	(88)	-
Total net gain/(loss) on non-financial assets	1,217	1,235
Allowance for impairment losses of contractual receivables	-	(20)
Fair value movement of financial instruments	14	137
Total net gain/(loss) on financial instruments	14	117
Share of net profits/(losses) of joint entities, excluding dividends	-	(3)
Total share of other economic flows from joint arrangements	-	(3)
Net gain/(loss) arising from revaluation of long service liability	217	402
Total other gains/(losses) from other economic flows	217	402
Total gains/(losses) from other economic flows	1,448	1,751

How we recognise other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

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 investment properties
- net gain/(loss) on disposal of non-financial assets

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 refer to Note 7.1 Financial Instruments and
- disposals of financial assets and derecognition of financial liabilities.

Note 3.3: Employee benefits and related on-costs

	2022 \$'000	2021 \$'000
Current employee benefits and related on-costs		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	110	95
	110	95
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	2,336	2,210
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	118	192
	2,454	2,402
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	678	450
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	2,714	2,364
	3,392	2,814
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months ⁱ	392	331
Unconditional and expected to be settled after 12 months ⁱⁱ	688	307
	1,080	638
Total current employee benefits and related on-costs	7,036	5,948
Non-current employee benefits and related on-costs		
Conditional long service leave ⁱⁱ	582	859
Provisions related to employee benefit on-costs ⁱⁱ	72	103
Total non-current employee benefits and related on-costs	654	962
Total employee benefits and related on-costs	7,690	6,910

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

Note 3.3: Employee benefits and related on-costs (cont)

Note 3.3(a): Consolidated employee benefits and related on-costs

	2022 \$'000	2021 \$'000
Current employee benefits and related on-costs		
Unconditional accrued days off	110	106
Unconditional annual leave entitlements	3,110	2,690
Unconditional long service leave entitlements	3,816	3,152
Total current employee benefits and related on-costs	7,036	5,948
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	654	962
Total non-current employee benefits and related on-costs	654	962
Total employee benefits and related on-costs	7,690	6,910
Attributable to:		
Employee benefits	6,538	6,169
Provision for related on-costs	1,152	741
Total employee benefits and related on-costs	7,690	6,910

Note 3.3(b): Provision movement schedule

	2022 \$'000	2021 \$'000
Carrying amount at start of year	6,910	6,410
Additional provisions recognised	4,704	3,118
Amounts incurred during the year	(3,707)	(2,618)
Net gain/(loss) arising from revaluation of long service liability	(217)	-
Carrying amount at end of year	7,690	6,910

How we recognise employee benefits

Employee benefit recognition

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

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

Note 3.3: Employee benefits and related on-costs (cont)

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because East Grampians Health Service does not have an unconditional right to defer settlements of these liabilities.

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

- Nominal value – if 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.

Long service leave

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the 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.

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

Provision for on-costs related to employee benefits

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

Note 3.4: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Defined benefit plans:ⁱ				
Aware Superannuation Fund	100	104	-	1
Defined contribution plans:				
Aware Superannuation Fund	1,410	1,289	-	10
Hesta Superannuation Fund	753	694	-	6
Other - Various	648	533	-	4
Total	2,911	2,620	-	21

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

How we recognise superannuation

Employees of East Grampians Health Service are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans

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

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

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

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

Defined contribution superannuation plans

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

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

Note 4: Key assets to support service delivery

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

Structure

4.1 Investments and other financial assets

4.2 Property, plant & equipment

4.3 Right-of-use assets

4.4 Revaluation surplus

4.5 Depreciation

4.6 Investment properties

4.7 Impairment of assets

Telling the COVID-19 story

Assets used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	East Grampians Health Service assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. East Grampians Health Service applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires East Grampians Health Service to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.

Key judgements and estimates	Description
Identifying indicators of impairment	<p>At the end of each year, East Grampians Health Service assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. <p>Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

Note 4.1: Investments and other financial assets

	Capital Fund		Total	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Current financial assets at amortised cost				
Term deposits > 3 months	11	11	11	11
Current financial assets at fair value through net result				
Managed funds	2,553	2,478	2,553	2,478
Total current financial assets	2,564	2,489	2,564	2,489
Represented by:				
Health service investments	2,564	2,489	2,564	2,489
Total investments and other financial assets	2,564	2,489	2,564	2,489

How we recognise investments and other financial assets

East Grampians Health Service's investments and other financial assets are made in accordance with Standing Direction 3.7.2 - Treasury Management, including the Central Banking System.

East Grampians Health Service manages its investments and other financial assets in accordance with an investment policy approved by the Board.

Investments are recognised when East Grampians Health Service enters into a contract to either purchase or sell the investment (i.e. when it becomes a party to the contractual provisions to the investment). Investments are initially measured at fair value, net of transaction costs.

