



**GVHealth**

**ANNUAL REPORT**  
2018/19



GV Health acknowledges the Traditional Owners and Custodians of the land on which we work and live and pays respect to their Elders past and present.

We acknowledge their significant cultural heritage, their fundamental spiritual connection to Country and value their contribution to a diverse community.

We are proud to embrace the spirit of reconciliation and learn more from the local Aboriginal and Torres Strait Islander community how best to improve their health, social and economic outcomes.

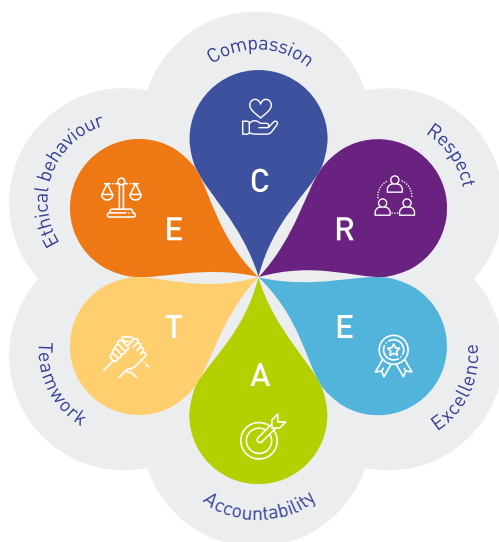
## OUR PURPOSE

Improving community wellbeing through high-quality health services, outstanding care and learning.

## OUR VALUES AND BEHAVIOURS

Our culture is made up of our CREATE values and behaviours, through which we commit to delivering ongoing quality healthcare for our community. Our CREATE values and behaviours are the foundations for our strategic pillars and for achieving our goals.

- We CREATE safe and high-quality healthcare that always puts people first.
- We CREATE values-based healthcare partnerships which deliver equitable and accessible healthcare for all.
- We CREATE an inspirational workplace founded on a strong culture where talented people work with purpose and pride.
- We CREATE a positive healthcare environment that fosters collaboration and innovation.



**CREATE. Outstanding.**







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**REBECCA WOOLSTENCROFT**  
BOARD CHAIR

## GOULBURN VALLEY HEALTH STRATEGIC PLAN 2019–23

A key focus of the Board during the past 12 months has been the development of a new five-year strategic plan in collaboration with the Executive. The *Goulburn Valley Health Strategic Plan 2019–23* (the Plan) was approved by the Minister for Health and Minister for Ambulance Services, the Hon. Jenny Mikakos, and provides an exciting direction for GV Health in coming years to ensure we continue to deliver high-quality care and promote healthy living across our region.

The Plan sets out the challenges we need to address, from improving the safety and quality of our services as well as the health and wellbeing of communities across GV Health's catchment region. In addition, we will also enhance the way we use technology to deliver better outcomes for people we are providing services for. The Plan also provides a blueprint on how we will systematically tackle these challenges and also make the most of the opportunities everyone across GV Health works so hard to create.

The Plan contains four key pillars to respond to our strategic drivers and these form the foundation of our strategic plan. Over the next five years we will deliver on 18 priorities to provide high-quality services and deliver outstanding health and wellbeing outcomes for people across the region.

Person-centred care is at the heart of what we do, with the safety of people and our staff part of our main focus. GV Health will improve the experience of care people receive, while expanding and improving access across all services. The health service will support people to make informed choices about their health care and work with regional health and wellbeing providers to enhance service delivery.

GV Health will enhance its leadership capabilities, continue to build and inspire our talented workforce, while shaping modern and flexible learning and career development pathways. The health service will invest in technology to support innovation and ensure our financial sustainability positions us for long-term growth.



## FUNDING ANNOUNCEMENTS

We welcomed the \$30m funding announcement from the Australian Government's Community Health & Hospitals program. Of this funding, \$26m will be used to establish an Integrated Cancer Centre at GV Health which is a great step forward in the next stage of GV Health's redevelopment. Meanwhile, \$4m will be used to invest in a Children and Young Person's Service Hub at the Community Health@GV Health site in Corio Street, Shepparton.

This funding is a very important step ensuring we have the facilities required to meet the needs of people across the Goulburn Valley when it comes to treating cancer.

This supports the \$172m investment by the State Government in the current Stage 1 of the redevelopment at the Graham Street, Shepparton site. Further funding has been provided by the State Government in the 2019/20 budget to progress the revision of the Master Plan and prepare a Feasibility Study.

## COMMUNITY ENGAGEMENT

The Community Advisory Committee (CAC) has been involved in co-designing the GV Health response to the Safer Care Victoria (SCV) Partnering in healthcare Statement of Intent. The CAC has developed a draft Consumer Experience Strategy 2019–23 and the SCV Statement of Intent will be incorporated into this plan.

The *Goulburn Valley Health Primary Care and Population Plan 2019–21* was approved in early 2019 and implementation is well underway. Local health promotion staff across the region have joined forces and been involved in the research project called RESPOND. This project aims to address childhood obesity levels through a systems-based collaborative methodology.

GV Health achieved a breakeven financial result for the 2018–2019 year. This favourable outcome was due to a significant amount of support from all directorates and staff. The Financial Sustainability Strategy 2018–19 was developed

and has delivered \$4.4m in improvements and was a major factor in GV Health delivering an operating surplus.

## THANK YOU

I would like to thank the GV Health Foundation, donors, auxiliaries, local community organisations and individuals for their continued, generous support. I would particularly like to thank Peter Copulos and family and Paul Archer "The Battery Man" for their amazing support over a number of years.

Thank you to all staff and volunteers that work tirelessly each and every day as they continue to strive to be outstanding in all aspects of their roles within the health service. I would also like to sincerely thank our wonderful volunteers that provide fantastic service and comfort to the patients, families and visitors of GV Health. There are many tasks we would not be able to undertake without their generosity.

I would like to take this opportunity to thank and recognise the contribution of our executive team during the year which included the appointment of Matt Sharp as the new Chief Executive.

I also wish like to thank all Board Directors for their ongoing commitment and dedication to the health service. Your leadership, advice and passion is always welcomed and appreciated as we all work together to ensure GV Health is the best health service it can be.

**REBECCA WOOLSTENCROFT**  
Board Chair



**MATT SHARP**  
CHIEF EXECUTIVE

A key focus for GV Health is driven by our new, five year strategic plan that puts people and their families who GV Health provide services for at the centre of everything we do.

Our culture promotes a strong sense of connection to our community, nurtures collaboration and partnership within and outside our organisation. Part of this plan includes the overall culture of the organisation. Our Culture of Care is underpinned by the guiding principles of safety, continuous improvement and learning. Our culture is made up of the CREATE values and behaviours that are the foundations of our strategic pillars and for achieving our goals. The CREATE values are Compassion, Respect, Excellence, Accountability, Teamwork and Ethical Behaviour and through these we commit to delivering ongoing, quality healthcare to our community.

The CREATE. Outstanding. words underpin GV Health's values and culture of care in that the health service provides safe, high-quality care for each person, every time and will improve from the current service we provide to the community to outstanding service to ensure outstanding outcomes.

This year we achieved accreditation across a range of programs including the aged care accreditation of the four residential facilities at Parkvilla Aged Care Facility in Tatura, Grutzner House in Shepparton and the Waranga Nursing Home and Waranga Aged Care Hostel in Rushworth. Three of these accreditations were under the new accreditation model of unannounced visits.

The implementation of the Daily Operating System (DOS) has enabled service improvements within the health service, which has achieved an increase in patient discharges occurring before 10am and a reduction of discharges after 5pm. The DOS principles of leadership; staff coming together at huddles, visual management and daily readiness will be maintained to ensure standardisation of process across the organisation which supports GV Health's focus on high-quality care.

GV Health has been strengthening its approach to clinical governance through the development and implementation of a dedicated strategy. All risks on the risk register have been aligned to the new Governance Committee structure. Risk workshops were held across clinical divisions with contributions from all disciplines and the risk management framework is currently under review and being conducted using the same approach as is being used for clinical governance. Improvements have been made to the



credentialing model and framework that includes all medical, nursing and allied health disciplines.

### REDEVELOPMENT PROJECTS

The \$172 million redevelopment at the Graham Street site in Shepparton is underway, with the early works portion of the project completed on time and to budget. There are currently three building sites under construction including the new dialysis unit, extension to the emergency department and the five storey inpatient unit tower. The project is due for completion in late 2021.

The Waranga redevelopment project at Rushworth is now complete and the recently refurbished and renovated Waranga Aged Care Hostel is now operating as Waranga Health. The residents and acute patients have been successfully relocated from Waranga Memorial Hospital to Waranga Health with all staff having worked tirelessly to ensure a smooth transition for all. The redevelopment has resulted in a consolidated, integrated and greatly improved facility enhancing services for Rushworth and the surrounding communities.

The implementation of the 'Know Better Be Better' campaign is now underway and action plan related to the framework for promoting a positive workplace culture has been developed. The 'People Matter Survey' results for this year indicate a reduction in the number of employees who have experienced and discrimination in the workplace.

An implementation plan is being developed incorporating education and training for all staff in relation to occupational violence and aggression (OVA). GV Health will ensure all staff that has contact with patients and visitors have undertaken core occupational violence training annually.

GV Health has also developed an Environmental Sustainability Plan to ensure all capital developments meet or exceed relevant environmental efficiency standards in relation to waste management, fleet management, water consumption, energy consumption and procurement.

### STAFF RECOGNITION AWARDS

A number of staff was recognised at the Annual General Meeting for their outstanding contribution to GV Health, with the following awards announced:

- Ward Clerk Maternity Services, Donna Lewis - *Board Chair Award for Excellence in Customer Service (Individual)*
- Mental Health Case Manager, Casey Thompson - *CE Award for Living the Values (Individual)*
- Haemodialysis Department - *CE Award for Living the Values (Team)*
- Environmental Services Team - *Board Chair Award for Excellence in Customer Service (Team)*
- Palliative Care Consultant, Annette Cudmore - *Patient Centred Care Award*
- Director of Nursing & Midwifery, Cathy Scott - *Excellence in Consumer Participation in Quality Improvement Award (Support Careers Day)*
- Pharmacy Technician, Joanne Boschetti - *OH&S Representative of the Year*

I would like to take this opportunity to thank all staff for the extra effort they have put in over the past 12 months as the health service becomes busier. While it is a very exciting time with the redevelopment taking place the resilience of all staff in operating in an ever-changing environment has been outstanding and I sincerely thank everyone for their ongoing efforts.

Thank you also to our 60 volunteers who have been detrimental in helping not only our patients and their families, but also the staff when required. No task is too big or too small and we fully appreciate the wonderful work you do helping our community.

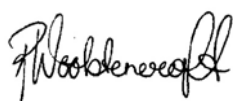
I would also would like to thank each member of the Board for their ongoing commitment and leadership as they focus on ensuring GV Health delivers the best possible healthcare outcomes for everybody in the Goulburn Valley. Thank you to Board Chair, Rebecca Woolstencroft for her continued support, expertise and advice and I look forward to working together to create an outstanding future for the healthcare service in improving health and wellbeing to all the community.

**MATT SHARP**  
Chief Executive



## RESPONSIBLE BODIES DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Goulburn Valley Health, for the year ended 30 June 2019.



**REBECCA WOOLSTENCROFT**  
Chair - Board of Directors

12 August 2019

## RELEVANT MINISTERS

The responsible Ministers during the reporting period were:

The Honourable Jill Hennessy MP, Minister for Health and Human Services and Minister for Ambulance Services	01/07/2018 - 29/11/2018
Jenny Mikakos MP, Minister for Health and Minister for Ambulance Services	29/11/2018 - 30/06/2019
Martin Foley, Minister for Mental Health	01/07/2018 - 30/06/2019
Martin Foley, Minister for Housing, Disability and Ageing	01/07/2018 - 29/11/2018
The Honourable Luke Donnellan MP, Minister for Child Protection, Minister for Disability, Ageing and Carers	29/11/2018 - 30/06/2019

## REPORT OF OPERATIONS

GV Health reports on its annual performance in two separate documents each year.

This annual report fulfils the statutory reporting requirements for government by way of an Annual Report and the Quality of Care Report reports on quality, risk management and performance improvement matters.

Both documents are presented at the Annual General Meeting and then made available to the community.

GV Health is a designated Public Health Service under the *Health Services Act 1988* and is the main referral health service for people in the Goulburn Valley.

The purpose, functions, powers and duties of GV Health are described in the Operations Practices and By-laws of the organisation.

## NATURE AND RANGE OF SERVICES

GV Health is a multi-campus health service, providing a broad range of hospital and community-based health services throughout the Goulburn Valley.

The main campus is located at Graham Street, Shepparton, providing emergency services, intensive care, outpatients, medical, surgical, paediatric, obstetric, dental, palliative, oncology, mental health, aged care, rehabilitation, medical imaging, pathology, pharmacy and related allied health and community healthcare services.

A community health facility in Corio Street, Shepparton provides a range of wellbeing programs aimed at preventative and community-based care.

The Tatura campus includes the Tatura Hospital and Parkvillia Aged Care residential facility.

The Rushworth campus includes Waranga Memorial Hospital, Waranga Nursing Home, Waranga Community Health and Waranga Aged Care Hostel. This service is to be combined into one facility, currently nearing completion of a redevelopment. The new facility will be known as Waranga Health.

