



# Annual Report 2022-23

# About us

Grampians Health is Victoria's newest and largest regional health service, dedicated to delivering comprehensive and accessible healthcare solutions to our diverse population.

Committed to the wellbeing of individuals, families, and communities, Grampians Health prioritises effective prevention and health promotion strategies. Through a collaborative approach, we aim to strengthen the capacity of the communities we serve, ensuring equitable access to high-quality care, closer to home.

With a focus on innovation and compassion, we strive to be at the forefront of healthcare excellence, fostering a healthier and thriving Grampians region.

Serving a population of over 250,000 residents across 48,500km<sup>2</sup>, we understand the need for continuous care growth and improvement, and we are committed to addressing life expectancy disparities, reducing cancer-related premature mortality rates, and tackling the rising rates of poor mental health. We also strive to address alcohol-related harm, obesity, and First Nations health disparities.

We are dedicated to delivering a wide range of services, spanning from pregnancy and birth to palliative care and organ donation.

Innovative care is at the core of our approach. Using a mix of mobile and remote services, staffing at partner facilities, and robust collaborations with health services across the entire Grampians region, we value and invest in our skilled workforce, providing ongoing training and development opportunities.



Grampians Health acknowledges the Traditional Custodians of the lands on which we operate, the Wadawurrung, Djab wurrung, Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk peoples, and their connections to land, waterways and community.

We pay our respects to their Elders past, present and emerging, and extend this to all Aboriginal and Torres Strait Islander peoples today. Grampians Health recognises and values the contributions that Aboriginal and Torres Strait Islander peoples make in our society. Sovereignty has never been ceded. It always was and always will be, Aboriginal land.



We are committed to providing inclusive services and an inclusive working environment. We believe in equity of healthcare for all.

Grampians Health was formed on 1 November 2021, through the amalgamation of Edenhope and District Memorial Hospital, Stawell Regional Health, Wimmera Health Care Group and Ballarat Health Services, following approval from the Minister for Health under the *Victorian Health Services Act 1988*.

This Annual Report covers the period from 01 July 2022 to 30 June 2023 and is prepared for the Minister for Health, the Parliament of Victoria, and the Grampians Health community, in accordance with government and legislative requirements and financial reporting directives.

During this period Grampians Health was accountable, through its Board of Directors, to:

**Minister for Health**

The Hon Mary-Anne Thomas  
1 July 2022 to 30 June 2023

**Minister for Ambulance Services**

The Hon Mary-Anne Thomas  
1 July 2022 - 5 December 2022

The Hon. Gabrielle Williams  
5 December 2022 - 30 June 2023

**Minister for Mental Health**

The Hon Gabrielle Williams  
1 July 2022 - 30 June 2023

**Minister for Disability, Ageing and Carers**

The Hon Colin Brooks  
1 July 2022 - 5 December 2022

The Hon Lizzie Blandthorn  
5 December 2022 - 30 June 2023

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*FRONT COVER IMAGE: Community celebrations at the first traditional smoking ceremony for First Nations babies since Grampians Health's formation. More than 90 babies born at the Ballarat hospital between 2019-21 participated in the ceremony in November 2022.*



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# Board Chair & Chief Executive

Our past year has been characterised by an unwavering commitment to expanding care options across the region, while aligning services to enhance the continuity and quality of each patient's experience.

This has taken a level of energy and innovation from our workforce that they can take great pride in, as we do. It is evident that our purpose – delivering quality care for our communities through safe, accessible and connected health services – has been at the forefront of these efforts, reshaping how we serve our community.

In building upon our foundation year, we have set about developing innovative and sustainable ways forward for our health service.

From advances in robotic surgery to new medical models of care, our goal this year has been to find creative solutions to our historic healthcare challenges. We are making great progress across a range of focus areas, including:

- new nurse training models that support and develop local talent, are paving the way for a future workforce that is connected to local communities and supports local economies
- a highly successful worldwide recruitment effort has already welcomed more than 100 health care professionals and their families to our region, and more will be joining our communities each month
- the introduction of home-based cancer care services has been so well received we expanded the program across multiple sites within our region, and plans are in place to continue into other areas of care

- the introduction of a recycling program reducing our non-biodegradable PVC plastic waste by more than two tonnes over the year, which has been a great benefit for our planet and is also inspiring for our staff as we aim for even greater goals in greening our organisation.

Globally, the healthcare landscape will continue to evolve to meet challenging community needs, and so too will Grampians Health. We are committed to embracing modern solutions that optimise health opportunities for our community in a way that doesn't compromise accessibility or patient-centered care. Above all else, we are committed to safe care. Safety is embedded into everything we do, which is demonstrated through:

- achieving full accreditation of our Aged Care Communities through the Aged Care Quality and Safety Commission
- achieving full re-accreditation of our Horsham and Dimboola campuses through the Australian Council on Health Care Standards
- investing in staffing models that strengthen our clinical capacity and safety across all sites and provisions of care
- implementing an organisation-wide training platform to ensure our workforce has access to cutting edge learning opportunities, and
- implementing an organisation-wide clinical safety framework, which standardises our patient safety measures and clinical staff capabilities across all of our services.

Leveraging our joint capabilities as an organisation has been a specific focus since Grampians Health was formed, and has already enabled our care to be safer and broader. Partnerships across the region have expanded community access to surgeries, mental health services, and home-based care. We will continue to grow these collaborative efforts to further extend care capacity across the region.

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Lifting the provision of healthcare across the Grampians region is integral to the work we do. We are focused on reducing barriers to healthcare for people who need to access services. To meet this we have focused extensively this year on rolling out additional programs guided by our clinical services plan.

From school based dental care in Edenhope, expanded maternity services in Horsham, removal of fees to enable free access to urgent care in Stawell, or the establishment of a region-wide paediatric eating disorder service in Ballarat, our continuing goal is to grow and invest in services for each of our communities.

As we grow, in an industry that never stops, it is crucial that we creatively invest in the health and wellbeing of our most valuable assets; our people. Over this past year, wonderful programs and initiatives have rolled out across our campuses, serving as an opportunity to stop and connect with one another, and grow our collective staff culture. Morning teas, welcome events, festive celebrations, and staff awards have complemented free staff meals, development of new break areas, and our employee assistance programs that include free psychological support.

Without our workforce there is no Grampians Health, and we owe them a debt of gratitude for turning up each day and looking to the future for each person they care for.

We would also like to acknowledge the outstanding support we receive each year from our fabulous army of volunteers, consumer partners, and for the amazing generosity of our donors and Foundations. These groups bring so much to our services and must be thanked for their efforts.

We extend our thanks to the communities we serve, for their continued support and confidence in Grampians Health. As they read through the report familiar faces can be seen, representing the changes and advancements we have made so far. We have a long way to go, but our purpose is being realised, as we deliver quality care through safe, accessible and connected health services.

The future for Grampians Health is filled with promise. With innovation at our helm, guided by the invaluable synergy between the Board, our dedicated workforce, and our community, we are not just embracing change – we are leading it.

Thank you for your trust and support. Together, we are building a healthier, brighter future for all.

In accordance with the *Financial Management Act 1994*, we are pleased to present this report of operations for Grampians Health for the year ending 30 June 2023.



Dale Fraser  
Chief Executive Officer



Bill Brown  
Board Chair



# Achievements



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# At a glance

At Grampians Health we provide care through every stage of life. As you continue through this report, you will learn more about the unique offerings at each campus, and our plans to focus on expanding accessible care to the communities we serve.



We cover an area of  
**48,500km<sup>2</sup>**



Our area serves  
over  
**250,000**  
residents



Employees  
over  
**6,800**



Doctors  
over  
**600**

Nurses  
over  
**3,000**



Volunteers  
over  
**350**



### Emergency Department

**51,264** **16,846**  
Ballarat Horsham

Presentations as at 30 June 2023

### Urgent Care

**520** **5,587**  
Edenhope Stawell



### Admissions to hospital

**46,004** **15** **89** **9,286** **2,589**  
Ballarat Dimboola Edenhope Horsham Stawell

Admissions as at 30 June 2023



### Outpatient clinics

**162,816** **14,751** **3,098**  
Ballarat Horsham Stawell

Care that does not require admission to hospital as at 30 June 2023



### Surgeries

**12,138** **2,604** **1,840**  
Ballarat Horsham Stawell

Surgeries conducted as at 30 June 2023



### Maternity

**25,516** **2,012**  
Ballarat Horsham  
(Jan-June 23)

Antenatal visits, domiciliary care, education and clinics as at 30 June 2023



### Births

**1,395** **219**  
Ballarat Horsham

Births as at 30 June 2023



### Dental consultations

**28,200** **215** **2,532**  
Ballarat Edenhope Horsham

In-clinic and in-school appointments and visits as at 30 June 2023



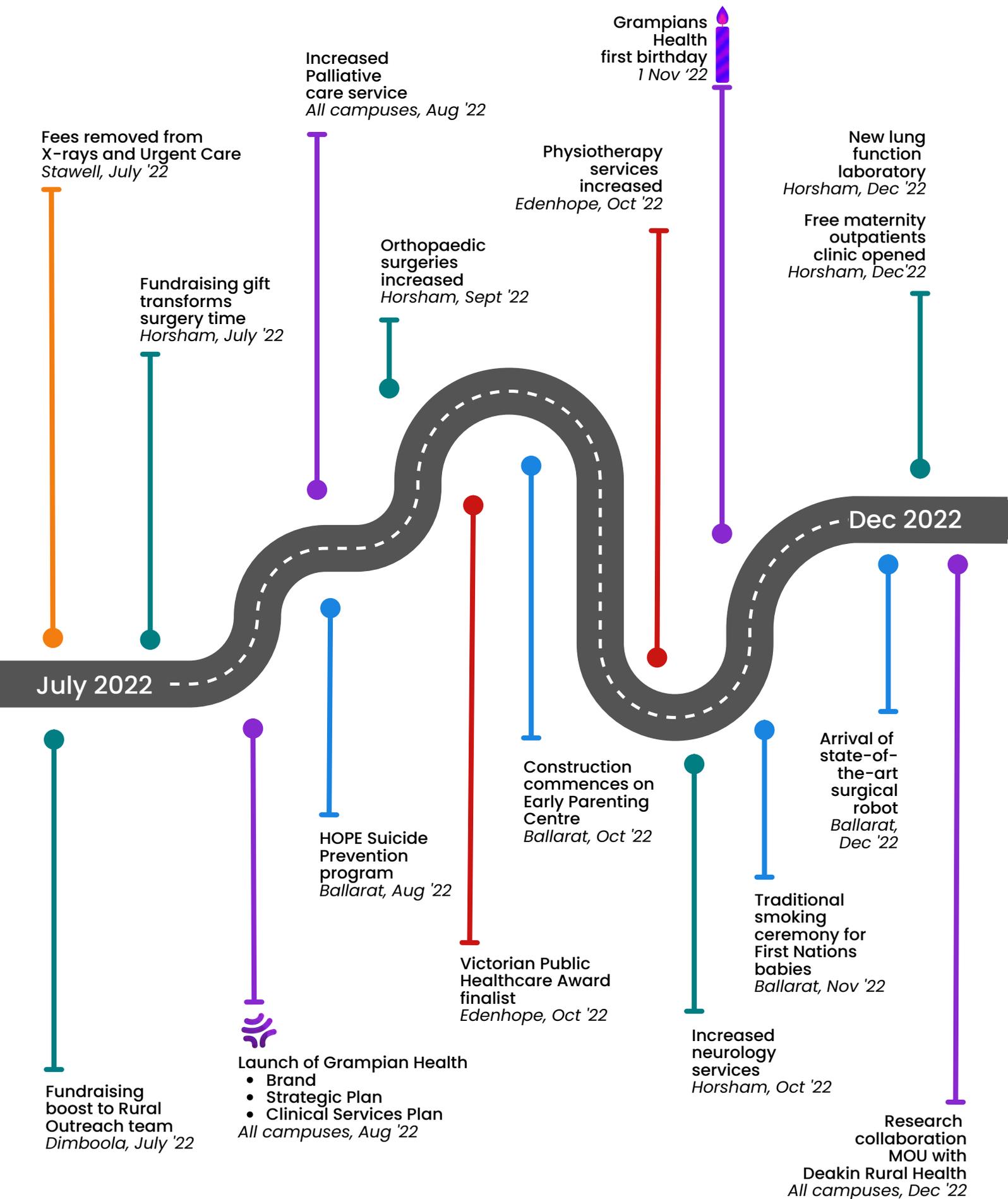
### Aged Care Communities

**87%** **100%** **100%** **94.5%** **87%**  
Ballarat Dimboola Edenhope Horsham Stawell

Occupancy rates as at 30 June 2023

Figures are correct at time of production

# Highlights



New staff accommodation location announced  
Horsham, Jan '23



Arrival of 'Maureen' the Base Hospital crane  
Ballarat, June '23

COVID entrance screening ends  
All campuses, Jan '23

New eating disorder clinic  
Ballarat, April '23

Increased cancer care  
Stawell, Feb '23

New anaesthetist joins team  
Stawell, May '23

Wimmera lactation service - Full time  
Horsham, March '23

New haematology clinic  
Horsham, May '23

Jan 2023

June 2023

Record births  
Horsham, New Years Day '23

Student nursing placement reintroduced  
Stawell, Feb '23

New onsite hospital doctor  
Stawell, Feb '23

New antenatal physio service  
Stawell, March '23

New trial for stroke treatment  
All campuses, March '23

New birthing beds  
Horsham, April '23

Fundraising gift shop opens  
Ballarat May '23

New Strength & Balance classes  
Edenhope, May '23

New Consumer Partnership Framework  
All campuses, May '23

Read our news





# Care & Services

# Our strategic plans for the future

Our Strategic Plan (2022-24) paves the way for how we will achieve our strategic goals and amalgamation commitments.

The Grampians Health community is vast, diverse and unique, and the opportunity to bring four exceptional health services together, to thereby improve the health outcomes of the region is something we are proud to be part of.

Through our collective strengths, we are focused on:

- growing a sustainable workforce to meet growing local healthcare needs
- ensuring our services are both accessible and comprehensive
- ensuring strong collaboration with our partners
- ensuring our future is based around innovation and social sustainability

Our Purpose	Our Vision	Measures of Success	Our Values
To deliver quality care for our community through safe, accessible and connected health services.	Grampians Health will be a trusted, progressive and innovative leader of regional and rural healthcare.	Our progress against our goals will be assessed using meaningful and measurable outcomes.	Collaboration Compassion Accountability Respect Innovation



## Accessible Care - at the heart of everything we do

We provide exceptional regional and rural care which is high quality, accessible and timely



### Our Future

We are leaders in regional and rural healthcare

### Our People

Our people are caring, skilled, highly trained and professional

### Our Partners

We engage with our community and network of partners to enhance outcomes and deliver connected care

Strategic Plan



# Our clinical plans for the future

Our Clinical Service Plan enables us to prioritise clinical service development and identify key capital and infrastructure projects.

Each clinical department across Grampians Health is able to use the Clinical Services Plan to determine their areas of focus in the coming years.

This enables us to provide better healthcare for our communities, and be responsive to:

- harnessing existing opportunities - we can expand upon what we already have, now we've come together
- increasing demand - demand for healthcare is high, and is going to increase in the years to come
- shifting needs - our ageing population will require complex and changing care
- changes in regulation - federal and state government policies are changing (i.e. patient safety, aged care and mental health)
- different methods - healthcare delivered is adapting to new technologies and approaches

The Clinical Services Plan provides short, medium and long term areas of focus. This enables us to:

<b>Demonstrate Leadership</b>	<b>Prioritise Our Workforce</b>	<b>Improve Access</b>
As the region's largest health service provider, we will provide clinical and governance leadership in the region.	We will focus on workforce recruitment, engagement and development.	We will deliver more services, closer to home.
<b>Enhance Service Integration</b>	<b>Increase Clinical Capacity</b>	<b>Improve Patient Experience</b>
Develop seamless healthcare for people as they move between community, GP and hospital care across our region, and the state.	By collaborating across Grampians Health, all services will have increased access to support and expertise.	In all we do, we will place the patient at the centre of care.

Clinical Services Plan





Stawell Oncology Nurse Unit Manager, Trudi Dunmore, is leading the delivery of cancer services in Stawell

## Cancer care returns, closer to home

Cancer care for those in and around Stawell received a boost during 2022-23, with the return of the oncology unit at Grampians Health Stawell.

The return of cancer services in Stawell aligns with Grampians Health's Clinical Services Plan, delivering on the promise of expanded services closer to home, with patients traveling from as far as Donald, St Arnaud, Ararat and Moonambel for treatment.

The unit offers a regular rotation of visiting haematologists and oncologists. It is also operating as a medical day unit, providing the community with local services such as iron infusions, blood transfusions and other infusions for chronic conditions.

After a successful trial, a satellite pharmacy service has also been implemented, ensuring safe access to high-risk drugs.

Trudi Dunmore, the Stawell Oncology Nurse Unit Manager (who was born at Stawell hospital) is committed to ensuring the community has access to quality care, closer to home.

She is leading a team of supportive care nurses, who spend dedicated time with cancer patients to ensure they have everything they need before, during and after their treatment.

**"Grampians Health created my role to help rebuild the service after an unforeseen closure."**

*- Trudi Dunmore*

One of those nurses is Taryn Sibson, who started work as a ward clerk at Stawell hospital in 2009 before training to be a nurse, and completing her graduate nursing in Stawell.

The nurses are specially trained to provide emotional and practical support to patients and families throughout their cancer journey, including during treatment and recovery. The support provided is tailored to each patient and can include: organising transport, making appointments and sending reminders, and engaging with patients to identify the need for other services such as mental health care.

*The oncology supportive care nurse role was made possible through a generous bequest from the family of the late Lauris Eileen Clark.*

# Expanding maternity services

**A new Maternity Outpatients Clinic in Horsham has made a significant change to the way women in the Wimmera receive care during pregnancy and after.**

The free clinic, which opened in December 2022, is part of a plan to revitalise maternity services at Horsham.

The clinic offers greater choice and a more collaborative approach to pregnancy and birthing care, across obstetric and domiciliary care, lactation support, social work support and diabetes in pregnancy care, all in the one central location.

A full-time lactation service was introduced through the clinic in early 2023 – the first of its kind in the region. The service is staffed by three International Board-Certified lactation consultants who offer breastfeeding support to those facing difficulties, as well as those seeking advice and reassurance about breastfeeding or infant feeding.

Horsham clinic staff collaborate with specialists to ensure the care being delivered locally is first class – these collaborations enable staff to confidently refer patients needing higher care, knowing that the clinical plan for each patient is made in partnership.

Importantly, by opening this clinic, there has been a significant reduction of travel required by pregnant women and their support people. It recognises the huge emotional and financial burden of having to travel long distances for appointments, and works with women and the obstetric team to provide safe, local care where possible, with support from the larger centres involved in the individual's care.

Since opening, increasing demand for the clinic has meant continued expansion in terms of staffing and services offered. This has included increased allied health services such as antenatal physiotherapy classes in nearby Stawell, conducted by telehealth so participants in the region can join from the comfort of home.

The classes aim to educate on the importance of abdominal care, continence, back care, exercise during pregnancy, sleeping, preparing for labour and post-natal recovery.

*Senior midwife Leonie Hoskins with expectant mum Prue at the Horsham Maternity Outpatients Clinic*





Edenhope's Health and Wellbeing Hub

## Local support at Wellbeing Hub

The Edenhope community has benefited from the introduction of a Health and Wellbeing Hub, initially established in 2020 as a response to health disparities and digital literacy challenges during the COVID pandemic, but which has continued to grow exponentially since.

**A primary objective of the Hub is to ensure equitable health care for the rural community, by providing a diverse range of services spanning various fields and specialties.**

In collaboration with multiple specialists, the Hub has made significant strides in ensuring local access to crucial wellbeing services, including those related to mental health.

The Hub is distinctly client-driven. Dedicated staff, with their expertise, ensure that clients receive care tailored to their specific needs, something that is evident in the enhanced palliative care services when patients opt for home-based care. Important collaborations have been fostered with organisations such as Royal Flying Doctors, Orange Door, and Wimmera Uniting Care.

Grampians Health's Rural Outreach Program is based out of the Hub and provides an innovative

response to the lack of mental health services in rural communities. It offers linking services required to improve support of mental health.

Over the course of the year, the Hub:

- recorded 83,334 minutes of mental health support and navigation services provided without cost
- facilitated 128 telehealth sessions
- assisted patients to participate with specialist appointments, furthering health literacy
- provided logistical assistance with public transportation and accommodation arrangements
- introduced an equipment loan service, emphasising our commitment to equitable care.

We saw significant service growth in 2022-23 from the previous financial year, with a 105% increase in allied health services, a 84% upsurge in social support activities, and a 18% growth in clinical services and supports.

Strategically located, the Hub ensures easy access for community members, and its no-wrong-door policy solidifies its stance as an accessible and reliable health and wellbeing entity for the Edenhope community.

# Building a better health service

The \$595.6 million Ballarat Base Hospital Redevelopment – Ballarat’s largest infrastructure project – has hit many significant milestones in the past 12 months.

Stage 1 of the project was completed in December 2022, which included enabling works, decanting and the demolition of the Edward Wilson building in Drummond Street.

Stage 2 commenced in January 2023, with construction of the first building part of the redevelopment – the Central Energy Plant Support Services building getting underway. This building will house a state-of-the-art pharmacy, pathology services and an Education and Learning Centre. It is expected to be completed late 2024.

As part of Stage 2 works, we welcomed Maureen the Crane to Drummond Street; the first tower crane as part of the redevelopment. Maureen was named after one of our outstanding volunteers Maureen Woolford, who has been volunteering at the hospital for more than 14 years.

The Ballarat Base Hospital Redevelopment is due to be completed in 2027. It includes a new emergency department, expanded surgical suite and an extra 100 inpatient and short stay beds.

This means a growth in capacity of at least 18,000 more emergency patients per year, an additional 4,000 surgeries and an extra 14,500 inpatients.

While the hospital redevelopment is Grampians Health’s most significant infrastructure project, we are committed to delivering infrastructure improvements across our campuses to ensure we remain at the forefront of healthcare delivery in regional Victoria.