Note 4.1: Investments and other financial assets (cont)

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. Term deposits with original maturity dates of three to twelve months are classified as current, whilst term deposits with original maturity dates in excess of 12 months are classified as non-current.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

Note 4.2: Property, plant and equipment

Note 4.2(a): Gross carrying amount and accumulated depreciation

	2022 \$'000	2021 \$'000
Land at fair value - Crown	1,842	1,293
Land at fair value - Freehold	550	290
Total land at fair value	2,392	1,583
Buildings at fair value	44,037	47,482
Less accumulated depreciation	-	(5,049)
Total buildings at fair value	44,037	42,433
Land improvements at fair value	1,572	941
Less accumulated depreciation	-	(75)
Total land improvements at fair value	1,572	866
Works in progress at cost	7,557	3,646
Total land and buildings	55,558	48,528
Plant and equipment at fair value	5,064	4,247
Less accumulated depreciation	(3,007)	(2,612)
Total plant and equipment at fair value	2,057	1,635
Motor vehicles at fair value	1,098	1,098
Less accumulated depreciation	(1,016)	(1,003)
Total motor vehicles at fair value	82	95
Medical equipment at fair value	4,279	4,231
Less accumulated depreciation	(3,256)	(3,008)
Total medical equipment at fair value	1,023	1,223
Total plant, equipment, medical equipment and vehicles at fair value	3,162	2,953
Total property, plant and equipment	58,720	51,481

Note 4.2: Property, plant and equipment (cont)

Note 4.2(b): Reconciliations of carrying amount by class of asset

	Note	Land & Improvements \$'000	Buildings \$'000	Plant & equipment \$'000	Motor vehicles \$'000	Medical Equipment \$'000	Works in progress \$'000	Total \$'000
Balance at 1 July 2020		2,223	44,996	1,837	130	1,304	744	51,234
Additions		-	-	309	-	225	2,902	3,436
Revaluation increments/(decrements)		263	-	-	-	-	-	263
Depreciation	4.5	(37)	(2,564)	(512)	(34)	(306)	-	(3,453)
Balance at 30 June 2021	4.2(a)	2,449	42,433	1,635	95	1,223	3,646	51,481
Additions		-	-	960	-	48	4,567	5,575
Disposals		-	-	(88)	-	-	-	(88)
Revaluation increments/(decrements)		897	4,142	-	-	-	-	5,039
Net Transfers between classes		656	-	-	-	-	(656)	-
Depreciation	4.5	(37)	(2,538)	(450)	(13)	(248)	-	(3,286)
Balance at 30 June 2022	4.2(a)	3,964	44,037	2,057	82	1,023	7,557	58,720

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all the 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 2022 for land and 30 June 2019 for buildings.

How we recognise property, plant and equipment

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

Initial recognition

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

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

Subsequent measurement

Items of property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset). Further information regarding fair value measurement is disclosed in Note 7.4.

Note 4.2: Property, plant and equipment (cont)

Revaluation

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

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

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

An independent valuation of East Grampians Health Service's property, plant and equipment was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2022 indicated an overall:

- increase in fair value of land of 49% (\$640,125)
- increase in fair value of buildings of 11% (\$4,142,338).

As the cumulative movement was greater than 10% but less than 40% for buildings since the last revaluation, a managerial revaluation adjustment was required as at 30 June 2022.

As the cumulative movement was greater than 40% for land since the last independent revaluation, an interim independent valuation was required as at 30 June 2022 and an adjustment was recorded.

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

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the property, plant and equipment 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, in which case the increment is recognised as income in the net result.

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

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

Note 4.3 Right-of-use assets

4.3(a): Gross carrying amount and accumulated depreciation

	2022 \$'000	2021 \$'000
Right of use plant, equipment and vehicles at fair value	399	264
Less accumulated depreciation	(78)	(27)
Total right of use plant, equipment and vehicles at fair value	321	237

4.3(b): Reconciliations of carrying amount by class of asset

	Note	Right-of-use - PE & V \$'000	Total \$'000
Balance at 1 July 2020		40	40
Additions		217	217
Depreciation	4.5	(20)	(20)
Balance at 30 June 2021	4.3(a)	237	237
Additions		135	135
Disposals		-	-
Depreciation	4.5	(51)	(51)
Balance at 30 June 2022	4.3(a)	321	321

How we recognise right-of-use assets

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

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

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

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

Initial recognition

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

Note 4.3 Right-of-use assets (cont)

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

- any lease payments made at or before the commencement date and
- any initial direct costs incurred

Subsequent measurement

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use asset arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable.

Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Further information regarding fair value measurement is disclosed in Note 7.4.

Note 4.4: Revaluation surplus

		2022 \$'000	2021 \$'000
Balance at the beginning of the reporting period		38,168	37,905
Revaluation increment			
- Land	4.2(b)	896	263
- Buildings	4.2(b)	4,143	-
Balance at the end of the Reporting Period*		43,207	38,168
* Represented by:			
- Land		4,343	3,446
- Buildings		38,864	34,722
		43,207	38,168

Note 4.5: Depreciation

	2022	2021
	\$'000	\$'000
Depreciation		
Property, plant and equipment		
Buildings	2,538	2,564
Land improvements	37	37
Plant and equipment	450	512
Motor vehicles	13	34
Medical equipment	248	304
Total depreciation - property, plant and equipment	3,286	3,451
Right-of-use assets		
Right-of-use plant, equipment and motor vehicles	51	20
Total depreciation - right-of-use assets	51	20
Total depreciation	3,337	3,471
Total depreciation and amortisation	3,337	3,471

How we recognise depreciation

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

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

Note 4.5: Depreciation (cont)

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

	2022	2021
Buildings		
- Structure shell building fabric	24 to 38 years	24 to 38 years
- Site engineering services and central plant	14 to 28 years	14 to 28 years
Central plant		
- Fit out	7 to 18 years	7 to 18 years
- Trunk reticulated building system	7 to 18 years	7 to 18 years
Plant and 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 fittings	5 to 15 years	5 to 15 years
Motor vehicles	5 to 7 years	5 to 7 years

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

Note 4.6: Investment property

Note 4.6(a): Gross carrying amount

	2022 \$'000	2021 \$'000
Investment property at fair value	4,030	2,725
Total investment property at fair value	4,030	2,725

Note 4.6(b): Reconciliations of carrying amount

	2022 \$'000	2021 \$'000
Balance at Beginning of Period	2,725	1,490
Net gain/(loss) from fair value adjustments	1,305	1,235
Balance at End of Period	4,030	2,725

How we recognise investment properties

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.

