

2022-23

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 2022-23 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 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 purpose given the challenges that all health services continue to face during the COVID-19 pandemic through the reporting period.

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, Jadwadjailli, 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 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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CORPORATE GOVERNANCE

Relevant Ministers and Officers for the reporting period 1 July 2022 – 30 June 2023

Minister for Health

The Hon Mary-Anne Thomas MP

Minister for Ambulance Services

The Hon Mary-Anne Thomas MP
1 Jul 2022 to 5 Dec 2022

The Hon Gabrielle Williams MP
5 Dec 2022 - 30 Jun 2023

Minister for Mental Health

The Hon Gabrielle Williams MP

Minister for Disability, Ageing and Carers

The Hon Colin Brooks
1 Jul 2022 to 5 Dec 2022

The Hon Lizzie Blandthorn
5 Dec 2022 - 30 Jun 2023

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) and Kym Peter. External members: Jason Hargreaves and Nigel Keating.

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

Good governance matters – best practice for public entity boards

Kym Peter

Implementing the Quality and Safety Act 2022 - Webinar by Safer Care Victoria

Kym Peter

CEO performance and the Board's role – VHA

Kym Peter

Funding and Accountability – Department of Health

Kym Peter

Cyber security and director's responsibilities – VHA

Kym Peter

Risk Appetite – VMIA

Kym Peter

Board selection webinar – Department of Health

Kym Peter, Cam Evans

Governance Institute of Australia National Conference

Ken Weldin

AICD Governance Summit

Ken Weldin

Department of Health Victorian Health Sector Summit

Ken Weldin

Governance Institute of Australia, Governance & Risk Management Forum

Ken Weldin

Session One Department of Health introduction program - Governing risk - how to manage the climate risks to your strategic plan

Kym Peter, Kim White, Cameron Montgomery

SafeCare Victoria Clinical Governance Induction

Kim White

Health Literacy & Person Centred Care

Kim White

Advancing Gender Equality

Kim White

Healthcare Worker Wellbeing Community of Practice

Kim White

Health Board Director Induction Session

Kim White, Cameron Montgomery

SAPSE & Statutory Duty of Candour Forum

Kim White

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.

COMMITTEES

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

OUR BOARD



CHAIR

Ken Weldin *BAcc (Hons Econ), CA, MBA, FGIA, FCG, Professor (Practice)*
Partner PKF & Board member of PKF Integrity, Governance Institute of Australia & Housing First Ltd
Appointed: 01.07.21
Term of Appointment: 01.07.21 – 30.06.24
Committee Membership
Governance
Grampians Board Chairs Network



VICE CHAIR

Sybil Abbott-Burmeister
Business owner and operator
Appointed: 01.07.19
Term of Appointment: 01.07.22 – 30.06.25
Committee Membership
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
Committee Membership
Finance, Audit & Risk
Governance



BOARD DIRECTOR

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
Community Consultative
Governance



BOARD DIRECTOR

Fiona Cochrane *BPharm*
Pharmacist
Appointed: 01.07.14
Term of Appointment: 01.07.20 – 30.06.23
Committee Membership
Clinical Consultative
Clinical Governance



BOARD DIRECTOR

Cameron Evans *MBA*
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
Clinical Consultative



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
Capital Development
Finance, Audit & Risk



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
Clinical Governance
Community Consultative



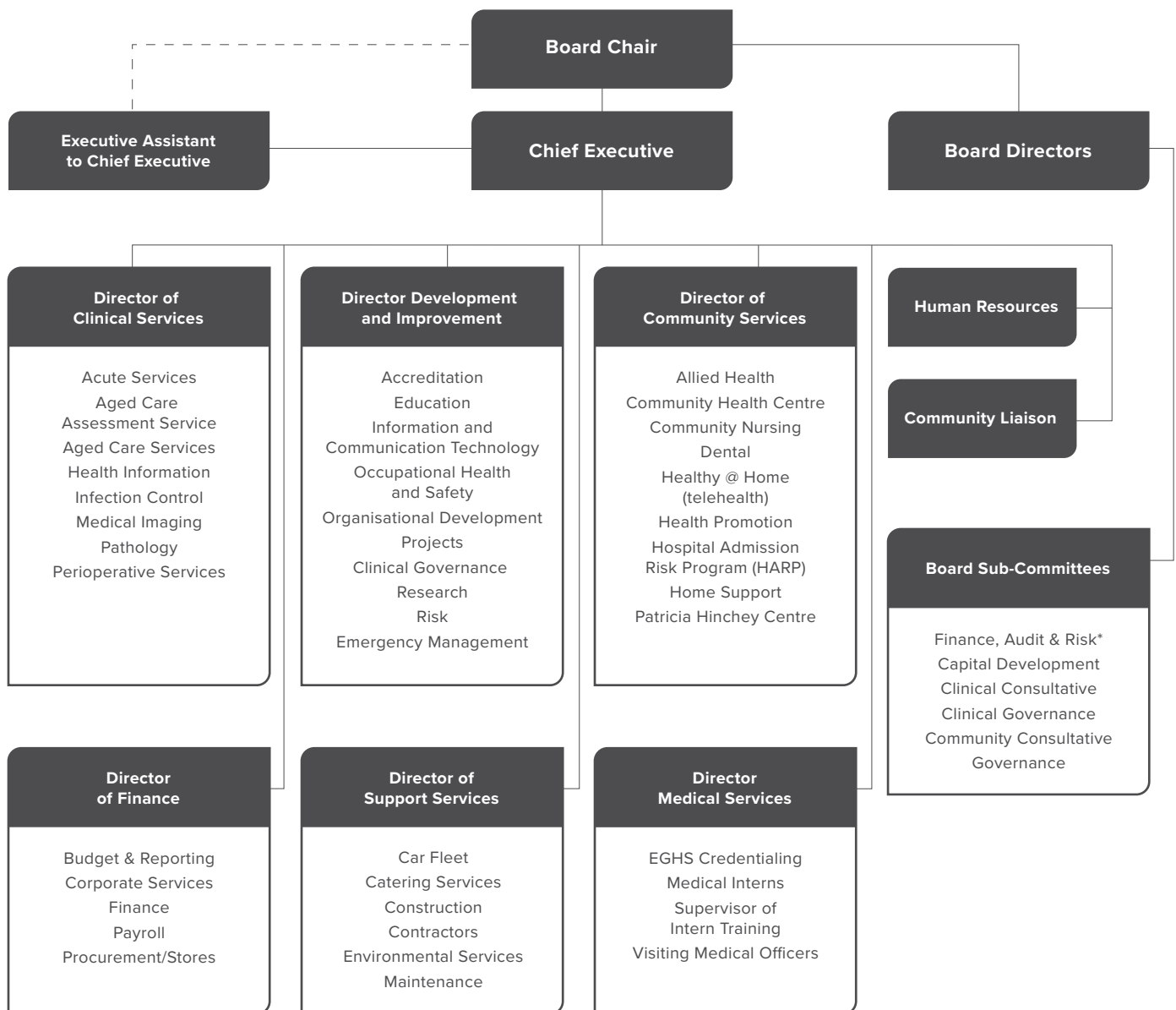
BOARD DIRECTOR

Cameron Montgomery *MBA, Grad Cert Occupational Hazard Management*
Extensive experience in Corporate Governance, Risk, OHS Wellbeing
Appointed: 01.07.22
Term of Appointment: 01.07.22-30.06.24
Committee Membership
Capital Development
Clinical Governance

Chief Executive: Nick Bush
Bankers: Commonwealth Bank of Australia
Solicitors: Health Legal
Auditors: RSD Audit
Internal Auditors: HLB Mann Judd

MANAGEMENT STRUCTURE

ORGANISATIONAL STRUCTURE



*please refer to Chief Executive and Directors' information on page 7. *Finance, Audit and Risk committee (page 04)

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: 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 Kaushik Banerjee

DM (Emergency Medicine), MHM, AFACHSM, FRACMA A/Prof Deakin University

Appointed: 2023

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 Service's 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 and education. 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 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 2023)

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*

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 Services
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 2023)

DIRECTOR OF MEDICAL SERVICES

Dr Kaushik Banerjee

DM (Emergency Medicine) MHM, AAFACHSM, FRACMA, A/Prof Deakin University

ANAESTHETIST

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

CARDIOLOGIST

Dr Rodney Reddy *MB ChB, FRACP*

EAR, NOSE & THROAT SURGEON

Mr Niall McConchie *MBBS, FRACS*

GASTROENTEROLOGIST

Dr Andrius Kalade *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

Dr David Low *MBBS, FRACS*

Mr Sujith Krishnamoorthy
MBBS, FRACS

GERIATRICIAN

Dr Ruth Teh *MBBS, FRACP*

GYNAECOLOGISTS

Mr Michael Carter
MBBS, FRANZCOG

Ms Katrina Guerin
MBBS, DRANZCOG

Dr Lachlan Brennan
MBBS, FRANZCOG

Dr Annie Tan
MBBS, FRANZCOG, BMedSci

DIRECTOR OF OBSTETRICS

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

MEDICAL OFFICERS

Dr Winnie Yum *MBBS, Adv DRANZCOG (Advanced), BMedSci*

Dr Josh Seldis *MbChB, FACRRM*

Dr Daniel Baum *BSc(Hons)(UQ), MPH(UNSW), MD(UNDA Syd)*

Dr Megan Helper *FACRRM, FRACGP (2018), DRANZCOG (Advanced)*

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*

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 Dahnepala *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*

Dr Jenny Sampson *BDSc*

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 Upendra Shrestha
MBBS, MPH, MSW

Dr Faraz Ahmad *MBBS FRACGP*

Dr Sivaluxman Sivananthavel *MBBS*

Dr Pargat Singh *MBBS*

Dr Farhana Akter *MBBS*

Dr Haseeb Rayhan
MD (GP Registrar)

Dr Daniel Thambiraj
MBBS, Dip EM(ACEM) (GP Registrar)

Dr Francesco Iannello
MD (GP Registrar)

NATURE AND RANGE OF SERVICES

East Grampians Health Service, a medium sized rural health service delivers a comprehensive range of programs and services to the Ararat and Willaura communities that are accessed through inpatient, residential, home and community-based services. 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 average 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

- Clinical staff education and training
- Diploma of Nursing
- Education and Professional Development
- Emergency Management
- Graduate Nurse Program
- Information & Communication Technology
- Non-clinical staff education
- Occupational Health & Safety
- Organisational Development
- Quality & Risk
- Research
- Standards, Legislation and Accreditation
- Student Support
- Undergraduate / Postgraduate Clinical Education

PYRENEES HOUSE EDUCATION CENTRE

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

FINANCE SERVICES

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

SUPPORT SERVICES

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

MEDICAL SERVICES

- Credentialing & Scope of Practice UCC
- General Medicine
- General Surgery
 - Anaesthesia
 - Ear Nose & Throat
 - Gynaecology & Obstetrics
 - Ophthalmology
 - Orthopaedics
 - Urology
 - Dental
- Paediatrics Outpatients
- Medical Interns
- Hospital Medical Officers
- Staff Specialists
- Visiting Medical Officers

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

STATEMENT OF PRIORITIES

2022-23

PART A: STRATEGIC PRIORITIES

East Grampians Health Service contributed to the Department of Health Operational Plan 2022-2023 through the following Strategic Priorities, which should be read in conjunction with the President and Chief Executive's report (page 20).

KEEP PEOPLE HEALTHY AND SAFE IN THE COMMUNITY

Maintain COVID-19 readiness

OUTCOMES:

- The COVID-19 vaccination program is ongoing and we continue to offer guidance and support to the health services within the Central COVID Vaccination Hub
- PCR testing was carried out for the mandated timeframe
- Staff surveillance RAT continues
- Aged Care visitors are requested to undertake a RAT when visiting
- As lead health service for the Central COVID Vaccination Hub, our monitoring program continues
- At the direction of the Chief Health Officer and the Department of Health, we continue to monitor our community and to deliver programs to ensure they remain COVID safe within the environment
- We have successfully managed COVID outbreaks in-house without disruptions to services.

CARE CLOSER TO HOME

Delivering more care in the home or virtually

OUTCOMES:

- **Better at Home:** The Better at Home program supports EGHS Healthy@Home Program. This year the existing Healthy@Home Program has successfully expanded to support Beaufort and Skipton Health Service and East Wimmera Health Service.
- **As part of the Healthy@Home program our Telehealth** calls have risen from 1755 last year to over 5200 this year. Of these calls 2001 were escalated to Care Coordinators at each of the health services including 1500 at EGHS.
- **Chronic conditions:** Through the Primary Health Network (PHN) Chronic Conditions Models of Care program, EGHS met 108% of its targets. EGHS provided 7321 occasions of service to consumers with chronic health conditions from Ararat Rural City. This included group and individual allied health and diabetes education services.
- **Home Care Packages:** The Home Care Package team manages on average 70 individual home care packages a month. This year this program has grown to deliver 4734 occasions of service.

STATEMENT OF PRIORITIES

2022-23

KEEP IMPROVING CARE

Improve quality and safety of care

OUTCOMES:

- **Timely management of chest pain:** EGHS is one of 10 pilot sites across Victoria, collaborating with Safer Care Victoria (SCV) on a project to identify and link to Alfred Health patients presenting at EGHS Urgent Care Centre (UCC) with chest pain. UCC staff send information in real time to Alfred Health who can then assist/advise the best course of action, one of which is to support small rural health services and patients to have speedier access to specialist input.
- **Check Again program:** The aim of this program, in collaboration with SCV, is to identify patients presenting with identified allergies to antibiotics. In many cases these allergies/labels are not accurate and can lead to restricted access to antibiotics. Patients, on presentation as identifying to having allergies, are thoroughly assessed and, if the risk is considered low, are offered an oral challenge, given in a safe environment. Processes are now in place to identify and assess patients and the oral challenge will commence in the near future.
- **Maternity Services:** Working within our capabilities, our model of care is shared between General Practitioners (GP) and Midwives. Our Maternity service is part of a regional midwifery group that presents cases to the regional Midwifery Morbidity and Mortality committee. Staff undertake intensive training annually and adverse events are reported on, both internally and externally. An experienced specialist Obstetrician has been appointed as our Director of Obstetrics and we have recently appointed two GP Obstetricians. The service has strong clinical governance and reports regularly to the Department of Health and the Board. Our staff undertake annual competencies in ALS and neonatal resuscitation. With a strong group of highly skilled Midwives and GP Obstetricians, families can be confident they will receive the very best care.

Plan update to nutrition and food quality standards

OUTCOMES:

During the year the Health Service met with key stakeholders including staff, consumers, community and family members to review, update and implement nutrition and food quality Standards. The Health Service meets the Healthy Choices policy directive for drinks and catering and a review of Appendix 4 and Appendix 8 of the Nutrition and Food Quality Standards has been undertaken with information shared with the relevant stakeholders. The following initiatives have been implemented:

- The International Dysphagia Diet Standardisation Initiative framework now incorporated into our menu planning;
- Food and drinks Standard training for catering assistants;
- A steering committee has been appointed with representation from community members, food services staff, allied health and nursing staff;
- At our aged care resident and family meetings, patient surveys and menu options are reviewed and discussed.