January saw the completion of our new \$6.25 million diagnostics department. This state-of-the-art facility includes services for heart monitoring and pacemaker revision, brain monitoring, respiratory function testing and blood pressure monitoring, and was made possible through the Victorian Government’s Regional Health Infrastructure Fund.

Construction commenced on a new Early Parenting Centre in October 2022 which is expected to be completed and operational early 2024. This centre will assist parents from across the Grampians region with children aged 0-4 in the areas of sleep and settling, child behaviour, and parent and child health wellbeing.

*Victorian Health Building Authority’s Chris Browne, Health Minister Mary-Anne Thomas, Victorian Health Building Authority’s Executive Director Health Capital Trent Burke, and Grampians Health’s CEO Dale Fraser at the site of the new Early Parenting Centre in Lucas*





*Dancing is one of the favorite meaningful life activities at our Lakeside Living Care Community at Edenhope*

## Our caring communities

Grampians Health is Australia's largest provider of public sector residential aged care, and in late 2022 we overhauled our approach to how care is delivered to the valued and vulnerable people who reside with us across our fifteen care locations.

**We have integrated a new model of care, Meaningful Life, that supports every resident's entitlement to live a meaningful and purposeful life, filled with engagement.**

In changing our approach to care we also chose to move to a warmer and more welcoming naming convention. Once common place, references to nursing or aged care homes was no longer an appropriate fit for the environments that care for a range of needs, ages and lengths of stay. We now refer to our facilities as 'Aged Care Communities'.

Our ability to operate Aged Care Communities under the Meaningful Life model of care is underpinned by the principle that it takes a community to support our residents to live a meaningful life.

When a person transitions into residential care, they shouldn't feel they are leaving their family and friends. Familiar faces from their community continue to be active in their lives, and new friends are made through visitors and volunteers, and outings for incidental activities and community events.

### Benefits of the Meaningful Life model of care:

- Best practice in dementia support enables (and provides opportunities for) residents to engage in ordinary life.
- Resident's psychological, emotional, social, physical, cultural, and spiritual wellbeing is equally important to enable holistic wellbeing.
- We no longer deliver a standardised lifestyle program, each resident has a program that is inspiring and fulfilling for them.
- We aim to enable purposeful engagement, which is meaningful to each individual and promotes independence and choice.
- Every team member plays an important role in enabling residents to be their best selves whilst living their best life.

Since implementing the Meaningful Life model, a positive impact has been seen across our National Quality Indicators. Thirteen of our Care Communities underwent re-accreditation in 2023, and all received re-accreditation across all forty-two requirements for the next three years.

*Aged Care Communities*



# Volunteer with us

Our dedicated volunteer workforce provides support and assistance to patients, clients, residents and their families, right across our healthcare services.

We are extremely grateful to our wonderful volunteers, who offer an integral service to our communities across a range of programs including, amongst others:

- visiting patients on wards to deliver newspapers, refreshments
- providing company and comfort to patients and families
- minding and playing with children while parents attend appointments
- assisting staff during engagement activities in our Aged Care Communities
- driving patients to and from appointments
- helping patients and visitors navigate their way around our various campuses.

Grampians Health currently boasts over 350 volunteers across our campuses (including our consumer partners), with ages ranging from 17 to 95.

Volunteering provides an excellent opportunity to become involved with Grampians Health. It helps increase a sense of purpose and allows people to give back to their local community. It is a great way to learn new skills, gain experience, meet new people and help others in a selfless way.

Being a volunteer with us also means you have access to training opportunities, free immunisations and invitations to special events.

The greatest thing about volunteering? Well, that is difficult to know, as we receive feedback all the time from our volunteers and the great things seem endless.

A range of flexible volunteering opportunities are on offer across our campuses.

If you, or someone you know is interested in finding out more please email [volunteers@gh.org.au](mailto:volunteers@gh.org.au)

Volunteer with us



Volunteer Services Coordinator - West, Kellie McMaster with volunteers Gary (left) and Peter (right)





so many  
workers face  
violence and  
aggression  
every day  
I never OK

# How we work

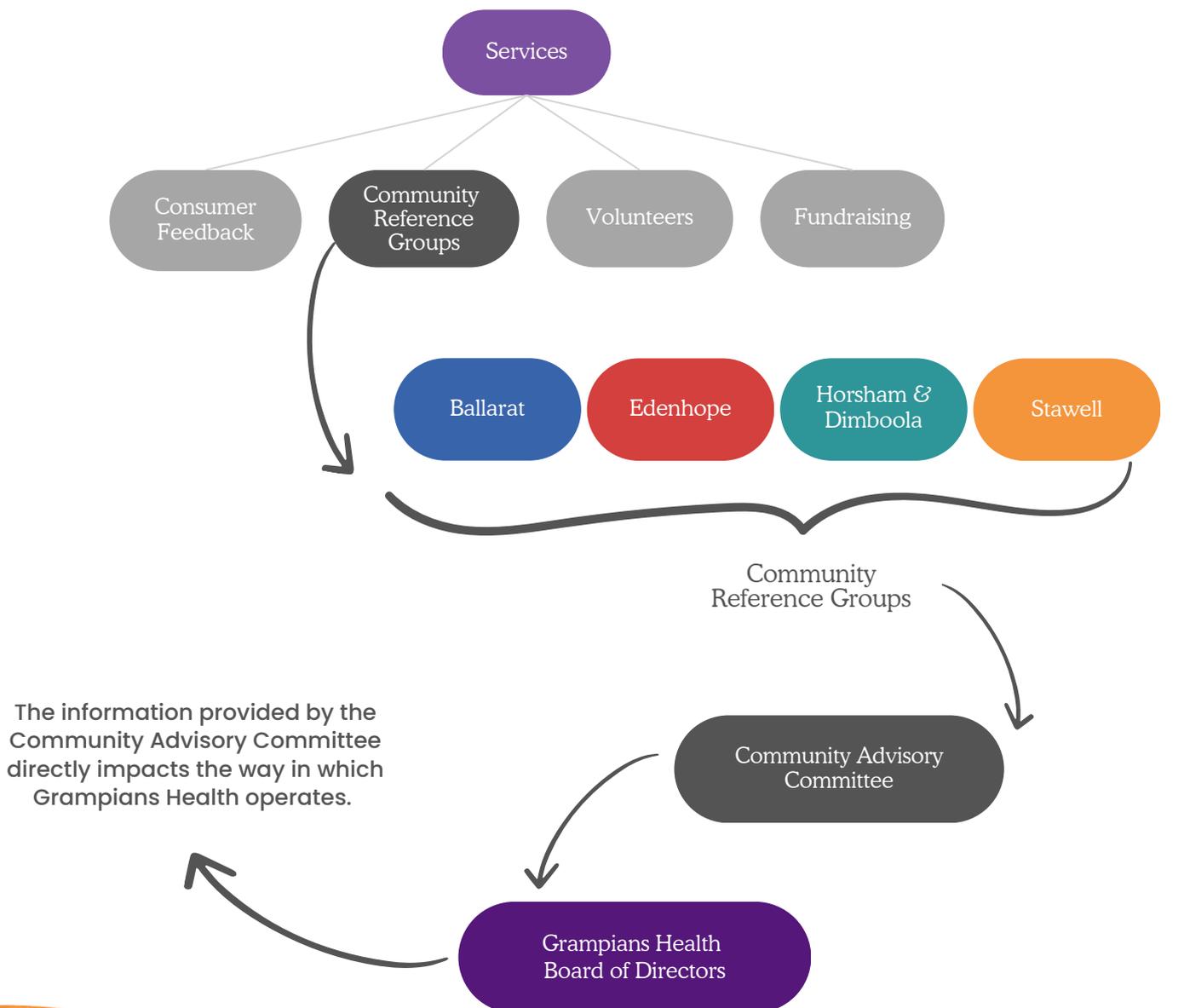
# Community representation

Part of our vision at Grampians Health is to learn about the views of our local and diverse community through representation across the health service.

Community Reference Groups (CRGs) have been established across the region to provide an ongoing, formal channel of communication between Grampians Health and its community.

The CRGs report into the Board via a Community Advisory Committee comprising Chairs from each CRG and Grampians Health Board members. This direct line into our most senior level of governance reflects the importance we place on the CRGs and their role in Grampians Health.

For further information or to register your interest in becoming a CRG member:  
email [denielle.beardmore@gh.org.au](mailto:denielle.beardmore@gh.org.au) or call 5320 4025.



*How to become a Consumer Partner*



# Consumers making a difference

The Grampians Health Consumer Partnership Framework, released in May 2023, recognises the importance of understanding the community perspective in relation to their healthcare needs, preferences, experiences and priorities.

Grampians Health consumers are people who have engaged with our services. They may have been, or currently are patients, care recipients, or clients, or they may be a guardian, carer or family member. With a catchment population of more than 250,000 residents, our consumers come from all walks of life, and range in age from young people in their late teens, through to older persons.

**We acknowledge the importance of empowering consumers to understand and make informed decisions about their own health and healthcare.**

We want to understand what matters to our consumers and work with them to co-design our services - this partnership improves what we deliver, and influences health outcomes and improves the health literacy of our communities.

Impactful consumer partners bring valuable feedback to the table, but importantly, they are interested in thinking about how to improve our systems, processes, programs and services in a way that will result in the delivery of safe, effective, connected personal care.

To harness consumer feedback in a meaningful way, we have structured mechanisms for including consumers in all aspects and at every level of Grampians Health.

Our Community Reference Groups (CRGs) comprise of consumer partners who work with us on resolution of community concerns. They develop an understanding of public health complexities in a way that can improve community sentiment and enhance programs and projects.

Four CRGs have been established, covering Ballarat, Horsham and Dimboola, Stawell, and Edenhope. Horsham resident Merryn Eagle is currently Chair of the Horsham and Dimboola group, and also chairs the Consumer Advisory Committee (see page 20).

Having served on the Wimmera Health Care Group board for many years, Merryn has a strong awareness of regional health needs and pitfalls, and is able to help guide the diverse network of consumer partners and community groups who inform the Board of community sentiment and local health issues.

**“We are wanting as many diverse people as possible and we particularly want to recruit those people who are seldom heard.”**  
- Merryn Eagle, Consumer Partner

*Horsham's Merryn Eagle leads her local CRG group, as well as the Consumer Advisory Committee*



# Our Board of Directors

(as at 30 June 2023)



## Bill Brown

*Board Chair*  
*Chair Remuneration Committee*  
LLB, BEc  
Director since 2021  
Term of appointment:  
01/11/21 - 30/06/24



## Avril Hogan

*Board Director*  
*Chair People & Culture Committee*  
B.Comm, MBA, GAICD  
Director since 2021  
Term of appointment:  
01/11/21 - 30/06/24



## David Anderson

*Board Director*  
*Chair Finance Committee*  
B Comm, M Comm (Finance), GAICD  
Director since 2021  
Term of appointment:  
01/11/21 - 30/06/23



## Meghraj Thakkar

*Board Director*  
*Chair Audit & Risk Committee*  
GAICD, PMP, MSc, BEng  
Director since 2021  
Term of appointment:  
01/07/22 - 30/06/25



## Nick Jones

*Board Director*  
BSc, BMBS, Grad Dip (Clinical Education), FRACP, CSANZ  
Director since 2021  
Term of appointment:  
01/11/21 - 30/06/24



## Rhian Jones

*Board Director*  
Director since 2021  
Term of appointment:  
01/11/21 - 30/06/23



## Cora Trevarthen

*Board Director*  
GC Health Service Mgmt (UTas),  
PG DIP Arts (UMelb), GAICD  
Director since 2021  
Term of appointment:  
01/07/22 - 30/06/25



## Anthony Schache

*Board Director*  
*Chair Infrastructure & IT Committee*  
BBus (Hons), MBA, CPA, CMA  
Director since 2021  
Term of appointment:  
01/11/21 - 30/06/23



## Marie Aitken

*Board Director*  
*Chair Population Health & Primary Care Committee*  
BA, Grad Dip (Vocational Counselling),  
Grad Dip (Mental Health Sciences,  
CBT), MAPS, GAICD  
Director since 2021  
Term of appointment:  
01/07/22 - 30/06/23



## Heather Pickard

*Board Director*  
*Chair Quality & Safety Committee*  
Division 1 RN, Post Grad (Addiction Studies, Org. Management)  
Director since 2021  
Term of appointment:  
01/11/21 - 30/06/23

Board profiles



# Executive structure



**Dale Fraser**  
**Chief Executive Officer**

Leads the executive team of Grampians Health to achieve its strategic goals.

**Matthew Hadfield**  
**Chief Medical Officer**

Responsible for professional medical practices and standards, including legal services.



**Leanne Shea**  
**Chief Nursing and Midwifery Officer**

Responsible for professional nursing and midwifery practices and standards.



**Ben Kelly**  
**Chief Operating Officer Hospitals**

Responsible for hospital operations, and acute and sub-acute services.



**Rod Hansen**  
**Chief Corporate Services Officer**

Responsible for finance, information technology and payroll operations.



**Craig Wilding**  
**Chief Operating Officer Community and Aged Care**

Responsible for care communities, allied health, community programs and mental health.



**Claire Woods**  
**Chief People Officer**

Responsible for workforce, organisational development, volunteers, community engagement, fundraising, health and safety, wellbeing and employee relations.



**Dr Rob Grenfell**  
**Chief Strategy and Regions Officer**

Responsible for public health, project management, regional partnerships and strategic planning.



**Veronica Furnier-Tosco**  
**Chief Redevelopment and Infrastructure Officer**

Responsible for delivering infrastructure projects, building management and services, and capital projects and planning.



*Executive profiles*





*New staff from our International Nurse Recruitment Program attending a locally-hosted AFL match, supporting them in getting to know their colleagues and community*

## Growing a world class workforce

**A key priority of ours is to grow our workforce. To do this we are promoting the unique opportunities Grampians Health has to offer in our thriving and beautiful region.**

In the midst of global shortages of healthcare workers, we have invested heavily in our recruitment program which is designed to creatively attract people to the profession, and professionals to the organisation.

The program has included attendance at employment expos in Australia, New Zealand, Canada and Britain, with efforts generating significant interest in opportunities across our campuses.

Once recruited, our international program includes a holistic orientation and support program, and has enabled over 100 new recruits to fully participate in the communities in which they live and work.

Whilst predominantly adding to our nursing workforce, international recruitment has also welcomed medical and allied health staff from over 15 countries.

We thank them for making the move - with or without their loved ones - to our corner of Australia.

Further addressing nursing shortages is our Enrolled Nurse traineeship program - a two-year course initiated across our Edenhope, Horsham, Stawell and Ballarat campuses.

Trainees are paid to earn while they learn, and they rotate through placements every three months to gain experience and skills across a range of healthcare settings. For many, they are forging a new career without having to leave their local area.

On graduating, trainees are qualified Enrolled Nurses, many of whom will continue their nursing career with Grampians Health. Enrolled Nurses are also able to further their studies and complete a Bachelor of Nursing to become a Registered Nurse.

Reintroducing work experience at our campuses, and attendance at secondary school careers expos are also creating early opportunities for local students to discover more about a career in healthcare.

*Thrive with us*



# Fostering our culture

Our most valuable assets are without doubt our dedicated and compassionate staff who serve the Grampians community.

Grampians Health is committed to fostering a positive workplace culture, to protect and support our workforce, and build upon our reputation as an employer of choice.

Since coming together as Grampians Health, as a workforce we have developed considered and inclusive approaches to change management, to help guide us through the challenges brought about by new ways of working.

We have shared ideas from each campus about what is working, what needs improving and how we can develop and implement organisational and local worker wellbeing programs and initiatives.

Supported by Department of Health funding, our focus has been on embedding a sustainable wellbeing program that provides a combination of systematic and ad-hoc services and opportunities for staff.

Creation of dedicated break areas located away from wards, desks and other work demands, have been a great success. Staff events aimed at encouraging engagement with colleagues from other departments have also been strongly supported.

This included first birthday celebrations for Grampians Health, Christmas events, and Welcome to 2023 expos for all staff across all campuses.

Other initiatives included weekly deliveries of fresh fruit to each staff room, and complementary meals for night shift workers.

To underpin the focus on wellbeing, mental health first aid training was conducted across our campuses - the training was accredited by Mental Health First Aid Australia, and delivered by our own skilled staff.

We also extended our onsite psychological support service, and this continues to be a strong element of our Employee Assistance Programs.

*First birthday celebrations in Horsham for Grampians Health*



*Grampians Health proudly supporting its LGBTQIA+ staff, volunteers and the wider pride community as part of the Midsumma Pride March in February.*



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# Gender equality in action

Grampians Health understands that gender equality is a critical human rights and social justice issue.

Achieving gender equality is critical to improving the health and wellbeing of individuals from all genders, families and communities and is a core principle of a fair, safe and inclusive workplace and community.

**Core values at Grampians Health are respect and compassion. We appreciate and value all people, and we demonstrate that through our actions and words.**

We show that we care, because we believe all people deserve to be treated with compassion, kindness and empathy.

Balancing the scales of gender equality has immense social and cultural benefits and supports equal opportunities for people of all genders to contribute equally at home, the workplace, in decision making and in the broader community.

The Victorian Gender Equality Act acknowledges that gender equality is a human right and precondition to social justice, and this Act guided the formation of the Grampians Health Gender Equality Action Plan (GEAP).

While the Gender Equality Action Plan is the first Grampians Health plan specifically focused on gender equality, the four separate health services that came together as Grampians Health had been working on promoting gender diversity and inclusivity for several years.

Examples include initiatives such as the Disability Action Plan and Aboriginal Employment Plan and actively taking part in and promoting campaigns such as International Day Against Homophobia, Biphobia, Intersexism and Transphobia (IDAHOBIT), International Women's Day, 16 Days of Activism and NAIDOC Week.

As Grampians Health, we believe the benefits of having a more balanced and diverse workforce will reduce staff turnover, increase job satisfaction, increase performance, and importantly team members will be more motivated to achieve their very best, despite intersectional barriers and negative impacts that exist in gender inequities.

More importantly, Grampians Health believes that gender equality is a fundamental human right.

In December 2021, Grampians Health joined with Women's Health Grampians and signed a commitment to the Communities of Respect and Equality Alliance (CoRE Alliance), formalising the organisation-wide commitment that both Wimmera Health Care Group and Ballarat Health Services had made separately, prior to amalgamation.

The CoRE Alliance is a partnership of 124 organisations, businesses, clubs and groups who share a vision for safe, equal and respectful communities in the Grampians region. With staff representation across the four campuses of Grampians Health, an Equity, Diversity and Inclusion Working Group was formed in December 2021 to work on further promoting equality and diversity within the organisation.

In October 2022, Grampians Health conducted a baseline 'People Matters' survey to gather data that will be used as a basis for measuring our performance against our Gender Equality Action Plan, and in February 2024 we are due to report to the Gender Equality Commission on our progress.

As Grampians Health matures, our vision is to be a trusted, progressive and innovative leader of regional and rural healthcare. Importantly, our Gender Equality Action Plan includes gender diversity as a selection criteria when allocating secondment opportunities, and we have committed to addressing gender pay equity across all levels of our workforce.

Other steps taken to honour our Gender Equality Action Plan commitments include:

- developing processes that match pay equity principles
- training managers across our workforce to be aware of negotiation procedures
- providing information, education and training for employees on the prevention of sexual harassment, and the policies, procedures and supports Grampians Health has in place
- providing education and raising awareness to support the prevention of and response to family violence
- participation in careers days to build awareness of the varieties of careers available to young people.

*Gender Equality Action Plan*



# Fundraising and donor support

## Foundations

Stawell Regional Health Foundation, Wimmera Health Care Foundation and Ballarat Health Services Foundation are the independent community fundraising arms of Grampians Health. Their purpose is to ensure our communities have accessible and comprehensive healthcare where we and our loved ones live. All Foundations are Registered Charities with the Australian Charities and Non-for-profits Commission and have Deductible Gift Recipient status. Foundations work closely with Grampians Health to fulfil their objectives.

## Our donors

At Grampians Health we are generously supported and assisted by the community who raise funds to purchase equipment, build facilities and provide programs for and with Grampians Health. Together we strive to make our community healthier, stronger and a better place for us all to live.

Despite the ongoing challenges of difficult economic times our community continue to band together to support our health service. Nowhere is this more evident than through the support of our cancer services in Horsham, Stawell and Ballarat which are consistent beneficiaries of community fundraising activities.

**Fundraising activities are important parts of community life across the Grampians region.**

Community donations are received from our dedicated volunteer hospital auxiliaries, balls, film nights, primary school craft stalls, football tournaments, from grateful patients and bequests in wills. These funds will always remain local to the campus for which they are raised.

The diversity of these donors is testament to the community support received by Grampians Health as a whole.

*Stawell Ladies Auxiliary members Doreen, Linda and Carol selling tickets in the main street for their annual hamper raffle*





# Statement of priorities

# Strategic Priorities

Grampians Health contributed to the Department of Health Operational Plan 2022-23 through the following strategic priorities:

## Keep people healthy and safe in the community

### Maintain COVID-19 readiness

- Maintain a robust COVID-19 readiness and response, working with the department, Health Service Partnership and Local Public Health Unit (LPHU) to ensure effective responses to changes in demand and community pandemic orders. This includes, but is not limited to, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing.

### Outcomes

- The Grampians Public Health Unit (GPHU) continued to support regional compliance with the community pandemic response, including the dissemination of current advice and clarification of the changes as they occur.
- There has been continued monitoring of outbreaks in vulnerable settings and promotion of continued testing of visitors and staff in these settings. Support has been provided in controlling outbreaks in vulnerable settings.
- The transition from the COVID pathways to the current model has been facilitated, with support provided to regional health services, GP practices and community health services.
- Ongoing communication regarding COVID-19 has been provided through this period.
- Hospitalised cases and infected staff are monitored, with continued support on managing COVID-19 in the healthcare setting.

## Drive continued improvement of public health outcomes

- Encourage and facilitate partnerships between the LPHU and primary and community care networks to equitably improve public health outcomes throughout the LPHU catchment.
- Support the evaluation of services delivered and outcomes achieved by the LPHU as described by the LPHU Outcomes Framework 2022-23.