Total number of beds	2016/17	2017/18	2018/19
All acute (includes Shepparton, Tatura and Waranga)	180	185	185
Acute (Shepparton campus only)	160	165	165
Aged Care Residential	77	77	77
Mental Health - Acute Mental Health - Community	20	20	20
Based Beds (IPARC and SRRP)	20	20	20
Sub-acute	48	48	48



# BOARD DIRECTORS



## GV HEALTH BOARD OF DIRECTORS

Rebecca Woolstencroft, Chair

Joanne Breen

Trevor Carr

Ilona Charles

Barbara Evans

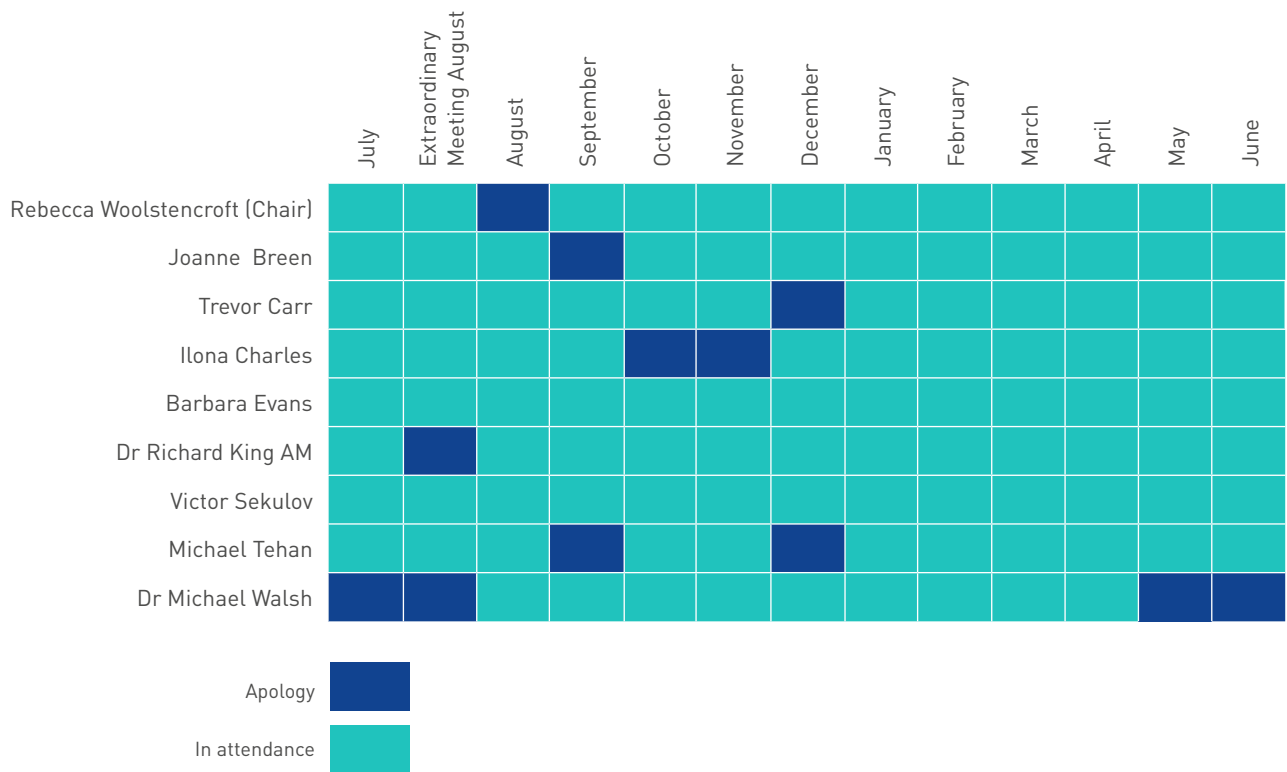
Dr Richard King AM

Victor Sekulov

Michael Tehan

Dr Michael Walsh, Ministerial Delegate

### BOARD OF DIRECTORS' MEETING ATTENDANCE 2018-19





## QUALITY COMMITTEE MEETING ATTENDANCE 2018-19

	July	August	September	October	November	December	January	February	March	April	May	June
Dr Richard King AM (Chair)	In attendance	In attendance	In attendance	In attendance	In attendance	In attendance	In attendance	In attendance	In attendance	In attendance	In attendance	In attendance
Trevor Carr	In attendance	In attendance	In attendance	In attendance	In attendance	Apology	In attendance	In attendance	In attendance	In attendance	In attendance	In attendance
Ilona Charles	In attendance	In attendance	In attendance	Apology	Apology	In attendance	In attendance	In attendance	In attendance	In attendance	In attendance	In attendance
Michael Tehan	In attendance	In attendance	Apology	In attendance	In attendance	Apology	In attendance	In attendance	In attendance	In attendance	In attendance	In attendance
Invited Directors							No meeting held		No meeting held		No meeting held	
Joanne Breen	In attendance	Apology	Apology	In attendance	In attendance	In attendance	No meeting held	In attendance	No meeting held	In attendance	No meeting held	In attendance
Barbara Evans	Apology	In attendance	In attendance	In attendance	In attendance	In attendance	No meeting held	In attendance	No meeting held	In attendance	No meeting held	In attendance
Victor Sekulov	In attendance	Apology	In attendance	In attendance	In attendance	In attendance	No meeting held	In attendance	No meeting held	In attendance	No meeting held	In attendance
Rebecca Woolstencroft	In attendance	Apology	In attendance	In attendance	In attendance	In attendance	No meeting held	In attendance	No meeting held	In attendance	No meeting held	In attendance
Dr Michael Walsh	Apology	In attendance	In attendance	In attendance	In attendance	Apology	In attendance	In attendance	In attendance	In attendance	In attendance	Apology
Community Representatives												
Geoff Long	N/A	N/A	N/A	In attendance	In attendance	In attendance	Apology	In attendance	In attendance	In attendance	In attendance	In attendance
Sarah Gaunt	N/A	N/A	N/A	N/A	N/A	N/A	In attendance	In attendance	In attendance	In attendance	In attendance	Apology

N/A: Not appointed

Apology

In attendance

### MEMBERS OF THE GOULBURN VALLEY HEALTH AUDIT & RISK COMMITTEE

- Ms Barbara Evans, Chair
- Dr Richard King AM
- Mr Victor Sekulov
- Mr Michael Tehan

### MEMBERS OF THE GOULBURN VALLEY HEALTH FINANCE & INFRASTRUCTURE COMMITTEE

- Mr Victor Sekulov, Chair
- Ms Joanne Breen
- Ms Barbara Evans,
- Dr Richard King AM
- Ms Rebecca Woolstencroft

# EXECUTIVE OFFICERS



**MATT SHARP**  
CHIEF EXECUTIVE

**B. Nursing (Hons), Post Grad Dip (Critical Care Nursing), Masters of Business, GAICD, FACHSM**

Matt Sharp has been the Chief Executive at GV Health from October 2018, following a three month interim period having joined the health service from Eastern Health in Melbourne. During his time with GV Health, Mr Sharp has forged strong professional relationships within the community and worked with the government, at both State and Federal level, to secure funding for additional health services.

Mr Sharp has held the position of Executive Director of Clinical Operations at Eastern Health. He has a clinical background in nursing and has held various management and executive positions in rural, regional and metropolitan health services.

He understands the opportunities and challenges that come with working in a regional health service, having worked at Rochester and Elmore District Health Service, initially as the Director Clinical Services before becoming the Chief Executive Officer; a position he held for three years. He has also held an executive position at Echuca Regional Health.

Mr Sharp is passionate about public health and takes pride in being able to improve the safety, quality and access to healthcare for everyone. Mr Sharp presides on working groups with the Department of Health and Human Services to assist in a whole-of-government approach to the delivery of improved health services throughout Victoria.



**KELLIE THOMPSON**  
EXECUTIVE DIRECTOR  
OF QUALITY, RISK AND  
INNOVATION  
INTERIM CHIEF NURSE AND  
MIDWIFERY OFFICER

**B.HlthSc (Nursing), RN, Grad Dip Gerontic Nursing, Dip Management, Grad Cert Health Systems Management, MQS (Master Quality Services - Health and Safety)**

Kellie Thompson is the Executive Director of Quality, Risk and Innovation and the Interim Chief Nursing and Midwifery Officer. Ms Thompson joined GV Health in 1999 as the Aged Care Quality Manager, bringing with her extensive experience in quality and as a member of the Aged Care Accreditation agency. She has held various senior positions across GV Health in mental health, occupational health and safety, disaster management, education and quality.

Ms Thompson has built upon her early career in quality to become the Executive Director of Quality, Risk and Innovation, managing all the quality and risk functions across the health service as well as the organisation's approach and system for improvement. Ms Thompson has a nursing background and is a member of the Australian College of Nursing.



**DONNA SHERRINGHAM**  
EXECUTIVE DIRECTOR CLINICAL  
OPERATIONS

**Dip App Sci, RN, B Nursing, MHA, FACHSM**

As Executive Director Clinical Operations, Ms Sherringham leads all aspects of clinical operations at GV Health, incorporating medical, surgical, critical care, women's and children's, pathology, pharmacy and radiology.

As a member of the Executive Committee, Ms Sherringham plays a key role in guiding GV Health's delivery of care and future direction. Her role involves developing and implementing clinical strategy to support the provision of high-quality care and treatment.

Ms Sherringham is passionate about the delivery of healthcare in regional communities, having grown up in country New South Wales. She commenced her career as a Division 1 nurse at Westmead Hospital, Sydney, before holding several nursing positions at hospitals in Melbourne. Ms Sherringham earned a Bachelor of Nursing from Monash University and later graduated with a Diploma of Applied Science from Mitchell College of Advanced Education in Bathurst.

Ms Sherringham made the transition to work in rural health at Echuca Regional Health from 2004 to 2008. From 2008 to 2013, she served as Director of Nursing and Manager of Clinical Operations of Medicine and Critical Care at Bendigo Health. Ms Sherringham possesses a Master of Health Services Administration from Monash University and is a Fellow of the Australian College of Health Service Executives. Ms Sherringham joined the GV Health team in early 2013 as Executive Director Clinical Operations. She is a representative on the Health Minister's State Trauma Committee.

# EXECUTIVE OFFICERS

## SANDY CHAMBERLIN

**EXECUTIVE DIRECTOR  
INFRASTRUCTURE AND  
BUSINESS SERVICES, CHIEF  
PROCUREMENT OFFICER,  
ACTING EXECUTIVE DIRECTOR  
RURAL CAMPUSES**



**Grad Dip Bus Admin, Grad Dip Ultrasonography, BApSc  
(Medical Imaging), MBA**

Sandy Chamberlin is the Executive Director of Infrastructure and Business Services and has more than 30 years' experience in the healthcare industry. She is passionate about regional healthcare, having lived and worked in regional Victoria for 19 of the past 22 years.

Her current role incorporates infrastructure, biomedical engineering, redevelopment responsibilities and other projects. For four of the past 12 months she has had an interim responsibility for the rural campuses.

Prior to her appointment at GV Health, Ms Chamberlin was a group director in the Epworth team. This wide-ranging leadership role involved membership of the Epworth group strategic workforce committee, chairing the group Radiation Safety Committee and completing a strategic group project on 'Hospital in the Home'. While in this role, she was also a member of Epworth's workforce recruitment and retention project team, and was a member of the Richmond and Epworth commissioning teams.

Ms Chamberlin also spent eight years as General Manager for Bendigo Radiology, overseeing the operation of sites from Robinvale to Portland. She holds a Master of Business Administration, post graduate ultrasound and medical imaging undergraduate qualifications as well as certificates in project management.

Board appointments have included Central Victorian Medical Recruitment Taskforce and Women's Health Loddon Mallee. Ms Chamberlin is always an active member of the community she lives in.

## JOSHUA FREEMAN

**EXECUTIVE DIRECTOR  
COMMUNITY CARE AND  
MENTAL HEALTH**



**BPharm, PGCertPharm (Otago), MBA (UniSA), GAICD, FIML,  
MPS, MSHP**

Joshua Freeman is the Executive Director of Community Care and Mental Health. He has a background in public and not-for-profit leadership roles.

Mr Freeman holds a Master of Business Administration degree through the University of South Australia. Having trained as a pharmacist he also holds a Bachelor of Pharmacy and Post Graduate Certificate in Pharmacy qualifications, both from the

University of Otago (New Zealand).

He has held leadership positions in pharmacy and allied health in New Zealand and Australia. Mr Freeman has an understanding of governance structures in large organisations, after serving as a member of the University of Otago Senate and Health Sciences Divisional Board. He also provided leadership as Board Chair of a regional sporting authority in New Zealand. Mr Freeman is passionate about transformational leadership and has interests in organisational culture.

Mr Freeman is a Graduate of the Australian Institute of Company Directors, a Fellow of the Australian Institute of Managers and Leaders, has finished the Queensland Health Emerging Clinical Leaders Program and was selected to attend the 2015 European Summer School for Advanced Management through Loughborough University in the United Kingdom.

## PETER HUTCHINSON

**CHIEF FINANCE OFFICER**



**B Commerce, MIPA, AFA**

As Chief Finance Officer, Peter Hutchinson is responsible for the overall financial management of the health service. Together with the finance portfolio, Mr Hutchinson oversees payroll, health information services, library, switchboard and reception, information and communication technology portfolios as part of the directorate.

He also is the executive responsible for the Finance & Infrastructure and Risk & Audit Committees of the Board.

Mr Hutchinson commenced with GV Health in February 2019 and previously held a similar role at Eastern Health in Melbourne for 18 years. He was responsible for Eastern Health's financial services, management accountant services, procurement and supply, facilities and infrastructure, security, property and retail and information communication technology. He is Chair of the Product Planning Group Financial Management Information System and the Industry Finance Committee Benchmarking Group.

He holds a Bachelor of Commerce from the University of Melbourne and is a fellow of the Australian Health Services Financial Management Association and also a Member of the Institute Public Accountants.

Mr Hutchinson is very excited to have joined the team at GV Health at a time when such important developments are underway to support the health outcomes of the surrounding communities.





**GAYLE SAMMUT**  
**CHIEF ALLIED HEALTH OFFICER**

**DipPhys, DipFrontlineMgt, DipProjMgt, GradCert (Health Systems Mgt), MAPA**

As Chief Allied Health Officer, Gayle Sammut leads the allied health workforce at GV Health, and is responsible for the education, training and future planning of the allied health professions, through research and innovative practice.

Ms Sammut has worked in health management for many years, most recently completing the University of Melbourne's Professional Certificate in Health Systems Management. With a specific interest in rural allied health, Ms Sammut has led innovation projects in the development of allied health assistant models, allied health educator and research roles, and allied health leadership pathways in regional public health.

Appointed to the Executive Committee position in 2017, Ms Sammut brings extensive allied health management experience having held various clinical and leadership roles in acute, community and aged care settings across public and private health, and in the not for profit sector.