Asset Maintenance and Management

OUTCOMES:

- Aligned Policies and Procedures with the Asset Management Accountability Framework. These policies are the foundation to developing strategies and systems to ensure we continue to deliver a sustainable, quality, safe and cost effective health care service.
- High value assets and end of life replacement, contracts and contractors have all been identified and documented.
- Asset replacement has been prioritised in line with our Asset Replacement Plan. This identifies which of our assets are high risk and prioritises timing of replacement and attributes funding sources.

KEEP IMPROVING CARE

Climate Change Commitments

OUTCOMES:

- Increase in on site electricity generated from 358.25 MWh in 2020-2021 to 530.41 MWh in 2022 - 2023
- Increase in total self-generated electricity from 0.84 MW in 2020-2021 to 1.01 MW in 2022 -2023
- Increase in renewable energy usage from 2,423,874.83 (MJ) in 2020-2021 to 2,991,432.24 (MJ) in 2022-2023
- Reduction in landfill per kg from 118,057 in 2020-2021 to 114,946 in 2022-2023, which equates to a decrease from 59.35% in 2020-2021 to 55.00% in 2022-2023
- Increase in total units of waste disposed per kg from 198,903 in 2020-2021 to 209,020 in 2022-2023
- Reduction in waste to landfill per patient treated (kg general waste) from 2.81 in 2020-2021 to 2.54 in 2022-2023
- Reduction in greenhouse gas emissions associated with waste disposal (tonnes CO₂e) from 179.55 in 2020-2021 to 176.49 in 2022-2023

Integrating environmental design into new and refurbishment builds

- Gardens are designed, using appropriate plantings to reduce watering and to provide shade and heat reduction on buildings
- Rain water collection for garden use
- Single use plastics removed prior to state directives
- Gas boilers upgraded to be energy efficient
- Where possible, contractors selected where waste from goods provided can be recycled

IMPROVE ABORIGINAL HEALTH AND WELLBEING

Improve Aboriginal cultural safety

OUTCOMES:

- Our relationship with Budja Budja Aboriginal Cooperative (BBAC) and its clients strengthened through the employment of Aboriginal Hospital Liaison Officers (AHLO) and the development and implementation of a Cultural Safety Plan.
- Over a number of years EGHS and BBAC have engaged in meaningful and collaborative conversations to integrate services and programs, where appropriate.
- EGHS continues to provide a safe working environment through embracing diversity to ensure that the voices of all women, men and gender diverse people from a range of cultural backgrounds are heard and respected.
- Employment of AHLO has been welcomed by First Nations patients. Training of administration staff will assist in appropriate identification of patients, to notify AHLO.
- Consideration being given to book First Nations patients in on days that AHLO are working to provide support and advocacy.

STATEMENT OF PRIORITIES

2022-23

MOVING FROM COMPETITION TO COLLABORATION

Foster and develop local partnerships

OUTCOMES:

- East Grampians Health Service has been an active member of the Grampians Region Health Service Partnership (GRHSP) and has been involved in all Health Service Partnership workplan projects. East Grampians Health Service has contributed to a regional response to multiple local priorities, including but not limited to clinical governance improvements, obstetric support for regional GPOs and regional midwifery services, development of and provision of ongoing support of the Grampians Region Learning Management System (LMS), the development of the Electronic Medical Record business case, the collaborative regional response to the changes in the federally funded Chronic Conditions Care Tender through the PHN and engages with the region to respond quickly to changing needs including cross-sector collaboration regarding the coming changes to Aged Care in the Home and Community support packages.
 - EGHS collaborates formally with three dynamic local partnerships:
 - Grampians Region Health Service Partnership
 - Central Highlands Local Health Service Partnership
 - Grampians Rural Health Alliance
 - Each of these local partnerships are vital to the better delivery of health care, best use of resources and sharing of knowledge between decision makers and health professionals
 - EGHS also enjoys meaningful relationships with education and training partners to ensure the highest standard of quality care
 - Our relationship with our community partners is invaluable for securing their input, feedback and support into our health service
 - East Grampians Health Service has collaborated with GRHSP services to address the strategic system priorities. Development of a COVID Positive Pathways model that is providing support for the region from four COVID Hubs. This agreed model is supported by all Health Services through development of a steering/governance committee as well as a COVID Monitor user working group.
 - East Grampians Health Service has contributed to the guidance of the elective surgery reform project through participation on the GRHSP Elective Surgery Reform Steering Committee and is working in collaboration with the Better@Home teams on the delivery of a surgery school to better prepare patients for their surgical journey. The regional Better@Home Steering Committee has been formed with an agreed terms of reference to govern discussion and program decisions that impact across the region and deliver program changes that benefit all.
 - East Grampians Health Service has actively contributed to the development of four key strategic pillars that support the GRHSP strategic priority areas. The GRHSP will focus on addressing over the coming years priority areas including workforce, quality and safety, corporate services and systems improvement. Identified areas for improvement involve strategies such as workforce retention and wellbeing, a regional approach to aged care in response to the aged care reforms, a potential regional approach to payroll and HR systems, and a regional approach to at-home support. Each member of the GRHSP is actively contributing to the development of responses to these areas.
- Working closely with our Health Service Partners we have been able to provide support through and following the COVID pandemic.
- The Better@Home program supports EGHS Healthy@Home Program, which this year has expanded to support Beaufort and Skipton Health Service and East Wimmera Health Service.
 - In the last 12 months the number of consumers receiving services through Healthy@Home has increased from 70 to over 150 each month.

MOVING FROM COMPETITION TO COLLABORATION

Planned Surgery Recovery and Reform Program

OUTCOMES:

- East Grampians Health Service has contributed to the guidance of the elective surgery reform project through participation on the GRHSP Elective Surgery Reform Steering Committee. This has involved extensive discussion, planning and provision of care as a part of the regional elective surgery reform project.
- EGHS is working collaboratively across the GRHSP to maximise the through-put of our surgical services to address the targeted number of patients who have exceeded wait times across the region. The changes we are making will have a positive and lasting impact on the way surgical care is delivered across the Grampians Region.
- EGHS is working in collaboration with the Better@Home teams on the delivery of a surgery school to better prepare patients for their surgical journey. The regional Better@Home Steering Committee has been formed with an agreed terms of reference to govern discussion and program decisions that impact across the region and deliver program changes that benefit all.

A STRONGER WORKFORCE

Improve workforce wellbeing

OUTCOMES:

- EGHS is part of a regional approach to training the workforce in identifying and responding to Occupational Violence & Aggression (OVA.)
- A regional OH&S committee discusses the planning for health service educational tools.
- E-learning modules are available across the region. These standardised training materials supports staff mobility between health services.
- EGHS has policies, guidelines and training in place that support staff to respond to matters related to family violence. These processes assist us to respond better to Family Violence for those presenting to the Health Service as well as support our staff. The training of our contact officers provides opportunities for staff to report matters related to their own safety. MARAM guidelines are part of our Health Information response and are effective in practice and we provide information when requested.
- EGHS is an active participant in the regional health service response to Family Violence led by Grampians Health.
- Converge App now extended to family members
- Meals provided free of charge to staff working outside core business hours
- All-weather recreational area developed for use by staff
- Awards and scholarships awarded on an annual basis to clinical and non-clinical staff who demonstrate a commitment to our organisational Values and a willingness to develop their skills.

STATEMENT OF PRIORITIES

2022-23

PART B: PERFORMANCE PRIORITIES

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%	100%
PATIENT EXPERIENCE		
Percentage of positive patient experience responses – Qtr 1	95%	100%
Percentage of positive patient experience responses – Qtr 2	95%	100%
Percentage of positive patient experience responses – Qtr 3	95%	100%
MATERNITY AND NEWBORN		
Percentage of full-term babies (without congenital anomalies) who are considered in poor condition shortly after birth (APGAR score <7 to 5 minutes)	≤1.4%	0
Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation	≤28.6%	50%

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%	40%

Effective financial management

KEY PERFORMANCE MEASURE	TARGET	OUTCOME
FINANCE		
Operating result (\$m)	\$0.00	\$0.23
Average number of days to pay trade creditors	60 days	41
Average number of days to receive patient fee debtors	60 days	23
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.79
Actual number of days available cash, measured on the last day of each month	14 days	1.9 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ \$250,000	1.43

PART C: ACTIVITY AND FUNDING

Activity and Funding

FUNDING TYPE	ACTIVITY	
CONSOLIDATED ACTIVITY FUNDING		
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	4076.2	NWAU
ACUTE ADMITTED		
National Bowel Cancer Screening Program NWAU	12.03	NWAU
Acute admitted DVA	35.35	NWAU
Acute admitted TAC	8.94	NWAU
ACUTE NON-ADMITTED		
Home Enteral Nutrition	3.31	NWAU
AGED CARE		
Residential Aged Care	28,475	Bed Days
PRIMARY HEALTH		
Community Health / Primary Care Programs	5,075	Service Hours
HACC	4,285	Service Hours

FINANCIAL SERVICES

East Grampians Health Service operated under COVID conditions for the first half of the 2023 financial year. The Health Service responded to the changing COVID measures and from January 2023 focused on developing a return to business as usual.

Activity across the organisation increased across the year. This was driven by the expansion of theatre capacity and new community-based programs coming on line.

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

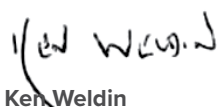
Taken together, these measures saw our organisation record an operating result of \$229,000 surplus. Our Health Service continued with its program of capital replacement and renewal this year with \$2.7 Million of additions. This was made up of items of plant and equipment and building re-development. These purchases were funded by the DH and generous donations from the community.

East Grampians Health Service will continue to work with the DH 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 2023.

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 2023.



Ken Weldin
Board Director
East Grampians Health Service
6 September 2023

Parent Entity Comparative Financial Results for the Past Five Financial Years

FOR THE PAST FIVE FINANCIAL YEARS	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Operating Result	229	12	451	293	(777)
Total Revenue	65,482	54,828	54,418	49,338	42,306
Total Expenses	66,273	56,763	52,214	48,367	44,153
Net Result from Transactions	(791)	(1,935)	2,206	971	(1,847)
Total other Economic Flows	20	1,448	1,751	(749)	(337)
Net Result	(770)	(487)	3,957	222	(2,184)
Total Assets	79,565	77,476	70,473	66,601	65,036
Total Liabilities	20,575	17,716	15,263	15,613	14,264
Net Assets / Total Equity	58,990	59,760	55,209	50,988	50,773

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

	2023 \$'000
Net Operating Result	229
Capital purpose income	2048
Specific income	N/A
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	937
State supply items consumed up to 30 June 2022	(937)
Assets provided free of charge	N/A
Assets received free of charge	136
Expenditure for capital purpose	0
Depreciation and amortisation	(3194)
Impairment of non-financial assets	N/A
Finance costs (other)	(10)
Net result from transactions	(791)



CHAIR AND CHIEF EXECUTIVE REPORT

On behalf of our Board and Executive team, we are proud to present to you the 2023 annual report for East Grampians Health Service. Each one of our team is committed to providing quality health services to benefit the health and wellbeing of people of all ages.



To demonstrate this our 2023 Annual Report will inform the Victorian Government and our community of our key initiatives and projects during the 2022-2023 financial year and our expectations to continue to deliver a first-class health service now and into the future.

A key outcome of the last 12 months was the development by the EGHS Board of our Strategic Plan 2023-2027 guided by the Department of Health's Operational Plan. We feel confident that our priorities align with those of the Department. Our Strategic Plan establishes the direction for the Health Service for the next five years and our major developments, including workforce, service enhancement and capital developments, are predicated on our planning processes. Twelve strategic actions have been identified, based on the environmental scan, activity data, forecasts and consultation with our staff and community and the wider health services sector. In the day-to-day management of our health service, we work together with our internal and external communities to provide person-centred safe, quality health care that enhances the healthcare experience.

Since our last Annual Report we have seen change within our board with the departure of some longstanding board members and the arrival of new faces. In July 2022, Mr Ken Weldin was appointed the Board chair, replacing Ms Nancy Panter who had been in the position for four years. We welcomed Cameron Montgomery to the Board and farewellled Mr Don Cole and Mr Peter Wigg. At the end of the 2023 financial year we saw three experienced Board members leave us at the end of their terms, Nancy Panter, Danni Walker and Fiona Cochrane. It is important that we acknowledge and thank Don, Peter, Nancy, Danni and Fiona for their extensive and valuable contributions to the health service over many years and wish them well for the future.

As we commence the 2024 financial year we welcome Megan Shea, Debbie Rybicki and Lisa Davidson and our new Board remains focused on guiding the health service in line with Government directives and good governance practice in what remains a challenging environment.

As with all Victorian health services, we have faced challenges relating to our workforce, the ongoing impact of COVID-19 and delays in providing care to more people.

We are grateful for the ongoing support that we receive from the regional office of the Department of Health, and in particular acknowledge the team led by Ms Judith Perkins, Manager Health Service Performance – Grampians. The team has been very supportive as we worked together during very challenging times and we look forward to continuing our strong working relationship into the future.

Our Statement of Priorities is a living document that has been developed by the Board, Executive Team and staff, endorsed by the Department of Health and reflects our ongoing focus on delivering contemporary high-quality healthcare in line with community expectations, in a responsive and financially secure environment. Our commentary on the six Priorities should be read in conjunction with the Statement of Priorities (page 11).

In October 2022, we were proud to open our state of the art second theatre, enabling us to provide more opportunity for care. We were pleased to have been appointed preferred provider for Home Care Services in July 2022.

In addition we have strengthened our medical workforce and introduced a program to encourage health professionals from our local area to consider studying medicine, and, importantly we have made ongoing significant progress into reducing our carbon footprint.



KEEP PEOPLE HEALTHY AND SAFE IN THE COMMUNITY

We thank our staff who have continued to put the care of residents, patients and consumers at the forefront of activities, even if this means having to work extra shifts. Data has shown that COVID vaccinations and boosters have been effective in keeping our community healthier.

1. EGHS Staff have 100% vaccination compliance
2. Grampians Region has the highest booster compliance in the state
3. EGHS is one of the few ongoing state-run vaccination clinics

In 2020 the Grampians Public Health Unit (GPHU) approached us to provide the leadership role for the Central COVID Vaccination Hub, which includes Grampians Health Stawell, East Wimmera Heath Service, Beaufort Skipton Health Service and Maryborough and District Health Service.

We continue to monitor patients from these catchment areas, to ensure that each health service has the appropriate protocols and governance structures, as supplied by GPHU, and to train and support staff to deliver vaccinations and boosters to their communities.

To assist elderly and vulnerable people who felt isolated and confused following a positive COVID diagnosis, a General Practitioner was engaged, on a part time basis, specifically for the Positive Pathways Program to work with our team of nurses and other local General Practitioners.