### Outcomes

- The GPHU continued to lead the public health regional response to COVID-19 including by supporting vulnerable settings in outbreaks while building capacity for post-pandemic business as usual.
- The decentralisation of health protection public health functions to Local Public Health Units progressed through the year; the GPHU's effectiveness in this was demonstrated in leading a collaborative multi-agency response to a case of invasive meningitis disease.
- The GPHU developed and completed the *Grampians Region Population Health Plan* in collaboration with more than 60 organisations across the region, including with critical input from Goolum Goolum, Budja Budja and Ballarat and District Aboriginal Cooperatives. The plan highlights pressing health challenges in the region with nine priorities identified as key areas of action for the GPHU in partnership with many others.
- The GPHU workforce and work program now spans the breadth of contemporary public health practice: health protection, health promotion and disease prevention, population health, and involvement in both system integration of prevention, primary and acute care and in regional emergency management planning and response.

## Strategic Priorities

### Care closer to home

#### Delivering more care in the home or virtually

- Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program.

#### Outcomes

- Expansion of our Health Care at Home services continued with home-based cancer care services growing to enable more patients to have their chemotherapy treatment at home.
- A new program that supports people with chronic disease to have ongoing support from a team of health coaches commenced and is being expanded into Stawell and Horsham.
- Health care pathways were developed and implemented to support patients to go home earlier from hospital, and instead receive their clinical care in the comfort of their home.
- Further activities are outlined on page 42.

### Keep improving care

#### Improve quality and safety of care

- Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.

#### Outcomes

- In partnership with Safer Care Victoria we continued to work on systems improvements to deliver safe, effective, connected care to our patients.
- Safer Care Victoria professional development opportunities are regularly circulated to staff, and many have linked in to those initiatives.
- Further activities are outlined on page 32.

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# Delivering safer care

Our continued partnership with the Department of Health and Safer Care Victoria (SCV) has led to our active involvement in numerous collaborative projects that focus on enhancing patient care. Our commitment to these initiatives underscores our dedication to improving healthcare outcomes for our community:

## Safety for All initiative - Towards elimination of restrictive practices Breakthrough Series collaborative

We have piloted improvement strategies in our secure extended care and adult acute units to reduce restrictive practices within mental health inpatient units. In May 2023 we achieved zero seclusions and restrictions.

## Timely Emergency Care Collaborative

We are one of fourteen health services striving to improve timeliness of emergency care through improving system-wide patient flow, with a funded project specifically focusing on our Horsham campus.

## Check Again breakthrough series

This initiative involves penicillin allergy assessment and a de-labelling program for hospitalised Victorians to ensure they have access to the most appropriate and safe antibiotics. Our Horsham and Ballarat campuses are participating in the series, and Ballarat has had several patients go through the process. Our partnership with SCV will conclude in September 2023 but the rollout will continue under Antimicrobial Stewardship (AMS) governance, with plans to expand to our other campuses.

## Post-Partum Haemorrhage Collaborative

Two staff members from our Ballarat and Horsham campuses embarked on the SCV fellowship program, providing crucial support to this project.

## Rapid Access Atrial Fibrillation Clinical Pilot and Cardiovascular Ambassador Project

A Ballarat-based Nurse Practitioner is spearheading this project, which was extended in 2023.

## Aged friendly health systems

Our focus is to provide healthcare aligned with the 4Ms approach: 'what matters', 'medication', 'mind', and 'mobility'. Following implementation in three Ballarat wards in 2021, this program has expanded to fourteen more wards, and a member of staff is currently undertaking the SCV fellowship program to support the project. The project will cease August 2023, however will continue to be implemented internally.

## Improving Sexual Safety project

Launched in June 2023, our goal is to improve sexual safety in participating mental health inpatient units (by 30 Dec 2024) by decreasing sexual safety incidents, and increasing self-reported experiences of sexual safety by consumers, their carers, families, supporters and staff.

## Improvement and Innovation Advisor program

Emphasising service enhancement, we have integrated two advisor positions within Grampians Health to provide capability and capacity for improvement in services.

*Dimboola Care Community manager Breanna Eldridge prepares a new lifter to help a resident out of bed*



## Strategic Priorities

### Improve Emergency Department (ED) access

- Improve access to emergency services by implementing strategies to reduce bed access blockage to facilitate improved whole of system flow, reduce emergency department four-hour wait times, and improve ambulance to health service handover times.

#### Outcomes

- Emergency Department access, and therefore bed access has been periodically challenged through 2022-23, with three distinct COVID-19 wave episodes clearly impacting emergency access at both Ballarat and Horsham. Despite this, the average acute admitted patient's length of admission at Grampians Health sits marginally below the state-wide average. Emergency surgery admissions have increased by approximately 3% compared to the previous year.
- Emergency four hour wait times have remained generally flat throughout the year at both Ballarat and Horsham. This is also the case for ambulance handover times at Ballarat, however from January to April, Horsham delivered significant reductions in wait times at the Emergency Department.
- Ballarat's Emergency Department improved the triaged percentage seen on time across all categories in the fourth quarter of 2022-23.
- In Ballarat, expansion works were undertaken to increase the number of emergency department cubicles, helping to decrease wait times and improve emergency access.
- There was a significant increase in the number of patients leaving our Ballarat Emergency Department following advice from the triage station, which was likely related to the availability of the state government-funded Priority Primary Care Clinic.
- Participation in the Department of Health and the Institute for Healthcare Improvement's Timely Emergency Care Collaborative (TECC). Read more on page 34.
- The Progression of Care project, aimed at reducing long stay emergency attendees, was commenced with the foundations for improvements in place.

### Plan update to nutrition and food quality standards

- Develop a plan to implement nutrition and quality of food standards in 2022-2023, implemented by December 2023.

#### Outcomes

- Patient and resident menus are currently designed and compliant to the *2009 Nutrition standards for menu items in Victorian hospitals and residential aged care facilities*.
- In April, a gap analysis was conducted of our Central Production Kitchens current menu and standard recipes, against the nutrition and quality food standards for the health services released in August 2022. The results are being reviewed by Grampians Health's catering and nutrition departments, following which a plan will be developed to adjust the recipes with dietetic, speech pathology, catering and consumer input across all campuses.
- Once finalised and dietetically approved, these standard recipes will be accessible to all Grampians Health kitchens in readiness for the alignment to the new standards, with the menu to commence November 2023.
- During 2022-23 we developed a new paediatric menu, in line with the required food and nutritional standards. This menu went live in August 2023.



*Grampians Health Horsham – ED Critical Care Nurse Jane Summer, ED ANUM Delilah Brennan and TECC Project Coordinator Hannah Ryan-West*

## Timely access to care

Grampians Health is one of fourteen Victorian hospitals to participate in the Department of Health and the Institute for Healthcare Improvement's Timely Emergency Care Collaborative (TECC) project.

The TECC project aims to improve timely access to emergency care at Grampians Health through implementing strategies to assist in system-wide patient flow.

As part of the project, we have commenced implementing strategies in the emergency departments and inpatient units at our hospitals in Horsham and Ballarat, while also working towards improving systems supporting patient flow across all five of our campuses.

**We are committed to providing timely care and the TECC project is supporting this commitment.**

Patient movement (patient flow) within the health sector is a long-standing multifaceted problem and COVID-19 has certainly highlighted this. Receiving funding to make improvements is a great opportunity for Grampians Health to look at efficiencies, so we can get people to the right place at the right time for the care they require.

The project team is working not only with the emergency departments and the inpatient ward staff at Horsham and Ballarat, but also with consumers and staff across all of our campuses to streamline organisational communications influencing patient flow.

At a recent Grampians Health forum, TECC consumer representative Lea Crammond of Horsham, provided insight into her many experiences in healthcare, touching on the importance of timely communication as well as consideration of a patient's concerns when planning care.

Lea's insights will be incorporated into Grampians Health's organisational wide patient flow principles, and over the project duration, Grampians Health will continue to involve consumers to help create improvement strategies.

The TECC project will run until June 2024.

**To find out more about the project, including how you can get involved, please email [tecc@gh.org.au](mailto:tecc@gh.org.au)**

TECC in the Wimmera



TECC in Ballarat



### Contribute to a responsive and integrated mental health and wellbeing system

- Continue to transform Area Mental Health and Wellbeing Services that deliver wellbeing supports and are delivered through partnerships between public health services (or public hospitals) and non-government organisations.
- Develop/refine services that will be provided across two aged-based streams: infant, child and youth (0-25), and adult and older adult (26+).
- Provide integrated treatment, care and support to people living with mental illness and substance use or addiction.
- Subject to the passage of the Mental Health and Wellbeing Bill 2022, actively participate in the implementation of new legislative requirements and embed the legislation's rights-based objectives and principles.
- Work with the department to test ('shadow') and implement activity-based funding models initially for bed-based and adult ambulatory mental health and wellbeing services.
- Continue towards implementation and routine use of the electronic state-wide mental health and well-being record to underpin best practice mental health care and improve the experience of Victorians with lived experience of mental health as they move between providers.

#### Outcomes

- A Regional Mental Health and Wellbeing Framework was developed following four workshops with local service providers. The collaborative partnership framework aims to improve coordination within the region, and a local governance group will be established to oversee development of this.
- An action plan was developed to address the eight priorities in the first transformation plan outlined by the Department of Health's Mental Health and Wellbeing Division. Progress was made in all areas, including the establishment of the two aged-based clinical streams: (0-25) and (26+).
- An Addiction Physician was appointed to provide consultation and advice for management of people with substance use issues and mental health concerns.
- A Mental Health and AOD (Alcohol and Other Drugs) clinician was appointed to provide capacity building. The clinician will also provide specialist advice to improve care of people with substance use issues and mental health concerns, through the Grampians Mental Health and Wellbeing Service.
- Grampians Health joined the Western Alliance with Hamilton House to assist in developing our integrated care model for people with substance use issues and mental health concerns.
- In response to the Mental Health and Wellbeing Act 2022 (MHWA 2022), an implementation practitioner and a Lived Experience role were recruited. These staff will work with the Mental Health and Wellbeing Division to develop an action plan for the rollout of the MHWA 2022, which will include a series of education resources for staff.
- The Grampians Mental Health and Wellbeing Service continued to work closely with the Mental Health and Wellbeing Division in preparation for the activity-based funding rollout, and in preparation for e-Mental Health and Wellbeing record implementation. providing feedback on our data to ensure accuracy.
- The Director of Grampians Mental Health and Wellbeing Service attended several meetings as a member of the Mental Health and Wellbeing Division's Project Control Groups overseeing the development of the activity-based funding models, and the development of the E-Mental Health and Wellbeing record.

### Support mental health and wellbeing

Support the implementation of recommendations arising from the Royal Commission into Victoria's Mental Health system, by improving compliance with legislative principles supporting self-determination and self-directed care

- Embed consumer, family, carer and supporter lived experience at all levels, in leadership, governance, service design, delivery, and improvement
- Work towards treatment, care and support being person-centred, rights-based, trauma informed, and recovery orientated, respecting the human rights and dignity of consumers, families, carers and supporters.

#### Outcomes

- Appointed a Director of Co-Design and Co-Production for the Grampians Mental Health and Wellbeing Service to provide input into all the redevelopment and operations of the service.
- Growth in the Lived Experience workforce from four positions to 30 positions in the past 12 months. The following Lived Experience workforce positions have been created – Deputy Director of Lived Experience, Senior Carer and Consumer leads, Lived Experience Workforce Educator, peer workers in most Grampians Mental Health and Wellbeing Service teams, Lived Experience Workforce advisors in the Service Development and Innovation team, and Lived Experience Workforce advisor in the Mental Health and Wellbeing Act implementation process.
- All senior leadership meetings for Grampians Mental Health and Wellbeing Service are co-chaired with a member of the Lived Experience workforce.
- Training program developed (in conjunction with Helen Glover, Lived Experience Consultant) to redesign our model of care to align with a human rights-based approach and to embed recovery orientated work. The Recovery Orientated Transformation Initiative (ROSTI) includes five principles to guide our care, which are embedded into a two-day workshop offered to all Grampians Mental Health and Wellbeing Service staff.
- To ensure continuity and sustainability of this work, the Grampians Mental Health and Wellbeing Service team has been undertaking ROSTI projects to implement recovery orientated practice. This is supported by a community of practice that is run by the senior leadership team in partnership with the Lived Experience workforce.
- A training program is being developed to provide refreshers for current staff and assist new staff in ROSTI principles.

## Strategic Priorities

### Climate Change Commitments

- Contribute to enhancing health system resilience by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.

#### Outcomes

- Work commenced to establish a baseline emissions report, which includes auditing of current waste streams and disposal methods to identify improvement initiatives to reduce our impact on the environment and to achieve an environmentally sustainable workplace.
- Appointment of an Environmental Sustainability Coordinator and commencement of a Grampians Health sustainability taskforce will aim to ensure all staff have the opportunity to contribute to organisation goals to reduce our environmental footprint and carbon emissions.

### Asset Maintenance and Management

- Improve health service and Department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.

#### Outcomes

- Systems and processes across our campuses are being collectively assessed and combined where possible, to deliver an effective Asset Management Plan.
- The Asset Management Plan will strengthen over the course of the next few years to ensure maturity of Grampians Health's Asset Management Accountability Framework compliance and that public assets are efficiently and effectively managed to meet current and future service delivery demands.

### A stronger workforce

#### Improve workforce wellbeing

- Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-23.
- Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework.
- Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.

#### Outcomes

- Rollout of the first phase of our custom built modulated, risk based Occupational Violence and Aggression training program. This will continue to be further developed using internal expertise from across our campuses.
- Implementation of new processes for improved identification of causal factors of behaviour escalation. This will continue to grow in maturity.
- Staff supported to report incidents both internally and externally, with a new brochure distributed on what can be reported to the police and how.
- Security teams commenced wearing body worn video cameras as a deterrent to undesirable behaviours of persons entering the health service. The addition of protective vests has improved the suite of safety equipment available to our responding staff.
- Continued development and implementation of organisational and local worker wellbeing programs and initiatives, supported in large by Department of Health funding. There has been a focus on embedding a sustainable wellbeing program that provides both a combination of systematic and ad hoc services and opportunities for staff.
- Weekly deliveries of fresh fruit for staff.
- Healthy meal program introduced for night shift workers.
- Strong support for events encouraging staff to get outside and engage with people from other areas of the health service.
- Mental Health First Aid training conducted across our campuses and delivered by our own staff accredited by Mental Health First Aid Australia.
- Extension of an onsite psychological support service from one campus to three. This continues to be a strong element of our Employee Assistance Programs.
- Working in partnership with health service sites in the Wimmera and Central Highlands Region to align to the Multi-Agency Risk Assessment and Management framework (MARAM) as well as building workforce capacity within Grampians Health.
- Ratification of the *Identifying and Responding to Family Violence Clinical Practice Guideline*. This is currently being implemented.
- Sharing all governance and resources with Health Service Partnership sites to assist with their MARAM alignment.
- Drafted an Education/Workplan to build on policy development and assist with the implementation and embedding of MARAM. This includes reflective practice face-to-face sessions for staff to build their knowledge in family violence response and to discuss case studies appropriate to their MARAM practice level, and a plan for sustainability of MARAM through a 'Train the Trainer' and Clinical Champion model.
- Updated organisational audits and MARAM Action Plans completed by Grampians Health and Health Service Partnership sites.

## Strategic Priorities

### Improve Aboriginal health and wellbeing

#### Improve Aboriginal cultural safety

- Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.
- Establish meaningful partnerships with Aboriginal Community-Controlled Health Organisations.
- Implement strategies and processes to actively increase Aboriginal employment.
- Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments.
- Develop discharge plans for every Aboriginal patient.

#### Outcomes

- With completion of the Grampians Health Cultural Safety Plan for 2022-23, our Reconciliation Action Plan Steering Committee commenced, and the Board approved the establishment of a First Nations Governance Committee.
- Building on our dedicated team in Ballarat, additional Aboriginal Hospital Liaison Officers (AHLO) were employed across other campuses to assist First Nations patients to access healthcare.
- Recognising a gap in First Nations support, the role of our AHLO team was also expanded to enable work in our Aged Care Communities.
- In Ballarat and Horsham new drop-in spaces were created, to provide a welcoming space for First Nations peoples attending our services.
- Our staff now undertake Cultural Safety Training during their orientation or induction, and again throughout the year as part of a continuous education training cycle.
- Reference groups were established within each Aboriginal Community-Controlled Health Organisations in the region to assist in the provision of population health planning advice.

## Supporting First Nations communities

People who identify as First Nations make up 2% of Grampians Health's catchment population (almost double the state average), however their health outcomes fall significantly below the state average.

We believe this is unacceptable, and we are committed to making a difference to the health outcomes of First Nations peoples in our region.

**The development of impactful change has started with actions that involve our entire workforce.**

From the Board down, we commence all meetings with an Acknowledgement of Country. To guide us, appropriate wording is provided at the beginning of agenda documents.

Our Aboriginal Hospital Liaison Officers (AHLO) not only run an integral patient support service, they also provide our workforce with advice and guidance on how to identify and navigate matters that impact First Nations peoples, and how - together - we can support positive change.

Each day, our AHLO team help First Nations peoples co-ordinate health care appointments, attend clinics and access more immediate care through our Emergency Departments and Urgent Care Centres.

The AHLO team now also work within our Aged Care Communities, and clinical staff from across Grampians Health can refer inpatients to the AHLO team, who assist those people and their support network to engage with specialist services and programs.

There is clear evidence that initiatives aimed at First Nations populations have a higher chance of success when First Nations peoples are involved in the development and rollout.

With the guidance of our Aboriginal Team Leader, during the year the Grampians Health Board approved the establishment of the First Nations Governance Committee.

The Committee will report to the Board, playing a crucial role in identifying measures to enhance healthcare access and better outcomes.

Ballarat



Horsham



*Baarlinjan Dance Group performing as part of the traditional smoking ceremony held for First Nations babies born at the Ballarat hospital, to celebrate their entry from the dreaming*



## Strategic Priorities

### Moving from competition to collaboration

#### Foster and develop local partnerships

- Strengthen cross-service collaboration, including through active participation in health service partnerships (HSP).
- Work together with other Health Service Partnership members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better at Home program and mental health reform.

#### Outcomes

- A regional response to COVID-19 included efforts to minimise the impact of the virus through the development of a response plan and establishment of a COVID Positive Pathway supported by the Grampians Public Health Unit. Working with the Grampians Region Health Service Partnership, an inbound model was developed to identify at-risk individuals and implement a comprehensive care program, including vaccination and community based support.
- A regional response to deferred surgical care, due to COVID-19, resulted in development of the Elective Surgery Reform Project (ESRP) which included development of a regional waitlist and sustained surgical capacity uplift across the Grampians region. See page 45.
- Using the COVID Home Monitoring initiative, a regional response to support greater home-based care options was possible. See page 42.
- Locally elected priorities include:
  - Development of a Health Service Partnership Strategic Plan for 2023-25, identifying four key pillars for project focus - workforce; quality and safety; systems improvement; and corporate services.
  - A Regional Clinical Governance Coordinator was appointed to improve clinical governance throughout the region.
  - A regional response to strengthening hospitals' response to family violence was developed, including Multi-Agency Risk Assessment and Management, in collaboration with Grampians Community Health.
  - Assistance was provided to health services to meet Gender Equality Act requirements, by engaging Women's Health Grampians to support site leaders in developing Gender Equality Action Plans.
  - A regional telehealth project, implemented in 2021, continued throughout 2022-23. This included a steering committee and coordinator, and resulted in 11,500 appointments, saving 354,000km of travel and 64.4 tonnes of carbon emissions throughout the life of the project.
  - A region-wide eLearning platform - Grampians Learning Hub - moved from project to program, collaborating with regional health services to develop a mandatory education set.
  - To complete projects on reducing length of stay, the Timely Transfer of the Older Person steering committee was established, with a project lead and implementation of a geriatric residential in-reach service, and a Nurse Practitioner-led model to enhance local capacity.

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# Home-based care

In 2022-23 a regional response was deployed to support greater home-based care options for patients, using Better at Home for 'COVID-19 in the Home' monitoring as a state-wide funded project.

The project involved establishing a governance structure and steering committee, and implementing tools, policies, and initiatives to increase home-based care delivery services in the Grampians region. This included aligning with existing projects to ensure regional mobility, and developing a central intake and triage model of care.

Development progressed general awareness of home-based care, to improve referral rates, and on surgical pathways, including same day joint replacements which transferred to home-based care successfully.

An important aspect of continued development has been the identification and engagement with consumer feedback, and stakeholder groups to report progress and improvements.

Redesign work has begun in the Wimmera to deliver more care either at home or closer to home.

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**Grampians Health's 'Better at Home' project provides the most appropriate care, in the most appropriate setting, through a variety of solutions, including community-based models of care.**

Streams within the Better at Home project include:

## Grampians Watch

Supporting people with a range of health conditions to stay healthier at home.

Program overview:

- Helps to monitor, coordinate, support and collaborate with vulnerable people in the community to empower them to remain as healthy as possible at home and reduce the risk of presentations to hospital.
- Commenced in Ballarat and has extended its service to Horsham and Stawell, with Central Highlands currently onboarding health coaches to support their community

Outcomes this year included - attending monthly steering committee meetings; completing recruitment for Telehealth Officer roles; developing supporting documents; discussing Health Links Algorithm; and continued implementation of IT systems.



*Horsham district nurse Lucy Spasic is part of the home-based care program*

## Grampians Health at Home

An acute and sub-acute bed substitution program aimed at caring for patients in the comfort of their own home.

Program overview:

- Six care streams include Medical, Surgical, Older Person, Complex and High-Risk Foot, and Home-Based Cancer Care.
- During 2022-23, the program achieved on average each month:
  - 786 bed days
  - 87 patient admissions
  - 65 discharges.

## Home-based Cancer Care

One of the six streams in 'Grampians Health at Home', the program provides care to people who are receiving cancer treatment.

Program overview:

- Specialist Home Based Cancer Care Navigator nurses.
- Specialist on-road nurses.
- Trained general Grampians Health at Home nurses.
- Is expected to commence across other campuses in coming months.
- As at 30 June 2023, the program had 142 patients in Ballarat (combination of non-admitted and admitted patients).