After graduating as a Physiotherapist, Ms Sammut consolidated her clinical experience in Sydney before pursuing various physiotherapy management and allied health leadership roles in Broken Hill in far western New South Wales, and in Mildura in north west Victoria. She then held an executive leadership role with an aged and community care provider on the Gold Coast Queensland, before taking up the newly created allied health manager position with GV Health in 2005.

Ms Sammut is an executive member of the Victorian Allied Health Leaders Council, member of the DHHS Allied Health Leaders - Strategic Advisory Group, member of the Ovens Murray- Goulburn Allied Health Leaders Council and a current member of the Australian Physiotherapy Association.

Ms Sammut also holds the Director Ambulatory Care Division position at GV Health in conjunction with this role.



**STACEY WEEKS**  
**EXECUTIVE DIRECTOR**  
**PEOPLE & CULTURE**

**BBus, Grad Cert IR**

Stacey Weeks is the Executive Director of People & Culture and attended La Trobe University in Bendigo where she earned a Bachelor of Business majoring in Human Resources.

Ms Weeks then completed a Graduate Certificate in Industrial Relations at Charles Sturt University in 2012.

Ms Weeks has had over 17 years' experience in the healthcare industry and first started her career at Kyabram Health in 2001, then in November 2001 commenced at GV Health. During her time at GV Health Ms Weeks has held various positions within the human resources function, including employee/industrial relations, recruitment and management roles.

Ms Weeks was appointed as the Executive Director in October 2017 and is responsible for leading all of the people and culture functions including employee relations, organisational development, employment services, health, safety and wellbeing, injury management and emergency management.

Ms Weeks is a current member of the Australian Human Resources Institute and has been a former member of the Industrial Relations Society of Victoria. Ms Weeks has also actively participated on a number of community boards including early education and sporting clubs.



**DAVID COOPER**  
**INTERIM EXECUTIVE DIRECTOR**  
**OF MEDICAL SERVICES AND**  
**CHIEF HEALTH OFFICER**

**BMed MMgt MBA AFRACMA FACEM**

Dr Cooper has been a healthcare executive for more than 20 years and is a specialist in emergency medicine by clinical training.

Dr Cooper has undertaken a number of clinical director and executive roles including Area Director of Emergency Services at Western Sydney Area Health Service, Director of the NSW Health Counter Disaster Unit, Acting NSW Deputy Chief Health Officer and Executive Director of Medical Services roles at International SOS (Australasia), Central Queensland Hospital and Health Service and Wide Bay Hospital and Health Service.

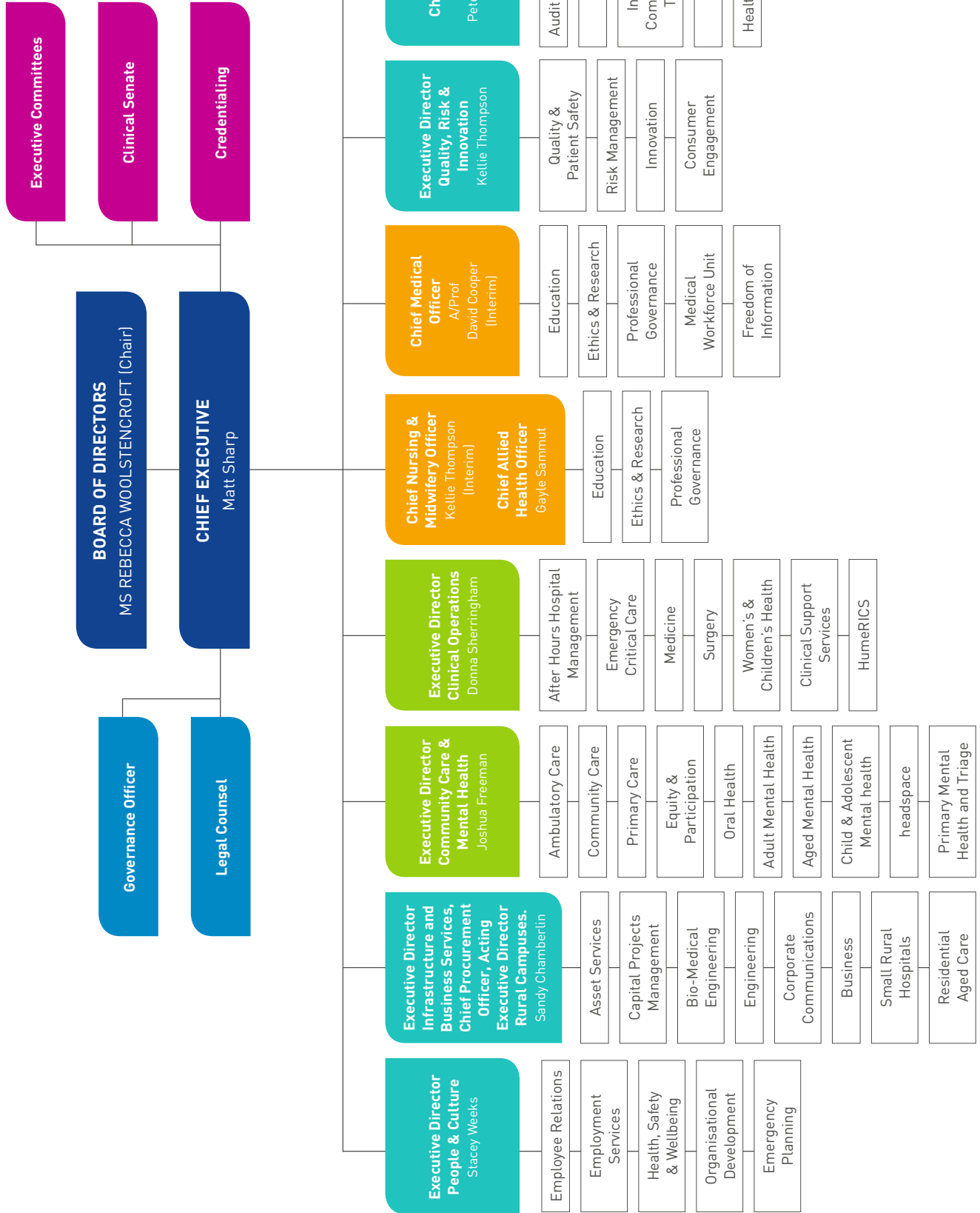
Dr Cooper had academic appointments as Associate Professor in Disaster and Emergency Medicine at Charles Darwin University, James Cook University and the University of Queensland. In these roles, he was appointed as the inaugural Chair of the National Critical Care and Trauma Response Centre in Darwin and was an expert member of the Australian Health Protection Committee.

Dr Cooper was responsible for the deployment of medical teams to the Bali bombings and the Asian tsunami and also led the AusAID Medical team in response to the Yogyakarta Earthquake in Indonesia.

Dr Cooper has been appointed to a number of Boards including Western Sydney Area Health Service and the National Blood Authority.

Dr Cooper's interests include regional and rural healthcare, medical law, safety and quality systems, as well as disaster and emergency management.

# ORGANISATION STRUCTURE





## EXECUTIVE DIRECTOR OF MEDICAL SERVICES & CHIEF MEDICAL OFFICER

Much of the focus for the directorate in 2018-19 was in strengthening quality and safety systems and workforce strategic planning, as well as developing new models of care to ensure GV Health is prepared for the significant growth it faces as a regional referral centre.

### SAFETY AND QUALITY SYSTEMS

A robust credentialing system was developed to ensure alignment of specialist medical and dental staff to the clinical services' capability of the organisation. An overarching credentialing committee structure was implemented to also oversee credentialing of nursing and allied health staff.

The directorate participated in integrated clinical governance arrangements, including restructuring the medicolegal function and participating in in-depth case reviews, as well as analysing the medical emergency team response data.

The EDMS & CMO is the Executive responsible for Communicating for Safety, Medication Safety and Blood and Blood products; work plans have been developed to ensure ongoing compliance for accreditation.

### MEDICAL WORKFORCE

The Medical Workforce Unit was restructured and brought in under the EDMS & CMO portfolio, and as well as day-to-day management of staff deployments, the unit was involved in the strategic work force planning required to support the service in the short, medium and long term.

### CLINICIAN ENGAGEMENT

An active clinician engagement strategy was implemented including involvement of clinicians in managing the service and ensuring senior clinician involvement in executive decision making. A focus on quality and safety was an essential part of the consultation process as well as a review of the best way to support clinicians in their day-to-day activities.

### EDUCATION AND RESEARCH

The EDMS & CMO maintains involvement in all aspects of education and research, including the ongoing relationship with the University of Melbourne Rural Clinical School, the training and education of interns and junior medical staff and the training pathways for specialist doctors.

There is an active clinical research program, with 22 collaborative projects ongoing and a further seven projects for consideration. The Health Research and Ethics Committee, registered with the National Medical and Research Council and chaired by Mr David Fordyce reviewed 50 projects and ethical considerations during the year.

### DAILY OPERATING SYSTEM (DOS) AND PERFORMANCE

The directorate is actively involved in the DOS including the analysis of patient flow and outcomes. This has also been a successful implementation in further engaging clinicians in the management processes.

An Emergency Department Taskforce has been initiated to develop further models of care and to further improve outcomes and patient access through the emergency department.

### LEGISLATIVE COMPLIANCE

Significant work has been undertaken to ensure compliance with the *Voluntary Assisted Dying Act 2017* which came into effect on 19 June 2019. Policies and procedures were developed and information material prepared for any patients requesting advice.

## CHIEF NURSE AND MIDWIFERY OFFICER

The Chief Nurse and Midwifery Officer has seen a number of changes in the past 12 months, including the resignation of Chief Nurse and Midwifery Officer, Alison Patrick in November 2018, the interim appointment of Julyan Howard from November 2018 to March 2019 and Kellie Thompson from 1 April 2019.

The focus of the Chief Nurse and Midwifery Officer has been workforce planning and development to ensure GV Health is prepared for the expansion of services from 2019 to 2021. Working closely with the Director of Nursing and Midwifery Education, Ms Cathy Scott, this work has included increasing the number of nursing and midwifery undergraduate student placements at GV Health; increasing both graduate and post graduate positions in areas with substantial need such as critical care, emergency, perioperative and maternity services, developing an enrolled nurse graduate program and increasing the number of health assistants in nursing. This work is in addition to the ongoing education and support provided for existing nursing and midwifery staff in the routine refreshing of clinical skills, emergency response training and clinical leadership.

In collaboration with the Department of Rural Health, a survey of all GV Health nurses and midwives was conducted in 2018 to assist in developing a framework to support and strengthen all nursing and midwifery roles at GV Health, with particular focus on advanced practice.

There is an urgent need to educate and supply a professional workforce to meet current and future demand in the Greater Shepparton region for healthcare services. Consultation and planning is underway with La Trobe University for the establishment of an onsite clinical school.

There has been significant work carried out to re-establish and develop a number of governance and communication structures to better support the nurses and midwives at GV Health. These have included the Senior Nursing and Midwifery Leadership Group, monthly communication forums for all nursing and midwifery staff, and the Nurse Practitioner Specialist steering group. These structures assist GV Health's nurses and midwives to access information and support current nursing and midwifery policy, issues and professional practice.



## COMMUNITY CARE AND MENTAL HEALTH

The amalgamation of Community Care and Mental Health into one directorate has provided the opportunity for a shared strategic health partnership narrative. The interaction between Goulburn Valley Alcohol and Other Drugs Service (GVADS) and mental health has enabled augmented dual-diagnosis treatment and granted psychiatric registrars exposure to drug and alcohol addiction treatment. The directorate has been successful in obtaining funding for an addiction psychiatry registrar training position. The appointment in 2018 of an Addiction Medicine Specialist has strengthened the GVADS model of care provided under a partnership between GV Health, Odyssey House Victoria and SalvoCare.

The directorate has continued its significant partnership footprint and touchpoints across the region. The Goulburn Regional Health Partnership provides a forum for regional and rural health chief executives to formulate health access strategy and implementation. The Community Interlink consortium provides a regional mechanism to provide Commonwealth Home Care Packages (HCP). Mental health and GVADS provide services and partner across a wide catchment as do Hospital in the Home (HITH) and Transition and Restorative Care services.

The GV Health dental service team continues to deliver an exceptional level of service aligned with ensuring no patient is waiting over the clinically acceptable waiting period of two years for a general level of dental treatment. The service works in partnership with Cobram District Health to provide public dental services together with a training rotation site for dental students. The service offers dental students comprehensive, generalist placements.

The directorate was responsible for the organisation-wide development of the GV Health Aboriginal and Torres Strait Islander Cultural Responsiveness Plan 2019-23. This plan will guide cultural safety and responsiveness and works towards committed goals to improve Aboriginal and Torres Strait Islander health outcomes.

The Primary Care Division team has developed the GV Health Primary Care Population Health Plan 2019-21. The plan embeds strategic relationships and links between GV Health and partnering healthcare providers, to work together to improve consumer access to services and co-ordination of services. The plan identifies and reviews health priorities affecting the Goulburn Valley population. The seven priorities identified in the plan are:

1. Healthier eating and active living.
2. Tobacco-free living.
3. Reducing harmful alcohol and drug use.
4. Improving mental health.
5. Preventing violence and injury.
6. Improving sexual and reproductive health.
7. Reducing hospital avoidable admissions.

GV Centre Against Sexual Assault (CASA) has had seven service agreements in place with rural hospitals as part of the Hume region to deliver the Strengthening Hospital Responses to Family Violence.

## ALLIED HEALTH EDUCATION AND RESEARCH

Allied Health education and research at GV Health is supported through the roles of an Allied Health Therapy Education and Research Co-ordinator (AHTERC) and an Allied Health (Science) Clinical Educator (AHSCE) as well as allied health discipline and/or program managers.

In 2018, GV Health partnered with St Vincent's Hospital to implement an Allied Health Therapy Translational Research Lead role (AHTRL). St Vincent's Hospital is the lead agency in this partnership and successfully applied for one of 10 of these positions in Victoria as part of new Enterprise Bargaining Agreement arrangements. The GV Health part-time role commenced in December 2018.

AHTERC covers areas of work experience, the Vocational Education and Training in Schools (VETiS) program, professional entry level student placements, early graduate support, staff education including mandatory training, careers workshops support and research support.