During COVID there were delays to our surgical lists. We are grateful that the Victorian Government has injected substantial funds towards the development of our second theatre. This will ensure that our patients will now be able to receive treatment in a timely manner as we can increase the current services that we offer, especially general surgery. We are pleased that Ballarat based surgeons have expressed an interest and are coming to Ararat to provide much needed services.

EGHS is committed to the safety and well-being of children and young people and, as such, is committed to creating and maintaining a child safe organisation. We will ensure that all children and young people who attend our services, programs and events feel safe, empowered to participate in their care and are heard if they raise concerns about their safety and well-being. We have policies and systems in place to protect children and young people, and all allegations of abuse and safety concerns are treated seriously. Our child safe environment values safety, diversity and inclusion for all children and young people. In acknowledgment of their vulnerabilities, we particularly support participation and empowerment of those children and young people with a disability, who identify as Aboriginal or Torres Strait Islander, from culturally and linguistically diverse backgrounds and those who identify with the LGBTIQ+ community.

CHAIR AND CHIEF EXECUTIVE REPORT



CARE CLOSER TO HOME

PREFERRED PROVIDER FOR HOME CARE SERVICES

Following the exit in the past year of home care services from Ararat Rural City, the Commonwealth Government, on the recommendation of Ararat Rural City, appointed East Grampians Health Service as the preferred provider for home care services.

The programs include the Commonwealth Home Support Program, the Victorian Home, Community Care Program for Younger People and the Regional Assessment Services. This service includes home support, personal care, flexible respite, Meals on Wheels, home maintenance and modification services. We understand how important these services are to our community and have worked closely with Ararat Rural City during the transition stage.

EGHS provided 8,520 occasions of service under the new EGHS Home Support Program.

Key initiatives

- Performance improved against targets
- Identification of potential growth areas
- All community members will have equitable access to services
- Rural consumers will not be disadvantaged
- An improved integration of services, aligning with our existing home care packages and Healthy@Home services
- The redevelopment of the community health centre and the community nursing building have resulted in a significant increase in services including aged care packages and home care services, with seamless transition between services, reduced admissions to hospital and to our residential aged care facilities.
- Increased opportunities for employment
- The provision of additional home care services, individual support, home maintenance, as well as Meals on Wheels

Since the transition we have received 262 eligible referrals:

- 147** for domestic assistance
- 1** for flexible respite
- 25** for home maintenance
- 25** for home modifications
- 23** for Meals on Wheels
- 18** for personal care
- 22** for social support – individual

Our Better@Home program supports our Healthy@Home Program, which this year has been expanded to support Beaufort and Skipton Health Service and East Wimmera Health Service.

In the last 12 months the number of consumers receiving services through Healthy@Home increased from 70 to over 150 each month

SUPPORTING OUR NEIGHBOURING RURAL COMMUNITY

We understand the importance of our communities receiving health care close to home. We want to acknowledge our Oncology staff who, for six months, have been assisting Grampians Health Stawell's Oncology Unit to ensure patients were able to continue treatment while Grampians Health Stawell experienced a number of workforce issues, which have been successfully resolved.

CONSULTANT GERIATRICIAN

In 2022 Ruth Teh, a consultant Geriatrician, was engaged to support GPs and staff to provide regular, comprehensive face to face assessments of residents across all our residential aged care facility sites, as well as telehealth opportunities for residents, families and staff.

Key initiatives

- Earlier diagnoses, which enables implementation of preventative measures
- Reduction in polypharmacy and improved medication management
- Medical, behavioural and social support and management strategies for residents, families and staff

DENTAL SERVICES

Our Dental Team has made significant progress in reducing the waitlist for dental services and the provision of timely care.

A new screening and treatment van has seen the expansion of the Smile Squad program to over 27 primary and secondary schools in the Ararat and Central Grampians Region.

Key initiatives

- Dental and fluoride treatment provided to students requiring intervention
- Least invasive option is used to reduce anxiety
- Smile Squad provides great access for oral care for children from vulnerable and disadvantaged communities.

DELIVERING OBSTETRIC CARE

For many years key GP Obstetricians Dr Michael Connellan, Dr Pieter Pretorius and Dr Chee Sheng Wong have delivered thousands of babies, enabling families to have continuity of safe care, low-risk deliveries close to home. However, to ensure that women in our community can continue to receive antenatal care and birth in Ararat our Obstetric service has made changes to its service delivery. The three doctors have made the difficult decision to step back from delivering Obstetric services, while continuing to provide continuity of care for families in Ararat.

The loss of three experienced clinicians presented a significant challenge to our Health Service and our community. In order to ensure the long-term sustainability of our birthing services, we have developed a new GP Obstetric care model. It differs from the Visiting Medical Officer model through the direct employment of three GP Obstetricians who will provide services on a rotation basis. This approach will be team-based, with each GP Obstetrician on-call for all deliveries that occur while they are on duty for a block of two weeks.

Key initiatives

- Dr Megan Helper completed her GP training and consolidation in GP Obstetrics in Ararat and returned to Ararat 18 months ago and is now one of two clinicians participating in this new model of care.
- A second GP Obstetrician, Dr Winnie Yum, commenced work in January and her appointment indicates that our Health Service is well on the way to securing a sustainable service for the long term.
- We are currently seeking the appointment of a third Obstetrician.
- The direct employment of GP Obstetricians will lead to expanded services, including the addition of a GP Obstetric antenatal clinic, to be held in conjunction with the midwifery antenatal clinics, already operating.
- The collaboration between GP Obstetricians and midwives will enhance and meet the needs of pregnant women, providing safe and quality care.
- This new model of care will continue to strengthen the partnership between our Health Service and the Ararat Medical Centre.



CHAIR AND CHIEF EXECUTIVE REPORT

EXPANSION OF AFTER-HOURS PALLIATIVE CARE SERVICE

Palliative patients and carers within our region are now able to access an expanded after-hours Palliative Care Service, funded by the Grampians Region Palliative Care Consortium and Western Victoria Primary Health Network. Overnight, weekends and public holidays are often when patients and carers feel most vulnerable; they now have access to a specialist palliative care nurse on call. The after-hours service is also available to health care professionals ambulance staff and paramedics while on a call out to a patient registered with palliative care services.

HEALTHY AGEING

Health promotion aims to empower an individual to make changes in a positive way that encourages them to become healthier individuals. Our health promotions team is encouraging members of the community to explore ways in which they can become proactive in order to increase their sense of physical and mental wellbeing and minimise or eliminate behaviour based chronic diseases.

Key initiatives

- A research project, facilitated by East Grampians Health Service, has been adapted into a successful modified sports program for over 60s at the Ararat Fitness Centre.
- The study investigated the social and physical benefits of a modified sports program and whether the program was feasible in a rural area.
- Increased participation of people over the age of 60 in modified sports programs
- Feedback from the focus group indicated that participants enjoyed the program more than they thought they would.
- Delivering the program at the Fitness Centre has added benefits of encouraging participation of seniors of all abilities to stay active and connect socially.



CHRONIC AND PREVENTABLE CONDITIONS WITHIN ARARAT RURAL CITY

Disease	Ararat Rural City Prevalence	Victorian Prevalence
Arthritis	12.1	8.0
Cancer	3.7	2.8
Diabetes	5.6	4.7
Heart Disease	5.3	3.7
Lung Condition	2.7	1.5
Mental Health	10.9	8.8

OUR VOLUNTEERS AND AUXILIARIES

To complement the work of health professionals, there are over 150 volunteers and four auxiliaries that work tirelessly to ensure that residents and consumers are able to live as full a life as is practicable. Our volunteers and auxiliaries provide much needed continuity to the community through day-to-day activities and fundraising.

We were delighted to recognise our volunteers and auxiliary members at the 17th Volunteer Recognition Ceremony. This year's theme was "Recognise. Re-connect. Reimagine". With research indicating that following COVID the community continued to feel isolated, the work our volunteers undertake has been really important.

The volunteers work across many different areas of the health service, including the EGHS Auxiliary, Residents' Support Group, Ark Toy and Activity Library Auxiliary, Willaura Health Care Auxiliary, Oncology, Red Cross, Garden View Court, 70 Lowe Street and the Patricia Hinchey Centre.

Key initiatives

- A testament to the relationship between our volunteers and the health service that at the 17th volunteer recognition ceremony the following long service awards were presented:
- 25 years of service: Betty Flavell - 70 Lowe Street.
- 20 years of service: Shelley Green - EGHS Auxiliary, Liz De Fegley - EGHS Auxiliary.
- 14 volunteers received 15 years of service certificates
- 5 volunteers received 10 years of service certificates
- 4 volunteers received 5 years of service certificates

AWARDS TO LONG TIME, COMMITTED VOLUNTEERS

- Heather Fleming has had a long and fulfilling relationship with our Health Service, from being a Board Director and Vice President, long term volunteer with the Willaura Health Care Auxiliary, and a Life Governor of EGHS. At the Victorian Senior of the Year Awards Heather was awarded a Council On The Ageing Senior Achievement Award, presented by the Governor of Victoria, the Hon Linda Dessau AC and Minister for Ageing, the Hon Colin Brooks. We couldn't be more delighted that Heather's commitment to her community has been recognised.
- Kaye Chamings, president of the Ark Toy and Activity Library was awarded a Life Governor at our Annual General Meeting, to recognise her outstanding work after stepping down as president after 10 years.



CHAIR AND CHIEF EXECUTIVE REPORT

KEEP IMPROVING CARE

PREMIER'S HEALTH SERVICE OF THE YEAR AWARD

The Health Service was a finalist in the Premier's Health Service of the Year (Medium) Awards. This demonstrates the commitment of the Board, Executive Team and staff to pursue diligently the highest standards in delivering quality, safe health care to our community. The other finalists were two respected health services: Latrobe Regional Hospital and Maryborough District Health Service. It is a privilege to stand alongside our colleagues and know that we are all working conscientiously to improve the healthcare of our communities.

NURSE PRACTITIONER MODEL OF CARE

The Nurse Practitioner Model of Care was introduced in residential aged care and with the expanded scope of practice, a NP has the experience, expertise and authority to diagnose and treat consumers with acute and chronic health conditions within their specialty discipline. We are pleased to announce that two long-standing Registered Nurses, Deborah Bennett and Elizabeth Lawrence, have successfully gained their Master's degrees and have been endorsed with Australian Health Practitioner Regulation Agency (AHPRA) as Nurse Practitioners specialising in Aged Care.

Key initiatives

- With the introduction of a Nurse Practitioner Model of Care in Residential Aged Care, the scope of Clinical Services has been expanded.
- The role of the Nurse Practitioner (NP) is designed to improve access to healthcare which will enhance health outcomes with a variety of specialty areas.
- East Grampians Health Service has been selected by the Grampians Health Service Partnership to pilot an NP Model of Care in Residential Aged Care.
- The primary aim of the project is to reduce avoidable presentations to the Urgent Care Centre and to provide appropriate 'care in place' for aged care consumers.

FACILITIES DEVELOPMENT

Medical facilities remain a vital component, as important as the built and sustainable environment. It was evident that a second theatre was essential to our community as surgical waiting lists were increasing significantly due to COVID-19. We are extremely grateful for the injection of significant funding from the Victorian Government of \$8.7 million which has enabled the construction of a second theatre to enable our patients to be treated in a timely manner. The second theatre was opened in October 2022 with over 60 community members enjoying the opportunity of touring the new facility. We were delighted to welcome the Hon Mary-Anne Thomas, Health Minister, to view the new facility and have an opportunity to meet with surgeons and other health service staff.

Willaura Health Care has a significant and positive impact on the small rural community of around 500 people. As well as residential care there is a very active day centre. There is no denying that while the care at Willaura is first rate, the buildings are tired and urgently need redeveloping. We are currently working with the Department of Health to embed the Willaura redevelopment into our Strategic Plan. It recently gained five stars on the Commonwealth Department of Health measures.

Key initiatives

- Significant funding from Victorian Government through its Regional Health Infrastructure Fund (RHIF)
- Additional care increased
- Increase in number of patients having surgery
- Strong interest from Ballarat based surgeons to come to Ararat to provide these services
- Embed the Willaura Health Care redevelopment into Strategic Plan
- Upgrade of 70 Lowe Street
- Upgrade of Clinical teaching space

PLAN UPDATE TO NUTRITION AND FOOD QUALITY STANDARDS

Both Appendix 4 and Appendix 8, issued by the Department of Health on the Nutrition and food Quality Standards have been reviewed and information shared with relevant stakeholders, including Dietitians, Chefs, Speech Pathologists, Area Managers and community representatives.

The International Dysphagia Diet Standardisation Initiative (IDDSI) framework provides a common terminology to describe food textures and drink thickness, and is being incorporated into the menu planning with in-service food and drink standards training for the majority of catering assistants. On-going training with chefs and lifestyle staff has also been arranged.

A Steering Committee is to be appointed (meeting six times per year) as a requirement of the Standards for continuous quality improvement.

Key initiatives

MENU PLANNING

- Relevant stakeholders consulted
- Patient surveys reviewed; menu options have been discussed at resident and family meetings in aged care
- Appendix 8 checklist are under review by relevant Stakeholders

NUTRIENT BANDING

- Nutrient banding to be reviewed
- Breakfast: Increase in protein options for breakfast
- Main meals: Reduction of unbanded main meals that contain high sodium, high saturated fat processed meat (eg: sausages and bacon options)
- Sides: increase in salad options for summer months
- Sandwiches: Use of unsaturated margarine, reduction of high fat, high sodium dressings, elimination of salami, bacon and other high processed meats in sandwiches and wraps
- Snack items: morning and afternoon tea menus to be amended to incorporate more options from Band 1 and Band 2. Current offers are majority unbanded items which should only be offered a maximum two times per week.
- Menu review has begun in conjunction with the implementation of Chef Max, a software platform providing comprehensive reporting of residences' real-time food intake history.



HEALTHY CHOICES POLICY DIRECTIVE

12-MONTH UPDATE

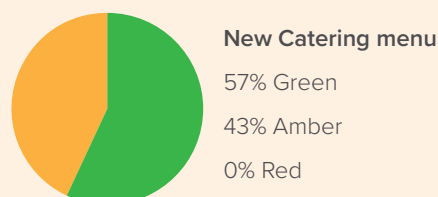
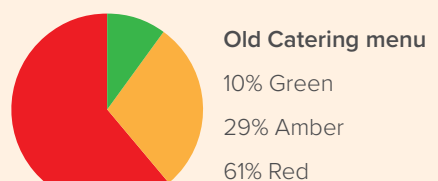
Our Health Service meets the Healthy Choices policy directive for drinks and catering and will continue to focus on the Café Pyrenees' menu over the next 12 months.

Drinks available need to be at least 50% green and no more than 20% amber classified drinks.

No red classified drinks can be provided / available for sale.



Catering food that is provided to staff and at events must be at least 50% green and no red classified food is allowed to be provided.