## Strategic Priorities

### Planned Surgery Recovery and Reform Project

- Maintain commitment to deliver goals and objectives of the Planned Surgery Recovery and Reform Program, including initiatives as outlined, agreed and funded through the HSP workplan. Health services are expected to work closely with Health Service Partnership members and the department throughout the implementation of this strategy, and to collaboratively develop and implement future reform initiatives to improve the long-term sustainability of safe and high quality planned surgical services to Victorians.

#### Outcomes

- Our Regional Consolidation of Care Strategy is providing a solid framework for the program team, bringing together stakeholders and working groups from across the region, providing an umbrella for the delivery of initiatives, and anchoring the culture of the program.
- As at 30 June 2023, the Elective Surgery Program saved 718 Bed Days. A growth of Bed Days Saved is forecast for 2023-24; primarily coming from four new pathways and the regional rollout of Same Day Surgical Models of Care, and the Enhanced Recovery After Surgery Colorectal stream going live.
- Patient Support Unit fast track reassessment streams of work are delivering a positive impact on waitlist numbers, and are also providing foundational learning and evidence for the Regional Shared Waitlist and Regional Surgical Dashboard.
- Fast track re-assessment of long waiting patients by the Patient Support Unit has delivered immediate and positive results, with a total of 247 patients removed from the Elective Surgery Information System waitlist in 2022-23.
- A Patient Support Unit administrative audit provided 131 removals from the waitlist, which more importantly established a core understanding of the waitlist population that is central to the Regional Consolidation of Care and is informing the Regional Shared Waitlist.
- The Virtual Surgery School reached a key milestone at the end of 2022-23 with the onboarding of two clinical navigators, and the launch of the innovative new model to support patients in getting ready for surgery. The lean project approach supported the rapid building of this new service and production of 12 videos. It is currently in live test with patients.
- A business case was drafted to support the Elective Surgery Information System transformation of our Stawell and Horsham campuses. Blueprinting, process design, throughput estimation and foundational change management activity was associated with the business case and will feed into the Regional Elective Surgical Centralised Waitlist stream of work.
- Challenges in Elective Surgery Reform reporting and forecasting are compounded by limitations in data availability and current modelling/ forecasting tools.

# New era in surgical advancements

A state-of-the-art surgical robot was installed in early 2023 at Grampians Health's Ballarat Base Hospital.

**The robot enables surgeons to perform highly complex procedures, in a minimally invasive way which assists patient recovery.**

More common in private hospitals, the Ballarat robot is the only one outside of Melbourne and Geelong, and only one of four in public hospitals across Victoria, joining Peter MacCallum Cancer Centre, Barwon Health, and the Royal Melbourne Hospital.

The \$6.5 million State Government investment builds on our goal to provide equitable healthcare to all, with patients benefiting from the technology at no costs.

The robotic technology allows surgeons to control four arms (instead of the human two) with 'wristed' instruments that allow a range of movement beyond the human wrist.

Seated near to the patient, the surgeon performs the surgery using stable 3D, zoomable, high definition vision, which has previously not been possible.

They also use a combination of foot and hand controls, achieving a level of precision that results in the patient receiving small, minimally invasive incisions, which typically results in much faster recovery, and less time in hospital.

The robot is currently being used for colorectal, urology, upper gastrointestinal, hernia, and thoracic surgeries, as well as gynaecology oncology.

The opportunities that the robot technology offers to the region extends beyond the surgical benefits, as it is already attracting skilled surgeons to the region.

To use the surgical robot, surgeons must complete 20 hours on a simulator and then operate on live tissue. Following this initial training, the first five procedures are completed under the close supervision of an experienced robotic surgeon.

As at 30 June 2023, 75 patients have undergone robotic assisted surgery at the Ballarat Base Hospital.

*The surgical robot being used as part of a thoracic surgery procedure on the lungs*





Rachel Nicholls, Associate Nurse Unit Manager of Stawell's Day Procedure Unit

Also during the year, the Grampians Surgical Reform Project, backed by the Grampians Regional Health Service Partnership and both the Victorian and Federal Governments, has made headway.

Promoting least intrusive and earliest effective care, the Elective Surgery Reform Project has received a substantial investment of \$34 million over three years.

This funding aims to assist each health service in the Grampians region to develop a comprehensive plan aimed at enhancing patient outcomes by reducing wait times for planned (elective) surgeries.

The multifaceted program strives for operational excellence by:

- introducing novel same-day surgical models
- scaling up existing surgical models
- cutting down on surgical stay durations.

**The Grampians Surgical Reform Project is poised to make significant strides in improving patient experiences and access to essential surgical services within the region.**

Outcomes during 2022-23:

- Successfully recruited a Project Coordinator, Delivery and Innovation Team, and Surgical Patient Support Unit.
- Established the Elective Surgery Reform Project Steering Committee to implement changes and meet surgical targets, removing patients from the Elective Surgery waitlist.
- Established Operational Reference Group to ensure staff on the floor across the region have input into processes and changes.
- Commenced developing a regional waitlist for equitable access to surgical procedures across the Grampians Regional Health Service Partnership.
- Prepared to address increased surgical activity requests in Grampians Regional Health Service Partnership and Elective Surgery Information System sites.
- Identified the need for additional endoscopic procedure lists and increased capacity for alternate procedures.
- Successful Victorian Health Building Authority application for additional equipment.
- Allocated specific funding to reduce Elective Surgery Information System waitlist.



# Performance priorities

## High quality and safe care

Key performance measure	Target	Result
<b>Infection prevention and control</b>		
Compliance with the Hand Hygiene Australia program	85%	Average
Percentage of healthcare workers immunised for influenza	92%	98%
<b>Continuing care</b>		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.640
<b>Healthcare associated infections (HAI's)</b>		
Rate of surgical site infections for selected procedures (aggregate)	No outliers	Not met
Rate of central line (catheter) associated blood stream infections (CLABSI) in intensive care units, per 1,000 central line days	Zero	1.9 (Ballarat) 0.0 (Horsham)
Rate of healthcare-associated <i>S. aureus</i> bloodstream infections per 10,000 bed days	≤ 0.7	1.4%
<b>Patient experience</b>		
Percentage of patients who reported positive experiences of their hospital stay - Quarter 1	95%	95%
Percentage of patients who reported positive experiences of their hospital stay - Quarter 2	95%	90.7%
Percentage of patients who reported positive experiences of their hospital stay - Quarter 3	95%	92.1%
<b>Maternity and newborn</b>		
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%	1.9% (Ballarat) 0.5% (Horsham)
Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation	≤ 28.6%	5.3% (Ballarat) 14.3% (Horsham)
<b>Mental Health</b>		
<b>Patient experience</b>		
Percentage of mental health consumers who rated their overall experience of care with a service in the last 3 months as positive	80%	55%
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%	68%
Percentage of families/carers reporting a positive experience of the service	80%	41%
Percentage of families/carers who report they were 'always' or 'usually' felt their opinions as a carer were respected	90%	73%

## Performance Priorities

Post-discharge Follow-up		
Percentage of consumers followed up within 7 days of separation - Inpatient (adult)	88%	84%
Percentage of consumers followed up within 7 days of separation - Inpatient (older persons)	88%	88%
Percentage of consumers followed up within 7 days of separation - Inpatient (CAMHS)	88%	96%
Readmission		
Percentage of consumers re-admitted within 28 days of separation - Inpatient (adult)	< 14%	12%
Percentage of consumers re-admitted within 28 days of separation - Inpatient (older persons)	< 7%	6%
Seclusion		
Rate of seclusion episodes per 1,000 occupied bed days - Inpatient (adult)	≤ 8	12%
Rate of seclusion episodes per 1,000 occupied bed days - Inpatient (older persons)	≤ 5	2%
Unplanned Readmissions		
Unplanned readmissions to any hospital following a hip replacement	< 6%	6%

## Strong governance, leadership and culture

Key performance measure	Target	Result
Organisational culture		
People matter survey - percentage of staff with an overall positive response to safety culture survey questions	62%	58%

## Effective financial management

Key performance measure	Target	Result
Operating result (\$m)	\$0.00	\$0.47
Average number of days to pay trade creditors	60 days	42
Average number of days to receive patient fee debtors	60 days	26
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.65
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ \$250,000	102.94
Actual number of days available cash, measured on the last day of each month	14 days	4 days

## Performance Priorities

### Timely access to care

Key performance measure	Target	Result
<b>Elective surgery</b>		
Percentage of urgency category 1 elective surgery patients admitted within 30 days	100%	100%
Percentage of urgency category 1, 2 and 3 elective surgery patients admitted within clinically recommended time	94%	82.1%
Number of patients on the elective surgery waiting list	1,690	1,633
Number of patients admitted from the elective surgery waiting list	5,690	4,634
Number of patients (in addition to base) admitted from the elective surgery waiting list	0	0
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	5% or 15% proportional improvement from prior year	42.4%
Number of hospital-initiated postponements per 100 scheduled elective surgery admissions	≤ 7	6.3
<b>Emergency care</b>		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	53% (Ballarat) 76% (Horsham)
Percentage of Triage Category 1 emergency patients seen immediately	100%	100% (Ballarat) 100% (Horsham)
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	39% (Ballarat) 68% (Horsham)
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	42% (Ballarat) 64% (Horsham)
Number of patients with a length of stay in the emergency department greater than 24 hours	0	1,313 (Ballarat) 114 (Horsham)
<b>Mental Health</b>		
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	81%	29% (Ballarat) 55% (Horsham)
Percentage of triage episodes requiring an urgent response (triage scale C) where a face-to-face response was provided by the mental health service within 8 hours	80%	55%
<b>Specialist Clinics</b>		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	90.1%
Percentage of routine patients referred by a GP or external specialist who attended a first appointment within 365 days	90%	92.5%

# Activity and funding

Funding Type	Activity	
<b>Consolidated Activity Funding</b>		
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	69,055	NWAU
<b>Acute Admitted</b>		
National Bowel Cancer Screening Program NWAU	63	NWAU
Acute admitted DVA	284	NWAU
Acute admitted TAC	224	NWAU
<b>Acute Non-Admitted</b>		
Home Enteral Nutrition NWAU	65	NWAU
<b>Subacute/Non-Acute, Admitted and Non-admitted</b>		
Subacute - DVA	114	NWAU
Transition Care - Bed days	4,615	Bed days
Transition Care - Home days	3,745	Home Days
<b>Aged Care</b>		
Residential Aged Care	186,409	Bed days
HACC	8,273	Service Hours
<b>Mental Health and Drug Services</b>		
Mental Health Ambulatory	57,287	
Mental Health Inpatient - Available bed days	10,175	
Mental Health Inpatient - Secure Unit	6,302	
Mental Health Residential	5,890	
<b>Primary Health</b>		
Community Health / Primary Care Programs	23,842	Service Hours



# Reporting information

# Employment and conduct principles

Grampians Health's workforce consists of over 6,800 dedicated individuals who understand the needs of our communities and contribute to the overall health and wellbeing of the region.

In the midst of significant workforce shortages, an international recruitment program has been designed to attract international health professionals to the organisation, which provides a holistic orientation and support program for new recruits.

We recognise the importance of a safe work environment and establishing a safe and inclusive workplace culture.

Throughout 2022-23 we have:

- continued to develop and implement organisational and local worker wellbeing programs
- provided Mental Health First Aid training to staff
- rolled out the first phase of our customised Occupational Violence and Aggression (OVA) training program
- introduced new processes for identification of causal factors of behaviour escalation
- commenced the use of body worn video cameras on our security teams.

See pages 24, 25 and 54 for more information.

## Workforce data

Hospitals labour category*	JUNE current month FTE		Average Monthly FTE	
	2022	2023	2022	2023
Nursing	2023	2055	1972	1994
Administration and Clerical	783	812	762	793
Medical Support	205	81	200	81
Hotel and Allied Services	806	817	799	808
Medical Officers	48	48	50	47
Hospital Medical Officers	256	240	258	234
Sessional Clinicians	92	94	87	91
Ancillary Staff (Allied Health)	340	471	341	457

\*A review of labour categories conducted throughout the year resulted in a number of positions being re-categorised, resulting in the significant reduction in Medical Support staff and increase in Ancillary Staff.

## Occupational Health and Safety

Occupational Health and Safety Statistics*	1 Nov 2021– 30 June 2022*	2022–23
Number of reported hazards/incidents per 100 FTE	57.09	53.04
Number of 'lost time' standard claims per 100 FTE	0.85	1.37
Average cost per claim	\$79,167	\$75,877

\*Grampians Health was formed on 1 November 2021, thus 2022 figures do not represent a full year of operation. No comparative data is available prior to this.

## Occupational violence

Occupational violence statistics	2022–23
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.26
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	1.12
Number of occupational violence incidents reported	1740
Number of occupational violence incidents reported per 100 FTE	37.84
Percentage of occupational violence incidents resulting in staff injury, illness or condition	15.86

### Definitions of occupational violence

- **Occupational violence** – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident** – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating are included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident is included.
- **Accepted Workcover claims** – accepted Workcover claims that were lodged in 2022–23.
- **Lost time** – defined as greater than one day.
- **Injury, illness or condition** – includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.



## Addressing violence and aggression

**Our workforce are at the frontline of patient care, ensuring the wellbeing of countless individuals; however occupational violence and aggression towards them is a daily occurrence.**

Professionals who are dedicated to our care and wellbeing, face threats of verbal abuse and physical assaults, impacting not only their safety but also their ability to provide quality care.

Occupational violence and aggression (OVA) strains the healthcare system, impacting health and wellbeing of staff. It may also deter potential healthcare workers from joining the profession.

The prevention and management of OVA continues to be a strong focus across the organisation, and this year we commenced rollout of a new training program targeting the issue.

The first phase of our customised OVA training program will continue to be developed using internal expertise from across our campuses.

New processes to assist staff to identify causes of behaviour escalation have been implemented and will continue to grow in maturity.

Security team uniforms now include body-worn video cameras as a deterrent to undesirable behaviours, adding to the suite of safety equipment available to our responding staff.

Grampians Health is striving to decrease instances of OVA, and community education is part of the process.

We are setting standards of behaviour for those in the community who choose to act in a violent or aggressive way. We support staff to put their own safety first and step away if they are in harm's way.

Our workforce are supported to report incidents both internally and externally, with information provided to them on what can be reported to the police, and how.

# Environmental reporting

Grampians Health is committed to improving our environmental impact and contributing to a greener future.

Sustainability has become increasingly important in our development of services, and we are recognising and implementing projects to improve sustainable service delivery - not only to reduce our operational costs, but to minimise our carbon footprint. As a responsible and progressive employer of choice, this is fundamentally important.

During 2022-23, we developed the Infrastructure Plan 2023-2043 - a roadmap targeting adaptable and state-of-the-art infrastructure in the region to guarantee optimal and safe healthcare access. Prioritising home and community healthcare, the plan underscores the transformative role of digital platforms and advanced technologies in medical facilities. Acknowledging the swift technological evolution, we've committed to refreshing this plan every five years over its twenty-year lifespan.

In coming together as Grampians Health, we have already made great inroads to reducing our carbon footprint. The Health Service Partnership telehealth project resulted in 11,500 appointments between 2021-23, saving 354,000km of travel and 64.4 tonnes of carbon emissions across its members.

Our expanded maternity services in Horsham, cancer care at Stawell, and healthcare-at-home options across the region have further reduced the travel burden on patients. When our workforce travel we now have electric fleet vehicles, further reducing carbon emissions.

Net Zero Emissions targets (commencement dates):

- Transition from fossil fuels to sustainable and environmentally friendly sources of energy (2025).
- Transition our car fleet from traditional fuel-powered vehicles to electric vehicles (2025).
- Phase out the reliance on natural gas for our plants and facilities by actively pursuing alternative energy sources and implementing measures to eliminate its use (2024).
- Integrate circular economy principles within operations and community partnerships to promote sustainability, and establish a closed-loop system that minimises waste, maximises resources efficiency, and encourages the reuse, recycling, and repurposing of materials (2023).

*Fleet and Mobile Communications Manager Tristan Cooney with one of the electric fleet vehicles*



## Electricity use

Grampians Health's electricity use is measured in megawatt hours with data collated from direct input by energy retailers. The installation of solar systems are to be rolled out across all facilities to reduce reliance on fossil fuels and to increase the contribution of solar generation to the grid.

Electricity use	2022-23
<b>EL1 Total electricity consumption segmented by source [MWh]</b>	
Purchased	22,719
Self-generated	381
<b>EL1 Total electricity consumption [MWh]</b>	<b>23,100</b>
<b>EL2 On site-electricity generated [MWh] segmented by:</b>	
<b>Consumption behind-the-meter</b>	
Solar electricity	381
<b>Total Consumption behind the meter [MWh]</b>	<b>381</b>
<b>EL2 Total On site-electricity generated [MWh]</b>	<b>381</b>
<b>EL3 On-site installed generation capacity [kW converted to MW] segmented by:</b>	
Diesel generator	9.15
Solar system	0.61
<b>EL3 Total On-site installed generation capacity [MW]</b>	<b>9.76</b>
<b>EL4 Total electricity offsets segmented by offset type [MWh]</b>	
RPP (Renewable Power Percentage in the grid)	4,271
<b>EL4 Total electricity offsets [MWh]</b>	<b>4,271</b>

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

## Stationary energy

Stationary energy is a combination of different fuel types including natural gas, diesel and LPG. These fuels are used for the heating, cooling, and management of building services, and the provision of patient and resident meals. Grampians Health aims to reduce our reliance on natural gas to help achieve the State emissions reduction targets.

Stationary energy	2022-23
<b>F1 Total fuels used in buildings and machinery segments by fuel type [MJ]</b>	
Natural gas	155,580,864
Diesel	872,356
LPG	2,488,886
<b>F1 Total fuels used in buildings [MJ]</b>	<b>158,942,106</b>
<b>F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO<sub>2</sub>-e]</b>	
Natural gas	8,017
Diesel	61
LPG	151
<b>F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO<sub>2</sub>-e]</b>	<b>8,229</b>

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

## Transportation energy

Grampians Health's fleet comprised 243 vehicles essential to the provision of care, support services, and cross facility transport in 2022-23. Eighty-four per cent of these were passenger vehicles, with the remaining sixteen per cent being goods vehicles which included trucks and buses. Transportation data has been collated using a combination of actual and estimated data from sources available. Data collection methods will be reviewed to ensure all facilities are maintaining accurate records in a central repository. Grampians Health is in the process of transitioning our fleet from fossil fuelled vehicles to hybrid/electric vehicles.

Transportation energy	2022-23
<b>T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]*</b>	
Petrol	3,269,312
Diesel	1,706,517
<b>Total energy used in transportation (vehicle fleet) [MJ]</b>	<b>4,975,829</b>

\*Estimated due to lack of available data

<b>T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category</b>		
INDICATOR	2022-23	%
Number and proportion of vehicles	243	100%
<b>Road vehicles total</b>	<b>243</b>	<b>100%</b>
<b>Passenger vehicles</b>	<b>203</b>	<b>84%</b>
Internal combustion engines	162	67%
Petrol	154	-
Diesel/Biodiesel	8	-
<b>Hybrid total</b>	<b>41</b>	<b>17%</b>
Plug-in Hybrid Electric Vehicle (PHEV)	25	-
Range-extended electric vehicle	16	-
<b>Goods Vehicles Total (ie. buses/trucks)</b>	<b>40</b>	<b>16%</b>
Internal combustion engines	40	16%
Petrol	8	-
Diesel/Biodiesel	32	-

<b>T3 Greenhouse gas emissions from transportation (vehicle fleet) segments by fuel type [tonnes CO<sub>2</sub>-e]*</b>	
Petrol	824
Diesel	624
<b>Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO<sub>2</sub>-e]</b>	<b>1,448</b>

\*Estimated due to lack of available data

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

## Total energy use

Energy consumption refers to all energy used to perform hospital activities. This comes from the burning of different types of fossil fuels such as natural gas, LPG, petrol, and diesel to manage hospital buildings, heating, cooling and transport. Renewable energy at Grampians Health is derived from the use of sunlight through the installation of rooftop Solar PV's. Grampians Health is planning to minimise the reliance on fossil fuels to reduce our environmental footprint.

Total energy use	2022-23
<b>E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]</b>	
Total energy usage from stationary fuels (F1) [MJ]	158,942,106
Total energy usage from transport (T1) [MJ]	4,975,829
<b>Total energy usage from fuels, including stationary fuels (f1) and transport fuels (T1) [MJ]</b>	<b>163,917,935</b>
<b>E2 Total energy usage from electricity [MJ]</b>	
Total energy usage from electricity [MJ]	83,158,359
<b>E3 Total energy usage segmented by renewable and non-renewable sources [MJ]</b>	
Renewable	16,281,853
Non-renewable (E1 + E2 - E3 Renewable)	230,794,441
<b>E4 Units of Stationary Energy used normalised: (F1 + E2) / normaliser</b>	
Energy per unit of FTE [MJ/FTE]	158,960,117

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

## Water use

Town water is utilised across Grampians Health facilities for all clinical and non-clinical activities, and recorded in kilolitres of water consumed during the financial year. All sites are maintained on a regular basis to reduce potential water waste.

Water use	2022-23
<b>W1 Total units of metered water consumed by water source [kL]</b>	
Potable water [kL]	238,524
<b>Total units of water consumed [kL]</b>	<b>238,524</b>
<b>W2 Units of metered water consumed normalised by FTE</b>	
Water per unit of FTE [kL/FTE]	51.66

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

## Waste and recycling

Waste is generated from clinical and non-clinical activities and separated into general waste (landfill), clinical waste (offsite treatment) and recycling/recovery streams. Waste is disposed of at facilities outside of Grampians Health, including local transfer stations and individual material recovery facilities. Waste data has been collated from direct supplier input, reports from individual contractors, or locally maintained waste records. The management of all waste streams is a key priority for Grampians Health. Focus areas include the expansion of PVC recycling and elimination of single-use plastics/items. Individual task force groups will be set up to develop waste reduction plans to minimise waste to landfill and maximise recycling. The team will review data collection methods to ensure all facilities are accurately recording and maintaining waste recovery results uniformly in a central repository.