Initial recognition

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.

Note 4.6: Investment property (cont)

Subsequent measurement

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 2022 have been arrived on the basis of an independent valuation carried out by WBP Group on behalf of the Valuer-General Victoria. The valuation was determined with reference to market evidence of properties including location, condition and lease terms.

Further information regarding fair value measurement is disclosed in Note 7.4.

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

Note 4.7: Impairment of assets

How we recognise impairment

At the end of each reporting period, East Grampians Health Service reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired.

The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on East Grampians Health Service which changes the way in which an asset is used or expected to be used.

If such an indication exists, an impairment test is carried out. Assets with indefinite useful lives (and assets not yet available for use) are tested annually for impairment, in addition to where there is an indication that the asset may be impaired.

When performing an impairment test, East Grampians Health Service compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

Where an impairment loss on a revalued asset is identified, this is recognised against the asset revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the cumulative balance recorded in the asset revaluation surplus for that class of asset.

Where it is not possible to estimate the recoverable amount of an individual asset, East Grampians Health Service estimates the recoverable amount of the cash-generating unit to which the asset belongs.

East Grampians Health Service did not record any impairment losses for the year ended 30 June 2022.

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables and contract assets

5.2 Payables and contract liabilities

5.3 Other liabilities

Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	East Grampians Health Service uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Classifying a sub-lease arrangement as either an operating lease or finance lease	<p>East Grampians Health Service applies significant judgement to determine if a sub-lease arrangement, where the health service is a lessor, meets the definition of an operating lease or finance lease. The health service considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if:</p> <ul style="list-style-type: none"> ▪ The lease transfers ownership of the asset to the lessee at the end of the term ▪ The lessee has an option to purchase the asset for a price that is significantly below fair value at the end of the lease term ▪ The lease term is for the majority of the asset's useful life ▪ The present value of lease payments amount to the approximate fair value of the leased asset and ▪ The leased asset is of a specialised nature that only the lessee can use without significant modification. <p>All other sub-lease arrangements are classified as an operating lease.</p>
Measuring deferred capital grant income	Where East Grampians Health Service has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. East Grampians Health Service applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.

Key judgements and estimates	Description
Measuring contract liabilities	East Grampians Health Service applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Note 5.1: Receivables and contract assets

	Notes	2022 \$'000	2021 \$'000
Current receivables and contract assets			
Contractual			
Trade receivables		689	839
Patient fees		323	372
Allowance for impairment losses	5.1(a)	(40)	(40)
Contract assets - state government	5.1(b)	-	13
Accrued revenue		327	345
Total contractual receivables		1,299	1,529
Statutory			
GST receivable		210	261
Total statutory receivables		210	261
Total current receivables and contract assets		1,509	1,790
Non-current receivables and contract assets			
Contractual			
Long service leave - Department of Health		778	670
Total contractual receivables		778	670
Total non-current receivables and contract assets		778	670
Total receivables and contract assets		2,287	2,460
<i>(i) Financial assets classified as receivables and contract assets (Note 7.1(a))</i>			
Total receivables and contract assets		2,287	2,460
GST receivable		(210)	(261)
Allowance for impairment losses		40	40
Total financial assets	7.1(a)	2,117	2,239

Note 5.1: Receivables and contract assets (cont)

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

	2022 \$'000	2021 \$'000
Balance at the beginning of the year	40	20
Increase in allowance	-	20
Balance at the end of the year	40	40

How we recognise receivables

Receivables consist of:

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

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

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

East Grampians Health Service is not exposed to any significant credit risk exposure to any single counter-party or any group of counter-parties 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 7.2(a) for East Grampians Health Service's contractual impairment losses.

Note 5.1: Receivables and contract assets (cont)

Note 5.1(b): Contract assets

	2022 \$'000	2021 \$'000
Balance at the beginning of the year	13	-
Add: Additional costs incurred that are recoverable from the customer	-	13
Less: Transfer to trade receivable or cash at bank	(13)	-
Total contract assets	-	13
* Represented by:		
- Current assets	-	13
- Non-current contract assets	-	-
	-	13

How we recognise contract assets

Contract assets relate to the East Grampians Health Service's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued.

Note 5.2: Payables and contract liabilities

	Note	2022 \$'000	2021 \$'000
Current payables and contract liabilities			
Contractual			
Trade creditors		1,611	1,234
Accrued salaries and wages		321	222
Accrued expenses		318	657
Contract liabilities	5.2(a)	82	247
Total contractual payables		2,332	2,360
Total current payables and contract liabilities		2,332	2,360
<i>(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))</i>			
Total payables and contract liabilities		2,332	2,360
Contract liabilities		(82)	(247)
Total financial liabilities	7.1(a)	2,250	2,113

Note 5.2: Payables and contract liabilities (cont)

How we recognise payables and contract liabilities

Payables consist of:

- **Contractual payables**, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the East Grampians Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables** includes comprises Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.2(a): Contract liabilities

	2022 \$'000	2021 \$'000
Opening balance of contract liabilities	247	165
Grant consideration for sufficiently specific performance obligations received during the year	82	247
Revenue recognised for the completion of a performance obligation	(247)	(165)
Total contract liabilities	82	247
* Represented by:		
- Current contract liabilities	82	247
- Non-current contract liabilities	-	-
	82	247

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of program deliverables. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 2.1.