### WORK EXPERIENCE

Allied Health partnered with workforce and nursing colleagues to align the work experience program and process. Eleven work experience students from years 10 to 12 were placed in allied health. Various student placements were offered in allied health throughout the year. Allied health therapy and science, and nursing educators worked collaboratively to provide multi-disciplinary work experience placements to address individual student requests where possible.

### VETiS PROGRAM

Allied health has increased options for VETiS student placement areas to ensure compliance with course placement hour requirements, and to develop opportunities for students to experience community-based health programs.

### PROFESSIONAL ENTRY LEVEL STUDENT PLACEMENTS

A total of 931 placement days and 41 student placements were provided for professional entry level student placements. Placements in a number of disciplines, particularly physiotherapy have been limited by insufficient supervising capability.

Two new shared models of clinical placements have been utilised with the University of Melbourne, Department of Rural Health goingruralhealth team, to increase the number of student placements available through part-time GV Health staff.

### EARLY GRADUATE SUPPORT

Both the AHTERC and AHSCE continued first and second year graduate support programs, including regional graduate support through the Allied Health Education Group – North East and Goulburn Valley.

### CAREERS WORKSHOPS

The AHTERC and AHSCE worked collaboratively with the nursing education team to participate in an inaugural multi-disciplinary and multi-agency simulation activity at 'Careers Day Out'.





## RESEARCH SUPPORT

The AHRTL supported six oral presentations by GV Health staff at the North East and Goulburn Valley Allied Health Conference, including three first-time presenters.

The AHRTL commenced a research project to assess the research capacity and culture of allied health therapy staff at GV Health in preparation for the development of an Allied Health research development plan.

The AHTERC co-presented a general paper at the Victorian Allied Health Research Conference and at the North East and Goulburn Valley Allied Health Conference.

## QUALITY, RISK AND INNOVATION

The Quality, Risk and Innovation Unit has undergone a significant restructure and re-establishment of core functions. This is to readily align with the changes to executive and governance structure and function. The outcome has been the establishment of a business partner model of specialist safety and quality resources with clinical divisions. The focus has been to work with the clinical teams to constantly improve the quality of care and consumer experience at GV Health. Further to this, the Innovation and Improvement Advisor position has been evaluated to ensure consistency and alignment with Better Care Victoria. This specialist position provides coaching, mentoring and support across the organisation in improvement science. Following this, GV Health approved an improvement and innovation framework and model providing a consistent approach to quality improvement across the organisation.

The establishment of a consumer experience team is a result of the unit restructure. The consumer experience team includes the consumer experience co-ordinator and the consumer liaison officer who work closely with the clinical teams to improve consumer experience. Feedback from patients, clients, their families and carers is a critical element towards creating improvement. In partnership with other members of the quality, risk and innovation team, the consumer experience staff work together with staff and consumers to improve the way services are provided to the community.

GV Health has reviewed and redeveloped the clinical governance framework with implementation including committee structures, incidents and complaint management and the risk management systems.

GV Health has achieved accreditation across a range of programs providing the community with assurance that the organisation is meeting best practice standards in the delivery of safe and quality care. This has included aged care accreditation of the four residential facilities; two of which were under the new accreditation model of unannounced visits.

## INFRASTRUCTURE, BUSINESS SERVICES, CHIEF PROCUREMENT OFFICER AND ACTING EXECUTIVE DIRECTOR RURAL CAMPUSES

The Infrastructure Directorate oversees the responsibilities of engineering, bio-medical engineering, capital projects, and redevelopment projects in construction at both the Rushworth and Shepparton campuses. The Business Directorate encompasses environmental, hotel and food services, media and communications, security and fleet. Procurement activities are supervised through the chief procurement function, which includes the chairing of the Capital Planning and Procurement Committee.


From 25 February 2019, the rural campuses responsibilities were temporarily added to this Directorate, which had some synergies with the redevelopment at Waranga and the change processes required to undertake the transition of staff and service from Rushworth Hospital to Waranga Health. Despite being a challenging time for staff that had to change location and workforce structure, this process has now been successfully completed, with all staff, patients and residents located at the newly renovated and refurbished Waranga Health. The new facility has been embraced by the Rushworth community and the residents. Staff continues to provide excellent care to the residents which was evidenced by the successful achievement of accreditation by the Aged Care Quality and Safety Commission for both the Waranga Aged Care Hostel and the Waranga Nursing Home.

The Tatura campus is undergoing some minor renovations to improve the patient experience. New beds also have been purchased through funding from the very generous and invested community.

The Business Directorate has continued to work through changes to the Model of Service in food service delivery, the provision of security services and the continuation of the fleet renewal program. The environmental sustainability plan has focused on reducing carbon emissions, increasing recycling and reducing waste. The procurement team continue to improve processes and are adopting the new social procurement framework that leverages the Victorian Government's buying power, enabling the government to increase the value of all its procured goods, services and construction.

The media and communications unit has been instrumental in informing both staff and the community of all key milestones, events, successes, educational programs and any other areas of interest that engages the whole of the community. A much more focused and proactive approach to liaising with all media outlets has resulted in an increase in positive media coverage and as a result of the dedicated resource to digital and social media both staff and the community are highly engaged with the health service.

A Master Plan review was funded in the 2019/20 Victorian State Budget and has progressed as a first stage to review service planning. Following the Service Plan review, the Master Plan will be reviewed to progress the next stage to feasibility and business case submission.



Minor capital works in progress have been funded via successful applications to the Regional Health Infrastructure Fund, the Health Violence Prevention Fund and other donations. Such minor capital works are reported monthly and include upgrades to:

- Wanyarra In-patient Unit air conditioning.
- Grutzner House ceiling tracking system.
- Refurbishment of Tatura campus including new vinyl flooring, painting and furniture.
- Shepparton campus air conditioning in hub and refurbishment of allied health wing (Building A).
- Renovations for the Medical Imaging Fluoroscopy Room at Shepparton campus to allow for new angiography equipment to be installed.

Applications for funding in 2019/20 have been submitted to the Regional Health Infrastructure Fund, the Health Violence Prevention Fund and the High Value Medical Equipment Infrastructure Replacement Fund to undertake various capital improvement projects.

Additional staffing resources have been recruited to assist in project managing the redevelopment projects. The Shepparton redevelopment project is progressing on time and the Rushworth Waranga project was completed on time and under budget. A further report on both projects is included in the highlights section of this annual report.

## PEOPLE & CULTURE

### WORKFORCE PLAN

With the redevelopment of the Graham Street campus currently underway a key focus has been to determine workforce needs once the increase in services is commissioned. Extensive work has been completed in developing a five year Workforce Plan that focuses on the following key drivers for change:

- Shepparton, Graham Street redevelopment
- Changes to the *Safe Patient Care Act*
- Changes to models of care
- Strategic priorities
- Improving GV Health's self sufficiency
- Local population demographics and health needs.

The actions and forecast staffing increases identified within the Plan will be progressively implemented in line with the Graham Street redevelopment milestones.

### CREATE PROGRAM

GV Health's CREATE program, based on the Studer Group evidenced-based leadership principles provides a foundation on how we operate. The Program was implemented in 2014; however a key focus for 2018/19 was to further embed the program within GV Health. This includes bringing our values to life by defining what these mean at a departmental and organisational level, and ensuring clarity and alignment around key organisational goals and priorities.

### PEOPLE & CULTURE STRATEGY

A five-year strategy has been developed to support the delivery of the 'We CREATE' pillar as part of the GV Health Strategic Plan 2019-23; an inspirational workplace founded on a strong culture where talented people work with purpose and pride. The plan focusses on five key areas including GV Health's culture of care, leadership capabilities, safety and wellbeing, building and inspiring our talented workforce, learning and career development pathways.

### HEALTH, SAFETY AND WELLBEING

GV Health's Occupational Health & Safety (OH&S) department has been striving to improve the safety of patients, the community and the healthcare workforce.

Priority areas for the OH&S department were:

- Enhancing and extending processes to ensure organisational legislative compliance and OH&S performance.
- Reporting monthly organisational performance to the Board of Directors and management.
- Developing and improving strategies for identifying and managing higher OH&S risks and building internal capability to address complex or technically specialised hazard management or incident investigation tasks.
- Ensuring that consistent and legally compliant hazard controls and risk mitigation strategies are applied across GV Health to improve our safety culture.
- Improving the level of reporting and training in occupational violence for all staff and management.

## CLINICAL OPERATIONS

The Clinical Operations directorate has experienced an increase in the demand for services in a number of areas. The team has responded to this increase by introducing initiatives to meet community requirements. All have been developed with the key focus of delivering safe, efficient and best practice care.

These initiatives include a focus on key staff recruitment for several clinical services currently being provided and for future services as a result of the redevelopment.

Highlights for the past 12 months include:

- Introduction of the Daily Operating System (DOS) which was a key recommendation from our 'Flow to Go' campaign that was introduced to reveal the patient journey and how it can be enhanced. As a result, there has been an improvement in patient access to services at GV Health.
- Introduction of orthogeriatrics model of care, with strong evidence indicating that this approach improves the care of older patients admitted with fractures.
- Introduction of the Symptom Urgent Review Clinic (SURC) where patients receiving chemotherapy who may develop side effects can be quickly assessed by nursing and medical staff instead of them having to visit a general practitioner or the emergency department. As a result, there is a reduction in emergency department presentations, reducing the length of stay if patients require admission to hospital.
- GV Health is the lead agency for the West Hume Palliative Care Service and has been successful in receiving funding



that has enabled the team to expand in both nursing and medical staff. This approach supports other services in caring for palliative patients in their local community.

- GV Health continues its successful partnerships with the local, small, rural hospitals to provide surgery, oncology, pathology, obstetrics, radiology and pharmacy services.
- As a result of our partnerships, the recruitment of senior staff in the key areas of obstetrics and gynaecology, rheumatology, paediatrics, oncology and emergency medicine has been supported.
- A program of equipment replacement has allowed us to purchase a number of new beds, surgical instruments, theatre tables and defibrillators. This has all been funded thanks to our wonderful and supportive community and funds from the Department of Health and Human Services.
- The oncology department has introduced a software system to support the patients' records and chemotherapy prescribing called Episoft.

## GV HEALTH SHEPPARTON REDEVELOPMENT

GV Health's Graham Street site in Shepparton is undergoing a \$171.525m redevelopment funded by the Victorian State Government.

An extra \$1.7m funding was announced in the 2017/18 State budget to cover the cost of an extra four bed fit out in the paediatric ward, bringing the funded beds in that ward to 12.

The scope of the redevelopment includes:

- A new five storey building expanding theatre and the surgical ward, intensive care unit and inpatient bed capacity, as well as upgrades to the kitchen and mortuary.
- Additional emergency department, short stay and imaging capacity.
- A women's and children's precinct consisting of the existing maternity ward and an expanded special care nursery. A new paediatrics ward is to be built adjacent to this area.
- A new renal dialysis unit providing a significant increase in capacity.

- Key site compliance issues will also be addressed, including the addition of a second high voltage electrical supply, a new central sterile services department, and installation of sprinklers in the wards of Building B.


Lendlease is the managing contractor for this exciting project, and have worked closely with GV Health, the Victorian Health and Human Services Building Authority and other key contractors to deliver this project for the Goulburn Valley community.

The early works portion of this project was completed on time and to budget in September 2018. There are now three building sites located at the Graham Street campus:

1. Renal dialysis, a new single level building providing 16 treatment spaces.
2. Emergency department, including new and refurbished portions, a new paediatrics ward and a refurbished special care nursery and maternity ward situated on level one.
3. An inpatient tower which includes a new kitchen and mortuary on ground, an expansion of the theatre suites and a new intensive care unit on level one, 32 inpatient beds on level two and level three and associated plant on level four and the mezzanine level five.

The renal dialysis construction has progressed according to plan over the past 12 months and practical completion is expected in October 2019. Operational readiness activities have already progressed in this clinical area, with work underway on an updated model of care, training and resourcing needs and recruitment. Commissioning is expected to occur in early November 2019 with occupancy late November 2019.

The new extension of the emergency department is currently under construction and is due for completion in December 2019 and occupation in February 2020. Following the commissioning and occupation of this new building, the renovation and refurbishment of the existing emergency department will occur. Once complete, the emergency department will be twice the size of the current emergency department, with an additional 18 treatment spaces, a larger dedicated paediatrics area, additional isolation bays, an expansion of the medical imaging capacity in the unit and a dedicated emergency vehicle entrance.



The new paediatrics ward located on level one of the new emergency department is also well progressed. Access to this area will be via the refurbished special care nursery and maternity area, which will complete a new women's and children's precinct.

The early works site is now the site of the inpatient unit tower. The crane (named Lilyshay) arrived on site in February 2019 and since its installation the tower has arisen very quickly, with a topping out ceremony held in June 2019 as the final slab on level five was poured.

The number of construction workers on site varies between 120-180 workers daily, with at least 30 workers based in Shepparton, with some having relocated from other areas. Lendlease have engaged in a memorandum of understanding with the Rumbalara Football Netball Club to engage those from the Aboriginal and Torres Strait Islander community to build careers in construction on the Shepparton redevelopment site. There have been eight Aboriginal and Torres Strait Islander people employed on the project so far.

Construction is expected to be completed by late 2021.

## **FINANCE, HEALTH INFORMATION SERVICES, INFORMATION COMMUNICATION & TECHNOLOGY (ICT)**

The directorate provides a wide-ranging number of corporate support services to the organisation. This extends to all areas of finance, payroll, ICT and within information services the ward clerks, emergency department clerks, application systems team, library services, health information teams (including mental health, coding and scanning teams) along with reception and the health services telecommunications switchboard. Many of these areas have again provided wonderful service, 24 hours every day to our patients, visitors and staff.

The year presented a number of financial challenges for the service to address while continuing to treat more patients than previous years. In February 2019, Peter Hutchinson commenced as the Chief Finance Officer, taking over the role from Rick Garotti.

Overall, the health service met the breakeven financial result set by the Minister for Health for the year ending 30 June 2019. This involved a significant amount of support from all directorates and staff to deliver this favourable outcome.

### **PAYROLL**

The payroll team, while supporting GV Health, also provides payroll services to 10 neighbouring hospitals and health services, offering a great support for these smaller agencies. The payroll team has made improvements in managing the service by shifting the key application functions to secure cloud-based solutions.