Waste and recycling		2022-23
<b>WR1 Total units of waste disposed of by waste stream and disposal method [kg]</b>		
<b>Landfill (total)</b>		
General waste*		1,508,158
<b>Offsite treatment</b>		
Clinical waste - incinerated		11,263
Clinical waste - sharps		13,886
Clinical waste - treated		207,548
<b>Recycling/recovery (disposal)</b>		
Batteries		326
Cardboard		260,023
Commingled		109,140
E-waste		6,228
Paper (confidential)		83,915
PVC		2,386
Toner and print cartridges		813
<b>Total units of waste disposed [kg]</b>		<b>2,203,686</b>
<b>WR3 Total units of waste disposed normalised by FTE</b>		
Total waste to landfill per FTE [(kg general waste)/FTE]		326.65
Total waste to offsite treatment per FTE [(kg offsite treatment)/FTE]		50.40
Total waste recycled and reused per FTE [(kg recycled and reused)/FTE]		100.24
<b>WR4 Recycling rate [%]</b>		
Weight of recyclable and organic materials [kg]		462,831
Weight of total waste [kg]		2,203,686
<b>Recycling rate [%]</b>		<b>21%</b>
<b>WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]</b>		
Tonnes CO2-e		2,413,052

\*Estimated data as full year comparatives are unavailable.

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

## Greenhouse gas emissions

Grampians Health reports greenhouse gas (GHG) emissions segmented into emissions scopes and totalled as tonnes of carbon dioxide equivalent. Scope 1 emissions are direct GHG emissions that occur from sources controlled or owned by Grampians Health, such as emissions associated with fuel combustion in vehicles and boilers. Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity from the grid where coal and gas-fired power is generated, as well as steam, heat and cooling which is a result of our energy use. Scope 3 emissions are indirect emissions which occur outside of Grampians Health as a result of our actions, such as waste disposal or air travel. Grampians Health is aiming to reduce GHG emissions through several different projects, including waste reduction strategies, additional LED lighting, Solar PV, and a shift towards more hybrid and electric vehicles.

Greenhouse gas emissions	2022-23
<b>G1 Total scope 1 (direct) greenhouse gas emissions [tonnes CO2-e]</b>	
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e]	8,229
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e]	1,448
<b>Total scope 1 (direct) greenhouse gas emissions [tonnes CO2-e]</b>	<b>9,678</b>
<b>G2 Total scope 2 (indirect electricity) greenhouse gas emissions [tonnes CO2-e]</b>	
Electricity	20,901
<b>Total scope 2 (indirect electricity) greenhouse gas emissions [tonnes CO2-e]</b>	<b>20,901</b>
<b>G3 Total scope 3 (other indirect) greenhouse gas emissions associated with waste disposal [tonnes CO2-e]</b>	
Waste emissions (WR5)	2,413,052
<b>Total scope 3 greenhouse gas emissions [tonnes CO2-e]</b>	<b>2,413,052</b>

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



# Financial performance

## Operating result

Grampians Health was able to achieve a break-even operating position and continues to focus on generating operating efficiencies and maximising revenue.

	2022-23 \$'000	1 Nov 2021- 30 June 2022* \$'000
Total revenue	928,193	553,916
Total expenses	(902,795)	(561,503)
<b>Net result from transactions</b>	<b>25,398</b>	<b>(7,587)</b>
Total other economic flows	(1,861)	3,746
<b>Net result</b>	<b>23,536</b>	<b>(3,481)</b>
Total assets	797,072	780,448
Total liabilities	285,147	291,474
<b>Net assets / Total equity</b>	<b>511,925</b>	<b>488,974</b>

\*Grampians Health was formed on 1 November 2021, thus 2022 figures do not represent a full year of operation. No comparative data is available prior to this.

## Net results from transactions

Reconciliation between the Net result from transactions to the Statement of Priorities Operating Result.

	2022-23 (\$'000)
<b>Operating result</b>	468
Capital purpose income	61,747
Specific income	2,523
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	5,277
State supply items consumed up to 30 June 2023	(5,211)
Expenditure for capital purpose	(1,572)
Depreciation and amortisation	(37,602)
Finance costs (other)	(232)
<b>Net result from transactions</b>	<b>25,398</b>

## Consultancies

In the period 1 July 2022 to 30 June 2023 there were twelve consultancies where the total fees payable to the consultant were \$10,000 or greater.

The total expenditure incurred during the period 1 July 2022 to 30 June 2023 in relation to these consultancies was \$0.954M excl GST with the details shown below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2022-23 (excl. GST)	Future expenditure (excl. GST)
				\$'000	\$'000	\$'000
9 to 5 Dynamics	Workforce Consultation	July 22	June 23	465	465	-
Androgogic Pty Ltd	LMS / SSO Project Support	July 22	June 23	86	86	-
Enlightened Consultants Pty Ltd	Mental Health Coaching	July 22	June 23	77	77	-
Aspex Consulting Pty Ltd	Clinical Services Plan	July 22	Sept 22	75	75	-
Canyon Pty Ltd	Organisation Communication and Marketing	July 22	Sept 22	69	69	-
Cyberscience Corporation P/L	Cybersecurity Consulting	July 22	June 23	41	41	-
Porter Novelli Australia	Strategic Communications	July 22	Mar 23	34	34	-
DPAR Consulting	Leadership Program	Feb 23	Mar 23	30	30	-
Pitcher Partners Consulting	Probity Consultancy	July 22	Dec 22	24	24	-
D.K. Sonin & Associates	Workforce Consultancy	July 22	June 23	22	22	-
Accenture Australia Pty Ltd	Automation and Intelligence Consultancy	July 22	Sept 22	20	20	-
ADAPT Consulting	Process Design Consultancy	July 22	Mar 23	11	11	-

In the period 1 July 2022 to 30 June 2023, there were four consultancies where the total fees payable to the consultant was less than \$10,000. The total expenditure incurred during the period 1 July 2022 to 30 June 2023 in relation to these consultancies was \$38,872 excl GST.

## Information and communication technology (ICT) expenditure

The total ICT expenditure incurred during 2022-23 is \$8.015M (excluding GST), with the details shown below:

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
	Total = Operational Expenditure and Capital Expenditure	Operational Expenditure (excl. GST)	Capital Expenditure (excl. GST)
\$8.015M	\$1.619M	\$0.411M	\$1.208M



# Disclosures

## Building Act 1993

Grampians Health complies with building standards and regulations. All buildings constructed after 1994 have been designed to conform to the *Building Act 1993* and its regulations, as well as to meet our statutory regulations that relate to health and safety matters.

Grampians Health undertakes extensive Essential Safety Measures determined by the Occupancy Permits issued by the Building Surveyor to ensure all regulatory and safety standards in regards to buildings, fire management systems, plant and equipment are maintained.

## National Competition Policy

As a public entity, Grampians Health is obliged to compete fairly and equitably in its business processes. Grampians Health is committed to transparent behaviour in this regard and complies with government policies regarding competitive neutrality with regard to all significant business activities.

## Public Interest Disclosure Act 2012

Grampians Health had no disclosures notified to the IBAC under section 21(2) of the *Public Interest Disclosure Act 2012* in the period 1 July 2022 to 30 June 2023.

## Local Jobs First Act 2003

The Local Jobs First Policy relates to the participation by local industry in projects, developments, procurements and other initiatives.

The Local Jobs First Policy objectives are to:

- promote employment and business growth by expanding market opportunities for local industry
- provide contractors with increased access to, and raised awareness of local industry capability
- expose local industry to world's best practice in workplace innovation, e-commerce and use of new technologies and materials
- develop local industry's international competitiveness and flexibility in responding to changing global markets by giving local industry a fair opportunity to compete against foreign suppliers.

The application of the Local Jobs First policy is consistent with the following principles relating to procurement, tendering and the provision of financial assistance by the State:

- the provision of open, clear and accountable tendering mechanisms and processes
- value for money considerations in purchasing and supply decisions over the life of a good, service or construction project.

## Standard projects commenced

During 2022–23, Grampians Health commenced 4 Local Jobs First Standard projects totalling \$17.9M in value.

All projects were conducted in regional Victoria with local content commitment. None of these projects met the criteria (>\$20M in value) for the major project skills guarantee (MPSG) to be applied.

The outcomes expected from the implementation of the Local Jobs First Policy to these projects where information was provided are as follows:

- an average of 67.24% of local content commitment was made
- a total of 24.70 full-time equivalent jobs were committed including the employment creation of 0.36 FTE (and the employment retention of 24.34 FTE)
- employment creation and retention for employees was 19.6 FTE, apprentices 1.9 FTE, Trainees 1.6 FTE and Cadets 1.6 FTE.

Ninety-nine small-to-medium sized businesses were engaged through the supply chain on commenced standard projects.

## Standard projects completed

Grampians Health did not complete any standard Local Jobs First projects where information was available.

## Strategic projects commenced and completed

Grampians Health did not commence or complete any strategic Local Jobs First projects.

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## Freedom of Information Requests

Grampians Health complies with the Victorian *Freedom of Information Act 1982* (FOI). In the 2022–23 reporting period, 992 FOI requests were registered.

Information on how to submit an FOI is available locally on our campus websites, which can be accessed via [grampianshealth.org.au](http://grampianshealth.org.au)

## Carers Recognition Act

Grampians Health takes all practicable measures to ensure that our staff have an awareness and understanding of the ten principles that underpin The Statement for Australia's Carers.

We recognise the valuable contribution that carers make in our community and consider their role in policy, programs and service delivery settings.

## Safe Patient Care Act 2015

The hospital has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.

## Car Parking Fees

Grampians Health complies with the relevant hospital circular on car parking fees and details of car parking fees and concession benefits can be viewed at

[www.bhs.org.au/for-patients-families-friends/parking/](http://www.bhs.org.au/for-patients-families-friends/parking/)  
(applies to Ballarat campus only).

## Additional information available on request

Details in respect of the items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by the entity about itself, and how these can be obtained
- details of changes in prices, fees, charges, rates and levies charged by the entity
- details of any major external reviews carried out on the entity
- details of major research and development activities undertaken by the entity
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved, and
- details of all consultancies and contractors including:
  - (i) consultants/contractors engaged;
  - (ii) services provided; and
  - (iii) expenditure committed to for each engagement



# Transparency & commitments

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# Attestations and Declarations

## Grampians Health Financial Management Compliance Attestation Statement

I Bill Brown, on behalf of the Responsible Body, certify that Grampians Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Bill Brown  
Chair, Board of Directors  
Grampians Health  
2 October 2023

## Conflict of Interest Declaration

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



Dale Fraser  
Chief Executive Officer  
Grampians Health  
2 October 2023

## Data Integrity Declaration

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



Dale Fraser  
Chief Executive Officer  
Grampians Health  
2 October 2023

## Integrity, Fraud and Corruption Declaration

I, Dale Fraser, certify that Grampians Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Grampians Health during the year.



Dale Fraser  
Chief Executive Officer  
Grampians Health  
2 October 2023

## Compliance with Health Share Victoria (HSV) Purchasing Policies Declaration

I, Dale Fraser, certify that Grampians Health 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.



Dale Fraser  
Chief Executive Officer  
Grampians Health  
2 October 2023

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## Grampians Health

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

The attached financial statements for Grampians Health have been prepared in accordance with Standing 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 period 1 July 2022 to 30 June 2023 and the financial position of Grampians Health at 30 June 2023.

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

We authorise the attached financial statements for issue on this day.



**Mr Bill Brown**  
*Chair*  
*Board of Directors*



**Mr Dale Fraser**  
*Chief Executive Officer*  
*Accountable Officer*



**Mr Rod Hansen**  
*Chief Corporate Services Officer*  
*Chief Finance and Accounting Officer*

Dated the 2nd day of October, 2023 at Ballarat



# Financial Reporting

# Independent Auditor's Report

## To the Board of Grampians Health

**Opinion** I have audited the financial report of Grampians Health (the health service) which comprises the:

- balance sheet as at 30 June 2023
- comprehensive operating statement for the year then ended 30 June 2023
- 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 and accounting officer's declaration.

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 its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

**Basis for Opinion** I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. 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 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Other information** My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

**Board's responsibilities for the financial report** The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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.

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**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.

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MELBOURNE  
20 October 2023

Dominika Ryan  
*as delegate for the Auditor-General of Victoria*

**GRAMPIANS HEALTH**  
**COMPREHENSIVE OPERATING STATEMENT**  
**FOR THE PERIOD 1 JULY 2022 to 30 JUNE 2023**

	Note	2023 \$000	Nov-21 to Jun-22 \$000
<b>Revenue and Income from Transactions</b>			
Operating Activities	2.1	924,022	553,584
Non-Operating Activities	2.1	4,171	332
<b>Total Revenue and Income from Transactions</b>		<b>928,193</b>	<b>553,916</b>
<b>Expenses from Transactions</b>			
Employee Expenses	3.1	(643,600)	(398,790)
Supplies and Consumables	3.1	(121,911)	(79,714)
Finance Expenses	3.1	(232)	(145)
Other Administrative Expenses	3.1	(63,228)	(30,584)
Other Operating Expenses	3.1	(36,599)	(23,227)
Depreciation and Amortisation	3.1	(37,225)	(29,042)
<b>Total Expenses from Transactions</b>		<b>(902,795)</b>	<b>(561,503)</b>
<b>Net Result from Transactions - Net Operating Balance</b>		<b>25,398</b>	<b>(7,587)</b>
<b>Other Economic Flows Included in Net Result</b>			
Net Gain on Non-Financial Assets	3.2	387	26
Net (Loss) on Financial Instruments	3.2	(1,630)	(2,130)
Other (Loss) Gain from Other Economic Flows	3.2	(618)	5,850
<b>Total Other Economic Flows Included in Net Result</b>		<b>(1,861)</b>	<b>3,746</b>
<b>Net Result for the Period</b>		<b>23,536</b>	<b>(3,841)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Net Result</b>			
Changes in Asset Revaluation Reserve Surplus	4.4	-	85,139
<b>Comprehensive Result for the Period</b>		<b>23,536</b>	<b>81,298</b>

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

*Comparative period reflects the eight months commencing 1st November 2021 when Grampians Health was formed to the end of the 2021-22 financial year 30th June 2022.*

**GRAMPIANS HEALTH**  
**BALANCE SHEET AS AT 30 JUNE 2023**

	Note	2023 \$000	Nov-21 to Jun-22 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6.2	80,456	101,924
Receivables and Contract Assets	5.1	22,971	19,212
Inventory	4.7	2,041	2,832
Prepayments		4,032	2,135
Investments and Other Financial Assets	4.1	17,848	16,361
<b>Total Current Assets</b>		<b>127,349</b>	<b>142,463</b>
<b>Non-Current Assets</b>			
Receivables	5.1	43,374	40,329
Property, Plant and Equipment	4.2	617,362	588,296
Right of Use Assets	4.3	8,757	8,247
Intangible Assets	4.5	229	1,113
<b>Total Non-Current Assets</b>		<b>669,722</b>	<b>637,985</b>
<b>Total Assets</b>		<b>797,071</b>	<b>780,447</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Employee Benefits	3.3	117,914	116,959
Payables and Contract Liabilities	5.2	81,945	99,957
Borrowings	6.1	2,386	2,109
Other Liabilities	5.3	51,291	47,056
<b>Total Current Liabilities</b>		<b>253,538</b>	<b>266,081</b>
<b>Non-Current Liabilities</b>			
Employee Benefits	3.3	24,582	18,566
Borrowings	6.1	7,027	6,826
<b>Total Non-Current Liabilities</b>		<b>31,610</b>	<b>25,391</b>
<b>Total Liabilities</b>		<b>285,147</b>	<b>291,473</b>
<b>Net Assets</b>		<b>511,925</b>	<b>488,975</b>
<b>EQUITY</b>			
Restricted Specific Purpose Reserve		3,044	3,196
Property, Plant and Equipment Revaluation Reserve		85,693	85,139
Contributed Capital		407,677	407,677
Accumulated Deficits		15,511	(7,037)
<b>Total Equity</b>		<b>511,925</b>	<b>488,975</b>

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

*Comparative period reflects the eight months commencing 1st November 2021 when Grampians Health was formed to the end of the 2021-22 financial year 30th June 2022.*

**GRAMPIANS HEALTH**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD 1 JULY 2022 to 30 JUNE 2023**

	Property, Plant and Equipment Revaluation Reserve	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Deficits	Total
Note	\$000	\$000	\$000	\$000	\$000
<b>Balance Sheet as at 1 July 2022</b>	85,139	3,196	407,677	(7,037)	488,975
Net Result for the Year	-	-	-	23,536	23,536
Equity Adjustments	554	-	-	(1,140)	(586)
Transfer to Restricted Specific Purpose Reserve	-	(152)	-	152	-
<b>Balance Sheet as at 30 June 2023</b>	<b>85,693</b>	<b>3,044</b>	<b>407,677</b>	<b>15,511</b>	<b>511,925</b>
<b>Administrative Restructure - Net Asset Transfer</b>	-	-	407,677	-	407,677
Net Result for the Period	85,139	-	-	(3,841)	81,298
Transfer to Accumulated Surplus	-	3,196	-	(3,196)	-
<b>Balance as at 30 June 2022</b>	<b>85,139</b>	<b>3,196</b>	<b>407,677</b>	<b>(7,037)</b>	<b>488,975</b>

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

*Comparative period reflects the eight months commencing 1st November 2021 when Grampians Health was formed to the end of the 2021-22 financial year 30th June 2022.*

**GRAMPIANS HEALTH**  
**CASH FLOW STATEMENT**  
**FOR THE PERIOD 1 JULY 2022 to 30 JUNE 2023**

	2023 \$000	Nov-21 to Jun-22 \$000
Note	Inflows/ (Outflows)	Inflows/ (Outflows)
<b>Cash Flows from Operating Activities</b>		
<b>Receipts</b>		
Operating Grants from Government - State	661,007	413,165
Operating Grants from Government - Commonwealth	87,873	52,659
Capital Grants from Government - State	60,196	10,118
Capital Grants from Government - Commonwealth	1,551	342
Capital Proceeds from Donations and Bequests	2,523	73
Patient & Resident Fees	22,560	11,489
Interest and Dividends Received	3,357	332
GST Received from ATO	18,511	10,564
Other	57,460	46,186
<b>Total Receipts</b>	<b>915,038</b>	<b>544,928</b>
<b>Payments</b>		
Employee Expenses Paid	(650,408)	(396,057)
Supplies & Consumables	(110,256)	(74,129)
GST Paid to ATO	(3,655)	(2,695)
Other Payments	(116,796)	(49,271)
<b>Total Payments</b>	<b>(881,114)</b>	<b>(522,152)</b>
<b>Net Cash Inflows from Operating Activities</b>	<b>8.1</b>	<b>33,924</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(61,220)	(11,905)
Proceeds from Disposal of Property, Plant and Equipment	1,116	670
<b>Net Cash (Outflows) from Investing Activities</b>	<b>(60,104)</b>	<b>(11,235)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Borrowings	2,699	291
Repayment of Borrowings	(2,223)	(1,069)
Receipt of Accommodation Deposits	21,642	8,818
Repayment of Accommodation Deposits	(17,407)	(5,895)
<b>Net Cash Inflows from Financing Activities</b>	<b>4,713</b>	<b>2,145</b>
<b>Net Increase in Cash and Cash Equivalents Held</b>	<b>(21,468)</b>	<b>13,686</b>
Cash and Cash Equivalents at 1 July 2022 - 30 June 2023	101,924	88,238
<b>Cash and Cash Equivalents at End of Period</b>	<b>6.2</b>	<b>80,456</b>

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

*Comparative period reflects the eight months commencing 1st November 2021 when Grampians Health was formed to the end of the 2021-22 financial year 30th June 2022.*

# Grampians Health

## Notes to the Financial Statements

For the Period 1 July 2022 to 30 June 2023

### 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 Principles of Consolidation
- 1.5 Joint Operations
- 1.6 Key Accounting Estimates and Judgements
- 1.7 Accounting Standards issued but not yet effective
- 1.8 Goods and Services Tax (GST)
- 1.9 Reporting Entity

### Note 1: Basis of Preparation

These financial statements represent the audited general purpose financial statements for Grampians health for the period 1 July 2022 to 30 June 2023. The report provides users with information about the Grampians Health's stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements and identifies the key accounting estimates and judgements.

#### Note 1.1 Basis of Preparation of the Financial Statements

Grampians Health is a registered funded agency under the *Health Services Act 1988*. It was formed effective 1 November 2021, following the voluntary amalgamation of Ballarat Health Services, Wimmera Health Care group, Stawell Regional Health and Edenhope and District Memorial Hospital. The amalgamation and formation of the new agency was by an Order in Council under the Health Services Act 1988, declared in Victoria Government Gazette No S 599 29 October 2021, and is considered an Administrative Restructure.

Grampians Health acquired all the rights, responsibilities, assets, liabilities and equity of the former Ballarat Health Services, Wimmera Health Care Group, Stawell Regional Health and Edenhope and District Memorial Hospital on amalgamation.

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 Department of Treasury and Finance (DTF), and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

Grampians Health is a not-for-profit entity and therefore applies the additional Australian paragraphs applicable to "not-for-profit" health services 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.

These financial statements are prepared on a going concern basis (refer to Note 8.9 Economic Dependency).

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

All amounts shown in the financial statements are expressed to the nearest thousand dollars unless stated otherwise. Minor discrepancies in the tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of Directors of Grampians Health on 2 October 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.

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

- Note 3: The cost of delivering services.

**Note 1.3 Abbreviations and terminology used in the financial statements**

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

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

**Note 1.4 Principles of Consolidation**

Grampians Health does not have any consolidated reporting entities.

**Note 1.5 Joint Operations**

Interests in the jointly controlled operations of Grampians Rural Health Alliance are not consolidated by Grampians Health but are accounted for in accordance with the policy outlined in Note 8.7 Jointly Controlled Operations.

**Note 1.6 Key Accounting Estimates and Judgements**

Management make estimates and judgements when preparing the financial statements.

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

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

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

**Note 1.7 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 Grampians Health and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods on or after 1 January 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 January 2023.	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 January 2026.	Adoption of this standard is not expected to have a material impact.