Maturity analysis of payables

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

Note 5.3: Other liabilities

	2022 \$'000	2021 \$'000
Current monies held in trust		
Patient monies	334	298
Refundable accommodation deposits	6,647	4,785
Other monies held in trust	215	231
Total other liabilities	7,196	5,314
* Represented by:		
- Cash assets	7,196	5,314
	7,196	5,314

How we recognise other liabilities

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to East Grampians Health Service upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities. RAD/accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/accommodation bond in accordance with the *Aged Care Act 1997*.

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	<p>East Grampians Health Service applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> has the right-to-use an identified asset has the right to obtain substantially all economic benefits from the use of the leased asset and can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	<p>East Grampians Health Service applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>
Discount rate applied to future lease payments	<p>East Grampians Health Service discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, East Grampians Health Service uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.</p>

Key judgements and estimates	Description
Assessing the lease term	<p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if East Grampians Health Service is reasonably certain to exercise such options. East Grampians Health Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> ▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Note	2022 \$'000	2021 \$'000
Current borrowings			
Lease liability ⁽ⁱ⁾	6.1(a)	82	54
Total current borrowings		82	54
Non-current borrowings			
Lease liability ⁽ⁱ⁾	6.1(a)	236	184
Total non-current borrowings		236	184
Total borrowings	7.1(a)	318	238

i Secured by the assets leased.

How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly raised through lease liabilities.

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Note 6.1: Borrowings (cont)

Defaults and breaches

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

Note 6.1(a): Lease liabilities

East Grampians Health Services' lease liabilities are summarised below:

	2022 \$'000	2021 \$'000
Total undiscounted lease liabilities	331	250
Less unexpired finance expenses	(13)	(12)
Net lease liabilities	318	238

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

	2022 \$'000	2021 \$'000
Not longer than one year	89	55
Longer than one year but not longer than five years	205	195
Longer than five years	37	-
Minimum future lease liability	331	250
Less unexpired finance expenses	(13)	(12)
Present value of lease liability	318	238
* Represented by:		
- Current liabilities	82	54
- Non-current liabilities	236	184
	318	238

How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for East Grampians Health Service to use an asset for a period of time in exchange for payment.

To apply this definition, East Grampians Health Service ensures the contract meets the following criteria:

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

Note 6.1: Borrowings (cont)

Note 6.1(a): Lease liabilities (cont)

East Grampians Health Service's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased plant, equipment, and vehicles	3 to 6 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months.

Separation of lease and non-lease components

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

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or East Grampians Health Services incremental borrowing rate. Our lease liability has been discounted by a rate of 2%.

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

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

Subsequent measurement

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

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

Note 6.2: Cash and cash equivalents

		2022 \$'000	2021 \$'000
	Note		
Cash on hand (excluding monies held in trust)		3	3
Cash at bank (excluding monies held in trust)		1,418	4,499
Total cash held for operations		1,421	4,502
Cash on hand (monies held in trust)		-	1
Cash at bank (monies held in trust)		7,196	5,313
Total cash held as monies in trust		7,196	5,314
Total cash and cash equivalents	7.1(a)	8,617	9,816

How we recognise cash and cash equivalents

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

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

Note 6.3: Commitments for expenditure

	2022 \$'000	2021 \$'000
Capital expenditure commitments		
Less than one year	2,640	3,309
Total commitments for expenditure (inclusive of GST)	2,640	3,309
Less GST recoverable from Australian Tax Office	(240)	(301)
Total commitments for expenditure (exclusive of GST)	2,400	3,008

How we disclose our commitments

Our commitments relate to expenditure.

Expenditure commitments

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

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

7.1 Financial instruments

7.2 Financial risk management objectives and policies

7.3 Contingent assets and contingent liabilities

7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, East Grampians Health Service has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>East Grampians Health Service uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> ▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of East Grampians Health Service's specialised land, non-specialised land, non-specialised buildings and investment properties are measured using this approach. ▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of East Grampians Health Service's specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach. ▪ Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. East Grampians Health Service does not this use approach to measure fair value.

Key judgements and estimates	Description
	<p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. East Grampians Health Service does not categorise any fair values within this level. ▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. East Grampians Health Service categorises non-specialised land and right-of-use concessionary land in this level. ▪ Level 3, where inputs are unobservable. East Grampians Health Service categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

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

Note 7.1: Financial instruments (cont)