### **FINANCE**

The finance team has experienced a busy year, completing all the statutory and regulatory reporting in accordance with the guidelines, on time, and while also providing accounting services to Yea & District Memorial Hospital and Nathalia District Hospital. Long-serving employee Graham Barrett retired after 31 years of service as GV Health's financial controller. Mr Barrett enjoyed a wonderful career and was admired by all those with whom he worked over the many years.

### **ICT**

The ICT team has an ever-increasing work load, with many applications to support at a time when so much functionality in the health service is delivered electronically, requiring routine monitoring. During the year, the fleet of printing devices and copiers were replaced and 'follow me printing' is to be instituted shortly. A significant amount of effort is being directed towards the area of cyber security and ensuring the security of patient and corporate data from malicious attacks. A penetration testing process was undertaken to test GV Health's resilience to such attacks which proved to be adequate.

### **INFORMATION SERVICES**

The information services team have been dealing with the ever-increasing patient numbers and associated coding, information management and data reporting requirements within the required timelines. A number of external audits during the year have validated the work that is undertaken and completed by the coding service. Continued involvement in clinical systems development and extension of the scanned record to include areas of the mental health service have contributed to the ongoing development of an integrated clinical record.

There are a number of information technology related projects being undertaken in a number of key areas and these improvements are part of the ICT Strategic Plan. A significant major project is the implementation of a new Patient Administration System (PAS) which has been selected. Detailed planning is progressing for implementation of this new system over the coming 18 months. The directorate is very much looking forward to a busy forthcoming year.



# OUR SERVICES



## ADMITTED PATIENT SERVICES

- After Hours Hospital Management
- Medicine
- Women's and Children's Services
- Geriatric Evaluation Management
- Rehabilitation
- Oncology
- Renal
- Surgical Services
- Palliative Care

## NON-ADMITTED PATIENT SERVICES

- Antenatal Clinic
- Breast Clinic
- Home Enteral Nutrition
- Lactation Clinic
- Outpatients
- Non-admitted Sub-acute Community Care

## EMERGENCY DEPARTMENT SERVICES

- Critical Care
- Emergency Services

## AGED AND RESIDENTIAL CARE SERVICES

- Tatura Parkvilla
- Waranga Nursing Home
- Waranga Aged Care Hostel
- Commonwealth Home Support Program
- National Disability Insurance Scheme
- Home and Community Care

## MENTAL HEALTH SERVICES

- Adult
- Aged
- Child and Adolescent
- Grutzner House
- headspace

## PRIMARY HEALTH SERVICES

- Primary Mental Health
- Regional partnerships

## OTHER SERVICES

- Medical Imaging
- Pathology
- Cardiac Diagnostics
- Pharmacy
- Allied Health Services
- Business Services
- Capital Programs
- Community Engagement and Fundraising
- Media and Communications
- Engineering
- Information and Communication Technology
- Finance
- Quality and Clinical Service Planning
- Workforce
- Clinical Education
- Research

# HIGHLIGHTS AND ACHIEVEMENTS



## RUSHWORTH WARANGA REDEVELOPMENT PROJECT

The GV Health Rushworth Waranga redevelopment project is now complete, with the recently refurbished and renovated Waranga Aged Care Hostel to operate as Waranga Health. The residents were relocated from Waranga Memorial Hospital to Waranga Health on 23 June 2019 and the acute patients on 24 June 2019 without incident.

A farewell to Waranga Memorial Hospital was held on 25 June 2019 organised by the Waranga Community Reference Group. The event was well supported by members of the community, current and previous staff members, current residents of Waranga Health and GV Health staff, executives and Board members.

The redevelopment has achieved the following:

- The expansion of the existing 32 bed facility to a 36 bed aged care facility;
- The establishment of a four bed acute care unit;
- A District Nursing Service facility; and
- Outpatient ambulatory consulting services.

The existing aged care bathrooms have been refurbished and flooring and painting updated throughout the facility. The lounge, dining, kitchen and hairdressing areas have had a major refurbishment and a new reception area has been built with access from High Street for vehicles and pedestrians. Minor works remaining to further enhance the facility are being managed internally with the residual funds from the project. These works include the updating of the Lambden House administration area, the reinstatement of the Men's Shed and some flooring and painting works.

The aged care wings have been named Balaclava, Whroo, Ironbark and Golden Guinea to reflect a rich history in regards to Rushworth's mining days, indigenous ancestors and its unique forestry and plant species. The acute ward has been named Heily, after the first, well-renowned General Practitioner in Rushworth, Dr John Vickers Heily.

Combining Waranga Aged Care Hostel and Waranga Memorial Hospital has required significant work on the changed model of care and a change to the workforce required to run the new Waranga Health facility. This process has been completed successfully.

The updated facility provides a modern, accessible health service for all in the centre of Rushworth.

## STRATEGIC PLAN

The GV Health Strategic Plan for 2019-23 was developed in consultation with the community and staff and approved by Minister Mikakos in May 2019. The new plan provides a direction for our purpose which is improving community wellbeing through high-quality health services, outstanding care and learning. The Plan encompasses the four strategic pillars that define our areas of focus for the health service. Each pillar contains a section detailing what success will look like in 2023 at the conclusion of the five-year period of the Strategic Plan to evaluate success and inform continuous improvement. The four pillars are:



We CREATE safe and high-quality healthcare that always puts people first.



We CREATE values-based healthcare partnerships which deliver equitable and accessible healthcare for all.



We CREATE an inspirational workplace founded on a strong culture where talented people work with purpose and pride.



We CREATE a positive healthcare environment that fosters collaboration and innovation.

Underlying our pillars is our overall culture, including our culture of care which is made up of our CREATE values and behaviours, through which we commit to delivering ongoing quality healthcare for our community. Our CREATE values and behaviours are the foundations for our strategic pillars and for achieving our goals. Our CREATE values are:

- Compassion
- Respect
- Excellence
- Accountability
- Teamwork
- Ethical Behaviour

The CREATE. Outstanding. words underpin GV Health's values and culture of care in that the health service provides safe, high-quality care for each person, every time and will improve from the current service we provide to the community to outstanding service to ensure outstanding outcomes.

## MASTER PLAN

A Master Plan review and feasibility Study for the proposed additional cancer services outlined in the Cancer Services Plan for GV Health was completed in early 2019.

The project scope included the following:

- Review the site-wide Master Plan with a focus on integration of the proposed Cancer Centre.
- The Master Plan review includes the property owned by GV Health on the corner of Graham Street and Monash Street (54 Graham Street).



- Feasibility study for a Cancer Centre.
- Parking and traffic management across the site.

A further review by the Victorian Health and Human Services Building Authority (VHHSBA) was completed, given the complexities arising with staging in the current redevelopment in construction. A further option was provided following this review.

An application for funding for a Cancer Centre to the Federal Government's Community Health and Hospitals Program was successful, with \$26M to be delivered within the next four years.

Further funding from the State Government in the 2019–20 budget has been provided to progress the renewed Master Plan to a feasibility study. The first part of this project will be refreshing the Service Plan which was completed in 2015.

A further \$4m has also been provided to invest in a Children and Young Person's Service Hub. This funding will be used to redevelop existing treatment and therapy areas and establish new purpose-built facilities at the Community Health@GV Health site in Corio Street, Shepparton.

## COMMUNITY CARE AND MENTAL HEALTH

- The Mental Health and Police Service (MHAPS) has been established. This service involves a mental health clinician based at the Shepparton police station who attends appropriate responses relating to mental health events. This program delivers a more targeted and timely response to people needing mental health support in the community and has reduced the requirement for a number of people needing to attend the emergency department.
- Funding has been received to provide a Personality Disorder Service led by a specialist practitioner.
- Grutzner House met all 44 expected aged care accreditation outcomes during an unannounced accreditation visit in November 2018.
- headspace was successful in receiving Model Integrity Framework (hMIF) certification.
- In May 2019 Community Health launched an SMS-based support system to encourage women to breastfeed and provide support mechanisms.



- Partnering with the RESPOND project, which is Australia's largest measured childhood obesity and risk factor surveillance project that uses census-styled school recruitment (all schools in a region invited) and high participatory (opt-out approach) student recruitment methodology.
- Through Community Interlink, GV Health leads a consortium of 19 health services to provide healthcare packages to more than 300 people across the region.
- Community Interlink has held five consumer forums, attended by more than 200 consumers, with feedback on our services indicating 100 per cent satisfaction.
- Through the National Disability Insurance Scheme (NDIS) GV Health is now providing significant supports across allied health, nursing and support co-ordination.
- The Early Childhood Intervention team has supported some 70 families to move across to the NDIS.
- A total of 931 placement days and 41 placements were provided to students in allied health disciplines.

## STRENGTHENING HOSPITAL RESPONSES TO FAMILY VIOLENCE

GV Health is 'Taking a Stand Against Family Violence in Our Community' and has received funding from DHHS to continue work implementing the Strengthening Hospital Responses to Family Violence (SHRFV) initiative in 2018-19. This initiative is a whole of health service response to family violence and responds to Recommendation 95 of The Royal Commission into Family Violence [Victoria].

GV Health is the lead health service for this region and is supporting seven smaller health services to implement the SHRFV initiative.

2018-19 highlights of the SHRFV work at GV Health include:

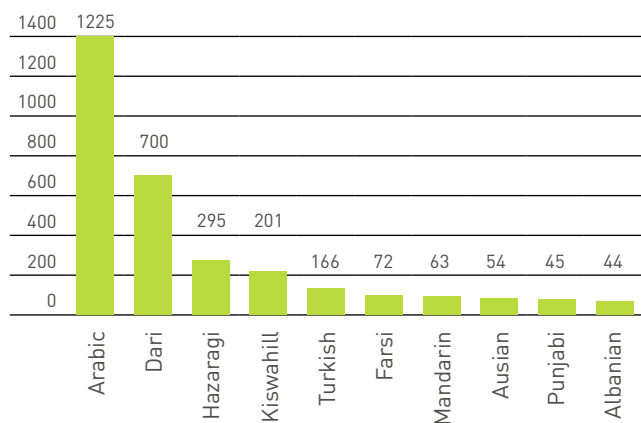
- More than 100 GV Health training sessions provided to staff, with more than 36 per cent of staff trained (800+) to recognise the signs, respond appropriately and refer to specialist organisations when supporting a patient that may be experiencing family violence.
- More than 120 GV Health managers have been trained to provide appropriate support options for their staff who may be impacted by family violence.
- Family Violence Contact Officer Staff Support role was established and utilised by staff impacted by family violence.
- GV Health's submission was accepted to participate in the SHRFV Research Project in 2019-20 (Grant from the Collier Charitable Fund) to assess the value and impact of the SHRFV program.

Funding for 2019-20 has been confirmed and there will be a continued focus on training and sustainability through the 'Family Violence Champion' program and promotional events to raise the awareness of family violence, resulting in GV Health being a 'safe' place for the community and staff to seek support for family violence issues.

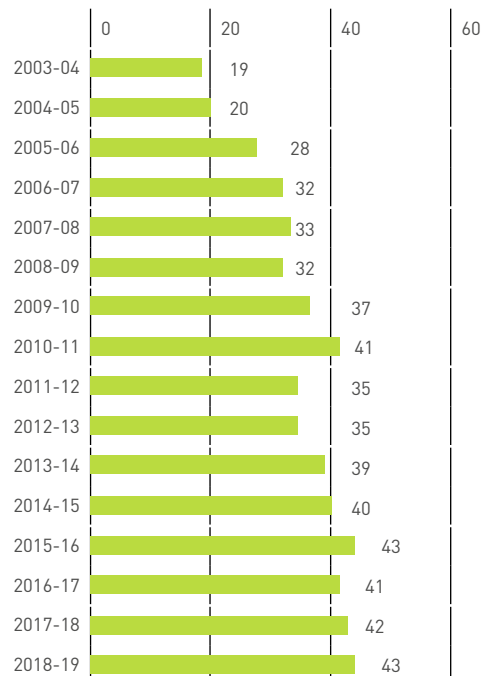
## LANGUAGE SERVICES AT GV HEALTH

- 57 GV Health departments used interpreting services.
- 958 consumers received interpreting services.
- 3165 interpreting sessions were provided in 43 languages.
- Onsite interpreting was provided in 11 languages and accounted for 54 per cent of bookings.
- Telephone interpreting is provided in 42 languages.

TOP 10 LANGUAGES 2018-19



NUMBER OF LANGUAGES INTERPRETED AT GV HEALTH 203-2019







**Annette Cudmore:** Community Advisory Committee Patient Centered Care.

**Cathy Scott:** Consumer Participation in Quality Improvement.

## GOULBURN VALLEY HEALTH FOUNDATION

In April the GV Health Foundation celebrated 30 years of operation, with three of the original trustees still serving on the Foundation Board.

Over the past year, the Foundation was able to contribute approximately \$335,000 for additional equipment and services.

A number of grants were sourced and sponsorships for services offered at GV Health. This year's 'Give me 5 for Kids' campaign generated \$170,000. Additional community funding was sourced to purchase approximately 40 new hospital beds as a result of the 'Get into bed with GV Health' campaign.

During the year the GV Health Foundation announced the establishment of the GV Health Scholarship Fund. Thanks to the funding support of the Rotary Club of Shepparton Central, GV Health and the GV Health Foundation there are several \$5,000 post graduate nursing scholarships available. This will enable our nurses to continue to have a positive impact on patient care and give those recipients the opportunity to upgrade their skills, knowledge and leadership contribution to our growing workforce.

## STAFF RECOGNITION

The annual GV Health Service Recognition Awards were celebrated in April 2019. A number of events were held to recognise the outstanding commitment to the health service by many staff over 10, 15, 20, 25, 30, 35 and 40 years.

## AWARDS FOR EXCELLENCE

The following GV Health staff were presented with awards at the Annual General Meeting held in November 2018:

**Donna Lewis:** Excellence in Customer Service.

**Haemodialysis Department:** Living the Values (Joint winner).

**Casey Thompson:** Living the Values (Joint winner).

**Joanne Boschetti:** OH&S Representative of the Year.





# DISCLOSURES REQUIRED UNDER LEGISLATION

## FREEDOM OF INFORMATION REQUESTS

A total of 634 formal requests for information were received and processed under the *Freedom of Information Act 1982* in 2018-19, compared to 710 requests in 2017-18. Of that total, 316 freedom of information applications were received with payment of a legislated application fee of \$29.90 per request; a fee total of \$9,132.40.