Standard	Adoption Date	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 Grampians Health in future periods.

**Note 1.8 Goods and Services Tax (GST)**

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

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

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

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

**Note 1.9 Reporting Entity**

Its principal address is:  
 Drummond St North  
 Ballarat, Victoria, 3350

A description of the nature of Grampians Health 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

Grampians Health overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians.

Grampians Health is predominantly funded by grant funding for the provision of outputs.

Grampians Health 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 Judgement and Estimates	Description
Identifying performance obligations	<p>Grampians Health 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 Grampians Health to recognise revenue as or when the health service transfers promised goods or services to customers.</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>Grampians Health 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 time of capital grant income recognition	<p>Grampians Health applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.</p>

## Note 2.1: Revenue and Income from Transactions

Comparative period reflects the eight months commencing 1st November 2021 when Grampians Health was formed to the end of the 2021-22 financial year 30th June 2022.

Operating	Note	2023 \$000	Nov-21 to Jun-22 \$000
<b>Revenue from Contracts with Customers</b>			
Government Grants (State) - Operating		390,000	245,909
Government Grants (Commonwealth) - Operating		87,873	52,071
Patient and Resident Fees		22,560	14,304
Commercial Activities <sup>1</sup>		42,748	26,574
<b>Total Revenue from Contracts with Customers</b>		<b>543,180</b>	<b>338,857</b>
<b>Other Sources of Income</b>			
Government Grants (State) - Operating		275,917	167,547
Government Grants (State) - Capital		60,196	19,450
Government Grants (Commonwealth) - Capital		1,551	343
Other Capital Purpose Income		2,523	2,413
Other Income from Operating Activities		35,377	19,115
Assets Received Free of Charge or for Nominal Consideration	2.2	5,277	5,859
<b>Total Other Sources of Income</b>		<b>380,842</b>	<b>214,726</b>
<b>Total Revenue and Income from Operating Activities</b>		<b>924,022</b>	<b>553,584</b>
<b>Income from Non-Operating Activities</b>			
Capital Interest and Dividends		36	44
Other Interest & Dividends		4,135	288
<b>Total Income from Non-Operating Activities</b>		<b>4,171</b>	<b>332</b>
<b>Total Revenue and Income from Transactions</b>		<b>928,193</b>	<b>553,916</b>

<sup>1</sup> Commercial activities represent business activities which Grampians Health enters into to support their operations.

### Note 2.1(a): Timing of Revenue from Contracts with Customers

Grampians Health disaggregates revenue by the timing of revenue recognition.

Goods and Services transferred to Customers	Note	2023 \$000	Nov-21 to Jun-22 \$000
At a point in time		500,432	312,284
Over time		42,748	26,574
<b>Total Revenue from Contracts with Customers</b>		<b>543,180</b>	<b>338,857</b>

### How we Recognise Revenue and Income from Operating Activities

#### Government Operating Grants

To recognise revenue, Grampians Health assesses 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 when services are rendered.

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

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

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

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for Grampians Health's goods or services. Grampians Health 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 Grampians Health's revenue streams, with information detailed below relating to Grampians Health's significant revenue streams:

Government Grant	Performance Obligations
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	<p>NWAU funding commenced 1 July 2021 and supersedes WIES for acute, sub-acute and state-wide services (which includes specified grants, state-wide services and teaching and training). Services not transitioning at this time include mental health and small rural services.</p> <p>NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.</p> <p>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
Pharmaceutical Benefits Scheme (PBS) Funding	<p>The performance obligations for PBS funding are recognised as defined Pharmaceutical prescriptions or orders are processed that satisfy and are completed in accordance with the Commonwealth PBS guidelines.</p> <p>Revenue is recognised at a point in time, which is when a patient's prescription is processed and is in accordance with the criteria set out in the PBS regulations.</p>

## Note 2.1: Revenue and Income from Transactions (Cont.)

### Capital Grants

Where Grampians Health 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 Grampians Health 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 car park income, clinical trial income, ethics review fees, and training and seminar fees. 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

#### Interest Income

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

#### Dividend Income

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

## Note 2.2: Fair Value of Assets and Services Received Free of Charge or for Nominal Consideration

	2023 \$000	Nov-21 to Jun-22 \$000
Cash Donations and Gifts	-	73
Inventory	5,277	5,786
<b>Total Fair Value of Assets and Services Received Free of Charge or for Nominal Consideration</b>	<b>5,277</b>	<b>5,859</b>

### 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 Grampians Health 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 Grampians Health 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

Grampians Health may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when Grampians Health 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 Grampians Health as a capital contribution transfer.

#### Voluntary Services

Contributions by volunteers, in the form of services, are only recognised when fair value can be reliably measured, and the services would have been purchased if they had not been donated.

Grampians Health greatly values the services contributed by volunteers, but it does not depend on volunteers to deliver its services, and these services would not have been acquired if they had not been donated.

#### Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Grampians Health as follows:

Government Grant	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Grampians Health 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 Services

This section provides an account of the expenses incurred by Grampians Health 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

Grampians Health experienced additional expenses during the period 1 July 2022 to 30 June 2023 which was partially attributable to the COVID-19 Coronavirus pandemic. Additional costs were incurred to deliver additional services under Victoria's COVID Catch-Up Plan aimed at addressing Victoria's COVID-19 case load and restoring surgical capacity and activity.

This includes costs associated with:

- Continued acute care for patients in recovery from COVID-19;
- Targeted outbreak management in high-risk aged care and health settings via local public health units and multidisciplinary mobile teams;
- Vaccination of Victorians against COVID-19.

#### Key Judgements and Estimates

This sections contains the following key judgements and estimates:

Key Judgement and Estimates	Description
Classifying employee benefit liabilities	<p>Grampians Health applies significant judgment when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Grampians Health 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 Grampians Health 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>Grampians Health 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.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> <li>- an inflation rate of 4.35%, reflecting the future wage and salary levels</li> <li>- 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 30.78% and 100.00%</li> <li>- discounting at the rate of 4.06%, as determined with reference to market yields on government bonds at the end of the reporting period</li> </ul> <p>All other entitlements are measured at their nominal value.</p>

#### How we recognise Expenses from Transactions

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

#### Employee Expenses

Employee expenses include:

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

#### Supplies and Consumables

Supplies and service 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 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:

- Fuel, light and power;
- Repairs and maintenance;
- Other administrative expenses; and
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$2,000).

The Department of Health also makes certain payments on behalf of Grampians Health. 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.

### Note 3.1: Expenses from Transactions

Comparative period reflects the eight months commencing 1st November 2021 when Grampians Health was formed to the end of the 2021-22 financial year 30th June 2022.

	Note	2023 \$000	Nov-21 to Jun-22 \$000
Salaries and Wages		497,019	309,134
On-Costs		121,608	73,607
Agency Expenses		17,646	10,037
WorkCover Premium		7,326	6,013
<b>Total Employee Expenses</b>		<b>643,600</b>	<b>398,790</b>
Drug Supplies		33,827	20,518
Medical and Surgical Supplies		70,096	47,254
Pathology Supplies		7,672	5,970
Other Supplies and Consumables		10,316	5,973
<b>Total Supplies and Consumables</b>		<b>121,911</b>	<b>79,714</b>
Interest Charges		232	145
<b>Total Finance Costs</b>		<b>232</b>	<b>145</b>
Other Administrative Expenses		63,228	30,584
<b>Total Other Administrative Expenses</b>		<b>63,228</b>	<b>30,584</b>
Fuel, Light, Power and Water		7,614	4,788
Repairs and Maintenance		15,690	10,480
Medical Indemnity Insurance		9,246	5,757
Expenses Related to Short Term Leases		1,315	1,074
Expenditure for Capital Purpose		2,734	1,128
<b>Total Other Operating Expenses</b>		<b>36,600</b>	<b>23,227</b>
<b>Total Operating Expenses</b>		<b>865,572</b>	<b>532,461</b>
Depreciation and Amortisation	4.6	37,225	29,042
<b>Total Depreciation and Amortisation</b>		<b>37,225</b>	<b>29,042</b>
<b>Total Expenses from Transactions</b>		<b>902,796</b>	<b>561,503</b>

#### How We Recognise Expenses from Transactions

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

##### Employee Expenses

Employee expenses include:

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

##### Supplies and Consumables

Supplies and service 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 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:

- Fuel, light and power;
- Repairs and maintenance; and
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$2,000).

The DH makes certain payments on behalf of Grampians Health. 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.

### Note 3.2: Other Economic Flows

	2023 \$000	Nov-21 to Jun-22 \$000
Net Gain on Disposal of Property, Plant and Equipment	387	26
<b>Total Net Gain on Sale of Non-Financial Assets</b>	<b>387</b>	<b>26</b>
Allowance for impairment losses of contractual receivables	(2,455)	(735)
Net Gain/(Loss) on Financial Instruments	826	(1,395)
<b>Total Net Gain/ (Loss) on Financial Instruments</b>	<b>(1,630)</b>	<b>(2,131)</b>
Net gains/(loss) arising from Revaluation of Long Service Liability	(618)	5,850
<b>Total Other Gain/(Losses) from Other Economic Flows</b>	<b>(618)</b>	<b>5,850</b>
<b>Total Other Gains/(Losses) from Economic Flows</b>	<b>(1,861)</b>	<b>3,746</b>

#### 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.

#### 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:

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

#### Net Gain/(Loss) on Financial Instruments at Fair Value

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

- Realised and unrealised gains and losses from revaluation of financial instruments at fair value;
- Impairment and reversal of impairment for financial instruments at amortised cost (Refer to Note 4.1 Investments and other Financial Assets); and
- Disposals of financial assets and de-recognition of financial liabilities.

#### Other Gains/(Losses) from Other Economic Flows

Other gains/(losses) include:

- The revaluation of the present value of the Long Service Leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes of probability factors.

### Note 3.3: Employee Benefits in the Balance Sheet

	2023 \$000	Nov-21 to Jun-22 \$000
<b>Current Employee Benefits and Related On-Costs</b>		
Annual Leave		
- Unconditional and expected to be settled wholly within 12 months	36,199	34,895
- Unconditional and expected to be settled wholly after 12 months	5,755	5,579
	<b>41,955</b>	<b>40,474</b>
Long Service Leave		
- Unconditional and expected to be settled wholly within 12 months	8,362	8,889
- Unconditional and expected to be settled wholly after 12 months	52,111	53,080
	<b>60,473</b>	<b>61,969</b>
Accrued Days Off		
- Unconditional and expected to be settled wholly within 12 months	1,546	1,202
	<b>1,546</b>	<b>1,202</b>
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled wholly within 12 months	5,811	5,704
- Unconditional and expected to be settled wholly after 12 months	8,129	7,610
	<b>13,941</b>	<b>13,314</b>
<b>Total Current Employee Benefits and Related On-Costs</b>	<b>117,914</b>	<b>116,958</b>
<b>Non-Current Employee Benefits and Related On-Costs</b>		
Conditional Long Service Leave	21,522	16,058
Provisions related to Employee Benefit On-Costs	3,059	2,508
<b>Total Non-Current Employee Benefits and Related On-Costs</b>	<b>24,582</b>	<b>18,566</b>
<b>Total Employee Benefits and Related On-Costs</b>	<b>142,497</b>	<b>135,525</b>

### Note 3.3(a): Consolidated Employee Benefits and Related On-Costs

	2023 \$000	Nov-21 to Jun-22 \$000
<b>Current Employee Benefits and Related On-Costs</b>		
Unconditional Long Service Leave Entitlements	68,960	69,851
Unconditional Annual Leave Entitlements	47,409	45,733
Unconditional Accrued Days Off Entitlements	1,546	1,374
<b>Total Current Employee Benefits and Related On-Costs</b>	<b>117,915</b>	<b>116,958</b>
<b>Non-Current Employee Benefits and Related On-Costs</b>		
Conditional Long Service Leave Entitlements	24,582	18,566
<b>Total Non-Current Employee Benefits and Related On-Costs</b>	<b>24,582</b>	<b>18,566</b>
<b>Total Employee Benefits and Related On-Costs</b>	<b>142,497</b>	<b>135,524</b>
<b>Attributable to:</b>		
Employee Benefits	125,497	119,702
Provision for Related On-Costs	17,000	15,822
<b>Total Employee Benefits and Related On-Costs</b>	<b>142,497</b>	<b>135,524</b>

### Note 3.3(b): Provision for Related On-Costs Movement Schedule

Balance at Start of Period	15,822	14,924
Additional provisions recognised	2,673	4,519
Amounts incurred during the period	(877)	(4,352)
Net gain arising from revaluation of long service liability	(618)	731
<b>Carrying amount at the end of the period</b>	<b>17,000</b>	<b>15,822</b>

### **Note 3.3: Employee Benefits in the Balance Sheet (cont.)**

#### **How We Recognise Employee Benefits**

##### **Employee Benefit Recognition**

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

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

##### **Annual Leave and Accrued Days Off**

Liabilities for annual leave and accrued days off are all recognised in the provision for employee benefits as 'current liabilities' because Grampians Health 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 Grampians Health expects to wholly settle within 12 months; or
- Present value - if Grampians Health does not expect to wholly settle within 12 months.

##### **Long Service Leave (LSL)**

The liability for 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 Grampians Health 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 Grampians Health expects to wholly settle within 12 months; or
- Present value - if Grampians Health does not expect to wholly settle within 12 months.

Conditional LSL 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.

Long service leave provision changed in 2023 due to a calculation adjustment to factor in increases in superannuation and earlier employee entitlement on some awards (i.e. gradual reduction from 10 years down to 7 years for the employee to access their entitlement), an assessment was performed and the impacts were not material.

##### **Termination Benefits**

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

##### **On-Costs Related to Employee Expense**

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

### Note 3.4: Superannuation

	Paid Contribution		Contribution Outstanding	
	2023 \$000	Nov-21 to Jun-22 \$000	2023 \$000	Nov-21 to Jun-22 \$000
<b>Defined Benefit Plans (i):</b>				
Aware Super	582	926	30	109
<b>Defined Contribution Plans:</b>				
Aware Super	17,539	14,528	928	1,608
Hesta	12,000	7,747	661	1,010
Other	11,944	5,618	416	636
<b>Total</b>	<b>42,065</b>	<b>28,819</b>	<b>2,035</b>	<b>3,363</b>

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

#### How we Recognise Superannuation

Employees of Grampians Health 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 Grampians Health to the superannuation plans in respect of the services of current Grampians Health'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.

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

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

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

#### Note 4: Key Assets to Support Service Delivery

Grampians Health 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 Grampians Health to be utilised for delivery of those outputs.

##### Structure

- 4.1: Investments and Other Financial Assets
- 4.2: Property, Plant and Equipment
- 4.3: Right-of-use Assets
- 4.4: Revaluation Surplus
- 4.5: Intangible Assets
- 4.6: Depreciation and Amortisation
- 4.7: Inventories
- 4.8: Impairment of Assets

##### Telling the COVID-19 story

Assets used to support the delivery of our services during the period 1 July 2022 to 30 June 2023 were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

##### Key Judgments and Estimates

Key Judgement and Estimates	Description
Estimating useful life of property, plant and equipment	Grampians Health 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.  Grampians Health 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 Grampians Health 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.
Estimating the useful life of intangible assets	Grampians Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	At the end of each year, Grampians Health 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: <ul style="list-style-type: none"> <li>- If an asset's value has declined more than expected based on normal use;</li> <li>- If a significant change in technological, market, economic or legal environment; which adversely impacts the way the health service uses an asset;</li> <li>- If an asset is obsolete or damaged;</li> <li>- 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;</li> <li>- If the performance of the asset is or will be worse than initially expected.</li> </ul> Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

**Note 4.1: Investments and Other Financial Assets**

	Operating Fund	Operating Fund	Specific Purpose Fund	Specific Purpose Fund	Trust Fund	Trust Fund	Total	Total
	2023 \$000	Nov-21 to Jun-22 \$000	2023 \$000	Nov-21 to Jun-22 \$000	2023 \$000	Nov-21 to Jun-22 \$000	2023 \$000	Nov-21 to Jun-22 \$000
<b>Current</b>								
Equities	693	597	-	-	-	-	693	597
Managed Investment Schemes (VFMC)	-	-	3,044	3,196	14,112	12,568	17,155	15,764
<b>Total Current</b>	<b>693</b>	<b>597</b>	<b>3,044</b>	<b>3,196</b>	<b>14,112</b>	<b>12,568</b>	<b>17,848</b>	<b>16,361</b>
<b>Total</b>	<b>693</b>	<b>597</b>	<b>3,044</b>	<b>3,196</b>	<b>14,112</b>	<b>12,568</b>	<b>17,848</b>	<b>16,361</b>
<b>Represented by:</b>								
Health Service Investments	693	597	3,044	3,196	-	-	3,737	3,793
Monies Held in Trust	-	-	-	-	-	-	-	-
- Refundable Accommodation Deposit ('RAD')	-	-	-	-	12,910	11,521	12,910	11,521
- Patient Monies Held in Trust	-	-	-	-	139	173	139	173
- State Wide Equipment Program	-	-	-	-	128	129	128	129
- Grampians Integrated Cancer Services	-	-	-	-	935	745	935	745
<b>Total</b>	<b>693</b>	<b>597</b>	<b>3,044</b>	<b>3,196</b>	<b>14,112</b>	<b>12,568</b>	<b>17,848</b>	<b>16,361</b>

**How We Recognise Investments and Other Financial Assets**

Grampians Health investments and other financial assets are made in accordance with Standing Direction 3.7.2 - Treasury Management.

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

Investments are recognised when Grampians Health 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.

Grampians Health 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.

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

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	Nov-21 to Jun-22
	\$000	\$000
Land at Fair Value	82,495	82,499
Land at Cost	1,016	0
Total Land at Fair Value	<u>83,511</u>	<u>82,499</u>
Buildings at Fair Value	450,628	466,681
Less Accumulated Depreciation	(30,446)	(21,200)
	<u>420,182</u>	<u>445,481</u>
Buildings at Cost	4,504	0
Less Accumulated Depreciation	(119)	0
	<u>4,385</u>	<u>0</u>
Total Buildings at Fair Value	<u>424,567</u>	<u>445,481</u>
Under Construction at Cost	67,477	24,337
<b>Total Land and Buildings</b>	<b><u>575,554</u></b>	<b><u>552,317</u></b>
Plant and Equipment at Fair Value	33,375	17,574
Less Accumulated Depreciation	(18,707)	(1,989)
	<u>14,668</u>	<u>15,585</u>
Medical Equipment at Fair Value	57,749	18,517
Less Accumulated Depreciation	(35,879)	(3,104)
	<u>21,870</u>	<u>15,413</u>
Computers and Communications at Fair Value	3,885	1,186
Less Accumulated Depreciation	(3,053)	(336)
	<u>832</u>	<u>850</u>
Furniture and Fittings at Fair Value	1,889	1,023
Less Accumulated Depreciation	(1,088)	(163)
	<u>801</u>	<u>860</u>
Personal Alarm Call Systems at Fair Value	5,081	2,277
Less Accumulated Depreciation	(2,916)	(557)
	<u>2,165</u>	<u>1,720</u>
Linen Stock at Fair Value	1,980	1,194
Less Accumulated Depreciation	(892)	(222)
	<u>1,087</u>	<u>972</u>
Motor Vehicles at Fair Value	3,356	745
Less Accumulated Depreciation	(2,971)	(166)
	<u>385</u>	<u>579</u>
<b>Total Plant, Equipment, Furniture, Fittings and Vehicles at Fair Value</b>	<b><u>41,808</u></b>	<b><u>35,979</u></b>
<b>Total Property, Plant and Equipment</b>	<b><u>617,362</u></b>	<b><u>588,296</u></b>

**Note 4.2: Property, Plant and Equipment**

**Note 4.2(b): Reconciliations of the Carrying Amount of each Class of Assets**

	Land	Under Construction	Buildings	Plant and Equipment	Medical Equipment	Computers and Comm'n	Furniture and Fittings	Personal Alarm Call Systems	Linen Stock	Motor Vehicles	Total
Note	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Balance at 30 June 2022</b>											
<b>Transfer on Administrative Restructure</b>	<b>82,499</b>	<b>24,337</b>	<b>445,481</b>	<b>15,585</b>	<b>15,413</b>	<b>850</b>	<b>860</b>	<b>1,720</b>	<b>972</b>	<b>579</b>	<b>588,296</b>
Prior year Adjustments	(5)	(49)	(342)	(262)	2	-	-	-	1	-	(655)
Additions	5	49,046	675	1,698	12,486	648	149	1,137	478	67	66,389
Revaluations	-	-	-	-	-	-	-	-	-	-	-
Net transfers between classes	4.5	1,012	(5,857)	3,687	441	2	60	-	1	-	(654)
Other Adjustments	-	-	(3)	(30)	(328)	(211)	(79)	-	-	9	(33)
Disposals	-	-	(17)	(328)	(251)	(211)	(79)	-	-	9	(896)
Depreciation	-	-	(24,915)	(2,436)	(5,782)	(455)	(188)	(691)	(365)	(252)	(35,085)
<b>Balance at 30 June 2023</b>	<b>83,511</b>	<b>67,477</b>	<b>424,567</b>	<b>14,668</b>	<b>21,870</b>	<b>832</b>	<b>801</b>	<b>2,166</b>	<b>1,087</b>	<b>385</b>	<b>617,362</b>

**Land and Buildings and Leased Assets Carried at Valuation**

The Valuer-General Victoria undertook to re-value all of Grampians Health 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.

## Note 4.2: Property, Plant and Equipment (cont.)

### How we Recognise Property, Plant and Equipment

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

The cost of constructed non-financial physical assets includes the costs of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

### Subsequent Measurement

Items of property, plant and equipment (excluding right-of-use assets) 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 below.