CHAIR AND CHIEF EXECUTIVE REPORT

CLIMATE CHANGE COMMITMENTS

In Ararat, 14% of households have solar panels on their roofs (according to data from the Australian Photovoltaic Institute), which equates to the installation of about 1,262 small scale systems with a collective capacity of 7,089 kW as of March this year.

In 2018 East Grampians Health Service was the beneficiary of an extraordinarily generous donation of \$3.2 million from Ararat business owners Joe and Monika Kapp. Mr and Mrs Kapp have always been strong supporters of the Health Service and on his death, Mrs Kapp was pleased to be able to carry out her husband's wishes by leaving a bequest, of which a portion has been used to install solar panels as well as creating an educational scholarship.

Further information on how our Health Service is making positive advances in reducing our carbon footprint can be found in our Environmental Report on page 36.

Key initiatives

- A roof top solar project and car park shelter project has been constructed using a percentage of the Kapp Bequest, along with funding from the Victorian Government's Department of Environment, Land, Water and Planning.
- Solar generated electricity is also used to run some of our lighting, cooling and equipment.
- The cost saving to our Health Service was estimated to be over \$76,000 per annum
- In total 1,322 panels have been installed at both the Ararat and Willaura campus with a combined solar system of 492 kW.

IMPROVE ABORIGINAL HEALTH AND WELLBEING

In our aim to improve the dental health outcomes for Aboriginal and Torres Strait Islander people in our community, we continue to work collaboratively with the Budja Budja Aboriginal Cooperative in Halls Gap to deliver dental services on a regular basis. In particular, we are building relationships through the provision of important information necessary for patients to make informed decisions about their own oral health with confidence. The Aboriginal Hospital Liaison Officers have helped to create a health service that is culturally safe and appropriate for First Nations people.

Key Initiatives

- Strengthening relationships with Budja Budja and its clients has enabled the First Nations community to be aware of the Aboriginal Hospital Liaison Officers (AHLO) at the Health Service and to personally request their support if required
- First Nations Health posters and information distributed around the organisation
- Kevin Jameson (AHLO) is working to develop a First Nations' garden as a contemplative space in which the community can visit or gather
- Culturally inspired activities conducted in Patricia Hinchey Centre and Willaura campus
- Acknowledgement plaques and decals are being installed to provide an element of cultural safety identification

- The flags and flag poles established at the front of both campuses are a welcoming image for First Nations community
- Establishing contact with Outpatients appointments as the AHLO will actively look for patients
- In the First Nations community things take time and move at a slower pace, however positive actions have been or are being taken and the First Nations community is noticing the change
- An IT log of patient presentations allows the AHLO to identify patients' needs and either make face to face contact or contact via phone
- Education is to be provided to administration staff to assist them with identification questions so that AHLO staff are aware of First Nation patients
- Consideration to be given to booking First Nations patients in on the days that AHLO are working to provide support and advocacy.



MOVING FROM COMPETITION TO COLLABORATION

We acknowledge the importance of our community, made up of all tiers of Government, consumers, the Board, staff, all levels of students, other health care providers, visitors, the media and contractors. Over the years we have established meaningful relationships with each sector where we share and gain knowledge that shapes our future delivery of health care to our community.

This year we have continued to consult and collaborate with:

OUR FORMAL HEALTH SERVICE PARTNERS

- Grampians Health Service Partnership:
Grampians Health, Beaufort & Skipton Health Service, Central Highlands Rural Health, East Wimmera Health Service, Maryborough District Health Service, West Wimmera Health Service, Rural Northwest Health
- Central Highlands Local Health Service Partnership:
Grampians Health, Beaufort & Skipton Health Service, Central Highlands Rural Health, East Wimmera Health Service, Maryborough District Health Service
- Grampians Rural Health Alliance:
Grampians Health, Beaufort & Skipton Health Service, Central Highlands Rural Health, East Wimmera Health Service, West Wimmera Health Service, Rural Northwest Health



OUR EDUCATION AND TRAINING

EGHS is committed to maintaining strong relationships with education and training partners, to ensure the highest standard of quality health care.

Partners include:

- Federation University Ballarat
- Deakin University
- LaTrobe University Bendigo
- University of Melbourne
- University of South Australia
- Department of Health
- Better Care Victoria/Safer Care Victoria
- Western Victoria Primary Health Network

Grampians Health

- Maryborough District Health Service
- Beaufort Skipton Health Service
- East Wimmera Health Service
- Ararat Medical Centre
- St John of God Ballarat Hospital
- Western Alliance Academic Health Science Centre

OUR COMMUNITY PARTNERS

EGHS also works in partnership with a range of community organisations, including:

- Ararat Rural City Council
- Volunteers
- Willaura Health Care Auxiliary
- Murray to Moyne bike riders
- Victoria Police Blue Ribbon Foundation Ararat Branch
- EGHS Building for the Future Foundation
- EGHS Auxiliary
- EGHS Residents' Support Group
- EGHS Ark Toy & Activity Library Auxiliary
- The Freemasons Victoria United Ararat Lodge Social Club
- Ararat Community Assist
- Ararat Ladies' Probus Club

OUR SERVICE PARTNERS

- Corrections Victoria
- Elmhurst Bush Nursing Centre
- Lake Bolac Bush Nursing Centre
- Budja Budja Community Controlled Health Service
- Grampians Public Health Unit
- Ambulance Victoria
- Victoria Police
- Ararat Neighbourhood House

New initiatives for fostering partnerships include:

- Leading the Better@Home initiative for the East Grampians area to include Beaufort, Maryborough and St Arnaud.
- Leading the regional credentialing for EGHS, EWHS, WWHS and RNW. This will hopefully be integrated with Grampians Health to have one system for doctors across the region.
- Building on the Rural Generalist training with Grampians Health to fill the seven procedural training posts in obstetrics, emergency and anaesthetics at Ballarat.

PLANNED SURGERY RECOVERY AND REFORM PROGRAM

As we return to a degree of stability, our aim at East Grampians Health Service, in line with that of the State Government, has been to implement strategies to increase the flow of patient through-put to decrease the number of people waiting for care.

We have been working with the Grampians Health Service Partnership (GHSP), that has been tasked with the job of coordinating a number of health services within the Grampians Region.

We are indebted to the advice we have received from the GHSP and the funding from the State Government to assist in the reduction of wait times and the provision of more services for patients in our catchment area.

At the start of the year one of our two theatres and Central Sterile Supply Department were undergoing refurbishment but once up and running, we have been able to provide more care as well as undertaking procedures directly off the Grampians Ballarat Health waitlist. Our expectation is that this work will continue for the foreseeable future.

We have been addressing the State Government's Planned Surgery and Recovery:

Positive patient experience and outcomes

- Excellent results from the Patient Satisfaction Survey
- Review of surgery efficiencies
- Decrease in number of people waiting for care

A sustainable healthcare workforce

- A well-informed workforce is one of our organisation's key Values (refer page 02)
- EGHS Grampians Medical Training intern program incorporated into the VRGP (refer page 34)
- Excellent result from People Matter Survey (refer page 32)
- On-going delivery of Diploma of Nursing at the Ararat campus (refer page 33)
- Introduction of Converge App to support EAP (refer page 31)
- With support from the Department of Health we have recruited an additional six surgeons to support our regular surgeons to reduce the waitlist.

Optimal health service efficiency

- Our organisation is mindful of the trust that our community places in us to deliver a first-class health service that meets their diverse needs. This year there have been a number of initiatives to streamline service delivery, including the redevelopment of one of the theatres, the appointment of our Health Service to become the provider for home care services and the ongoing training of health professionals here in Ararat (refer page 29)
- Our student nurses, allied health practitioners and trainee doctors who are studying here in Ararat, receive the very best clinical guidance from specialists in the field on their way to becoming fully qualified health professionals.

Strong System stewardship

- Our organisation has a very robust focus on education and mentoring, which relates to a strong commitment in professional development and collaboration with other health services.
- Staff who have demonstrated an ongoing commitment to their chosen profession and our organisational Values are encouraged to apply for a Scholarship or Award to upskill (refer page 31).
- With the support of the GHSP we have been collaborating with other health services in our region to support and assist in the reduction of waitlists.

A STRONGER WORKFORCE

The past few years have certainly been challenging. It is the role of the Board and Executive Team to ensure that we have in place both strategic and operational policies, giving staff access to professional development that supports their health and wellbeing through education, understanding and work life balance.

Research demonstrates that higher levels of well-being are associated with decreased risk of illness and injury, speedier recovery and increased longevity. Our health promotions team, educators, dietitians and grounds and gardens team all contribute to the overall organisational wellbeing environment: exercise classes, upskilling and mentoring of staff, scholarships, healthy choices menus, green spaces all go to improving the sense of wellbeing of our staff. This in turn means that residents, patients, consumers and visitors will also reap the benefit of staff who feel energised, fulfilled and committed to giving their best.

Key Initiatives

- Staff given access to the Converge App, a voluntary, confidential and free service to use to support the Health Service's Employee Assistance Program (EAP).
- The Converge App uses award-winning technology to assist the user in taking control of their mental health and wellbeing, through self-awareness and motivation.
- There are techniques and tools to track an individual's progress and appointments can be booked with a consultant.

SCHOLARSHIPS AND AWARDS

We are proud of staff who have demonstrated a commitment to our organisational Values of continuing to learn and develop through education, to share their knowledge with other health professionals and to deliver excellence in health care. The scholarships and bursaries highlight the partnership we experience with philanthropic individuals and organisations that enable us to offer our staff educational opportunities.

Building for the Future

- Jazmin Sabo: Graduate Certificate in Leadership and Management
- Lauri Williamson: Certificate IV in Human Resources
- Hayley Lugg: Advanced Diploma in Dental Prosthetics

Joe Kapp value \$15,000

- Peta Barrie: Certificate IV in Payroll Administration and Diploma in Payroll Management
- Tacey O'Brien: Diploma in Leadership and Management

Epworth Healthcare \$15,000 scholarship improvements in obstetric services

- Amanda Cranstoun: Graduate Diploma in Midwifery

Angela Laidlaw Clinical Scholarship

- Bree Leonard: Bachelor of Nursing



AWARDS

Nicole Townsend finalist in Worksafe Victoria Awards - Worker Return to Work category.

Following a workplace injury in Melbourne eight years ago, Nicole was offered an opportunity to work as a catering assistant at 70 Lowe Street.

She now works at our Willaura campus and said that the Support Services' team had been extremely accommodating helping her on her road to recovery.

CHAIR AND CHIEF EXECUTIVE REPORT

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 2023

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

POSITIVE ORGANISATIONAL CULTURE

The Victorian People Matter Survey is an important employee opinion survey that helps us review annually our workplace cultures to ensure they continue to align with both the public sector values and our organisational ones.

It was pleasing to receive correspondence from the Secretary of the Department of Health, Professor Euan Wallace that, following the results of the Victorian People Matter Survey, our Health Service was identified "as one of the seven best-performing organisations in a consolidated domain of senior leadership, as rated by your workforce". However, we are never complacent about our relationship with staff and consumers and we know we will all continue to strive for excellence.

Key Initiatives

- Part of our strategic plan is to work with the Department of Health to commence the planning process to upgrade the Willaura facility.

EMERGING FUTURE EMPLOYEES

We understand the importance of safeguarding the future health care of our community. We have established a framework to support emerging future employees through workplace initiatives:

Key Initiatives

- Work experience – from Ararat Collage, Marian College, Lake Bolac High School, Hamilton Colleges and Ballarat Grammar
- Apprenticeships – Dental technician, Gardener, Carpenter, Chef
- Traineeships – Health Care Worker, Café Assistant, Administration Assistant
- Training Work Placements – Nursing, Allied Health Practitioners, Health Care Workers
- Supported – Graduate Nurse Programs (Registered and Enrolled)
- Internal and external professional development and study opportunities - including placements at Royal Melbourne and Epworth hospitals



GRADUATE NURSE PROGRAM

The success of this program emphasises the significant contribution the program has made to our nursing workforce.

Key initiatives

- Since its inception in 2013 the program has a retention rate of 52%.
- 16% of staff are undertaking formal clinical education in their chosen specialty:
 - From 2013 – 2022 61 Registered Nurses (RN) have completed EGHS' Graduate Nurse Program (GNP), with 31 continuing to work at EGHS. This is a 51% retention rate.
 - From 2013 – 2022, 27 Enrolled Nurses (EN) have completed the EN GNP, with 20 continuing to work at EGHS. This is 74% retention rate.
 - In 2023, 10 RNs and 10 ENs are completing EGHS' GNPs.
 - Seven aged care staff are completing a Diploma of Nursing.
 - Eight ENs are transitioning to RN, completing the Bachelor of Nursing.
 - One Clinical Support Nurse/Educator completing a Graduate Diploma of Midwifery.
 - One Peri-operative Nurse completing a Graduate Certificate in Peri-operative Nursing.

Early in 2023 we were pleased to welcome the following health professionals, and are delighted they have chosen our Health Service to start their careers.

10 Graduate Registered Nurses Division 1

6 medical interns

3 General Practice registrars

3 allied health staff

- A significant number of nurses came through our pathway programs having either commenced their studies through Federation University's Diploma of Nursing course, delivered on site, or having had a clinical placement at our Health Service.
- This supports, and reinforces, evidence that if you train locally and provide a positive experience, retention rates will be high.
- The Federation University's Diploma of Nursing course continues to have strong local appeal with another intake of 24 student nurses commencing at the beginning of the year.

CHAIR AND CHIEF EXECUTIVE REPORT



The EGHS Grampians Medical Training Intern program, originally developed with the support of the Department of Health, has been incorporated into the Grampians Victorian Rural Generalist Program (VRGP).

Key initiatives

- The program provides end to end regional training for procedural General Practitioners and is coordinated through our Health Service.
- Currently there are 20 VRGP candidates at training stages ranging from internship to consolidation or procedural skills as Fellowed General Practitioners in the Grampians Region.
- Seven participants have been retained across the Grampians Region since the commencement of the program.
- A novel salaried medical officer position was created and evaluated by EGHS, on service position at a rural health service. Research indicated a salaried medical officer position improved work efficiency, increased accessibility to timely medical advice and improved quality of care.
- The salaried medical officer position has now been embedded as a significant training rotation in the Grampians VRGP pathway.

In 2024 our Health Service, in partnership with Deakin University, will have 15 first-year Deakin University medicine students training in Ararat. The students will be recruited from Ararat, Stawell, Horsham, Hamilton and Maryborough. This will enable them to study medicine close to their home environment.

Key initiatives

- This innovative training model aligns with our other training programs for health professionals that indicates that people trained in their rural communities are more likely to practice within the same community.
- Health professionals from these areas will receive recognition of prior learning as time spent as a clinician.
- The course will be Graduate Australian Medical School Admissions Test (GAMSAT) - exempt.
- A project officer has been appointed to support the recruitment of eligible applicants.