Other requests for information were received from a variety of entities including the Department of Health and Human Services, Victoria Police and the Coroner's Court of Victoria.

Total fees collected were \$21,693.83 including medico-legal reports and photocopying.

Contact details and guidance on how a freedom of information request may be made is located on the GV Health website. Other information relating to freedom of information is to be found at [ovic.vic.gov.au](http://ovic.vic.gov.au) the Office of the Victorian Information Commissioner.

## THE PROTECTED DISCLOSURES ACT 2012

GV Health is subject to the *Protected Disclosure Act 2012* that replaced the former *Whistleblowers Protection Act 2001*. The Act came into effect on 10 February 2013 with a purpose to facilitate disclosures of improper conduct by public officers, public bodies and to provide the appropriate level of protection for people who make disclosures without fear of reprisal. GV Health adheres to the *Protected Disclosure Act 2012* through incorporating the protected disclosure requirements of the Act into the GV Health Whistleblowers Procedure.

Access to procedures established by GV Health under the Act is via [gvhealth.org.au](http://gvhealth.org.au).

## CARER'S RECOGNITION ACT

In accordance with the *Carer's Recognition Act 2012*, GV Health has complied with the provisions through ensuring that all staff and volunteers respect and recognise carers, support them as individuals, recognise their efforts and dedication, take into account their views and cultural identity, recognise their social wellbeing and provide due consideration of the effect of being a carer on matters of employment and education.

## ENVIRONMENTAL PERFORMANCE REPORT

GV Health monitors and reports on environmental and sustainability practices to help us better integrate and gain strategic value from existing sustainability efforts, identify gaps and opportunities in products and processes, develop communications and incorporate innovative practices.

The redevelopment has an environmental sustainability design (ESD) consultant appointed to the project. Some ESD initiatives incorporated within the design include solar panels, chilled beam cooling systems in inpatient rooms, use of E-water in the kitchen and an advanced building management system to assist in the reduction in energy use.

GV Health monitors and reports on:

- Energy.
- Waste production.
- Paper consumption.
- Water consumption.
- Transportation/ fuel consumption.
- Greenhouse gas emissions.
- Sustainable procurement and associated information relevant to understanding and reducing office-based environmental impacts.

We continue to expand efforts to become a more environmentally sustainable health service.

The environmental sustainability reports are available to view on the GV Health website.

## ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

- Declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by senior officers as nominee or held beneficially;
- 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 health service;
- Details of any major external reviews carried out on the health service;
- Details of major research and development activities undertaken by the health service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;
- 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 health service to develop community awareness of the health service 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 health service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;
- A list of major committees sponsored by the health service, the purposes of each committee and the extent to which those purposes have been achieved; and
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

## LOCAL JOBS FIRST POLICY ACT 2003

GV Health has complied with the *Local Jobs First Policy Act 2003*.

# STATUTORY REQUIREMENTS



## COMPLIANCE WITH BUILDING ACT 1993

GV Health complied fully with the building and maintenance provisions of the *Building Act 1993* guidelines for publicly owned buildings. GV Health also complied with the relevant provisions of the National Construction Code.

## OCCUPANCY PERMITS/ CERTIFICATES OF FINAL INSPECTION

GV Health Occupancy Permits and Certificates of Final Inspection have been obtained as required.

## ESSENTIAL SAFETY MEASURES

GV Health buildings constructed after 1994 have been designed to conform to the *Building Act 1993* and its regulations, as well as to meet other statutory regulations that relate to health and safety matters. All buildings have been issued with occupancy permits.

Buildings constructed prior to July 1994 were not subject to issue of occupancy permits. However, irrespective of the age of each building, GV Health is obliged to maintain essential safety measures, so far as is practicable, in accordance with the Building Regulations 2006.

Compliance involves ensuring that all essential safety measures covered by the regulations are being maintained to fulfil their purpose. It also involves keeping records of maintenance checks, completing an Annual Essential Safety Measures Report and retaining records and reports on the premises for inspection by the Municipal Building Surveyor or the Chief Fire Officer on request.

Essential safety measures reports are prepared annually for properties owned by GV Health, to confirm that all of the essential safety services are operating at the required level of performance.

## WORKFORCE DATA

Labour Category	June Current month FTE*		Average monthly FTE*	
	2018	2019	2018	2019
Nursing Services	686.70	695.39	676.07	685.05
Admin and Clerical	314.01	311.54	307.93	305.55
Medical Support Services	162.09	181.89	158.83	175.60
Hotel & Allied Services	173.90	175.17	164.20	173.36
Medical Officers	37.40	31.05	35.12	32.84
Hospital Medical Officers	123.57	116.74	119.26	114.41
Sessional Medical Officers	17.37	20.33	15.68	20.96
Ancillary Support Services (Allied Health)	109.38	118.35	106.25	117.59
<b>Total</b>	<b>1624.42</b>	<b>1650.46</b>	<b>1583.34</b>	<b>1625.37</b>

## FIRE AUDIT COMPLIANCE

All buildings are compliant with the Fire Safety Standards.

## ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

Actions underway to address the State Government's Asset Management Accountability Framework include:

- The formation of an asset management working group, with membership from all areas where assets are captured and reported on including finance, bio-medical engineering, business, information and communication technology and medical imaging.
- Completion of the Asset Management Accountability Framework and an Asset Management Plan.
- An approach to the market inviting responses detailing what is on offer by way of integrated software solutions for asset management. A successful tenderer has been determined with the new solution providing a consolidated asset register.

## COMPETITIVE NEUTRALITY

GV Health complied with all government policies regarding competitive neutrality.

## CAR PARKING FEES

GV Health complies with the Department of Health and Human Services hospital circular on car parking fees and details of car parking fees and concession benefits can be viewed at [www.gvhealth.org.au](http://www.gvhealth.org.au).

## SAFE PATIENT CARE

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

## WORKFORCE DATA

Labour Category	June current month FTE*		Average monthly FTE*	
	2018	2019	2018	2019
<b>Nursing Services</b>	<b>686.70</b>	<b>695.39</b>	<b>676.07</b>	<b>685.05</b>
Casual Employee	25.00	31.74	26.88	33.17
Part-Time	530.83	532.29	522.43	521.39
Full-Time	130.86	131.36	126.75	130.49
<b>Admin and Clerical</b>	<b>314.01</b>	<b>311.54</b>	<b>307.93</b>	<b>305.55</b>
Casual Employee	6.01	6.17	6.00	6.71
Part-Time	154.91	143.88	152.26	141.94
Full-Time	153.09	161.48	149.68	156.90
<b>Medical Support Services</b>	<b>162.09</b>	<b>181.89</b>	<b>158.83</b>	<b>175.60</b>
Casual Employee	4.05	5.63	3.62	8.69
Part-Time	62.77	76.76	63.35	72.53
Full-Time	95.27	99.49	91.85	94.38
<b>Hotel &amp; Allied Services</b>	<b>173.90</b>	<b>175.17</b>	<b>164.20</b>	<b>173.36</b>
Casual Employee	15.89	22.81	11.00	19.33
Part-Time	119.27	113.66	115.06	114.85
Full-Time	38.73	38.70	38.15	39.18
<b>Medical Officers</b>	<b>37.40</b>	<b>31.05</b>	<b>35.12</b>	<b>32.84</b>
Casual Employee	0.00	0.00	0.00	0.00
Part-Time	36.40	0.56	34.19	0.41
Full-Time	1.00	30.49	0.93	32.43
<b>Hospital Medical Officers</b>	<b>123.57</b>	<b>116.74</b>	<b>119.26</b>	<b>114.41</b>
Casual Employee	0.26	0.60	0.74	1.65
Part-Time	2.04	3.06	2.27	2.55
Full-Time	121.27	113.08	116.25	110.20
<b>Sessional Medical Officers</b>	<b>17.37</b>	<b>20.33</b>	<b>15.68</b>	<b>20.96</b>
Casual Employee	0.00	0.00	0.00	0.00
Part-Time	12.37	15.33	10.70	15.97
Full-Time	5.00	5.00	4.99	5.00
<b>Ancillary Support Services (Allied Health)</b>	<b>109.38</b>	<b>118.35</b>	<b>106.25</b>	<b>117.59</b>
Casual Employee	2.16	1.82	2.45	2.88
Part-Time	47.88	55.16	51.33	54.87
Full-Time	59.34	61.37	52.47	59.84
<b>Grand Total</b>	<b>1624.42</b>	<b>1650.46</b>	<b>1583.34</b>	<b>1625.37</b>

\*The FTE figures in the above table excludes overtime and contracted staff (i.e. Nurse agency, Fee-for-Service or Visiting Medical Officers).



## FINANCIAL INFORMATION

Summary of the financial results for the year	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
<b>Operating Result</b>	<b>40</b>	<b>52</b>	<b>518</b>	<b>(253)</b>	<b>1,130</b>
Total Revenue*	331,975	298,348	258,017	234,619	218,275
Total Expenses*	(295,928)	(283,058)	(261,585)	(242,309)	(226,298)
<b>Net Result from Transactions</b>	<b>36,047</b>	<b>15,290</b>	<b>(3,568)</b>	<b>(7,690)</b>	<b>(8,023)</b>
Total other economic flows	(1,908)	151	779	(635)	-
<b>Net Result</b>	<b>34,139</b>	<b>15,441</b>	<b>(2,789)</b>	<b>(8,325)</b>	<b>(8,023)</b>
Total Assets	232,161	164,421	125,395	123,788	126,019
Total Liabilities	(77,903)	(73,808)	(60,875)	(56,139)	(50,384)
<b>Net assets /Total equity</b>	<b>154,258</b>	<b>90,613</b>	<b>64,520</b>	<b>67,649</b>	<b>75,635</b>

\* The Operating result is the result for which GV Health is monitored in the Statement of Priorities.

### Reconciliation between the Net Result from Transactions reported in the model to the operating result as agreed in the Statement of Priorities.

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
<b>Net operating result*</b>	<b>40</b>	<b>52</b>	<b>518</b>	<b>(253)</b>	<b>1,130</b>
Capital and specific items					
Capital purpose income	48,872	30,804	10,141	4,162	3,904
Specific income	-	-	-	-	-
Assets provide free of charge	-	-	-	-	-
Assets received free of charge	-	-	-	-	-
Expenditure for capital purpose	(1,047)	(5,164)	(4,198)	(1,212)	(2,368)
Specific expenses	(76)	(250)	(14)	(270)	(125)
Depreciation and amortisation	(11,626)	(10,094)	(9,998)	(10,075)	(10,516)
Impairment of non-financial assets	-	-	-	-	-
Finance costs (Other)	(116)	(58)	(17)	(42)	(48)
<b>Net results from Transactions</b>	<b>36,047</b>	<b>15,290</b>	<b>(3,568)</b>	<b>(7,690)</b>	<b>(8,023)</b>

\* The net operating result is the result which GV Health is monitored against in the Statement of Priorities.

## SUMMARY OF MAJOR CHANGES OR FACTORS AFFECTING PERFORMANCE

GV Health's major financial objective is to provide the necessary resources to meet anticipated activity levels, address essential capital needs and ensure cash sustainability. GV Health was able to deliver on its accountabilities in 2018-19 within its agreed budget.

GV Health delivered an operating surplus of \$0.04m for the 2018-19 financial year (excluding capital, depreciation and specific items) compared to its breakeven budget target. GV Health delivered an overall surplus of \$34.14m for the 2018-19 financial year (including capital, depreciation and specific items).

The net result reflects the receipt of significant one-off capital purpose non-cash income from the Department of Health and Human Services (DHHS) for elements of the GV Health redevelopment.

## SUMMARY OF OPERATIONAL AND BUDGETARY OBJECTIVES AND FACTORS AFFECTING PERFORMANCE

As a public health service, GV Health is required to negotiate a Statement of Priorities (SoP) with the DHHS each year. The SoP is a key accountability agreement between GV Health and the Minister of Health. It recognises that resources are limited and that the allocation of these scarce resources needs to be prioritised. The SoP incorporates both system-wide priorities set by the State Government and agency-specific priorities.

A breakeven operating result (excluding capital, depreciation and specific items) was agreed in the 2018-19 SoP for GV Health. The final result for the year was an operating surplus of \$0.04m. It is important to note that the financial focus for GV Health is on the operating result, given that depreciation is unfunded and capital income from the DHHS is project dependent and therefore highly variable year-to-year.



Funding for capital redevelopment and major equipment purchases are sourced from DHHS; such funding is allocated according to need and after consideration of a supporting submission.

## SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL POSITION

Total cash decreased by \$3.90m from \$27.78m to \$23.88m in 2018-19. The decrease reflects capital cash outflows exceeding capital cash inflows by \$6.0m and a reduction in operating working capital. The major capital cash outflow for the year related to the Waranga Health redevelopment in Rushworth, for which GV Health was provided upfront cash from DHHS in 2017-2018 to deliver the project. The reduction in operating working capital reflects an increase in DHHS grant revenue

offset by an increase in employee entitlements expense, a reduction in accrued expenses, combined with an increase in capital expenditure.

Equity increased by \$63.65m as a result of the net surplus of \$34.14m and a revaluation of land and buildings of \$29.5m.

## EVENTS SUBSEQUENT TO BALANCE DATE

GV Health is unaware of any matters or circumstances that have arisen since the end of the financial year which significantly affect or may significantly affect the operations of the health service, the results of its operations or its state of affairs in future years.

## CONSULTANCIES

### Details of consultancies under (\$10,000)

In 2018-19 there were two consultancies where the total fees payable to the consultants were less than \$10,000 (excluding GST). The total expenditure incurred during 2018-19 in relation to these consultancies was \$7,483 (excluding GST).

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

In 2018-19 there were three consultancies where the total fees payable to the consultants were \$10,000 (excluding GST) or greater. The total expenditure that incurred during 2018-19 in relation to these consultancies was \$194,766 (excluding GST).