### Revaluation

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

Where an independent valuation has not been undertaken at balance date, Grampians Health 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%, Grampians Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

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 asset revaluation reserve, 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 asset revaluation reserve 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 reserve 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

#### Note 4.3(a): Gross Carrying Amount and Accumulated Depreciation

	2023 \$000	Nov-21 to Jun-22 \$000
Land and Buildings - Right of Use	6,587	4,768
Less Accumulated Depreciation	(2,431)	(408)
Total Right of Use Land and Buildings at Fair Value	4,156	4,360
Right of Use - Plant, Equipment and Vehicles	7,232	4,460
Less Accumulated Depreciation	(2,631)	(573)
Total Right of Use Plant, Equipment and Vehicles at Fair Value	4,601	3,887
<b>Total Right-of-use Assets</b>	<b>8,757</b>	<b>8,247</b>

#### Note 4.3(b): Reconciliations of Carrying Amount by Class of Asset

	Right-of-use Buildings \$000	Right-of-use PE, FF & V \$000	Total \$000
<b>Balance at 1 July 2022</b>			
<b>Transfer on Administrative Restructure</b>	<b>4,360</b>	<b>3,887</b>	<b>8,247</b>
Additions	572	2,037	2,608
Disposals	-	(206)	(206)
Depreciation	(776)	(1,117)	(1,893)
<b>Balance at 30 June 2023</b>	<b>4,156</b>	<b>4,601</b>	<b>8,757</b>

#### How we Recognise Right-Of-Use Assets

Where Grampians Health 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. Grampians Health 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
Lease land and buildings	3 to 15 years
Leased plant, equipment, furniture, fittings and vehicles	3 to 7 years

#### Initial Recognition

When a contract is entered into, Grampians Health 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;
- any initial direct costs incurred and;
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Grampians Health holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. Refer to Note 6.1 for further information regarding the nature and terms of the concessional lease, and Grampians Health dependency on such lease arrangements.

#### 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 \$000	Nov-21 to Jun-22 \$000
Balance at the Beginning of the of Reporting Period	85,139	-
<b>Revaluation Increment</b>		
- Land	-	33,658
- Buildings	-	51,481
<b>Balance at the end of Reporting Period*</b>	<b>85,139</b>	<b>85,139</b>
<b>* Represented by:</b>		
- Land	33,658	33,658
- Buildings	51,481	51,481
	<b>85,139</b>	<b>85,139</b>

## Note 4.5: Intangible Assets

### Note 4.5(a): Intangible Assets - Gross Carrying Amount and Accumulated Amortisation

	2023 \$000	Nov-21 to Jun-22 \$000
Computer Software	829	771
Less: Accumulated Amortisation	(600)	(324)
	<b>229</b>	<b>447</b>
Intangible Work in Progress	-	666
<b>Total Intangible Assets</b>	<b>229</b>	<b>1,113</b>

### Note 4.5(b): Intangible Assets - Reconciliation of the Carrying Amount by Class of Asset

	Software \$000	WIP \$000	Total \$000
<b>Balance at 1 July 2022</b>	<b>447</b>	<b>666</b>	<b>1,113</b>
Additions	35		35
Revaluations	-		-
Disposals	(5)	(666)	671
Amortisation	(248)	-	(248)
<b>Balance at 30 June 2023</b>	<b>229</b>	<b>0</b>	<b>229</b>

#### How we Recognise Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software and development costs.

#### Initial Recognition

Purchased intangible assets are initially recognised at cost.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probably future economic benefits; and
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities is recognised as an expense in the period on which it is incurred.

#### Subsequent Measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

#### Note 4.6: Depreciation and Amortisation

	2023 \$000	Nov-21 to Jun-22 \$000
<b>Depreciation</b>		
Buildings	24,915	21,200
Medical Equipment	5,782	3,104
Plant and Equipment	2,436	1,989
Motor Vehicles	252	166
Personal Alarm Call Systems	691	557
Linen Stock	365	222
Computers and Communications	455	336
Furniture and Fittings	188	163
<b>Total Depreciation</b>	<b>35,085</b>	<b>27,737</b>
<b>Right-of-use Assets</b>		
Right-of-use Buildings	776	408
Right-of-use Plant, Equipment and Motor Vehicles	1,117	573
<b>Total Depreciation - Right-of-use Assets</b>	<b>1,893</b>	<b>981</b>
<b>Amortisation</b>		
Intangibles	248	324
<b>Total Amortisation</b>	<b>248</b>	<b>324</b>
<b>Total Depreciation and Amortisation</b>	<b>37,225</b>	<b>29,042</b>

##### How we Recognise Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under assets held for sale), and land 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.

##### How we Recognise Amortisation

Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

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

	2023	2022
Buildings		
- Structure Shell Building Fabric	3-59 years	3-59 years
- Site Engineering Services	3-50 years	3-50 years
- Fit out	3-25 Years	3-25 Years
- Trunk Reticulated Building Systems	3-30 years	3-30 years
- Right-of-Use	2-15 years	2-15 years
Plant and Equipment	5-20 years	5-22 years
Medical Equipment	5-10 years	5-10 years
Furniture and Fittings	5 years	5 years
Personal Alert Call Systems	5 years	5 years
Linen	5 years	5 years
Motor Vehicles	1-7 years	3-7 years
Computers and Communications	3-5 years	3-5 years
Right-of-Use Plant, Equipment and Vehicles	3-5 years	3-5 years
Intangibles	3 years	3 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 4.7: Inventories

	2023 \$000	Nov-21 to Jun-22 \$000
General (at cost)	1,117	1,681
Pharmaceuticals (at cost)	925	1,151
<b>Total</b>	<b>2,041</b>	<b>2,832</b>

#### How we recognise inventories

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

Inventories are measured at the lower of cost and net realisable value.

#### Note 4.8: Impairment of Assets

##### How we recognise impairment

At the end of each reporting period, Grampians Health 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 Grampians Health 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, Grampians Health 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, Grampians Health estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Grampians Health did not record any impairment losses for the period 1 July 2022 to 30 June 2023.

## Note 5: Other Assets and Liabilities

This section sets out those assets and liabilities that arose from Grampians Health operations.

### Structure

5.1: Receivables and Contract Assets

5.2: Payables and Contract Liabilities

5.3: Other Liabilities

### Telling the COVID-19 Story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

### Key Judgements and Estimates

This section contains the following key judgements and estimates:

Key Judgement and Estimates	Description
Estimating the provision for expected credit losses	Grampians Health 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.
Measuring deferred capital grant income	Where Grampians Health 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.  Grampians Health 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.
Measuring contract liabilities	Grampians Health applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

## Note 5.1: Receivables and Contract Assets

	2023			Nov-21 to Jun-22		
	Current \$000	Non-Current \$000	Total \$000	Current \$000	Non-Current \$000	Total \$000
<b>Contractual</b>						
<b>Trade Debtors</b>						
- Acute and Sub-Acute Inpatients	1,775	-	1,775	1,778	-	1,778
- RAC	1,014	-	1,014	1,030	-	1,030
- Eureka Linen	520	-	520	592	-	592
- Radiology	282	-	282	218	-	218
- Safety Link	305	-	305	67	-	67
- Sundry	13,660	-	13,660	10,412	-	10,412
Accrued Investment Income	917	-	917	747	-	747
Contract Assets - Other	2,668	-	2,668	3,686	-	3,686
Deposits Paid	-	-	-	71	-	71
<i>Less: Allowance for impairment losses of contractual receivables</i>						
Trade Debtors	(1,244)	-	(1,244)	(470)	-	(470)
Patient Fees	(1,985)	-	(1,985)	(325)	-	(325)
<b>Total Contractual</b>	<b>17,910</b>	<b>-</b>	<b>17,910</b>	<b>17,805</b>	<b>-</b>	<b>17,805</b>
<b>Statutory</b>						
GST Receivable	5,061	-	5,061	1,406	-	1,406
Long Service Leave - Department of Health	-	43,374	43,374	-	40,329	40,329
<b>Total Statutory</b>	<b>5,061</b>	<b>43,374</b>	<b>48,435</b>	<b>1,406</b>	<b>40,329</b>	<b>41,735</b>
<b>Total</b>	<b>22,971</b>	<b>43,374</b>	<b>66,345</b>	<b>19,212</b>	<b>40,329</b>	<b>59,541</b>

(i) Financial assets classified as receivables and contract assets (Note 7.1(a))

	2023 \$000	Nov-21 to Jun-22 \$000
<b>Total Receivables and Contract Assets</b>	<b>66,345</b>	<b>59,541</b>
GST Receivable	(5,061)	(1,406)
Long Service Leave - Department of Health	(43,374)	(40,329)
<b>Total Financial Assets</b>	<b>17,910</b>	<b>17,804</b>

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

	2023 \$000	Nov-21 to Jun-22 \$000
<b>Balance at Beginning of Period - Transfer on Administrative Restructure</b>	<b>(795)</b>	<b>(414)</b>
Amounts Written off During the Year	-	140
Amounts Recovered During the Year	-	0
<b>Increase/(Decrease) in Allowance Recognised in the Net Result</b>	<b>(2,435)</b>	<b>(521)</b>
<b>Balance at End of Year</b>	<b>(3,230)</b>	<b>(795)</b>

#### How we Recognise Receivables

Receivables consist of:

- Contractual receivables**, which mostly includes debtors in relation to goods and services. These receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- Statutory receivables**, which mostly includes amounts owing from the Victorian Government and 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.

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

#### Impairment Losses of Contractual Receivables

Refer to Note 7.1 (a) for Grampians Health contractual impairment losses.

### Note 5.1(b): Contract Assets

	2023 \$000	Nov-21 to Jun-22 \$000
<b>Balance at Beginning of Period - Transfer on Administrative Restructure</b>	<b>3,686</b>	<b>4,290</b>
Add: Additional costs that are incurred that are recoverable from the customer	11,386	11,800
<b>Less: Transfer to trade receivable or cash at bank</b>	<b>(12,404)</b>	<b>(12,404)</b>
<b>Balance at End of Year</b>	<b>2,668</b>	<b>3,686</b>

#### How we Recognise Contract Assets

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

## Note 5.2: Payables and Contract Liabilities

	Note	2023 \$000	Nov-21 to Jun-22 \$000
<b>Current</b>			
<b>Contractual</b>			
Trade Creditors and Accrued Expenses		47,840	32,722
Accrued Salary and Wages		10,505	20,620
Contract Liabilities - Income Received in Advance	5.2(b)	14,152	32,257
Deferred Capital Grant Revenue	5.2(a)	9,448	14,358
<b>Total Current Payables and Contract Liabilities</b>		<b>81,945</b>	<b>99,957</b>

(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))

	Note	2023 \$000	Nov-21 to Jun-22 \$000
<b>Total Payables and Contract Liabilities</b>		<b>81,945</b>	<b>99,957</b>
Deferred Grant Income		(9,448)	(14,358)
Contract Liabilities		(14,152)	(32,257)
<b>Total Financial Liabilities</b>		<b>58,345</b>	<b>53,342</b>

### How we Recognise Payables and Contract Liabilities

Payables consist of:

- **Contractual payables**, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to Grampians Health prior to the end of the financial year that are unpaid.
- **Statutory payables**, which mostly includes amount payable to the Victorian Government and 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 month end, plus 30 days.

### Note 5.2(a): Deferred Capital Grant Revenue

	2023 \$000	Nov-21 to Jun-22 \$000
<b>Balance at start of Period - Transfer of Administrative Restructure</b>	14,358	10,908
Grant Consideration for Capital Works received during the period	10,484	8,360
Deferred Grant Revenue recognised as revenue due to completion of Capital Works	(15,394)	(4,910)
<b>Closing balance of Deferred Capital Grant Income</b>	<b>9,448</b>	<b>14,358</b>

### How we Recognise Deferred Capital Grant Revenue

Grant consideration was received from the Department of Health and the Commonwealth Government for various capital projects and equipment purchases. Grant revenue is recognised progressively as the asset is constructed, since this is the time when Grampians Health satisfies its obligations under the transfer by controlling the asset as and when its constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done (see note 2.1). As a result, Grampians Health has deferred recognition of a portion of the capital grant consideration received as a liability for the outstanding obligations.

Grampians Health expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2024.

### Note 5.2(b): Contract Liabilities

	2023 \$000	Nov-21 to Jun-22 \$000
<b>Balance at start of Period</b>	32,257	24,475
Payments Received for sufficiently specific performance obligations received during the period	525,075	346,415
Revenue Recognised for the completion of a Performance Obligation	(543,180)	(338,857)
<b>Total Current Contract Liabilities</b>	<b>14,152</b>	<b>32,257</b>

### How we Recognise Contract Liabilities

Contract liabilities relate to consideration received in advance from stakeholders for operational programs, where these services are to be provided over a specified time frame. These funds have been deferred until specific performance obligations are met.

Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 2.1.

### How we Recognise Contract Liabilities

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

### Note 5.3: Other Liabilities

	Note	2023 \$000	Nov-21 to Jun-22 \$000
<b>Current</b>			
Monies Held in Trust*			
- Refundable Accommodation Deposit ('RAD')		50,089	46,009
- Patient Monies Held in Trust		139	173
- Grampians Integrated Cancer Service		935	745
- State Wide Equipment Program		128	129
<b>Total Other Liabilities</b>		<b>51,291</b>	<b>47,056</b>
<b>*Monies Held in Trust Represented by:</b>			
Other Financial Assets	4.1	14,112	12,568
Cash and Cash Equivalents	6.2	37,180	34,488
<b>Total</b>		<b>51,291</b>	<b>47,056</b>

#### How we Recognise Other Liabilities

##### Refundable Accommodation Deposit ('RAD')

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

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

## Note 6: How we Finance our Operations

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

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

### Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

### Key Judgements and Estimates

This section contains the following key judgements and estimates:

Key Judgement and Estimates	Description
Determining if a contract is or contains a lease	<p>Grampians Health 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"> <li>-has the right-to-use an identified asset</li> <li>-has the right to obtain substantially all economic benefits from the use of the leased asset and</li> <li>-can decide how and for what purpose the asset is used throughout the lease.</li> </ul>
Determining if a lease meets the short-term or low value asset lease exemption	<p>Grampians Health 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>Grampians Health 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, Grampians Health 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>
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 Grampians Health is reasonably certain to exercise such options.</p> <p>Grampians Health 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"> <li>-If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>-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.</li> <li>-The health service considers historical lease durations and the costs and business disruption to replace such leased assets.</li> </ul>

## Note 6.1: Borrowings

	2023 \$000	Nov-21 to Jun-22 \$000
<b>Current</b>		
Lease Liability	2,268	1,990
DH Loan	118	119
<b>Total Current Borrowings</b>	<b>2,386</b>	<b>2,109</b>
<b>Non-Current</b>		
Lease Liability	6,990	6,498
DH Loan	37	328
<b>Total Non-Current Liability</b>	<b>7,027</b>	<b>6,826</b>
<b>Total Borrowings</b>	<b>9,413</b>	<b>8,935</b>

### How we Recognise Borrowings

Borrowings refer to interest bearing liabilities mainly raised through lease liabilities and advances received from DH.

### Initial Recognition

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

### Subsequent Measurement

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

### Maturity Analysis

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

### Defaults and Breaches

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

### Note 6.1(a): Lease Liabilities

Grampians Health lease liabilities are summarised below:

	2023 \$000	Nov-21 to Jun-22 \$000
Total Undiscounted Lease Liabilities	9,258	9,236
Less Unexpired Finance Expenses	-	(724)
<b>Net Lease Liabilities</b>	<b>9,258</b>	<b>8,512</b>

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	Nov-21 to Jun-22 \$000
Repayments in relation to leases are payable as follows:		
Not later than one year	2,386	2,123
Later than 1 year and not later than 5 years	5,225	4,962
Later than 5 years	1,647	2,151
<b>Minimum Future Lease Liability</b>	<b>9,258</b>	<b>9,236</b>
Less unexpired Finance Expenses		(724)
<b>Present Value of Lease Liability</b>	<b>9,258</b>	<b>8,512</b>
Included in the financial statements as:		
Current Liabilities	2,268	1,990
Non-Current Liabilities	6,990	6,498
<b>Total</b>	<b>9,258</b>	<b>8,488</b>

#### How we Recognise Lease Liabilities

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

To apply this definition, Grampians Health 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 Grampians Health and for which the supplier does not have substantive substitution rights;
- Grampians Health 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 Grampians Health has the right to direct the use of the identified asset throughout the period of use; and
- Grampians Health has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

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

Grampians Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased buildings	3 to 15 years
Leased plant, equipment, furniture, fittings 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 AUD) and short term leases of less than 12 months. The following low value and short term lease payments are recognised in profit or loss:

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than \$10,000	Lease agreements for rented mail boxes.
Short-term lease payments	Leases with a term less than 12 months	Lease agreements for accommodation and office space, with terms less than 12 months.

**Note 6.1: Borrowings (Continued)****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 Grampians Health incremental borrowing rate.

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

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

Lease arrangements may contain extension and termination options, these terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the health service and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was nil.

**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 the substance of the 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.

**Leases with Significantly Below Market Terms and Conditions**

Grampians Health holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. These are commonly referred to as a peppercorn or concessionary lease arrangement.

The nature and terms of such lease arrangements, including Grampians Health dependency on such lease arrangements is described below:

Description of Leased Asset	Our Dependence on Lease	Nature and Terms of Lease
The land situated on the corner of Tuppen and Hertford Streets, Sebastopol, 3356.	Ability to access site to provide clinical services to the community.	30 Year Lease Term commencing July 2013, with rent payable of \$1 per annum.
The land situated at 2 Arnott Street, Horsham.	Ability to access site to provide clinical services to the community.	50 Year Lease Term commencing May 1996, with rent payable of \$1 per annum.

## Note 6.2: Cash and Cash Equivalents

	2023 \$000	Nov-21 to Jun-22 \$000
Cash on Hand (Excluding Monies Held in Trust)	58	43
Cash at Bank (Excluding Monies Held in Trust)	22,378	3,677
Cash at Bank - CBS (Excluding Monies Held in Trust)	20,841	63,717
<b>Total Cash held for Operations</b>	<b>43,277</b>	<b>67,436</b>
Cash at Bank - CBS (Monies Held in Trust)	37,180	34,488
<b>Total Cash held as Monies in Trust</b>	<b>37,180</b>	<b>34,488</b>
<b>Total Cash and Cash Equivalents</b>	<b>80,456</b>	<b>101,924</b>
<b>Represented By</b>		
Cash for Health Services Operations (as per Cash Flow Statement)	80,456	101,924
<b>Total Cash and Cash Equivalents</b>	<b>80,456</b>	<b>101,924</b>

### How we Recognise Cash and Cash Equivalents

Cash and cash equivalents recognised on the balance sheet comprise of cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes and are readily convertible to known amounts of cash and 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	Nov-21 to Jun-22 \$000
<b>Capital Expenditure Commitments</b>		
Not later than 1 year	18,801	22,330
Later than 1 year and not later than 5 years	0	127
<b>Total Capital Expenditure Commitments Payable</b>	<b>18,801</b>	<b>22,457</b>
<b>Operating Expenditure Commitments</b>		
Not later than 1 year	12,503	14,566
Later than 1 year and not later than 5 years	9,083	15,465
Later than 5 years	607	926
<b>Total Operating Expenditure Commitments Payable</b>	<b>22,192</b>	<b>30,957</b>
<b>Total Commitments for Expenditure (inclusive of GST)</b>	<b>40,993</b>	<b>53,414</b>
Less GST recoverable from the Australian Tax Office	(3,544)	(4,766)
<b>Total Commitments for Expenditure (exclusive of GST)</b>	<b>37,449</b>	<b>48,648</b>

Future lease payments are recognised on the balance sheet, refer to Note 6.1 Borrowings.

### How we Disclose our Commitments

Our commitments relate to expenditure, short term and low value leases.

#### 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.

#### Short Term and Low Value Leases

Grampians Health discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.

## Note 7: Risks, Contingencies and Valuation Uncertainties

Grampians Health 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 Grampians Health 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 Judgement 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, Grampians Health 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>Grampians Health uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> <li>- Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Grampians Health's specialised land, non-specialised land and non-specialised buildings are measured using this approach.</li> <li>- 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 Grampians Health's specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach.</li> <li>- Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Grampians Health does not use this approach to measure fair value.</li> </ul> <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"> <li>- Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Grampians Health does not categorise any fair values within this level.</li> <li>- Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Grampians Health categorises non-specialised land and right-of-use concessionary land in this level.</li> <li>- Level 3, where inputs are unobservable. Grampians Health 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.</li> </ul>

## 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 Grampians Health' activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentations.

### Note 7.1(a) Financial Instruments: Categorisation

	2023	Financial Assets at Amortised Cost \$000	Financial Assets at Fair Value Through Net Result \$000	Financial Liabilities at Amortised Cost \$000	Total \$000
<b>Financial Assets</b>					
Cash and Cash Equivalents	6.2	80,456	-	-	80,456
Receivables and Contract Assets	5.1	17,910	-	-	17,910
Investments and Other Financial Assets	4.1	-	17,848	-	17,848
<b>Total Financial Assets(i)</b>		<b>98,366</b>	<b>17,848</b>	-	<b>116,216</b>
<b>Financial Liabilities</b>					
Payables and Contract Liabilities	5.2	-	-	58,345	58,345
Borrowings	6.1	-	-	9,413	9,413
Accommodation Bonds	5.3	-	-	50,089	50,089
Monies Held in Trust	5.3	-	-	1,202	1,202
<b>Total Financial Liabilities(ii)</b>		-	-	<b>119,050</b>	<b>119,050</b>

(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. GST input tax credit recoverable)

(ii) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes, DHS cash advances) and contractual payables (i.e. deferred capital grant revenue and contract liabilities - income in advance)

## Note 7.1: Financial Instruments (Cont)

### How we Categorise Financial Instruments

#### Categories of Financial Assets

Financial assets are recognised when Grampians Health becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Grampians Health 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 costs if both of the following criteria are met and the assets are not designated as fair value through net result:

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

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

Grampians Health recognises the following assets in this category:

- Cash and Cash Equivalents; and
- Receivables (excluding statutory receivables).

#### Financial assets at fair value through net result

Grampians Health 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.

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

**Categories of Financial Liabilities**

Financial liabilities are recognised when Grampians Health 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.

Grampians Health recognises the following liabilities in this category:

- Payables (excluding statutory payables);
- Borrowings (including lease liabilities); 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
- Grampians Health 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
- Grampians Health 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 Grampians Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Grampians Health continuing involvement in the asset.