EXPECTATIONS FOR THE FUTURE

The EGHS Board has been developing plans for the redevelopment of the Willaura campus. We are pleased that Willaura entity planning will be funded by the Department of Health to hopefully achieve the Board's strategic objective of a redeveloped Willaura. This will improve the amenities for the residents, families and staff.

Deakin University is delivering the first year of its medical degree from Ararat in 2024. The recruitment of local nurses and health professionals is the priority. The hope is that they will work locally and research confirms that those who study locally are more motivated to remain within that environment.

Development of accommodation for staff to live in whilst working at East Grampians Health Service.

Resolving the issue of childcare provision for our staff is a high priority.

Nick Bush
Chief Executive

Ken Weldin
Board Chair

WORKFORCE DATA

HOSPITALS LABOUR CATEGORY	JUNE CURRENT MONTH FTE		JUNE YTD FTE	
	2023	2022	2023	2022
Nursing	135.45	138.68	142.33	135.17
Administration and Clerical	69.36	63.72	70.64	62.10
Medical Support	7.89	10.57	8.09	10.30
Hotel and Allied Services	98.81	93.35	100.23	90.97
Medical Officers	1.01	1.36	1.27	1.32
Hospital Medical Officers	8.01	8.21	7.99	8.00
Sessional Clinicians	0.59	0.00	2.72	0.00
Ancillary Staff (Allied Health)	22.13	22.13	20.20	21.56
TOTALS	343.25	338.02	353.47	329.42

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 well-being of the whole community whatever their background or beliefs.

OCCUPATIONAL HEALTH AND SAFETY DATA

Occupational Health and Safety Statistics	2022-23	2021-22	2020-21
The number of reported hazards/incidents for the year per 100 FTE	32.80	57.51	50.20
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.4	1.82	1.57
The average cost per WorkCover claim for the year ('000)	\$67	\$86	\$104

OCCUPATIONAL HEALTH AND SAFETY (OH&S) 2004

The *Occupational Health and Safety Act 2004* and its Schedules of 2017 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 2022-23.

The number of incidents for the year = 164
The number per FTE = 0.29

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	2022-23	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	83	112
Number of occupational violence incidents reported per 100 FTE	30.2	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.

ELECTRICITY USE

EL1 Total electricity consumption segmented by source [MWh]	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
Purchased	1,598.61	1,587.65	1,664.28
Self-generated	530.41	370.64	358.25
EL1 Total electricity consumption [MWh]	2,129.03	1,958.29	2,022.53
EL2 On site-electricity generated [MWh] segmented by:			
Consumption behind-the-meter			
Solar Electricity	530.41	370.64	358.25
Total Consumption behind-the-meter [MWh]	530.41	370.64	358.25
Exports			
Solar Electricity	0.00	0.00	0.00
Total Consumption behind-the-meter [MWh]	0.00	0.00	0.00
EL2 Total On site-electricity generated [MWh]	530.41	370.64	358.25
EL3 On-site installed generation capacity [kW converted to MW] segmented by:			
Diesel Generator	0.84	0.84	0.84
Solar System	0.17	0.17	-
EL3 Total On-site installed generation capacity [MW]	1.01	1.01	0.84
EL4 Total electricity offsets segmented by offset type [MWh]			
LGCs voluntarily retired on the entity's behalf	0.00	0.00	0.00
GreenPower	0.00	0.00	0.00
Certified climate active carbon neutral electricity purchased	0.00	0.00	0.00
EL4 Total electricity offsets [MWh]	0.00	0.00	0.00

This year 1,322 solar panels have been erected on roofs of car park shelters and other roof spaces at both our Ararat and Willaura campuses.

Annually at orientation and staff induction there is a component of in-service training given to the importance our organisation places on our environmental performance and sustainability, through our personal responsibility to adhering to integrating environmental design into new and refurbishment builds.

Recognition of the link between the health and wellness of people and the health and wellness of the environment, is in keeping with both Our Vision to “improve the health, wellbeing and the quality of life for our community” and Our Purpose “to meet people’s health needs through leadership, strong partnerships and wise use of resources”.

STATIONARY ENERGY

F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
Natural gas	7,847,612.80	7,897,303.70	7,358,907.40
LPG	1,211,860.50	1,227,964.00	960,720.00
F1 Total fuels used in buildings [MJ]	9,059,473.30	9,125,267.70	8,319,627.40
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e]			
Natural gas	404.39	406.95	379.20
LPG	73.44	74.41	58.22
F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]	477.83	481.36	437.42

TRANSPORTATION ENERGY

T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
Executive fleet - Gasoline	444,599.90	273,606.80	-
Non-emergency transport (Contracted) - Gasoline	0.00	-	-
Non-executive fleet - Gasoline	889,196.30	718,206.70	278,610.40
Petrol	1,333,796.20	991,813.50	278,610.40
Non-executive fleet - E10	0.00	0.00	-
Petrol (E10)	0.00	0.00	-
Executive fleet - Diesel	385,992.30	308,807.70	-
Non-executive fleet - Diesel	270,188.50	308,807.70	506,030.40
Diesel	656,180.80	617,615.40	506,030.40
Total energy used in transportation (vehicle fleet) [MJ]	1,989,977.00	1,609,428.90	784,640.80

ENVIRONMENTAL PERFORMANCE AND SUSTAINABILITY

TRANSPORTATION ENERGY

T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
Road Vehicles	41	-	-
Passenger vehicles	36	-	-
Internal combustion engines - Petrol	(30) 73%	-	-
Internal combustion engines - Diesel / Biodiesel	(6) 15%	-	-
Hybrid	(0) 0%	-	-
Goods vehicles	5	-	-
Internal combustion engines - Petrol	(1) 2%	-	-
Internal combustion engines - Diesel / Biodiesel	(4) 10%	-	-
Hybrid	(0) 0%	-	-
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]			
Executive fleet - Gasoline	30.06	18.50	-
Non-emergency transport (Contracted) - Gasoline	0.00	-	-
Non-executive fleet - Gasoline	60.13	48.57	18.84
Petrol	90.19	67.07	18.84
Non-executive fleet - E10	0.00	0.00	-
Petrol (E10)	0.00	0.00	-
Executive fleet - Diesel	27.18	21.74	-
Non-executive fleet - Diesel	19.02	21.74	35.63
Diesel	46.20	43.49	35.63
Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]	136.39	110.55	54.47
T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)			
Total distance travelled by commercial air travel	0.00	-	-
T(opt1) Total vehicle travel associated with entity operations [1,000 km]			
Total vehicle travel associated with entity operations [1,000 km]	-	-	-
T(opt2) Greenhouse gas emissions from vehicle fleet [tonnes CO2-e per 1,000 km]			
tonnes CO2-e per 1,000 km	-	-	-

TOTAL ENERGY USE

E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
Total energy usage from stationary fuels (F1) [MJ]	9,059,473.30	9,125,267.70	8,319,627.40
Total energy usage from transport (T1) [MJ]	1,989,977.00	1,609,428.90	784,640.80
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	11,049,450.30	10,734,696.60	9,104,268.20
E2 Total energy usage from electricity [MJ]			
Total energy usage from electricity [MJ]	7,664,499.22	7,049,838.24	7,281,114.30
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]			
Renewable	2,991,432.24	2,396,807.24	2,423,874.83
Non-renewable (E1 + E2 - E3 Renewable)	15,722,517.27	15,387,727.61	13,961,507.67
E4 Units of Stationary Energy used normalised			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	329.40	339.13	309.05
Energy per unit of LOS [MJ/LOS]	789.70	851.56	833.13
Energy per unit of Separations [MJ/Separations]	1,431.20	1,680.22	1,645.82
Energy per unit of floor space [MJ/m2]	583.58	587.82	535.92

SUSTAINABLE BUILDINGS AND INFRASTRUCTURE

B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
-	-	-	-
B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule			
-	-	-	-
B3 NABERS Energy (National Australian Built Environment Rating system) ratings of newly completed/occupied Entity-owned office buildings and substantial tenancy fit-outs (itemised)			
*	-	-	-
B4 Environmental performance ratings (eg. NABERS, Green Star, or ISCAIS rating scheme) of newly completed Entity-owned non-office building or infrastructure projects or upgrades with a value over \$1 million			
NABERS Energy	-	-	-
B4 Environmental performance ratings (eg. NABERS, Green Star, or ISCAIS rating scheme) of newly completed Entity-owned non-office building or infrastructure projects or upgrades with a value over \$1 million			
Rating scheme	*	-	-

ENVIRONMENTAL PERFORMANCE AND SUSTAINABILITY

SUSTAINABLE PROCUREMENT (Mandatory reporting not required until July 2023)

	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21

WATER USE

W1 Total units of metered water consumed by water source (kl)	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
Potable water [kL]	17,494.80	17,581.78	13,563.80
Total units of water consumed [kl]	17,494.80	17,581.78	13,563.80
W2 Units of metered water consumed normalised by FTE, head-count, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD [kL/Aged Care OBD]	0.64	0.65	0.50
Water per unit of LOS [kL/LOS]	1.52	1.64	1.36
Water per unit of Separations [kL/Separations]	2.76	3.24	2.68
Water per unit of floor space [kL/m2]	1.13	1.13	0.87

WASTE AND RECYCLING

WR1 Total units of waste disposed of by waste stream and disposal method [kg]	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
Landfill (total)			
General waste	114,964.00	114,964.00	118,057.00
Offsite treatment			
Clinical waste - incinerated	1,401.63	1,401.38	1,205.50
Clinical waste - sharps	797.47	613.97	645.21
Clinical waste - treated	19,049.32	22,872.96	18,597.81
Recycling/recovery (disposal)			
Batteries	0.00	0.00	19.40
Cardboard	17,490.00	17,490.00	17,160.00
Commingled	26,920.00	26,920.00	22,900.00
E-waste	172.00	0.00	14.00
Fluorescent tubes	15.00	0.00	11.60
Grease traps	1,428.58	981.67	1,372.34
Organics (garden)	23,460.00	11,777.09	15,995.24
Paper (confidential)	3,151.68	3,151.68	2,889.04
PVC	171.00	125.00	36.00
Total units of waste disposed [kg]	209,020.68	200,297.75	198,903.14
W2 Units of metered water consumed normalised by FTE, head-count, floor area, or other entity or sector specific quantity			
Landfill (total)			
General waste	55.00%	57.40%	59.35%
Offsite treatment			
Clinical waste - incinerated	0.67%	0.70%	0.61%
Clinical waste - sharps	0.38%	0.31%	0.32%
Clinical waste - treated	9.11%	11.42%	9.35%

ENVIRONMENTAL PERFORMANCE AND SUSTAINABILITY

WASTE AND RECYCLING

W2 Units of metered water consumed normalised by FTE, head-count, floor area, or other entity or sector specific quantity	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
Recycling/recovery (disposal)			
Batteries	0.00%	0.00%	0.01%
Cardboard	8.37%	8.73%	8.63%
Commingled	12.88%	13.44%	11.51%
E-waste	0.08%	0.00%	0.01%
Fluorescent tubes	0.01%	0.00%	0.01%
Grease traps	0.68%	0.49%	0.69%
Organics (garden)	11.22%	5.88%	8.04%
Paper (confidential)	1.51%	1.57%	1.45%
PVC	0.08%	0.06%	0.02%
WR2 Percentage of office sites covered by dedicated collection services for each waste stream			
Printer cartridges	*	*	*
Batteries	*	*	*
e-waste	*	*	*
Soft plastics	*	*	*
WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per patient treated (kg general waste)/PPT	2.54	2.67	2.81
Total waste to offsite treatment per patient treated (kg offsite treatment)/PPT	0.47	0.58	0.49
Total waste recycled and reused per patient treated (kg recycled and reused)/PPT	1.61	1.40	1.44
WR4 Recycling rate [%]			
Weight of recyclable and organic materials [kg]	72,808.26	60,445.44	60,397.62
Weight of total waste [kg]	209,020.68	200,297.75	198,903.14
Recycling rate [%]	34.83%	30.18%	30.37%
WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]			
tonnes CO2-e	176.49	181.22	179.55

GREENHOUSE GAS EMISSIONS

G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
Carbon Dioxide	612.09	589.86	490.23
Methane	1.06	1.06	0.94
Nitrous Oxide	1.07	0.99	0.72
Total	614.22	591.92	491.89
GHG emissions from stationary fuel (F2) [tonnes CO2-e]	477.83	481.36	437.42
GHG emissions from vehicle fleet (T3) [tonnes CO2-e]	136.39	110.55	54.47
Medical/Refrigerant gases			
Desflurane	5.38		
Nitrous oxide	27.82	27.82	-
Refrigerant - R134A	0.26	-	-
Refrigerant - R404A	23.90	-	-
Sevoflurane	1.44	-	-
Total scope one (direct) greenhouse gas emissions [tonnes CO2e]	673.02	619.74	491.89
G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]			
Electricity	1,098.17	1,159.38	1,297.96
Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]	1,098.17	1,159.38	1,297.96
G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)			
Commercial air travel	0.00	-	-
Waste emissions	176.49	181.22	179.55
Indirect emissions from Stationary Energy	197.36	162.68	182.66
Indirect emissions from Transport Energy	34.29	5.79	2.82
Paper emissions	-	-	-
Any other Scope 3 emissions	33.46	37.56	29.38
Total scope three greenhouse gas emissions [tonnes CO2e]	441.60	387.24	394.41

ENVIRONMENTAL PERFORMANCE AND SUSTAINABILITY

GREENHOUSE GAS EMISSIONS

G(Opt) Net greenhouse gas emissions (tonnes CO2e)	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]	2,212.78	2,166.37	2,184.27
Carbon Neutral Electricity	0.00	0.00	0.00
Green Power Electricity	0.00	0.00	0.00
Purchased LGCs	0.00	0.00	0.00
Any Offsets purchased	0.00	0.00	0.00
Net greenhouse gas emissions [tonnes CO2e]	2,212.78	2,166.37	2,184.27

NORMALISATION FACTORS

	Jul-22 to Jun-23	Jul-21 to Jun-22	Jul-20 to Jun-21
1000km (Corporate)	-	-	-
1000km (Non-emergency)	-	-	-
Aged Care OBD	27,503.00	26,908.00	26,920.00
ED Departures	0.00	0.00	0.00
FTE	-	339.00	319.00
LOS	11,472.00	10,716.00	9,986.00
OBD	38,975.00	37,624.00	36,906.00
PPT	45,305.00	43,055.00	41,961.00
Separations	6,330.00	5,431.00	5,055.00
TotalAreaM2	15,524.00	15,524.00	15,524.00

NOTE: Indicators are not reported where data is unavailable or an indicator is not relevant to the organisation's operations.

LEGISLATIVE COMPLIANCE

ATTESTATIONS

CONFLICT OF INTEREST

I, Nick Bush, certify that East Grampians Health Service has in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within East Grampians Health Service and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Nick Bush
Accountable Officer
East Grampians Health Service
6 September 2023

HEALTHSHARE VICTORIA COMPLIANCE

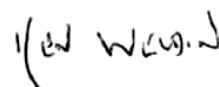
I, Nick Bush, certify that East Grampians Health Service has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the Health Services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



Nick Bush
Accountable Officer
East Grampians Health Service
6 September 2023

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Ken Weldin, 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.