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project (exc. GST)	Expenditure (exc. GST)	Future expenditure (exc. GST)
Cube Group	National Disability	Feb 2018	Mar 2018	\$15,000	\$15,000	N/A
Cube Group	GV Health Strategic Plan	Apr 2018	Dec 2018	\$124,786	\$124,786	N/A
Workplace Plus	Cultural Review	May 2018	May 2019	\$54,980	\$54,980	N/A

## INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

The total Information and Communication Technology expenditure during 2018-19 was \$2.65 million (excluding GST) with the details shown below.

Business as usual (BAU) ICT expenditure	Non Business As Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total = Operational expenditure and Capital Expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
\$2.65 million	\$ -	\$ -	\$ -



## HEALTH, SAFETY AND WELLBEING

GV Health maintains an ongoing focus in the safety of its employees, consumers and members of the public. The health service complies with the requirements of the *Occupational Health and Safety Act (Vic) 2004* and the *Victorian Occupational Health and Safety Regulations 2017*.

Health and safety representatives at GV Health continue to eliminate or mitigate the risk of injury within the workplace and work with staff to ensure ongoing consideration of workplace safety. If a workplace injury occurs, the health service actively encourages a safe and timely return to work of its employees. All staff is encouraged to report incidents and report workplace hazards, which enables the identification and rectification of potential sources of workplace injury.

Number of reported hazards for the year per 100 FTE	1.87
Number of reported incidents for the year per 100 FTE	23.15
Number of lost time standard claims for the year per 100 FTE	1.09
Average cost per claim for the year	\$21,945

In 2018-19 there were 18 claims of which 15 claims resulted in a physical injury and three claims resulted in a psychological injury. All staff members are supported and assisted in transitioning back to work at the earliest opportunity. Of the 15 physical injury claims, five employees have returned to their pre-injury duties and hours. Of the three psychological injury claims, one employee has returned to their pre-injury duties and hours, with another employee exiting the health service to engage employment with another employer.

### OCCUPATIONAL VIOLENCE PREVENTION

GV Health implemented an Occupational Violence and Aggression (OVA) Procedure Manual to reduce incidents of violence and aggression. The OVA Committee continues to work through a number of actions in the GV Health OVA strategy and procedure including alerts and flags in the patient management system, expanding the Code Grey response team and ensuring the provision of training for employees. The Code Grey procedure has also been revised to ensure compliance with the new Code Grey standards.

## OCCUPATIONAL VIOLENCE REPORTING REQUIREMENTS

Occupational Violence Statistics	
Workcover accepted claims with an occupational violence cause per 100 FTE.	0.121
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0.353
Number of occupational violence incidents reported.	169
Number of occupational violence incidents reported per 100 FTE.	10.24
Percentage of occupational violence incidents resulting in a staff injury, illness or condition.	8.45%

### THE FOLLOWING DEFINITIONS APPLY:

*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 must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.

*Accepted Workcover claims:* Accepted Workcover claims that were lodged in 2017-18. Lost time is defined as greater than one day.

*Injury, illness or condition:* This includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

# FINANCIAL AND SERVICE PERFORMANCE REPORTING

## PART A: STRATEGIC PRIORITIES

Goals	Health Service Deliverables	Strategies	Achieved
<p><b>Better Health</b></p> <p>A system geared to prevention as much as treatment.</p> <p>Everyone understands their own health and risks.</p> <p>Illness is detected and managed early.</p> <p>Healthy neighbourhoods and communities encourage healthy lifestyles.</p>	<p><b>Work collaboratively with General Practitioners, specialists, community service providers, education providers and the community to improve the community's health and lifestyle through engagement campaigns, delivering extensive primary care services, training staff and targeting vulnerable groups.</b></p>	<p><b>Better Health</b></p> <p>Reduce state-wide risks.</p> <p>Build healthy neighbourhoods.</p> <p>Help people to stay healthy.</p> <p>Target health gaps.</p>	<p>The Goulburn Valley Health Primary Care and Population Plan 2019-21 was approved in early 2019 and implementation is well underway. Local health promotion staff members (including but not limited to GV Health, Primary Care Connect, Strathbogie Shire Council workers and Greater Shepparton City Council workers) have been involved in the research project RESPOND. This project, led by Deakin University, aims to address childhood obesity levels through a systems-based collaborative methodology which includes the collection of both objective and subjective data of local children and community-led collaborative systems in townships. The current focus has been in Euroa, Cobram and Yarrawonga and has included sessions that work with community leaders to identify and build "maps" to help explain why poor children's health and wellbeing is occurring in that specific area. This allows actions/ interventions to be targeted for that town/area and is led by the community.</p>
	<p><b>Maintain and strengthen recovery-orientated practices across all mental health divisions, improve and evaluate the GV Health mental health recruitment strategy and implement professional development across all areas.</b></p>		<p><b>Achieved</b></p> <p>Four additional acute response team roles have been created to expand GV Health's capacity to respond to both community and emergency mental health consumer presentations. Funding has been received to establish a personality disorder service which enabled six staff from across the health service to upskill in metallisation-based therapy. This training will offer additional support in a group setting for consumers with personality disorders.</p> <p>Adult intensive complex care funding for consumers with severe mental illness and complex care needs, including challenging behaviours, was also received and will support the provision of a range of highly intensive, clinically focused treatment and support to high-needs and complex mental health consumers. This support will reduce the need for hospitalisation and offer assistance to consumers across a range of services, including drug and alcohol, corrections and emergency services..</p>



Goals	Deliverables	Strategies	In Progress
<p><b>Better Access</b></p> <p>Care is always there when people need it.</p> <p>More access to care in the home and community.</p> <p>People are connected to the full range of care and support they need.</p> <p>There is equal access to care.</p>	<p><b>Enhance and grow non-admitted allied health services in the oncology program to facilitate patient flow, improve patient outcomes and ensure patients receive evidence-based interventions in a timely manner.</b></p>	<p><b>Better Access</b></p> <p>Plan and invest.</p> <p>Unlock innovation.</p> <p>Provide easier access.</p> <p>Ensure fair access.</p>	<p>In collaboration with Primary Care Connect, a step-down program has been developed for patients who have completed the cancer wellness and exercise program at GV Health. The program will be a maintenance program similar to those run for pulmonary patients.</p> <p>Overall, participant results demonstrate increased physical activity levels, healthy food intake and self-reported psycho-social wellbeing also improved over the eight week program.</p>
			<p><b>Achieved</b></p>
	<p><b>Enhance allied health services in inpatient areas to improve length of stay and meet increased surgical and medical demand.</b></p>		<p>Resources have been prioritised to the area of greatest need and the effect of this is monitored through the Daily Operating System, which aims to optimise patient flow.</p>
			<p><b>Not achieved</b></p>
	<p><b>Improve and enhance service delivery, transfer times and quality of care in the emergency department, aiming to improve ambulance off-stretcher times and four-hour patient length of stay performance in the emergency department by 10 per cent through the flow-to-go initiative.</b></p>		<p>The implementation of the Daily Operating System (DOS) in November 2018 has enabled service improvements within the health service which has achieved a 7% increase in patient discharges occurring before 10:00am and a reduction by 4% of discharges occurring after 5:00pm. Work continues to move the average discharge time from 1:30pm to midday on each day of the week. The DOS principles of leadership; staff coming together at huddles; visual management and daily readiness will be maintained to ensure standardisation of process across the organisation, which supports a reduction in avoidable harm and focus on high-quality care.</p>
			<p><b>Achieved</b></p>
	<p><b>Commence implementation of a whole-of-hospital model of care which supports better access, better patient flow and complements the new inpatient infrastructure in the redevelopments of the Rushworth and Shepparton campuses.</b></p>		<p>Nine models of care have been completed, focussing on the operational models which relate to Waranga Health in Rushworth and Graham Street, Shepparton redevelopments and planning for operational readiness. Development of the remaining models of care will continue throughout 2019/20 to support transitions into providing new services. This work supports the Workforce Plan and clinical capability frameworks.</p>



Goals	Health Service Deliverables	Strategies	Achieved
	<b>Fully embed the Rapid Assessment and Planning Unit (RAPU) evaluate the effectiveness of the model and implement identified improvements.</b>	<b>Better Access</b> Plan and invest. Unlock innovation. Provide easier access. Ensure fair access.	A bed plan has been established in the medical unit to facilitate operational flow. The plan defines the roles and responsibilities of staff and promotes patient care in accordance with the RAPU guide. This includes defined teams of staff caring for the RAPU patient across all disciplines while focussing on a model to admit patients more quickly from the emergency department to improve patient flow.
			<b>In progress</b>
	<b>Improve access, connectivity and synergies by planning and building new facilities including implementation of new models of care that are designed to improve the patient journey.</b>		The signage and wayfinding group and the Executive endorsed the use of artwork, which was created and donated by a staff member, to assist wayfinding as a trial prior to the completion of the redevelopment. These paintings represent the Goulburn Valley and are installed at important wayfinding points within the health service. The images will be translated back onto the wayfinding map to assist those with difficulties with the English language.
			<b>Achieved</b>
	<b>Develop and deliver a 2018/19 Financial Sustainability Strategy (FSP) that supports achievement of the budget and provides the basis for innovation and self-generated funding for capital.</b>		The FSP in 2018/19 delivered \$4.4m in improvements and was a major factor in GV Health delivering an operating surplus.





Goals	Health Service Deliverables	Strategies	Achieved
<p><b>Better Care</b></p> <p>Target zero avoidable harm.</p> <p>Health care that focusses on outcomes.</p> <p>Patients and carers are active partners in care.</p> <p>Care fits together.</p>	<p><b>Strengthen the approach to clinical governance and clinician engagement through the development and implementation of a dedicated strategy.</b></p>	<p><b>Better Care</b></p> <p>Put quality first.</p> <p>Join up care.</p> <p>Partner with patients.</p> <p>Strengthen the workforce.</p> <p>Embed evidence.</p> <p>Ensure equal care.</p>	<p>All risks on the risk register have been aligned to the new Governance Committee structure. A review of terms of reference and agenda and templates has been completed for all committees.</p> <p>Risk workshops were held across clinical divisions with contribution from all disciplines.</p> <p>The risk management framework is under review and is being conducted using the same approach as used for clinical governance, incidents and complaints. A Board risk workshop was conducted in May 2019 and support has been provided by the Victorian Managed Insurance Agency.</p> <p>The restructure of the Quality, Risk &amp; Innovation directorate is complete, providing a quality resource for each clinical division in a partnership model. The safety and quality co-ordinators are attending the Divisional Safety, Quality and Performance Operational meetings.</p> <p>The innovation and improvement framework has been approved by the Executive, with education in place to support the implementation.</p> <p>Improvements have been made to the credentialing model and framework that includes all medical, nursing and allied health disciplines.</p>
			<p><b>In progress</b></p>
	<p><b>Partner with consumers, including incident reviews and feedback initiatives to develop strategies for improved consumer engagement.</b></p>		<p>A new consumer experience co-ordinator and consumer liaison officer commenced and have progressed this priority. A Consumer Experience Committee has been established, to focus on consumer and community partnerships across all of GV Health.</p> <p>Using the well-established mental health consumer engagement strategy, the committee is actively working to develop a consumer engagement strategy for all of GV Health. A diversity, access and inclusion plan is also being developed.</p> <p>The Community Advisory Committee completed a workshop to determine the priorities and direction for consumer-focussed metrics such as incidents and feedback data.</p>



Goals	Health Service Deliverables	Strategies	Achieved
	<b>Implement the GV Health Community Engagement Plan 2018-20 to embed patient-centred care principles, encourage more community members to choose GV Health and involve the community in the planning and delivery of health services.</b>		<p>The Community Advisory Committee has been involved in co-designing the GV Health response to the Safer Care Victoria (SCV) Partnering in healthcare statement of intent. The domains chosen to focus on are 'personalised and holistic care' and 'working together'.</p> <p>The Consumer Experience Committee has developed a draft Consumer Experience Strategy 2019-2023 and the SCV Statement of Intent will be incorporated into the plan. The objectives of the plan will be discussed by the Community Advisory Committee with the aim of incorporating objectives from the Statement of Intent into the Consumer Experience Plan 2019-23.</p>
			<b>In Progress</b>
<b>Specific 2018-19 priorities (mandatory)</b>	<b>Review existing GV Health Disability Action Plan for 2016-19 and develop a new plan for 2019 onwards.</b>	<b>Disability Action Plans</b> Draft disability action plans are completed in 2018-19.	The Consumer Experience Committee has identified a list of stakeholders to engage with as part of the finalisation of the disability plan. Development of the plan is well advanced.
	<b>Review GV Health's volunteer engagement program, and maintain and strengthen initiatives to recognise their important service.</b>	<b>Volunteer engagement</b> Ensure that the health service executives have appropriate measures to engage and recognise volunteers.	<p>The volunteer strategy has been reviewed and updated. As part of the review, 60 volunteers were surveyed, with 60% responding. Survey findings and feedback will be provided to volunteers when the strategy is endorsed for 2019/22. GV Health volunteer Mrs Lorna Chandler was recognised for her contribution and named as the runner up at the Minister for Health's annual volunteer awards ceremony in the 'Senior Volunteer' category. Mrs Chandler was also named joint winner of the Greater Shepparton City Council Volunteer Recognition Awards Ceremony in the long serving volunteer category. GV Health volunteer Mr Bernie Squires received the Living the Values Excellence award, and volunteer Carol Evans has been nominated by GV Health for the DHHS 2019 Victorian Senior of the year.</p> <p>Future mandatory training and refresher programs for volunteers are scheduled.</p>
			<b>Achieved</b>