Note 7.1(a): Categorisation of financial instruments

		Financial Assets at Amortised Cost \$'000	Financial Assets at Fair Value Through Net Result \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
30 June 2022	Note				
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	8,617	-	-	8,617
Receivables and contract assets	5.1	2,117	-	-	2,117
Investments and other financial assets	4.1	11	2,553	-	2,564
Total Financial Assetsⁱ		10,745	2,553	-	13,298
Financial Liabilities					
Payables and contract liabilities	5.2	-	-	2,250	2,250
Borrowings	6.1	-	-	318	318
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	-	6,647	6,647
Other Financial Liabilities - Patient monies held in trust	5.3	-	-	334	334
Total Financial Liabilitiesⁱ		-	-	9,549	9,549
30 June 2021	Note				
Contractual Financial Assets					
Cash and cash equivalents	6.2	9,816	-	-	9,816
Receivables and contract assets	5.1	2,239	-	-	2,239
Investments and other financial assets	4.1	11	2,478	-	2,489
Total Financial Assetsⁱ		12,066	2,478	-	14,544
Financial Liabilities					
Payables and contract liabilities	5.2	-	-	2,113	2,113
Borrowings	6.1	-	-	238	238
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	-	4,785	4,785
Other Financial Liabilities - Patient monies held in trust	5.3	-	-	529	529
Total Financial Liabilitiesⁱ		-	-	7,665	7,665

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

Note 7.1: Financial instruments (cont)

Note 7.1(a): Categorisation of financial instruments (cont)

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Financial assets at amortised cost

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

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

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

East Grampians Health Service recognises the following assets in this category:

- Cash and Cash Equivalents
- Receivables and Contract Assets
- Investments and Other Financial Assets

Financial assets at fair value through net result

East Grampians Health Service initially designates a financial instrument as measured at fair value through net result if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or recognising the gains and losses on them, on a different basis
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial asset can be managed and evaluated consistently on a fair value basis or
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through net result is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Note 7.1: Financial instruments (cont)

Note 7.1(a): Categorisation of financial instruments (cont)

East Grampians Health Service recognises listed equity securities as mandatorily measured at fair value through net result and has designated all managed investment schemes.

Categories of financial liabilities

Financial liabilities are recognised when East Grampians Health Service becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Financial liabilities at amortised cost

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

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

East Grampians Health Service recognises the following liabilities in this category:

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired or
- 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:
 - 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 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.

Derecognition of financial liabilities

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

Note 7.1: Financial instruments (cont)

Note 7.1(a): Categorisation of financial instruments (cont)

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

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

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

East Grampians Health Service's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. East Grampians Health Service manages these financial risks in accordance with its financial risk management policy.

Note 7.2: Financial risk management objectives and policies

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

Note 7.2(a): Credit risk

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

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

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

Note 7.2: Financial risk management objectives and policies (cont)

Note 7.2(a): Credit risk (cont)

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

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

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

There has been no material change to East Grampians Health Service's credit risk profile in 2021-22.

Impairment of financial assets under AASB 9

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

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

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

Contractual receivables at amortised cost

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

Note 7.2: Financial risk management objectives and policies (cont)

Note 7.2(a): Credit risk

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

		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
30 June 2022							
Expected loss rate		0.0%	0.0%	0.0%	0.0%	100.0%	
Gross carrying amount of contractual receivables	5.1	1,634	37	18	348	40	2,077
Loss allowance		-	-	-	-	(40)	(40)
30 June 2021							
Expected loss rate		0.0%	0.0%	0.0%	0.0%	100.0%	
Gross carrying amount of contractual receivables	5.1	1,943	191	25	0	40	2,199
Loss allowance		-	-	-	-	(40)	(40)

Statutory receivables at amortised cost

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.

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

Note 7.2(b): Liquidity risk

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

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

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

Note 7.2: Financial risk management objectives and policies (cont)

Note 7.2(b): Liquidity risk

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

The following table discloses the contractual maturity analysis for 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 Dates					
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2022							
Financial Liabilities at amortised cost							
Payables	5.2	2,250	2,250	2,250	-	-	-
Borrowings	6.1	318	318	14	11	57	236
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	6,647	6,647	6,647	-	-	-
Other Financial Liabilities - Patient monies held in trust	5.3	334	334	334	-	-	-
Total Financial Liabilities		9,549	9,549	9,245	11	57	236
30 June 2021							
Financial Liabilities at amortised cost							
Payables	5.2	2,113	2,113	2,075	38	-	-
Borrowings	6.1	238	238	5	14	36	184
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	4,785	4,785	4,785	-	-	-
Other Financial Liabilities - Patient monies held in trust	5.3	529	529	529	-	-	-
Total Financial Liabilities		7,665	7,665	7,394	52	36	184

Note 7.2(c): Market risk

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

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 2% up or down and
- a change in the top ASX 200 index of 15% up or down.

Note 7.2: Financial risk management objectives and policies (cont)

Note 7.2(c): Market risk (cont)

Interest rate risk

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

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

Equity risk

East Grampians Health Service is exposed to equity price risk through its investments in listed and unlisted shares and managed investment schemes. Such investments are allocated and traded to match the health service's investment objectives.

East Grampians Health Service's sensitivity to equity price risk is set out below.

		-15%	+15%
	Carrying amount \$'000	Net result \$'000	Net result \$'000
30 June 2022			
Contractual financial assets			
Investments and other contractual financial assets	2,553	(383)	383
Total impact	2,553	(383)	383
		-15%	+15%
	Carrying amount \$'000	Net result \$'000	Net result \$'000
30 June 2021			
Contractual financial assets			
Investments and other contractual financial assets	2,478	(372)	372
Total impact	2,478	(372)	372

Note 7.3: Contingent assets and contingent liabilities

At balance date, the Board are not aware of any contingent assets or liabilities (2021: nil).