Ken Weldin
Accountable Officer
East Grampians Health Service

6 September 2023

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

6 September 2023

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
Responsible Officer
East Grampians Health Service

6 September 2023

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	2 active
Building certified for approval	2 active
Works in construction and subject of mandatory inspection	1 active (2 closed)
Occupancy Permits issued	2

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 2022 – June 2023

	Approved	Mandatory Inspection	Occ Permit
70 Lowe Street refurbishment - Stage 2	Yes	Yes	-
Theatre/Radiology Project	Yes	Yes	Yes
Air conditioner chiller replacement Upgrade	Yes	Yes	Yes

CARERS' RECOGNITION ACT 2012

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

CAR PARKING

East Grampians Health Service is not required to comply with the Department of Health and Human Services hospital Circular on car parking fees as it does not operate any fee-paying car park space.

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.

DISCLOSURE OF ICT EXPENDITURE

The total ICT expenditure incurred during 2022-23 is \$2,100,721 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)
1,842,877	257,844	93,891	163,953

CONSULTANCIES

Details of consultancies (under \$10,000)

In 2022-23, there were no consultancies where the total fees payable to the consultants were less than \$10,000.

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

In 2022-23, there were 2 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022-23 in relation to these consultancies is \$57,640. See following table for details of these consultancies. Details of individual consultancies can be viewed at eghs.net.au

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (Ex GST)	Expenditure 2022-23 (Ex GST)	Future Expenditure
Project Cycle	Accommodation Strategy Development	Oct 22	June 23	\$20,000	\$17,640	-
The Align Group	Strategic Planning Facilitation	Aug 22	Feb 23	\$40,000	\$40,000	-

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 2022-23 financial year was \$30.60 per application, and the processing fee included search and access charges of \$22.94 per hour or part of an 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 2022-23 East Grampians Health Service received 69 requests, 38 of which were processed and granted in full under The Act, 5 did not proceed, 3 were withdrawn, 3 had no documents and 20 were processed outside of The Act.

REQUESTS

2022-23	2021-22	2020-21	2019-20
69	89	76	55

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 will report to our progress every two years to the Commission for Gender Equality in the Public Sector.

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 2022-23 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.

REGISTRATION

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

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.

69 written requests were received in 2022-23.

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 2022-23 there were no disclosures or notifications of disclosure relevant to the *Public Interest Disclosure Act* received.

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	45
FRD 22 Manner of establishment and the relevant Ministers	03-04	Attestation on managing Conflict of Interest	45
FRD 22 Purpose, functions, powers and duties	03	Attestation on Integrity, Fraud and Corruption	45
FRD 22 Nature and range of services provided	10	Compliance with HealthShare Victoria (HSV) Purchasing Policies	45
FRD 22 Activities, programs and achievements for the reporting period	20		
FRD 22 Significant changes in key initiatives and expectations for the future	11	Other reporting requirements	
		Reporting of outcomes from Statement of Priorities 2022-2023	11
<i>Management and Structure</i>		Occupational Violence reporting	35
FRD 22 Organisational structure	06	Reporting obligations under the <i>Safe Patient Care Act 2015</i>	47
FRD 22 Occupational Health and Safety	35	Reporting of compliance regarding Car Parking Fees (if applicable)	46
FRD 22 Workforce data/employment and conduct principles	35	Gender Equality Act 2020	47
		Additional information available on request	
<i>Financial Information</i>		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 Summary of the financial results for the year	18	(a) Declarations of pecuniary interests have been duly completed by all relevant officers;	
FRD 22 Significant changes in financial position during the year	FR	(b) Details of shares held by senior officers as nominee or held beneficially;	
FRD 22 Operational and budgetary objectives and performance against objectives	FR	(c) Details of publications produced by the entity about itself, and how these can be obtained;	
FRD 22 Subsequent events	46	(d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service;	
FRD 22 Details of consultancies over \$10,000	46	(e) Details of any major external reviews carried out on the Health Service;	
FRD 22 Details of consultancies under \$10,000	46	(f) Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations;	
FRD 22 Disclosure of ICT expenditure	46	(g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;	
		(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;	
Legislation		(i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;	
FRD 22 Application and operation of <i>Freedom of Information Act 1982</i>	47	(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 Compliance with building and maintenance provisions of <i>Building Act 1993</i>	46	(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>Public Interest Disclosure Act 2012</i>	47	(l) Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.	
FRD 22 Statement on National Competition Policy	46		
FRD 22 Application and operation of <i>Carers Recognition Act 2012</i>	46		
FRD 22 Summary of entity's environmental performance	36		
FRD 22 Additional information available on request	48		
FRD 25 <i>Local Jobs First Act</i> disclosures	47		
SD 5.1.4 Financial Management Compliance attestation	45		
SD 5.2.3 Declaration in Report of Operations	18		

FINANCIAL REPORT

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Financial Statements

Financial Year ended 30 June 2023

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

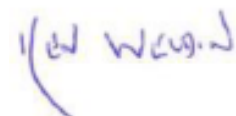
The attached financial statements for East Grampians Health Service have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, 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 2023 and the financial position of East Grampians Health Service at 30 June 2023.

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 06 September 2023.

Board member



Mr Ken Weldin
Board Chair

Ararat
06 September 2023

Accountable Officer



Mr Nick Bush
Accountable Officer

Ararat
06 September 2023

Chief Finance & Accounting Officer



Mr Tony Roberts
Chief Finance & Accounting Officer

Ararat
06 September 2023

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 2023 • 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 2023 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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service'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.



MELBOURNE
22 September 2023

Dominika Ryan
as delegate for the Auditor-General of Victoria

East Grampians Health Service
Comprehensive Operating Statement
For the Year Ended 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Revenue and income from transactions			
Operating activities	2.1	64,265	53,786
Non-operating activities	2.1	645	293
Share of revenue from joint operations	8.7	572	749
Total revenue and income from transactions		65,482	54,828
Expenses from transactions			
Employee expenses	3.1	(45,698)	(39,145)
Supplies and consumables	3.1	(9,472)	(7,693)
Finance costs	3.1	(10)	(10)
Depreciation and amortisation	4.5	(3,194)	(3,337)
Share of expenditure from joint operations	8.7	(724)	(881)
Other administrative expenses	3.1	(4,962)	(3,338)
Other operating expenses	3.1	(2,191)	(2,359)
Other non-operating expenses	3.1	(22)	-
Total Expenses from transactions		(66,273)	(56,763)
Net result from transactions - net operating balance		(791)	(1,935)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets	3.2	-	1,217
Net gain/(loss) on financial instruments	3.2	(49)	14
Other gain/(loss) from other economic flows	3.2	69	217
Total other economic flows included in net result		20	1,448
Net result for the year		(770)	(487)
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
Total other comprehensive income		-	5,038
Comprehensive result for the year		(770)	4,551

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

East Grampians Health Service Balance Sheet

For the Year Ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	6.2	9,874	8,617
Receivables	5.1	1,788	1,509
Contract assets	5.2	125	-
Inventories		88	102
Investments and other financial assets	4.1	11	11
Share of assets in joint operations	8.7	367	391
Prepaid expenses		305	259
Total current assets		12,558	10,889
Non-current assets			
Receivables	5.1	1,029	778
Investments and other financial assets	4.1	2,708	2,553
Share of assets in joint operations	8.7	78	185
Property, plant and equipment	4.2(a)	58,349	58,720
Right of use assets	4.3(a)	813	321
Investment property	4.6(a)	4,030	4,030
Total non-current assets		67,007	66,587
Total assets		79,565	77,476
Current liabilities			
Payables	5.3	2,758	2,250
Contract liabilities	5.4	-	82
Borrowings	6.1	461	82
Employee benefits	3.3	8,004	7,036
Share of liabilities in joint operations	8.7	203	180
Other liabilities	5.5	7,919	7,196
Total current liabilities		19,345	16,826
Non-current liabilities			
Borrowings	6.1	357	236
Employee benefits	3.3	873	654
Total non-current liabilities		1,230	890
Total liabilities		20,575	17,716
Net assets		58,990	59,760
Equity			
Revaluation surplus	4.4	43,207	43,207
Restricted specific purpose reserve	SCE	3,927	3,927
Contributed capital	SCE	19,896	19,896
Accumulated (deficit)	SCE	(8,040)	(7,270)
Total equity		58,990	59,760

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 2023

	Revaluation Surplus \$'000	Restricted Specific Purpose Reserve \$'000	Contributed Capital \$'000	Accumulated (Deficit) \$'000	Total \$'000
Balance at 1 July 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) accumulated surplus/(deficit)	-	(988)		988	-
Balance at 30 June 2022	43,207	3,927	19,896	(7,270)	59,760
Net result for the year	-	-	-	(770)	(770)
Balance at 30 June 2023	43,207	3,927	19,896	(8,040)	58,990

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

East Grampians Health Service
Cash Flow Statement
For the Year Ended 30 June 2023

		2023	2022
	Note	\$'000	\$'000
Cash Flows from operating activities			
Operating grants from State Government		38,633	32,653
Capital grants from State Government		3,447	1,844
Operating grants from Commonwealth Government		9,803	8,479
Patient fees received		6,607	5,838
GST received from ATO		1,978	1,955
Interest and investment income received		421	32
Other receipts received		4,110	4,470
Total receipts		64,999	55,271
Employee expenses		(44,324)	(38,049)
Payments for supplies and consumables		(8,158)	(7,160)
Payments for repairs and maintenance		(1,226)	(1,226)
Finance costs		(10)	(10)
GST paid to ATO		(1,939)	(1,903)
Other payments		(6,085)	(4,489)
Total payments		(61,742)	(52,837)
Net cash flows from operating activities	8.1	3,257	2,434
Cash Flows from investing activities			
Purchase of non-financial assets		(2,752)	(5,575)
Purchase of financial assets		(204)	-
Capital donations and bequests received		136	100
Net cash flows (used in) investing activities		(2,820)	(5,475)
Cash flows from financing activities			
Repayment of principal portion of lease liabilities		(66)	(55)
Repayment of accommodation deposits		(1,343)	(661)
Receipt of accommodation deposits		2,229	2,558
Net cash flows from/(used in) financing activities		820	1,842
Net increase/(decrease) in cash and cash equivalents held		1,257	(1,199)
Cash and cash equivalents at beginning of year		8,617	9,816
Cash and cash equivalents at end of year	6.2	9,874	8,617

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 2023. 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 6th September 2023.

Note 1.2 Impact of COVID-19 pandemic

The Pandemic (Public Safety) Order 2022 (No. 5) which commenced on 22 September 2022 ended on 12 October 2022 when it was allowed to lapse and was revoked. Long-term outcomes from COVID-19 infection are currently unknown and while the pandemic response continues, a transition plan towards recovery and reform in 2022/23 was implemented. Victoria's COVID-19 Catch-Up Plan is aimed at addressing Victoria's COVID-19 case load and restoring surgical activity. The financial impact of the pandemic was not material to East Grampians Health Service.

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
NWAU	National Weighted Activity Unit
SD	Standing Direction
VAGO	Victorian Auditor-General's Office
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 relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.2: Property, plant and equipment
- Note 4.3: Right-of-use assets
- Note 4.5: Depreciation and amortisation
- Note 4.6: Investment property
- Note 4.9: Impairment of assets
- Note 5.1: Receivables
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

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 17: <i>Insurance Contracts</i>	Reporting periods beginning on or after 1 July 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-5: <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: <i>Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants</i>	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i>	Reporting periods beginning on or after 1 July 2026	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	Reporting periods beginning on or after 1 July 2026	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	Reporting periods beginning on or after 1 January 2024.	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, assets and liabilities 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 during the financial year was not materially impacted by the COVID-19 Coronavirus pandemic and scaling down the COVID-19 public health response during the year ended 30 June 2023.

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>

East Grampians Health Service
Notes to the Financial Statements
For the Year Ended 30 June 2023

Key judgements and estimates	Description
Assets and services received free of charge or for nominal consideration	East Grampians Health Service applies significant judgement to determine the fair value of assets and services provided free of charge or for nominal value. Assets and services received free of charge or for nominal value are recognised based on the fair value of the services or goods received.

Note 2.1: Revenue and income from transactions

		2023 \$'000	2022 \$'000
Note			
Operating activities			
Revenue from contracts with customers			
	Government grants (State) - Operating	30,556	23,431
	Government grants (Commonwealth) - Operating	10,653	8,479
	Patient and resident fees	6,672	5,789
	Commercial activities ¹	187	247
2.1(a)	Total revenue from contracts with customers	48,068	37,946
Other sources of income			
	Government grants (State) - Operating	8,475	9,493
	Government grants (State) - Capital	2,597	1,844
	Other capital purpose income	133	389
2.1(b)	Assets received free of charge or for nominal consideration	1,073	825
	Other income from operating activities	3,919	3,289
	Total other sources of income	16,197	15,840
	Total revenue and income from operating activities	64,265	53,786
Non-operating activities			
Income from other sources			
	Rental income	223	201
	Other interest	315	32
	Dividends	107	60
	Total income from non-operating activities	645	293
	Total revenue and income from transactions	64,910	54,079

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

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

East Grampians Health Service Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 2.1: Revenue and income from transactions (cont)

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

	2023 \$'000	2022 \$'000
East Grampians Health Service disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	47,881	37,699
Over time	187	247
Total revenue from contracts with customers	48,068	37,946

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 a point in time or over time as and 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.

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.

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
Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations	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.

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	<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>

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.

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 income 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: Revenue and income from transactions (cont)

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

	2023 \$'000	2022 \$'000
Cash donations and gifts	136	101
Personal protective equipment and other consumables	937	724
Total fair value of assets and services received free of charge or for nominal consideration	1,073	825

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.

Contributions of resources

East Grampians Health Service may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when East Grampians Health Service obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

The exception to this policy is when an asset is received from another government agency or department as a consequence of a restructuring of administrative arrangements, in which case the asset will be recognised at its carrying value in the financial statements of East Grampians Health Service as a capital contribution transfer.

Non-cash contributions from the Department of Health

The DH makes some payments on behalf of East Grampians Health Service as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for East Grampians Health Service which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements with the DH.