**Derecognition of Financial Liabilities**

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

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

**Reclassification of Financial Instruments**

Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when Grampians Health business model for managing its financial assets has changes 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, Grampians Health 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.

Grampians Health main financial risks include credit risk, liquidity risk, and equity price risk. Grampians Health manages these financial risks in accordance with its financial risk management policy.

Grampians Health 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) Liquidity Risk

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

Grampians Health 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.

Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.

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

	Note	Carrying Amount \$000	Nominal Amount \$000	Maturity Dates				
				Less than 1 Month \$000	1-3 Months \$000	3 Months - 1 Year \$000	1-5 Years \$000	Over 5 Years \$000
<b>2023</b>								
<b>Financial Liabilities</b>								
Payables and Contract Liabilities	5.2	58,345	58,345	58,345	-	-	-	-
Borrowings	6.1	9,413	9,413	174	567	1,974	5,225	1,647
Accommodation Bonds	5.3	50,089	50,089	5,510	11,020	31,556	2,004	-
Monies Held in Trust	5.3	1,202	1,202	133	264	757	48	-
<b>Total Financial Liabilities</b>		<b>119,050</b>	<b>119,050</b>	<b>64,162</b>	<b>11,851</b>	<b>34,288</b>	<b>7,277</b>	<b>1,647</b>

The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes, payables)

**Note 7.2: Financial Risk Management Objectives and Policies (cont.)****Note 7.2(b) Credit Risk**

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

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

In addition, Grampians Health 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. Grampians Health complies with the Victorian Government's Central Banking System (CBS) requirements.

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

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

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

**Impairment of Financial Assets under AASB 9**

Grampians Health 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.

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**

Grampians Health 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. Grampians Health has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Grampians Health past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

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

	Note	Current	Less than 1 Month \$000	1 - 3 Months \$000	'3 Months - 1 Year \$000	1 - 5 Years \$000	Total \$000
<b>2023</b>							
<b>Expected Loss Rate</b>		0.09%	5.60%	44.00%	47.00%	100.00%	
Gross Carrying Amount of Contractual Receivables	5.1	8,357	2,776	4,235	2,526	16	17,910
<b>Loss Allowance</b>		<b>(8)</b>	<b>(155)</b>	<b>(1,864)</b>	<b>(1,187)</b>	<b>(16)</b>	<b>(3,230)</b>
<b>2022</b>							
<b>Expected Loss Rate</b>		0.10%	1.36%	13.40%	24.05%	100.00%	
Gross Carrying Amount of Contractual Receivables	5.1	12,673	2,505	1,477	1,837	110	18,602
<b>Loss Allowance</b>		<b>(14)</b>	<b>(34)</b>	<b>(198)</b>	<b>(441)</b>	<b>(110)</b>	<b>(796)</b>

**Statutory receivables and debt investments at amortised cost**

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

**Note 7.2: Financial Risk Management Objectives and Policies (cont.)****Note 7.2(c) Market Risk**

Grampians Health exposures to market risk are primarily through equity price risk. Objectives, policies and processes used to manage this risk is disclosed below.

**Sensitivity Disclosure Analysis and Assumptions**

Grampians Health sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Grampians Health 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 1% up or down and
- a change in the top ASX 200 index of 15% up or down.

**Equity Risk**

Grampians health 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.

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

	Carrying Amount \$000	-15% Net Result \$000	+15% Net Result \$000
<b>2023</b>			
Contractual Financial Assets			
Investments and other Contractual Financial Assets	17,848	(2,677)	2,677
<b>Total Impact</b>	<b>17,848</b>	<b>(2,677)</b>	<b>2,677</b>

**Note 7.3: Contingent Assets and Contingent Liabilities**

There were no contingent assets or liabilities as at 30 June 2023.

## 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 at fair value through net result
- Property, Plant and equipment
- Right-of-use assets

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
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Grampians Health 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.

Grampians Health 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 Grampians Health'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 as at 30 June 2023	Fair value measurement at end of reporting		
		Level 1 \$000	Level 2 \$000	Level 3 \$000
Equities	693	693	-	-
Managed Investments Schemes	17,155	-	17,155	-
<b>Total Financial Assets held at Fair Value through other Comprehensive Income</b>	<b>17,848</b>	<b>693</b>	<b>17,155</b>	-
<b>Total Investments and Other Financial Assets at Fair Value</b>	<b>17,848</b>	<b>693</b>	<b>17,155</b>	-

### How we measure fair value

#### Management Investment Schemes

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

Grampians Health 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.

Grampians Health classifies these funds as Level 2.

#### Equities

Equities are valued at fair value with reference to a quoted (unadjusted) market price from an active market.

Grampians Health classifies these instruments as Level 1.

**Note 7.4(b): Fair Value Determination of Non-Financial Physical Assets**

	Carrying amount as at 30 June 2023	Fair value measurement at end of reporting period using:		
		Level 1 \$000	Level 2 \$000	Level 3 \$000
Non-Specialised Land	41,151	-	41,151	-
Specialised Land	42,360	-	-	42,360
<b>Total of Land at fair value</b>	<b>83,511</b>	<b>-</b>	<b>41,151</b>	<b>42,360</b>
Non-Specialised Buildings	172,152	-	172,152	-
Specialised Buildings	252,415	-	-	252,415
<b>Total of Buildings at fair value</b>	<b>424,567</b>	<b>-</b>	<b>172,152</b>	<b>252,415</b>
Motor Vehicles	385	-	385	-
Plant and Equipment	14,668	-	-	14,668
Furniture and Fittings	801	-	-	801
Medical Equipment	21,870	-	-	21,870
Computers and Communications	832	-	-	832
Personal Alarm Call Systems	2,165	-	-	2,165
Linen Stock	1,087	-	-	1,087
<b>Total of Plant, Equipment and Vehicles at fair value</b>	<b>41,808</b>	<b>-</b>	<b>385</b>	<b>41,423</b>
Right-of-use Land and Buildings	4,156	-	-	4,156
Right-of-use Plant, Equipment and Vehicles	4,601	-	-	4,601
<b>Total Right-of-use Assets at fair value</b>	<b>8,757</b>	<b>-</b>	<b>-</b>	<b>8,757</b>
<b>Total Non-Financial Physical Assets at fair value</b>	<b>558,643</b>	<b>-</b>	<b>213,688</b>	<b>344,955</b>

	Carrying amount as at 30 June 2022	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
<b>Land at fair value</b>				
Non-Specialised Land	38,288	-	38,288	-
Specialised Land	44,211	-	-	44,211
<b>Total of Land at fair value</b>	<b>82,499</b>	<b>-</b>	<b>38,288</b>	<b>44,211</b>
<b>Buildings at fair value</b>				
Non-Specialised Buildings	142,007	-	142,007	-
Specialised Buildings	265,040	-	-	265,040
<b>Total of Buildings at fair value</b>	<b>407,047</b>	<b>-</b>	<b>142,007</b>	<b>265,040</b>
<b>Plant, Equipment and Vehicles at fair value</b>				
Motor Vehicles	579	-	579	-
Plant and Equipment	15,585	-	-	15,585
Furniture and Fittings	860	-	-	860
Medical Equipment	15,413	-	-	15,413
Computers and Communications	850	-	-	850
Personal Alarm Call Systems	1,720	-	-	1,720
Linen Stock	972	-	-	972
<b>Total of Plant, Equipment and Vehicles at fair value</b>	<b>35,979</b>	<b>-</b>	<b>579</b>	<b>35,400</b>
Right-of-use Buildings	4,360	-	-	4,360
Right-of-use Plant, Equipment and Vehicles	3,887	-	-	3,887
<b>Total Right-of-use Assets at fair value</b>	<b>8,247</b>	<b>-</b>	<b>-</b>	<b>8,247</b>
<b>Total Non-Financial Physical Assets at fair value</b>	<b>533,772</b>	<b>-</b>	<b>180,874</b>	<b>352,898</b>

Classified in accordance with the fair value hierarchy

**Note 7.4(b): Fair Value Determination of Non-Financial Physical Assets (cont.)****How we Measure Fair Value of Non-Financial Physical Assets**

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

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

In accordance with AASB 13 Fair Value Measurement paragraph 29, Grampians Health 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, and non-specialised buildings**

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation was 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, Grampians Health 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 Grampians Health, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

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

**Note 7.4(b): Fair Value Determination of Non-Financial Physical Assets (cont.)****Vehicles**

Grampians Health 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 (current replacement). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the current 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 current 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.

**Note 7.4(c): Reconciliation of Level 3 Fair Value**

	Land \$000	Buildings \$000	Plant, Equipment, Furniture and Fittings \$000	Right-of-use Buildings \$000	Right-of-use Plant, Equipment and Vehicles \$000
<b>2023</b>					
<b>Balance at start of Period - transfer on Administrative Restructure</b>	<b>44,211</b>	<b>265,040</b>	<b>35,400</b>	<b>4,360</b>	<b>3,887</b>
Additions (disposals)	-	280	17,102	572	2,037
Transfers in of Level 3	(1,852)	4,459	-	-	-
Disposals	-	-	(503)	-	(206)
<b>Subtotal</b>	<b>42,359</b>	<b>269,779</b>	<b>51,998</b>	<b>4,360</b>	<b>5,718</b>
Gains or losses recognised in net result					
- Depreciation	-	(17,364)	(10,575)	(776)	(1,117)
<b>Subtotal</b>	<b>-</b>	<b>(17,364)</b>	<b>(10,575)</b>	<b>(776)</b>	<b>(1,117)</b>
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Balance</b>	<b>42,360</b>	<b>252,415</b>	<b>41,423</b>	<b>3,584</b>	<b>4,601</b>
	Land \$000	Buildings \$000	Plant, Equipment, Furniture and Fittings \$000	Right-of-use Buildings \$000	Right-of-use Plant, Equipment and Vehicles \$000
<b>2022</b>					
<b>Balance at start of Period - transfer on Administrative Restructure</b>	<b>25,690</b>	<b>268,211</b>	<b>35,065</b>	<b>5,015</b>	<b>3,799</b>
Additions (disposals)	-	4,532	4,750	-	691
Transfers in of Level 3	-	-	2,269	-	-
Disposals	-	-	313	(247)	(30)
<b>Subtotal</b>	<b>25,690</b>	<b>272,743</b>	<b>41,771</b>	<b>4,768</b>	<b>4,460</b>
Gains or losses recognised in net result					
- Depreciation	-	(15,584)	6,371	(408)	(573)
<b>Subtotal</b>	<b>-</b>	<b>(15,584)</b>	<b>6,371</b>	<b>(408)</b>	<b>(573)</b>
Items recognised in other comprehensive income					
- Revaluation	18,521	7,881	-	-	-
<b>Subtotal</b>	<b>18,521</b>	<b>7,881</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Balance</b>	<b>44,211</b>	<b>265,040</b>	<b>35,400</b>	<b>4,360</b>	<b>3,887</b>

Asset Class (including RoU)	Valuation technique	Significant unobservable inputs
Specialised Land	Market Approach (i)	Community Service Obligation (CSO) Adjustment (i)
Specialised Buildings	Current Replacement Cost	Direct Cost Per Square Metre Useful Life of Specialised Buildings
Plant and Equipment at Fair Value	Current Replacement Cost	Cost Per Unit Useful Life of Plant and Equipment
Medical Equipment at Fair Value	Current Replacement Cost	Cost Per Unit Useful Life of Medical Equipment

(i) A community service obligation (CSO) of 5% to 20% was applied to the Grampians Health's specialised land.

## **Note 8: Other Disclosures**

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

### **Structure**

- 8.1: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities
- 8.2: Responsible Persons
- 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: Joint Arrangements
- 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 and its impact on our economy and the health of our community.

**Note 8.1: Reconciliation of Net Result for the Year to Net Cash flows from Operating Activities**

	2023 \$000	Nov-21 to Jun-22 \$000
<b>Net Result for the Year</b>	<b>23,536</b>	<b>(3,841)</b>
<b>Movements included in Investing and Financing Activities</b>		
Net Gain on Disposal of Non Financial Assets	(387)	(26)
<b>Non-Cash Movements</b>		
Depreciation and Amortisation	37,225	29,042
Grampians Rural Health Alliance	-	683
Resources/Assets Received Free of Charge	(5,276)	(13,990)
Revaluation of Long Service Leave Liability	618	(5,850)
Impairment of Investments	(826)	1,395
Income from managed funds reinvested	(814)	(104)
Department of Health Non-Cash Grants	-	(3,968)
Prior year adjustment	579	-
Provision for Doubtful Debts	2,455	735
<b>Movements in Assets and Liabilities</b>		
Decrease in Payables	(18,013)	(3,001)
Increase in Employee Benefits	6,972	3,569
(Decrease)/Increase in Other Liabilities	(4,236)	1,203
Decrease/(Increase) in Inventory	791	(225)
(Increase)/Decrease in Prepayments	(1,897)	10,995
(Increase)/Decrease in Receivables	(6,804)	6,159
<b>Net Cash Inflows from Operating Activities</b>	<b>33,924</b>	<b>22,776</b>

## Note 8.2: Responsible Persons

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 and new ministers were sworn in on the 5th of December.

	Period	
<b>Responsible Ministers</b>		
The Honourable Mary-Anne Thomas		
Minister for Health	1/07/2022	30/06/2023
Minister for Health Infrastructure	5/12/2022	30/06/2023
Minister for Medical Research	5/12/2022	30/06/2023
Former Minister for Ambulance Services	1/07/2022	5/12/2022
The Honourable Gabrielle Williams MP:		
Minister for Mental Health	1/07/2022	30/06/2023
Minister for Ambulance Services	5/12/2022	30/06/2023
The Honourable Colin Brooks:		
Former Minister for Disability, Ageing and Carers	1/07/2022	5/12/2022
The Honourable Lizzie Blandthorn:		
Minister for Disability, Ageing and Carers	5/12/2022	30/06/2023
<b>Governing Boards</b>		
Mr B Brown - Chair of the Board	1/07/2022	30/06/2023
Mr A Schache - Member of the Board	1/07/2022	30/06/2023
Ms A Hogan - Member of the Board	1/07/2022	30/06/2023
Ms C Trevarthen - Member of the Board	1/07/2022	30/06/2023
Mr D Anderson - Member of the Board	1/07/2022	30/06/2023
Ms H Pickard - Member of the Board	1/07/2022	30/06/2023
Mr M Thakkar - Member of the Board	1/07/2022	30/06/2023
Ms M Aitken - Member of the Board	1/07/2022	30/06/2023
Mr N Jones - Member of the Board	1/07/2022	30/06/2023
Ms R Jones - Member of the Board	1/07/2022	30/06/2023
<b>Accountable Officer</b>		
Mr D Fraser - Chief Executive Officer	1/07/2022	30/06/2023

### Remuneration of Responsible Persons

The number of Responsible Persons are shown in their relevant income band;

	2023 No.	Nov-21 to Jun-22 No.
<b>Income Band</b>		
\$20,000 - \$29,999	-	9
\$30,000 - \$39,999	9	-
\$50,000 - \$59,999	-	1
\$70,000 - \$79,999	1	-
\$290,000 - \$299,999	-	1
\$470,000 - \$479,999	1	-
<b>Total Numbers</b>	<b>11</b>	<b>11</b>
<b>Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:</b>	<b>876,359</b>	<b>558,848</b>

Amounts relating to the Governing Board Members and Accountable Officer of Grampians Health's controlled entities are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the States Annual Financial Report.

### Note 8.3: Remuneration of Executives

The number of executive officers, other than Ministers 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.

	2023 \$000	Nov-21 to Jun-22 \$000
<b>Remuneration of Executive Officers</b>		
Short term employee benefits	2,240	1,419
Post-employment benefits	192	114
Other long-term benefits	70	38
<b>Total Remuneration(a)</b>	<b>2,502</b>	<b>1,571</b>
<b>Total Number of Executive Officers</b>	<b>8</b>	<b>8</b>
<b>Employee Equivalent (AEE)(b)</b>	<b>8</b>	<b>8</b>

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Grampians Health under AASB124 Related Parties Disclosures and are also reported within the related parties note disclosure (Note 8.4).

(b) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.  
All payments made to Executives are governed by the Government Sector Executive Remuneration Panel (GSERP).

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

#### Short-term Employee Benefits

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

#### Post-employment Benefits

Pensions and other retirement benefits (such as superannuation guarantee contributions) paid or payable on a discrete basis when employment has ceased.

#### Other Long-term Benefits

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

#### Note 8.4: Related Parties

The hospital is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital include:

- all key management personnel and their close family members;
- all cabinet ministers and their close family members;
- jointly controlled operations – A member of the Grampians Rural Health Alliance; and
- all hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

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

##### Key Management Personnel

The Board of Directors and the Executive Directors of the Grampians Health are deemed to be KMPs. This includes the following:

##### Board Members

Mr B Brown - Chair of the Board  
Mr A Schache - Member of the Board  
Ms A Hogan - Member of the Board  
Ms C Trevarthen - Member of the Board  
Mr D Anderson - Member of the Board  
Ms H Pickard - Member of the Board  
Mr M Thakkar - Member of the Board  
Ms M Aitken - Member of the Board  
Mr N Jones - Member of the Board  
Ms R Jones - Member of the Board

##### Executive Directors

Mr D Fraser - Chief Executive Officer  
Mr. B Kelly - Chief Operating Officer Hospitals  
Ms. C Woods - Chief People Officer  
Mr. C Wilding - Chief Operating Officer Community and Aged Care  
Ms. L Shea - Chief Nursing and Midwifery Officer  
Mr. M Hadfield - Chief Medical Officer  
Dr. R Grenfell - Chief Strategy and Regions Officer  
Mr. R Hansen - Chief Corporate Services Officer  
Ms. Veronica Furnier-Tosco - Chief Redevelopment and Infrastructure Officer

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 States Annual Financial Report.

Compensation	2023 \$000	Nov-21 to Jun-22 \$000
Short term employee benefits (a)	3,039	1,934
Post-employment benefits	255	151
Other long-term benefits	84	46
<b>Total Compensation (b)</b>	<b>3,378</b>	<b>2,131</b>

(a) Total remuneration paid to KMPs employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

(b) KMP's are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

##### Significant transactions with government-related entities

Grampians Health received funding from the DH of \$724.061M and indirect contributions of \$1.080M. Balances receivable as at 30 June 2023 are \$1.718M.

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

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

The Standing Directions of the Assistant Treasurer require Grampians Health 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 key management personnel 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 type transactions with the Grampians Health, 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.

There were no related party transactions required to be disclosed for the Grampians Health Board of Directors, Chief Executive Officer and Executive Directors in 2023.

### Note 8.5: Remuneration of Auditors

	2023 \$000	Nov-21 to Jun-22 \$000
Audit of the Financial Statement (Victorian Auditor-General's Office)	183	170
<b>Total Remuneration of Auditors</b>	<b>183</b>	<b>170</b>

### Note 8.6: Events Occurring after the Balance Sheet Date

There are no events occurring after the Balance Sheet date.

### Note 8.7: Joint Arrangements

Grampians Health has an interest in a Jointly Controlled Operation. The Jointly Controlled Operation is Grampians Rural Health Alliance. Details of operations are listed as follows:

In June 2008, the Department of Health issued circular number 17/2008, which outlines government requirements for the operation of rural health Information and Communication Technology (ICT) alliances. The policy outlines the accepted governance model for the operation of the ICT alliances.

The policy requires public hospitals, public health services and multipurpose services which are declared or established under the Health Services Act 1988, to enter into the alliance for the region in which they operate, in accordance with a Joint Operation Agreement. Consistent with this policy, the Grampians Rural Health Alliance came into effect on 9th of December 2008.

Grampians Health interest in assets, liabilities, Revenue and Expenses of the above joint arrangements are detailed below. The amounts are included in the financial statements under their respective categories:

	2023 \$000	Nov-21 to Jun-22 \$000
Revenue	8,547	3,731
Expenses	(8,494)	(4,414)
<b>Net Result</b>	<b>53</b>	<b>(683)</b>
Assets	6,659	2,882
Liabilities	(3,036)	(901)
<b>Net Assets</b>	<b>3,623</b>	<b>1,981</b>

Ownership Interest	76.83%	42.64%
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### 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 Grampians Health.

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 Grampians Health has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received. Restricted specific purpose reserves held by pre-amalgamated entities, have carried over as restricted specific purpose reserves within Grampians Health.

### Note 8.9: Economic Dependency

Grampians Health is dependent on the DH for the majority of its revenue used to operate the health service. At the date of this report, the Board of Directors has no reason to believe the DH will not continue to support Grampians Health.



# Our Vision

Grampians Health will be a trusted, progressive and innovative leader of regional and rural healthcare.

## Our Values



### Collaboration

**We are stronger together.**

Recognising and utilising strengths to share knowledge, solve problems, build relationships and deliver the best outcomes possible.



### Accountability

**We do what we say and say what we do.**

Openness, honesty and transparency support us to be courageous, take responsibility for our actions and follow through on our commitments.



### Innovation

**We adapt and innovate to achieve best outcomes.**

Everyday, we apply expertise and integrity to make responsible choices, always striving for continuous improvement.



### Respect

**We appreciate and value all people.**

Our actions and words reflect our commitment to a safe and fair health service for all.



### Compassion

**We show that we care.**

All people deserve to be treated with compassion, kindness and empathy.

# Contact Us

## Ballarat

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[grampianshealth.org.au](http://grampianshealth.org.au)  
ABN: 39 089 584 391

## Consumer feedback

Tell us about your experience:  
Email: [feedback@gh.org.au](mailto:feedback@gh.org.au) | Ph: (03) 5320 4014  
Visit [grampianshealth.org.au/contact-us/](http://grampianshealth.org.au/contact-us/)

## Volunteering

For more information on volunteering, visit:  
[grampianshealth.org.au/volunteer/](http://grampianshealth.org.au/volunteer/)

## Fundraising

Fundraising queries can be directed to:  
[fundraising@gh.org.au](mailto:fundraising@gh.org.au)

## News and Media

All media enquiries are to be directed to [media@gh.org.au](mailto:media@gh.org.au)  
For more information visit [grampianshealth.org.au/media/](http://grampianshealth.org.au/media/)

Visit our website



Thank you for your support

[grampianshealth.org.au](http://grampianshealth.org.au)