How we measure and disclose contingent assets and contingent liabilities

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

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

Note 7.4: Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through net result
- Property, plant and equipment
- Right-of-use assets
- Investment properties

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

Valuation hierarchy

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

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

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. There have been no transfers between levels during the period.

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

Note 7.4: Fair value determination (cont)

Note 7.4(a): Fair value determination of investments and other financial assets

	Note	Carrying amount 30 June 2022	Fair value measurement at end of reporting period using:		
		\$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Managed funds	4.1	2,553	-	2,553	-
Total financial assets held at fair value through other comprehensive income		2,553	-	2,553	-
Total investments and other financial assets at fair value		2,553	-	2,553	-

	Note	Carrying amount 30 June 2021	Fair value measurement at end of reporting period using:		
		\$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Managed funds	4.1	2,478	-	2,478	-
Total financial assets held at fair value through other comprehensive income		2,478	-	2,478	-
Total investments and other financial assets at fair value		2,478	-	2,478	-

How we measure fair value of investments and other financial assets

Management investment schemes

East Grampians Health Service invests in managed funds, which are not quoted in an active market and which may be subject to restrictions on redemptions.

East Grampians Health Service considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investment, to ensure they are reasonable and appropriate. The net asset value of these funds is used as an input into measuring their fair value, and is adjusted as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund.

East Grampians Health Service classifies these funds as Level 2.

Note 7.4: Fair value determination (cont)

Note 7.4(b): Fair value determination of non-financial physical assets

		Carrying amount 30 June 2022 \$'000	Fair value measurement at end of reporting period using:		
	Note		Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		550	-	550	-
Specialised land		3,414	-	-	3,414
Total land at fair value	4.2(a)	3,964	-	550	3,414
Non-specialised buildings		446	-	446	-
Specialised buildings		43,591	-	-	43,591
Total buildings at fair value	4.2(a)	44,037	-	446	43,591
Plant and equipment	4.2(a)	2,057	-	-	2,057
Motor vehicles	4.2(a)	82	-	82	-
Medical equipment	4.2(a)	1,023	-	-	1,023
Total plant, equipment, medical equipment and vehicles at fair value		3,162	-	82	3,080
Investment property	4.6(a)	4,030	-	4,030	-
Total investment property at fair value		4,030	-	4,030	-
Total non-financial physical assets at fair value		55,193	-	5,108	50,085
		Carrying amount 30 June 2021 \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Non-specialised land		290	-	290	-
Specialised land		2,159	-	-	2,159
Total land at fair value	4.2(a)	2,449	-	290	2,159
Non-specialised buildings		248	-	248	-
Specialised buildings		42,185	-	-	42,185
Total buildings at fair value	4.2(a)	42,433	-	248	42,185
Plant and equipment	4.2(a)	1,633	-	-	1,633
Motor vehicles	4.2(a)	95	-	95	-
Medical equipment	4.2(a)	1,223	-	-	1,223
Total plant, equipment, medical equipment and vehicles at fair value		2,951	-	95	2,856
Investment property	4.6(a)	2,725	-	2,725	-
Total investment property at fair value		2,725	-	2,725	-
Total non-financial physical assets at fair value		50,558	-	3,358	47,200

ⁱ Classified in accordance with the fair value hierarchy.

Note 7.4: Fair value determination (cont)

Note 7.4(b): Fair value determination of non-financial physical assets (cont)

How we measure fair value of non-financial physical assets

The fair value measurement of non-financial physical assets takes into account the market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the same asset in its highest and best use.

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

In accordance with AASB 13 *Fair Value Measurement* paragraph 29, East Grampians Health Service has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

Non-specialised land, non-specialised buildings, investment properties and cultural assets

Non-specialised land, non-specialised buildings, investment properties and cultural assets 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 and investment properties, 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 2022 for land and 30 June 2019 for buildings.

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 Service held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

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

Note 7.4: Fair value determination (cont)

Note 7.4(b): Fair value determination of non-financial physical assets (cont)

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

An independent valuation of East Grampians Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2022 for land and 30 June 2019 for buildings.

Vehicles

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

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2022.

Note 7.4: Fair value determination (cont)

Note 7.4(b): Fair value determination of non-financial physical assets (cont)

Reconciliation of level 3 fair value measurement

	Note	Land \$'000	Buildings \$'000	Plant and equipment \$'000	Medical Equipment \$'000
Balance at 1 July 2020		1,981	44,731	1,838	1,304
Additions/(Disposals)		-	50	309	225
<i>Gains/(Losses) recognised in net result</i>					
- Depreciation and amortisation		(37)	(2,596)	(512)	(306)
<i>Items recognised in other comprehensive income</i>					
- Revaluation		215	-	-	-
Balance at 30 June 2021	7.4(b)	2,159	42,185	1,635	1,223
Additions/(Disposals)		656	-	872	48
<i>Gains/(Losses) recognised in net result</i>					
- Depreciation and Amortisation		(37)	(2,516)	(450)	(248)
<i>Items recognised in other comprehensive income</i>					
- Revaluation		636	3,922	-	-
Balance at 30 June 2022	7.4(b)	3,414	43,591	2,057	1,023

Fair value determination of level 3 fair value measurement

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised land	Market approach	Community Service Obligations Adjustments ⁽ⁱ⁾
Non-specialised land	Market approach	NA
Specialised buildings	Current replacement cost approach	- Cost per square metre - Useful life
Non-specialised buildings	Market approach	NA
Dwellings	Current replacement cost approach	- Cost per square metre - Useful life
Motor Vehicles	Current replacement cost approach	NA
Plant and equipment	Current replacement cost approach	- Cost per unit - Useful life
Medical equipment	Current replacement cost approach	- Cost per unit - Useful life

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

Note 8: Other disclosures

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

Structure

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

8.2 Responsible persons disclosure

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Jointly controlled operations

8.8 Equity

8.9 Economic dependency

Telling the COVID-19 story

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic.