Note 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 services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

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>
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:</p> <ul style="list-style-type: none"> an inflation rate of 4.35%, reflecting the future wage and salary levels durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 72.4% and 74.1%. discounting at the rate of 4.063%, as determined with reference to market yields on government bonds at the end of the reporting period. <p>All other entitlements are measured at their nominal value.</p>

East Grampians Health Service
Notes to the Financial Statements
For the Year Ended 30 June 2023

Note 3.1: Expenses from transactions

Note	2023 \$'000	2022 \$'000
Salaries and wages	29,782	26,874
On-costs	8,317	6,955
Agency expenses	2,173	-
Fee for service medical officer expenses	4,707	4,620
Workcover premium	719	696
Total employee expenses	45,698	39,145
Drug supplies	1,695	1,578
Medical and surgical supplies (including Prostheses)	3,411	2,487
Diagnostic and radiology supplies	1,008	857
Other supplies and consumables	3,358	2,771
Total supplies and consumables	9,472	7,693
Finance costs	10	10
Total finance costs	10	10
Other administrative expenses	4,962	3,338
Total other administrative expenses	4,962	3,338
Fuel, light, power and water	597	527
Repairs and maintenance	676	821
Maintenance contracts	534	405
Medical indemnity insurance	383	383
Expenditure for capital purposes	-	223
Total other operating expenses	2,191	2,359
Total operating expenses	62,333	52,545
Depreciation and amortisation	4.5 3,194	3,337
Total depreciation and amortisation	3,194	3,337
Bad and doubtful debt expense	22	-
Total other non-operating expenses	22	-
Total non-operating expenses	3,216	3,337
Total expenses from transactions	65,549	55,882

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

	2023	2022
	\$'000	\$'000
Net gain/(loss) on revaluation of investment property	-	1,305
Net gain/(loss) on disposal of property plant and equipment	-	(88)
Total net gain/(loss) on non-financial assets	-	1,217
Fair value movement of financial instruments	(49)	14
Total net gain/(loss) on financial instruments	(49)	14
Net gain/(loss) arising from revaluation of long service liability	69	217
Total other gains/(losses) from other economic flows	69	217
Total gains/(losses) from other economic flows	20	1,448

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

	2023	2022
	\$'000	\$'000
Current employee benefits and related on-costs		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	127	110
	127	110
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	2,713	2,336
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	137	118
	2,850	2,454
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	404	678
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	3,324	2,714
	3,728	3,392
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months ⁱ	828	392
Unconditional and expected to be settled after 12 months ⁱⁱ	471	688
	1,299	1,080
Total current employee benefits and related on-costs	8,004	7,036
Non-current employee benefits and related on-costs		
Conditional long service leave ⁱⁱ	764	582
Provisions related to employee benefit on-costs ⁱⁱ	109	72
Total non-current employee benefits and related on-costs	873	654
Total employee benefits and related on-costs	8,877	7,690

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

	2023 \$'000	2022 \$'000
Current employee benefits and related on-costs		
Unconditional accrued days off	127	110
Unconditional annual leave entitlements	2,850	3,110
Unconditional long service leave entitlements	5,027	3,816
Total current employee benefits and related on-costs	8,004	7,036
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	873	654
Total non-current employee benefits and related on-costs	873	654
Total employee benefits and related on-costs	8,877	7,690
Attributable to:		
Employee benefits	7,469	6,538
Provision for related on-costs	1,408	1,152
Total employee benefits and related on-costs	8,877	7,690

Note 3.3(b): Provision for related on-costs movement schedule

	2023 \$'000	2022 \$'000
Carrying amount at start of year	1,152	741
Additional provisions recognised	1,000	980
Amounts incurred during the year	(752)	(595)
Net gain/(loss) arising from revaluation of long service liability	8	26
Carrying amount at end of year	1,408	1,152

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.

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.

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.

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

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Defined benefit plans:ⁱ				
Aware Superannuation Fund	51	100	-	-
Defined contribution plans:				
Aware Superannuation Fund	1,587	1,410	-	-
Hesta Superannuation Fund	901	753	-	-
Other - Various	860	648	-	-
Total	3,399	2,911	-	-

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.

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

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.

Defined benefit superannuation plans (cont)

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

Defined contribution (i.e., accumulation) superannuation plan expenditure 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. 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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current financial assets at amortised cost				
Term deposits > 3 months	11	11	11	11
Total current financial assets	11	11	11	11
Non-current financial assets at fair value through net result				
Managed funds	2,708	2,553	2,708	2,553
Total non-current financial assets	2,708	2,553	2,708	2,553
Total investments and other financial assets	2,719	2,564	2,719	2,564
Represented by:				
Health service investments	2,719	2,564	2,719	2,564
Total investments and other financial assets	2,719	2,564	2,719	2,564

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

	2023	2022
	\$'000	\$'000
Land at fair value - Crown	1,842	1,842
Land at fair value - Freehold	550	550
Total land at fair value	2,392	2,392
Buildings at fair value	52,519	44,037
Less accumulated depreciation	(2,320)	-
Total buildings at fair value	50,199	44,037
Land improvements at fair value	1,572	1,572
Less accumulated depreciation	(63)	-
Total land improvements at fair value	1,509	1,572
Works in progress at cost	160	7,557
Total land and buildings	54,260	55,558
Plant and equipment at fair value	5,285	5,064
Less accumulated depreciation	(3,376)	(3,007)
Total plant and equipment at fair value	1,909	2,057
Motor vehicles at fair value	1,098	1,098
Less accumulated depreciation	(1,045)	(1,016)
Total motor vehicles at fair value	53	82
Medical equipment at fair value	5,720	4,279
Less accumulated depreciation	(3,593)	(3,256)
Total medical equipment at fair value	2,127	1,023
Total plant, equipment, medical equipment and vehicles at fair value	4,089	3,162
Total property, plant and equipment	58,349	58,720

Note 4.2: Property, plant and equipment (cont)

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

		Land & Improvements	Buildings	Plant & equipment	Motor vehicles	Medical Equipment	Works in progress	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021		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	-	-	-	-	5,038
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
Additions		-	2,179	254	-	156	160	2,749
Net Transfers between classes			6,303	12	-	1,242	(7,557)	-
Depreciation	4.5	(63)	(2,320)	(414)	(29)	(294)	-	(3,120)
Balance at 30 June 2023	4.2(a)	3,901	50,199	1,909	53	2,127	160	58,349

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.

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.

East Grampians Health Service

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 4.2: Property, plant and equipment (cont)

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 land was performed by the VGV on 30 June 2022. 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. As an independent valuation was not undertaken on 30 June 2023, a managerial assessment performed at 30 June 2023 indicated an overall:

- increase in fair value of land of 1% (\$24,240)
- increase in fair value of buildings of 7% (\$2,889,437).

As the cumulative movement was less than 10% for land and buildings since the last revaluation, a managerial revaluation adjustment was not required as at 30 June 2023.

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

	2023	2022
	\$'000	\$'000
Right of use plant, equipment and vehicles at fair value	988	399
Less accumulated depreciation	(175)	(78)
Total right of use plant, equipment and vehicles at fair value	813	321

East Grampians Health Service Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 4.3 Right-of-use assets (cont)

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

		Right-of-use - PE & V	Total
	Note	\$'000	\$'000
Balance at 1 July 2021		237	237
Additions		135	135
Depreciation	4.5	(51)	(51)
Balance at 30 June 2022	4.3(a)	321	321
Additions		566	566
Depreciation	4.5	(74)	(74)
Balance at 30 June 2023	4.3(a)	813	813

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.

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

		2023	2022
	Note	\$'000	\$'000
Balance at the beginning of the reporting period		43,207	38,168
Revaluation increment			
- Land	4.2(b)	-	896
- Buildings	4.2(b)	-	4,143
Balance at the end of the Reporting Period*		43,207	43,207
* Represented by:			
- Land		4,343	4,343
- Buildings		38,864	38,864
		43,207	43,207

Note 4.5: Depreciation

	2023	2022
	\$'000	\$'000
Depreciation		
Property, plant and equipment		
Buildings	2,320	2,538
Land improvements	63	37
Plant and equipment	414	450
Motor vehicles	29	13
Medical equipment	294	248
Total depreciation - property, plant and equipment	3,120	3,286
Right-of-use assets		
Right-of-use plant, equipment and motor vehicles	74	51
Total depreciation - right-of-use assets	74	51
Total depreciation	3,194	3,337

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.

	2023	2022
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'	8 to 14 years	5 to 15 years
Medical equipment	5 to 20 years	5 to 15 years
Computers and communication	3 to 10 years	3 to 5 years
Furniture and fittings	4 to 10 years	5 to 15 years
Motor vehicles	8 to 20 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

	2023 \$'000	2022 \$'000
Investment property at fair value	4,030	4,030
Total investment property at fair value	4,030	4,030

Note 4.6(b): Reconciliations of carrying amount

	2023 \$'000	2022 \$'000
Balance at Beginning of Period	4,030	2,725
Net gain/(loss) from fair value adjustments	-	1,305
Balance at End of Period	4,030	4,030

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 2023 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 2023.

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

5.2 Contract assets

5.3 Payables

5.4 Contract liabilities

5.5 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.</p> <p>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	<p>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.</p> <p>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.</p>

East Grampians Health Service
Notes to the Financial Statements
For the Year Ended 30 June 2023

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

	Notes	2023 \$'000	2022 \$'000
Current receivables			
Contractual			
Trade receivables		1,006	689
Patient fees		394	323
Allowance for impairment losses	5.1(a)	(25)	(40)
Accrued revenue		241	327
Total contractual receivables		1,616	1,299
Statutory			
GST receivable		172	210
Total statutory receivables		172	210
Total current receivables		1,788	1,509
Non-current receivables			
Contractual			
Long service leave - Department of Health		1,029	778
Total non-current receivables		1,029	778
Total receivables		2,817	2,287
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>			
Total receivables		2,817	2,287
GST receivable		(172)	(210)
Allowance for impairment losses		25	40
Total financial assets classified as receivables	7.1(a)	2,670	2,117

Note 5.1: Receivables (cont)

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

	2023 \$'000	2022 \$'000
Balance at the beginning of the year	40	40
Amounts written off during the year	(15)	-
Balance at the end of the year	25	40

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, which mostly includes debtors in relation to goods and services cost. 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*.

Impairment losses of contractual receivables

Refer to Note 7.2(a) for East Grampians Health Service's contractual impairment losses.

Note 5.2 Contract Assets

	2023 \$'000	2022 \$'000
Balance at the beginning of the year	-	13
Add: Additional costs incurred that are recoverable from the customer	125	-
Less: Transfer to trade receivable or cash at bank	-	(13)
Total contract assets	125	-
* Represented by:		
- Current contract assets	125	-
	125	-

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 and at this time an invoice is issued. Contract assets are expected to be recovered during the next financial year.

Note 5.3: Payables

		2023 \$'000	2022 \$'000
Current payables			
Contractual			
Trade creditors		1,657	1,611
Accrued salaries and wages		439	321
Accrued expenses		662	318
Total contractual payables		2,758	2,250
Total current payables		2,758	2,250
<i>(i) Financial liabilities classified as payables (Note 7.1(a))</i>			
Total payables		2,758	2,250
Total financial liabilities classified as payables	7.1(a)	2,758	2,250

How we recognise payables

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 5.4: Contract liabilities

	2023 \$'000	2022 \$'000
Opening balance of contract liabilities	82	247
Grant consideration for sufficiently specific performance obligations received during the year	-	82
Revenue recognised for the completion of a performance obligation	(82)	(247)
Total contract liabilities	-	82
* Represented by:		
- Current contract liabilities	-	82
	-	82

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.

Note 5.4: Contract liabilities (cont)

Financial guarantees

Payments that are contingent under financial guarantee contracts are recognised as a liability, at fair value, at the time the guarantee is issued. Subsequently, should there be a material increase in the likelihood that the guarantee may have to be exercised, the liability is recognised at the higher of the amount determined in accordance with the expected credit loss model under AASB 9 *Financial Instruments* and the amount initially recognised less, when appropriate, cumulative amortisation recognised.

In the determination of fair value, consideration is given to factors including the overall capital management/prudential supervision framework in operation, the protection provided by the DH by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to the health service in the event of default.

Note 5.5: Other liabilities

	2023 \$'000	2022 \$'000
Current monies held in trust		
Patient monies	229	334
Refundable accommodation deposits	7,533	6,647
Other monies held in trust	157	215
Total other liabilities	7,919	7,196
* Represented by:		
- Cash assets	7,919	7,196
	7,919	7,196

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 and scaling down of the COVID-19 public health response during the year ended 30 June 2023.

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> <p>For leased equipment and vehicles, the implicit interest rate is between 4.56% and 5%.</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	2023 \$'000	2022 \$'000
Current borrowings			
Lease liability ⁽ⁱ⁾	6.1(a)	461	82
Total current borrowings		461	82
Non-current borrowings			
Lease liability ⁽ⁱ⁾	6.1(a)	357	236
Total non-current borrowings		357	236
Total borrowings	7.1(a)	818	318

(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.

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.

Defaults and breaches

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

Note 6.1: Borrowings (cont)

Note 6.1(a): Lease liabilities

East Grampians Health Services' lease liabilities are summarised below:

	2023 \$'000	2022 \$'000
Total undiscounted lease liabilities	864	331
Less unexpired finance expenses	(46)	(13)
Net lease liabilities	818	318

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

	2023 \$'000	2022 \$'000
Not longer than one year	177	89
Longer than one year but not longer than five years	687	205
Longer than five years	-	37
Minimum future lease liability	864	331
Less unexpired finance expenses	(46)	(13)
Present value of lease liability	818	318
* Represented by:		
- Current liabilities	461	82
- Non-current liabilities	357	236
	818	318

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.

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

Type of asset leased	Lease term
Leased plant, equipment, and vehicles	3 to 5 years

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

Note 6.1: Borrowings (cont)

Note 6.1(a): Lease liabilities (cont)

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

		2023	2022
	Note	\$'000	\$'000
Cash on hand (excluding monies held in trust)		3	3
Cash at bank (excluding monies held in trust)		1,952	1,418
Total cash held for operations		1,955	1,421
Cash at bank (monies held in trust)		7,919	7,196
Total cash held as monies in trust		7,919	7,196
Total cash and cash equivalents	7.1(a)	9,874	8,617

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

	2023 \$'000	2022 \$'000
Capital expenditure commitments		
Less than one year	-	2,640
Total commitments for expenditure (inclusive of GST)	-	2,640
Less GST recoverable from Australian Tax Office	-	(240)
Total commitments for expenditure (exclusive of GST)	-	2,400

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(a): Categorisation of financial instruments

		Financial Assets at Amortised Cost	Financial Assets at Fair Value Through Net Result	Financial Liabilities at Amortised Cost	Total
	Note	\$'000	\$'000	\$'000	\$'000
30 June 2023					
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	9,874	-	-	9,874
Receivables	5.1	2,670	-	-	2,670
Contract assets	5.2	125	-	-	125
Investments and other financial assets	4.1	11	-	-	11
Total Financial Assetsⁱ		12,680	-	-	12,680
Financial Liabilities					
Payables	5.3	-	-	2,758	2,758
Borrowings	6.1	-	-	818	818
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	-	7,533	7,533
Other Financial Liabilities - Patient monies held in trust	5.5	-	-	229	229
Other monies held in trust	5.5	-	-	157	157
Total Financial Liabilitiesⁱ		-	-	11,495	11,495

Note 7.1: Financial instruments (cont)

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

		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	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	5.3	-	-	2,250	2,250
Contract liabilities	5.4	-	-	82	82
Borrowings	6.1	-	-	318	318
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	-	6,647	6,647
Other Financial Liabilities - Patient monies held in trust	5.5	-	-	334	334
Other monies held in trust	5.5	-	-	215	215
Total Financial Liabilitiesⁱ		-	-	9,846	9,846

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).