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

		2022	2021
	Note	\$'000	\$'000
Net result for the year		(487)	3,957
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets		88	-
(Gain)/Loss on revaluation of investment property		(1,305)	(1,235)
Depreciation of non-current assets	4.5	3,337	3,619
Dividends reinvested		(60)	-
Loss allowance for receivables		-	20
Share of net results in joint ventures		132	-
Unrealised (gain)/loss on financial assets		(14)	(117)
Capital donations received		(100)	(47)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		173	340
(Increase)/Decrease in inventories		12	(39)
(Increase)/Decrease in prepaid expenses		(77)	(58)
Increase/(Decrease) in payables and contract liabilities		(30)	259
Increase/(Decrease) in monies in trust		(15)	(42)
Increase/(Decrease) in employee benefits		780	499
Net cash inflow from operating activities		2,434	7,156

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.

	Period
Minister for Health:	
The Honourable Martin Foley	1 July 2021 to 27 June 2022
The Honourable Mary-Anne Thomas MP	27 June 2022 to 30 June 2022
Minister for Ambulance Services	
The Honourable Martin Foley	1 July 2021 to 27 June 2022
The Honourable Mary-Anne Thomas MP	27 June 2022 to 30 June 2022
Minister for Mental Health	
The Honourable James Merlino	1 July 2021 to 27 June 2022
The Honourable Gabrielle Williams MP	27 June 2022 to 30 June 2022
Minister for Disability, Ageing and Carers	
The Honourable Luke Donnellan MP	1 July 2021 to 11 October 2021
The Honourable James Merlino	11 October 2021 to 6 December 2021
The Honourable Anthony Carbines	6 December 2021 to 27 June 2022
The Honourable Colin Brooks	27 June 2022 to 30 June 2022
Governing Boards	
Ms N Panter (Chair of Board)	1 Jul 2021 - 30 Jun 2022
Mr D Cole	1 Jul 2021 - 30 Jun 2022
Ms F Cochrane	1 Jul 2021 - 30 Jun 2022
Ms G Czarnota	1 Jul 2021 - 27 Jul 2021
Ms S Burmeister-Abbott	1 Jul 2021 - 30 Jun 2022
Mr P Wigg	1 Jul 2021 - 30 Jun 2022
Ms S Craven	1 Jul 2021 - 30 Jun 2022
Mr K Peter	1 Jul 2021 - 30 Jun 2022
Ms D Walker	1 Jul 2021 - 30 Jun 2022
Mr K Weldin	1 Jul 2021 - 30 Jun 2022
Ms K White	1 Jul 2021 - 30 Jun 2022
Mr C Evans	1 Jul 2021 - 30 Jun 2022
Accountable Officers	
Mr A Freeman (Chief Executive Officer)	1 Jul 2021 - 3 Sept 2021
Mr P Armstrong (Acting Chief Executive Officer)	4 Sept 2021 - 16 Jan 2022
Mr N Bush (Chief Executive Officer)	17 Jan 2022 - 30 June 2022

Note 8.2: Responsible persons disclosures

Remuneration of Responsible Persons

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

Income Band	2022 No	2021 No
\$0 - \$9,999	12	10
\$50,000 - \$59,999	1	-
\$70,000 - \$79,999	1	-
\$130,000 - \$139,999	1	-
\$300,000 - \$309,999	-	1
Total Numbers	15	11
	2022 \$'000	2021 \$'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	319	354

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

Note 8.3: Remuneration of executives

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

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration	
	2022 \$'000	2021 \$'000
Short-term benefits	943	902
Post-employment benefits	112	113
Other long-term benefits	7	25
Total remunerationⁱ	1,062	1,040
Total number of executives	7	6
Total annualised employee equivalent ⁱⁱ	5.6	5.2

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

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

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

Note 8.3: Remuneration of executives (cont)

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 (such as superannuation guarantee contributions) 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.

Note 8.4: Related parties

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

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

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

Note 8.4: Related parties (cont)

Key management personnel

The Board of Directors, Chief Executive and the Executive Directors of the East Grampians Health Service and its controlled entities are deemed to be KMPs. This includes the following:

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	Ms F Cochrane	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	Ms D Walker	Board Member
East Grampians Health Service	Mr K Weldin	Board Member
East Grampians Health Service	Ms K White	Board Member
East Grampians Health Service	Mr C Evans	Board Member
East Grampians Health Service	Mr A Freeman	Chief Executive Officer
East Grampians Health Service	Mr P Armstrong	Acting Chief Executive Officer
East Grampians Health Service	Mr N Bush	Chief Executive Officer
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 Service	Ms S Ping	Director of Medical Services
East Grampians Health Service	Ms S Woodburn	Director of Community Services

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

	2022 \$'000	2021 \$'000
Compensation - KMPs		
Short-term Employee Benefits ⁱ	1,231	1,224
Post-employment Benefits	137	137
Other Long-term Benefits	14	33
Total ⁱⁱ	1,382	1,394

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

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

Note 8.4: Related parties (cont)

Significant transactions with government related entities

The East Grampians Health Service received funding from the DH of \$23.431 m (2021: \$21.357 m) and indirect contributions of \$0.2 m (2021: \$0.479m).

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

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

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

Transactions with KMPs and other related parties

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

There were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2022 (2021: none).

There were no related party transactions required to be disclosed for the East Grampians Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2022 apart from normal citizen type transactions with the East Grampians Health Service and related parties consist of the rental of property from Mr S Kerr \$14,300 (2021: \$14,300) and purchases from Ararat Priceline Pharmacy amounting to \$5,649 (2021: \$4,690) related to Ms F Cochrane.

Note 8.5: Remuneration of auditors

	2022 \$'000	2021 \$'000
Victorian Auditor-General's Office		
Audit of the financial statements	32	14
Total remuneration of auditors	32	14

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7: Joint arrangements

	Principal Activity	Ownership Interest	
		2022	2021
		%	%
Grampians Rural Health Alliance	ICT Systems	8.51	8.46

East Grampians Health Services interest in assets and liabilities of the above joint arrangements are detailed below:

	2022 \$'000	2021 \$'000
Current assets		
Cash and cash equivalents	219	453
Receivables	102	74
Prepaid expenses	70	108
Total current assets	391	635
Non-current assets		
Property, plant and equipment	185	334
Total non-current assets	185	334
Total assets	576	969
Current liabilities		
Payables	180	441
Total current liabilities	180	441
Total liabilities	180	441
Net assets	396	528
Equity		
Accumulated surplus	396	528
Total equity	396	528

Note 8.7: Joint arrangements (cont)

East Grampians Health Services interest in revenues and expenses resulting from joint arrangements are detailed below:

	2022 \$'000	2021 \$'000
Revenue and income from transactions		
Operating activities	731	631
Non-operating activities	18	139
Total revenue and income from transactions	749	770
Expenses from transactions		
Information Technology and Administrative Expenses	(700)	(624)
Capital expenses	(181)	(150)
Total expenses from transactions	(881)	(774)
Net result from transactions	(132)	(4)
Comprehensive result for the year	(132)	(4)

* Figures obtained from the unaudited Grampians Rural Health Alliance Joint Venture annual report.

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date.

Note 8.8: Equity

Contributed capital

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

Restricted specific purpose reserves

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

Note 8.9: Economic dependency

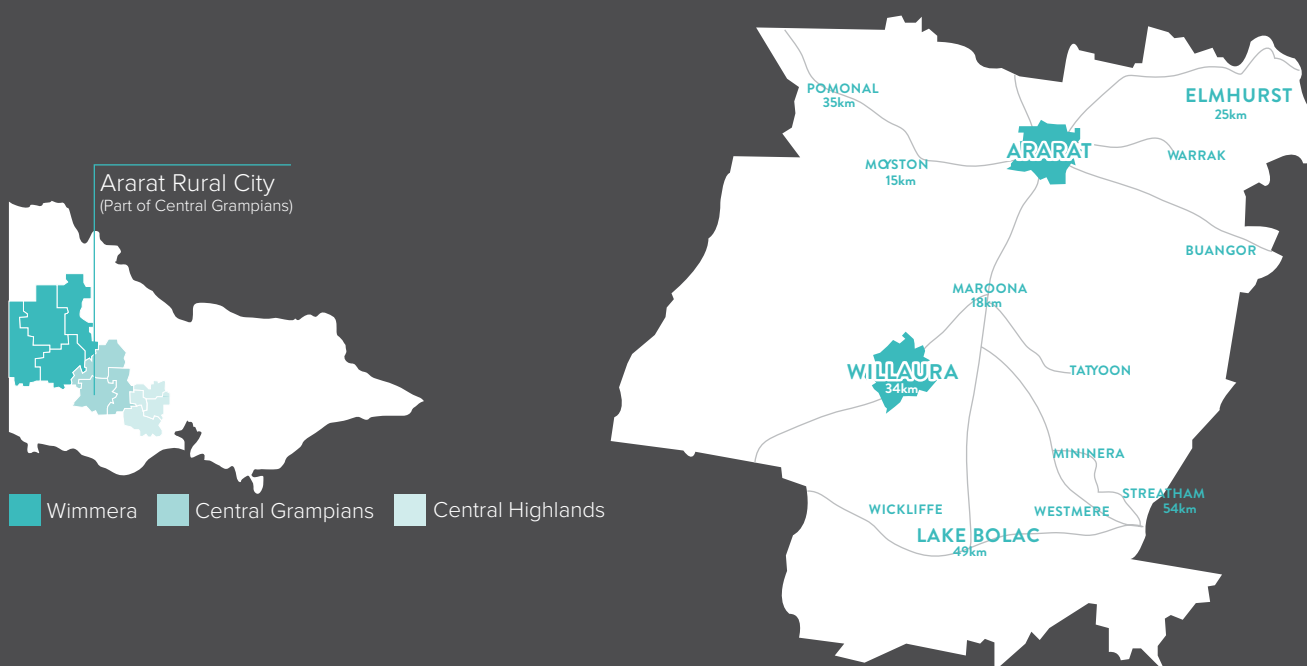
The East Grampians Health Service is wholly dependent on the continued financial support of the State Government and in particular, the DH.

The DH has provided confirmation that it will continue to provide the East Grampians Health Service adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to 30 September 2023. 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

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Aged Care Facility
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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

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