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
- Term deposits.

Note 7.1: Financial instruments (cont)

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

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.

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.

Note 7.1: Financial instruments (cont)

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

A financial asset is required to be reclassified between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, 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 and equity price risk. East Grampians Health Service manages these financial risks in accordance with its financial risk management policy.

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.

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.

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.

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

Note 7.2(a): Credit risk (cont)

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 2022-23.

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.

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 2023	Note						
Expected loss rate		0.0%	0.0%	0.0%	0.0%	71.4%	
Gross carrying amount of contractual receivables	5.1	1,802	178	47	608	35	2,670
Loss allowance		-	-	-	-	(25)	(25)
		Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
30 June 2022	Note						
Expected loss rate		0.0%	0.0%	0.0%	0.0%	100.0%	
Gross carrying amount of contractual receivables	5.1	1,674	37	18	348	40	2,117
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.

East Grampians Health Service

Notes to the Financial Statements

For the Year Ended 30 June 2023

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

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.

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
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2023	Note						
Financial Liabilities at amortised cost							
Payables	5.3	2,758	2,758	2,758	-	-	-
Borrowings	6.1	818	818	38	76	347	357
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	7,533	7,533	7,533	-	-	-
Other Financial Liabilities - Patient monies held in trust	5.5	229	229	229	-	-	-
Other monies held in trust	5.5	157	157	157	-	-	-
Total Financial Liabilities		11,495	11,495	10,715	76	347	357

		Maturity Dates					
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2022	Note						
Financial Liabilities at amortised cost							
Payables	5.3	2,250	2,250	2,250	-	-	-
Contract liabilities	5.4	82	82	82	-	-	-
Borrowings	6.1	318	318	14	11	57	236
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	6,647	6,647	6,647	-	-	-
Other Financial Liabilities - Patient monies held in trust	5.5	334	334	334	-	-	-
Other monies held in trust	5.5	215	215	215	-	-	-
Total Financial Liabilities		9,846	9,846	9,542	11	57	236

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

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.

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	Net result	Net result
\$'000	\$'000	\$'000
30 June 2023		
Contractual financial assets		
Investments and other contractual financial assets	2,708	(406)
Total impact	2,708	(406)
	-15%	+15%
Carrying amount	Net result	Net result
\$'000	\$'000	\$'000
30 June 2022		
Contractual financial assets		
Investments and other contractual financial assets	2,553	(383)
Total impact	2,553	(383)

Note 7.3: Contingent assets and contingent liabilities

At balance date, the Board are not aware of any contingent assets or liabilities (2022: 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.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service, or
- present obligations that arise from past events but are not recognised because:
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations, or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

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.

Note 7.4: Fair value determination (cont)

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

		Carrying amount 30 June 2023	Fair value measurement at end of reporting period using:		
	Note	\$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Managed funds	4.1	2,708	-	2,708	-
Total financial assets held at fair value through other comprehensive income		2,708	-	2,708	-

		Carrying amount 30 June 2022	Fair value measurement at end of reporting period using:		
	Note	\$'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	-

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 2023 \$'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		3,351	-	-	3,351
Total land at fair value	4.2(a)	3,901	-	550	3,351
Non-specialised buildings		446	-	446	-
Specialised buildings		49,753	-	-	49,753
Total buildings at fair value	4.2(a)	50,199	-	446	49,753
Plant and equipment	4.2(a)	1,909	-	-	1,909
Motor vehicles	4.2(a)	53	-	53	-
Medical equipment	4.2(a)	2,127	-	-	2,127
Total plant, equipment, medical equipment and vehicles at fair value		4,089	-	53	4,036
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		62,219	-	5,079	57,140

		Carrying amount 30 June 2022 \$'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		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

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.

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 and investment properties

Non-specialised land, non-specialised buildings and investment properties 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 shape, 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.

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.

Note 7.4: Fair value determination (cont)

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

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 2023.

Reconciliation of level 3 fair value measurement

		Land	Buildings	Plant and equipment	Medical Equipment
	Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021		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
Additions/(Disposals)		-	8,482	266	1,398
<i>Gains/(Losses) recognised in net result</i>					
- Depreciation and Amortisation		(63)	(2,320)	(414)	(294)
Balance at 30 June 2023	7.4(b)	3,351	49,753	1,909	2,127

Note 7.4: Fair value determination (cont)

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

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

		2023	2022
	Note	\$'000	\$'000
Net result for the year		(770)	(487)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets		-	88
(Gain)/Loss on revaluation of investment property		-	(1,305)
Depreciation of non-current assets	4.5	3,194	3,337
Dividends reinvested		-	(60)
Loss allowance for receivables		22	-
Share of net results in joint ventures		153	132
Unrealised (gain)/loss on financial assets		49	(14)
Capital donations received		(136)	(100)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables		(552)	173
(Increase)/Decrease in contract assets		(125)	-
(Increase)/Decrease in inventories		14	12
(Increase)/Decrease in prepaid expenses		(46)	(77)
Increase/(Decrease) in payables		511	135
Increase/(Decrease) in contract liabilities		(82)	(165)
Increase/(Decrease) in monies in trust		(163)	(15)
Increase/(Decrease) in employee benefits		1,188	780
Net cash inflow from operating activities		3,257	2,434

East Grampians Health Service

Notes to the Financial Statements

For the Year Ended 30 June 2023

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.

A caretaker period was enacted during the year ended 30 June 2023 which spanned the time the Legislative Assembly expired, until the Victorian election results were clear or a new government was commissioned. The caretaker period for the 2022 Victorian election commenced at 6pm on Tuesday the 1st of November 2022 and new ministers were sworn in on the 5th of December 2022.

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 July 2022 to 30 June 2023
Minister for Health Infrastructure	5 December 2022 – 30 June 2023
Minister for Medical Research	5 December 2022 – 30 June 2023
Former Minister for Ambulance Services	1 July 2022 – 5 December 2022
The Honourable Gabrielle Williams MP:	
Minister for Mental Health	1 July 2022 to 30 June 2023
Minister for Ambulance Services	5 December 2022 – 30 June 2023
The Honourable Lizzy Blandthorn MP:	
Minister for Disability, Ageing and Carers	5 December 2022 - 30 June 2023
The Honourable Colin Brooks	
Former Minister for Disability, Ageing and Carers	1 July 2022 to 5 December 2022
Governing Boards	
Mr K Weldin(Chair of Board)	1 Jul 2022 - 30 Jun 2023
Ms N Panter	1 Jul 2022 - 30 Jun 2023
Ms F Cochrane	1 Jul 2022 - 30 Jun 2023
Ms S Burmeister-Abbott	1 Jul 2022 - 30 Jun 2023
Mr K Peter	1 Jul 2022 - 30 Jun 2023
Ms D Walker	1 Jul 2022 - 30 Jun 2023
Ms K White	1 Jul 2022 - 30 Jun 2023
Mr C Evans	1 Jul 2022 - 30 Jun 2023
Mr C Montgomery	1 Jul 2022 - 30 Jun 2023
Accountable Officers	
Mr N Bush (Chief Executive Officer)	1 Jul 2022 - 30 June 2023

Remuneration of Responsible Persons

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

Income Band	2023 No	2022 No
\$0 - \$9,999	9	12
\$50,000 - \$59,999	-	1
\$70,000 - \$79,999	-	1
\$130,000 - \$139,999	-	1
\$250,000 - \$259,999	1	-
Total Numbers	10	15

Note 8.2: Responsible persons disclosures (cont)

Remuneration of Responsible Persons

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

	2023 \$'000	2022 \$'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	299	319

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)

Short-term benefits

Post-employment benefits

Other long-term benefits

Total remunerationⁱ

Total number of executives

Total annualised employee equivalentⁱⁱ

Total Remuneration	
2023 \$'000	2022 \$'000
884	943
142	112
30	7
1,056	1,062
7	7
6.6	5.6

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.

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.

East Grampians Health Service

Notes to the Financial Statements

For the Year Ended 30 June 2023

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.

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:

KMPs	Position Title	KMPs	Position Title
Mr K Weldin	Chair of the Board	Mr N Bush	Chief Executive Officer
Ms F Cochrane	Board Member	Mr P Armstrong	Director of Clinical Services
Ms S Burmeister-Abbott	Board Member	Mr S Kerr	Director of Support Services
Mr K Peter	Board Member	Mr M Santilli	Director of Quality & Improvement
Ms D Walker	Board Member	Mr T Roberts	Director of Finance
Ms N Panter	Board Member	Ms S Ping	Director of Medical Services
Ms K White	Board Member	Ms S Woodburn	Director of Community Services
Mr C Evans	Board Member	Mr K Banerjee	Director of Medical Services
Mr C Montgomery	Board Member		

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.

	2023 \$'000	2022 \$'000
Compensation - KMPs		
Short-term Employee Benefits ⁱ	1,144	1,231
Post-employment Benefits	174	137
Other Long-term Benefits	37	14
Total ⁱⁱ	1,355	1,382

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.

Significant transactions with government related entities

The East Grampians Health Service received funding from the DH of \$41.376m (2022: \$23.431m) and indirect contributions of \$1.187m (2022: \$0.2m).

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.

East Grampians Health Service

Notes to the Financial Statements

For the Year Ended 30 June 2023

Note 8.4: Related parties (cont)

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.

Outside of normal citizen transactions with East Grampians Health Service 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 2023 (2022: 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 2023 apart from normal citizen type.

Note 8.5: Remuneration of auditors

	2023	2022
	\$'000	\$'000
Victorian Auditor-General's Office		
Audit of the financial statements	33	32
Total remuneration of auditors	33	32

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

East Grampians Health Service
Notes to the Financial Statements
For the Year Ended 30 June 2023

Note 8.7: Joint arrangements

	Principal Activity	Ownership Interest	
		2023	2022
		%	%
Grampians Rural Health Alliance	ICT Systems	5.14	8.51

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

	2023 \$'000	2022 \$'000
Current assets		
Cash and cash equivalents	246	219
Receivables	100	102
Prepaid expenses	21	70
Total current assets	367	391
Non-current assets		
Property, plant and equipment	78	185
Total non-current assets	78	185
Total assets	445	576
Current liabilities		
Payables	203	180
Total current liabilities	203	180
Total liabilities	203	180
Net assets	242	396
Equity		
Accumulated surplus	242	396
Total equity	242	396

Note 8.7: Joint arrangements (cont)

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

	2023 \$'000	2022 \$'000
Revenue and income from transactions		
Operating activities	567	731
Non-operating activities	5	18
Total revenue and income from transactions	572	749
Expenses from transactions		
Information Technology and Administrative Expenses	(521)	(700)
Capital expenses	(47)	(181)
Change in equity share of joint venture	(156)	-
Total expenses from transactions	(724)	(881)
Net result from transactions	(152)	(132)
Comprehensive result for the year	(152)	(132)

* 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 October 2024. On that basis, the financial statements have been prepared on a going concern basis.

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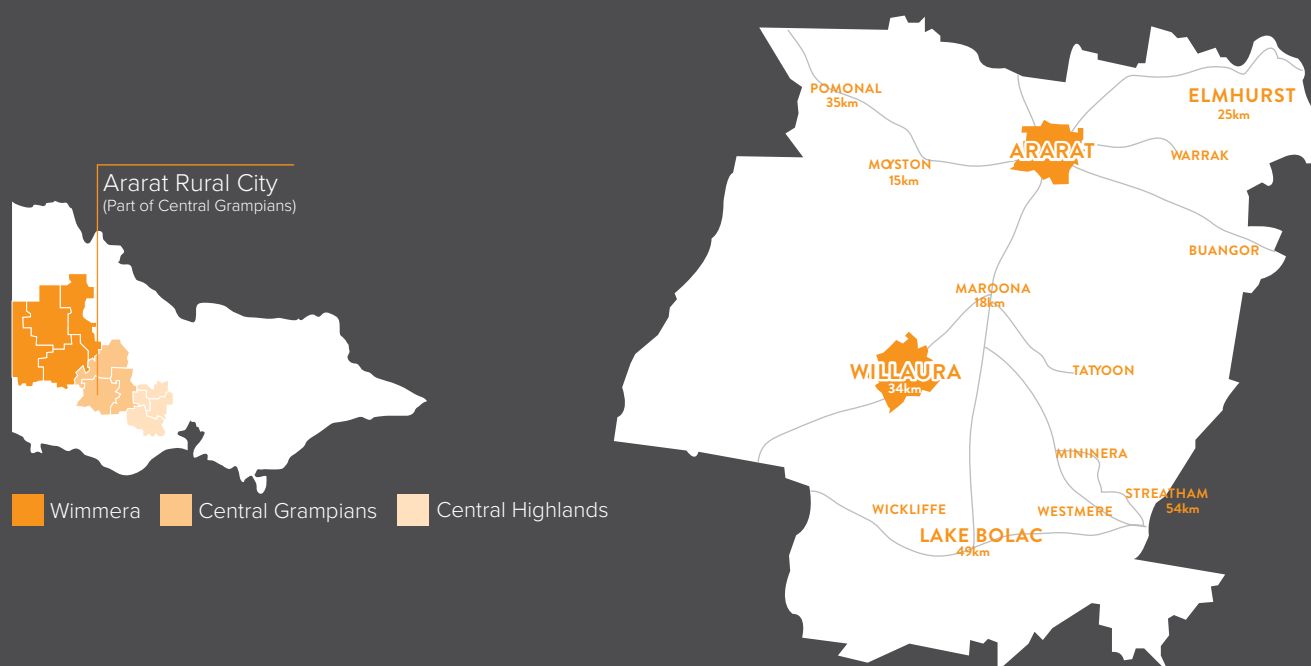
NOTES

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East Grampians
Health Service

SITE DIRECTORY AND LOCATION MAPS



EAST GRAMPIANS HEALTH SERVICE

PO Box 155
Girdlestone Street, Ararat 3377

P: 03 5352 9300
F: 03 5352 5676

E: info@eghs.net.au

www.eghs.net.au

70 LOWE STREET

Aged Care Facility
70 Lowe Street, Ararat 3377
P: 03 5352 9323

GARDEN VIEW COURT

Lowe Street, Ararat 3377
P: 03 5352 9324

PATRICIA HINCHEY CENTRE

Girdlestone Street, Ararat 3377
P: 03 5352 9326

WILLAURA HEALTH CARE

Delacombe Way, Willaura 3379
P: 03 5354 1600

PARKLAND HOUSE

Delacombe Way, Willaura 3379
P: 03 5354 1613



LEADERS IN RURAL HEALTH CARE