Goals	Health Service Deliverables	Strategies	In Progress
	<p><b>Develop and implement people strategy and build a culture upon the foundations of the GV Health CREATE values and respectful workplace behaviours by reviewing available survey and incident data, reporting data, implementing action plans to address areas for improvement and including bullying and harassment as a regular item in Board and Executive meetings.</b></p>	<p><b>Bullying and harassment</b></p> <p>Actively promote positive workplace behaviours and encourage reporting. Utilise staff surveys, incident reporting data, outcomes of investigations and claims to regularly monitor and identify risks related to bullying and harassment. Include as a regular item in Board and Executive meetings. Appropriately investigate all reports of bullying and harassment and ensure there is a feedback mechanism to staff involved and the broader health service staff.</p>	<p>Implementation of the 'Know Better Be Better' campaign is well advanced and an action plan related to the framework for promoting a positive workplace culture has been developed. The psychological wellbeing plan continues to be implemented, with resources available on the GV Health intranet and managers' resource page.</p> <p>The CREATE. Outstanding. program continues to be embedded, with Monthly Accountability Meetings implemented in all directorates.</p> <p>The People Matter Survey results for 2019 indicate a reduction in the number of employees who have experienced bullying and discrimination in the workplace (from 21% to 16% for bullying and from 7% to 6% for discrimination).</p>
	<p><b>Develop and implement occupational violence prevention principles through training and awareness campaigns across the health service.</b></p>	<p><b>Occupational violence</b></p> <p>Ensure all staff that have contact with patients and visitors have undertaken core occupational violence training, annually. Ensure the department's occupational violence and aggression training principles are implemented.</p>	<p><b>In Progress</b></p> <p>The GV Health Occupational Violence and Aggression (OVA) Framework/Procedure Manual has been approved. An implementation plan is being developed to incorporate education and training for all staff.</p> <p>The OVA education package has been reviewed and is to be a mandatory requirement for all staff. Additional training in this area will be required to be undertaken by staff dependent upon their position.</p> <p>Higher level reporting of OVA incidents is provided on a weekly basis through the DOS.</p>



Goals	Health Service Deliverables	Strategies	In Progress
	<p><b>Implement agreed actions for 2018-19 from the environmental management plan and ensure all capital developments meet or exceed relevant environmental efficiency standards in relation to waste management, fleet management, water consumption, energy consumption and procurement.</b></p>	<p><b>Environmental Sustainability</b></p> <p>Actively contribute to the development of the Victorian Government’s policy to be net zero carbon by 2050 and improve environmental workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management. Publicly reporting environmental performance data, including measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.</p>	<p>The Environmental Sustainability Plan has been developed, with performance against measurable targets reported as required.</p> <p>Fuel reduction and cleaner emissions have been a priority for all new fleet car purchases. Hybrid cars are being reviewed as part of this focus.</p> <p>Paper usage has also been reviewed as the “follow me print process” is rolled out.</p>
	<p><b>Develop a GV Health Inclusion and Equality Strategy to promote policies and protocols to avoid discrimination and promote rights to free expression of gender and sexuality.</b></p>	<p><b>LGBTIQA+</b></p> <p>Develop and promulgate service level policies and protocols, in partnership with LGBTIQA+ communities to avoid discrimination against LGBTIQA+ patients, ensure appropriate data collection, and actively promote rights to free expression of gender and sexuality in health care settings. Where relevant, services should offer leading practice approaches to trans and intersex-related interventions.</p>	<p><b>In Progress</b></p> <p>The first draft of the GV Health Diversity and Inclusion Plan 2019-2023 has been developed and reviewed by the Consumer Experience Committee. The Executive Director, Community Care and Mental Health has held consultation conversations with members of the LGBTIQA+ community as well as members from the refugee and asylum seeker community.</p> <p>In May 2019 all GV Health Executive participated in LGBTIQA+ training through Uniting Care. Training has also been provided to senior members of the Community Care and Mental Health directorate. Five further training sessions have been scheduled for the 2019 calendar year.</p>



## PART B: PERFORMANCE PRIORITIES 2018/19

\*Please note that some of the data used to inform the actuals for Part B for 2018/19 was still in DRAFT at the time of printing this report.

### HIGH-QUALITY AND SAFE CARE

Key Performance Indicator	Target	Result
<b>ACCREDITATION</b>		
Accreditation against the National Safety and Quality Health Service Standards	Accredited	Full compliance
Compliance with the Commonwealth's Aged Care Accreditation Standards	Accredited	Full compliance
<b>INFECTION PREVENTION AND CONTROL</b>		
Compliance with the Hand Hygiene Australia program	80%	88%
Percentage of healthcare workers immunised for influenza	80%	87%
<b>PATIENT EXPERIENCE</b>		
Victorian Healthcare Experience Survey - data submission	Full compliance	Full compliance
Victorian Healthcare Experience Survey - percentage of positive patient experience - Quarter 1	95%	80.5%
Victorian Healthcare Experience Survey - percentage of positive patient experience - Quarter 2	95%	91.5%
Victorian Healthcare Experience Survey - percentage of positive patient experience - Quarter 3	95%	89.9%
Victorian Healthcare Experience Survey - percentage of very positive responses to questions on discharge care - Quarter 1	75%	75.8%
Victorian Healthcare Experience Survey - percentage of very positive responses to questions on discharge care - Quarter 2	75%	72.3%
Victorian Healthcare Experience Survey - percentage of very positive responses to questions on discharge care - Quarter 3	75%	72.8%
Victorian Healthcare Experience Survey - patients' perception of cleanliness - Quarter 1	70%	71.4%
Victorian Healthcare Experience Survey - patients' perception of cleanliness - Quarter 2	70%	70%
Victorian Healthcare Experience Survey - patients' perception of cleanliness - Quarter 3	70%	67.2%
<b>HEALTHCARE ASSOCIATED INFECTIONS</b>		
Number of patients with surgical site infection	No outliers	Not met
Number of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	0.0
Rate of patients with SAB1 per occupied bed day	≤ 1/10,000	0.5
<b>ADVERSE EVENTS</b>		
Sentinel events - root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Target met
Unplanned readmission hip replacement	Annual rate ≤ 1/10,000	3.2%





Key Performance Indicator	Target	Result
<b>MENTAL HEALTH</b>		
Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge.	14%	11%
Rate of seclusion events relating to an adult acute mental health admission.	⋈ 15/1,000	9
Rate of seclusion events relating to an aged acute mental health admission.	⋈ 15/1,000	0
Percentage of child and adolescent acute mental health inpatients who have a post discharge follow up within seven days.	80%	80%
Percentage of adult acute mental health inpatients who have a post discharge follow up within seven days.	80%	87%
Percentage of aged acute mental health inpatients who have a post discharge follow up within seven days.	80%	81%
<b>MATERNITY AND NEWBORN</b>		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes.	⋈ 1.4%	1.4%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks.	⋈ 28.6%	6.7%
Proportion of urgent maternity patients referred for obstetric care to a level 4, 5 or 5 maternity service who were booked for a specialist clinic appointment within 30 days of accepted referral.	100%	100%
<b>CONTINUING CARE</b>		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay.	≤ 0.645	0.830

## STRONG GOVERNANCE, LEADERSHIP AND CULTURE

<b>ORGANISATIONAL CULTURE</b>		
People Matter Survey - percentage of staff with an overall positive response to safety and culture questions.	80%	88%
People Matter Survey - percentage of staff with a positive response to the question "I am encouraged by my colleagues to report any patient safety concerns I may have."	80%	96%
People Matter Survey - percentage of staff with a positive response to the question "Patient care errors are handled appropriately in my work area."	80%	94%
People Matter Survey - percentage of staff with a positive response to the question "My suggestions about patient safety would be acted upon if I expressed them to my manager."	80%	92%
People Matter Survey - percentage of staff with a positive response to the question "The culture in my work area makes it easy to learn from the errors of others."	80%	89%
People Matter Survey - percentage of staff with a positive response to the question "Management is driving us to be a safety-centred organisation."	80%	92%
People Matter Survey - percentage of staff with a positive response to the question "This health service does a good job of training new and existing staff."	80%	79%
People Matter Survey - percentage of staff with a positive response to the question "Trainees in my discipline are adequately supervised."	80%	83%
People Matter Survey - percentage of staff with a positive response to the question "I would recommend a friend or relative to be treated as a patient here."	80%	76%



## TIMELY ACCESS TO CARE

Key Performance Indicator	Target	Result
<b>EMERGENCY CARE</b>		
Percentage of patients transferred from ambulance to emergency department within 40 minutes.	90%	79%
Percentage of Triage Category 1 emergency patients seen immediately.	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time.	80%	61%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours.	81%	61%
Number of patients with a length of stay in the emergency department greater than 24 hours.	0%	0%
<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%	94.4%
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	4.8%
Number of patients on the elective surgery waiting list.	584	534
Number of hospital initiated postponements per 100 scheduled elective surgery admissions.	↯ 7/100	4.9%
Number of patients admitted from the elective surgery waiting list – annual total.	3,579	3152
<b>SPECIALIST CLINICS</b>		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days.	100%	93.1%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days.	90%	95.3%

## EFFECTIVE FINANCIAL MANAGEMENT

<b>FINANCE</b>		
Operating result (\$m)	0.0	0.04m
Average number of days to paying trade creditors.	60 days	58 days
Average number of days to receiving patient fee debtors.	60 days	56 days
Public and Private WIES activity performance to target.	100%	93.25%
Adjusted current asset ratio.	0.7 or 3% improvement from health service base target	0.61
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of the month.	14 days	9.2 days
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June.	Variations \$250,000	Not achieved

## PART C: ACTIVITY AND FUNDING 2018/19

### FUNDING TYPE

Key Performance Indicator	Measure	Target	Result
<b>Finance</b>			
WIES DVA	WIES	243	232
WIES Private	WIES	3545	3252
WIES Public	WIES	18,026	16,863
WIES TAC	WIES	171	145
<b>Acute Non-Admitted</b>			
Emergency Services	Presentations		36,276
Specialist Clinics - Public	Service Events	41,706	41,173
<b>Aged Care</b>			
Aged Care Assessment Service	Assessment and Support Plans Reviews		1510
HACC*	Service Hours	10,196	10,692
Residential Aged Care	Bed Days	19,888	17,460
<b>Sub-Acute and Non-Acute Admitted</b>			
Transition Care – Bed Days	Bed Days	13,118	11,824
Transition Care – Home Days	Bed Days	13,546	13,394
Sub-Acute WIES – GEM Private	Sub Acute WIES	103	71
Sub-Acute WIES – GEM Public	Sub Acute WIES	446	386
Sub-Acute WIES – Palliative Care Private	Sub Acute WIES	35	17
Sub-Acute WIES – Palliative Care Public	Sub Acute WIES	136	124
Sub-Acute WIES – Rehabilitation Private	Sub Acute WIES	103	112
Sub-Acute WIES – Rehabilitation Public	Sub Acute WIES	353	443
<b>Sub-Acute Non-Admitted</b>			
Health Independence Program	Contacts	30,512	30,816
<b>Mental Health and Drug Services</b>			
Drug Services	DTAU's	1280	1656
Mental Health Ambulatory	Service Hours	38,905	39,438
Mental Health Residential	Bed Days	7305	6988
Mental Health Sub-Acute	Bed Days	7305	6887
Mental Health Inpatient – Available Bed Days	Bed Days	7305	6855
<b>Primary Health</b>			
Community Health / Primary Care Programs	Service Hours	11,945	11,364
<b>Other</b>			
Health Workforce		103	103

\* HACC includes Nursing After Hours

# ATTESTATIONS



## DATA INTEGRITY

I, Matt Sharp, certify that GV Health has put in place appropriate internal controls and processes to ensure that reported data reasonably reflects actual performance.

GV Health has critically reviewed these controls and processes during the year.

**Matt Sharp**  
Chief Executive  
12 August 2019

## CONFLICT OF INTEREST

I, Matt Sharp, certify that GV 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 Victorian Public Sector Commission (VPSC). Declaration of private interest forms have been completed by all executive staff within GV 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.

GV Health will implement a Conflict of Interest policy that is consistent with the guidelines of the VPSC.

**Matt Sharp**  
Chief Executive  
12 August 2019

## INTEGRITY, FRAUD AND CORRUPTION

I, Matt Sharp, certify that GV Health has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at GV Health during the year.

**Matt Sharp**  
Chief Executive  
12 August 2019

## HEALTH PURCHASING VICTORIA POLICIES COMPLIANCE

I, Matt Sharp, certify that GV Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements as set out in the HPV Health Purchasing Policies including mandatory HPV collective agreements as required by the *Health Services Act 1988* (Vic) and has critically reviewed these controls and processes during the year.

**Matt Sharp**  
Chief Executive  
12 August 2019

## FINANCIAL MANAGEMENT COMPLIANCE

I, Rebecca Woolstencroft, on behalf of the GV Health Board, certify that GV Health has complied with the applicable Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994* and Instructions.

**Rebecca Woolstencroft**  
Board Chair  
12 August 2019

# DISCLOSURE INDEX

The annual report of Goulburn Valley Health is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Ministerial Directions

Report of Operations

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# FINANCIAL REPORT

2018/19



# GV HEALTH

## FINANCIAL REPORT

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**GV HEALTH**  
**FINANCIAL STATEMENTS**  
**FINANCIAL YEAR ENDED 30 JUNE 2019**  
**BOARD MEMBER'S, ACCOUNTABLE OFFICER'S AND CHIEF**  
**FINANCE & ACCOUNTING OFFICER'S DECLARATION**

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and the financial position of GV Health at 30 June 2019.

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

We authorise the attached financial statements for issue on the 12 August 2019.

**REBECCA WOOLSTENCROFT**  
BOARD CHAIR

Shepparton  
12 August 2019

**MATT SHARP**  
CHIEF EXECUTIVE

Shepparton  
12 August 2019

**PETER HUTCHINSON**  
CHIEF FINANCE OFFICER

Shepparton  
12 August 2019





## Independent Auditor's Report

### To the Board of Goulburn Valley Health

<b>Opinion</b>	<p>I have audited the financial report of Goulburn Valley Health (the health service) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2019</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• board member's, accountable officer's and chief finance &amp; accounting officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>



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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  
16 August 2019

Travis Derricott  
*as delegate for the Auditor-General of Victoria*

## GV HEALTH

# COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
<b>Income from Transactions</b>			
Operating Activities	2.1	331,214	297,590
Non-operating Activities	2.1	761	758
<b>Total Income from Transactions</b>		<b>331,975</b>	<b>298,348</b>
<b>Expenses from Transactions</b>			
Employee Expenses	3.1	(206,516)	(192,461)
Supplies and Consumables	3.1	(50,717)	(48,851)
Finance Costs	3.1	(21)	(45)
Depreciation and Amortisation	4.3	(11,626)	(10,094)
Other Operating Expenses	3.1	(27,048)	(31,607)
<b>Total Expenses from Transactions</b>		<b>(295,928)</b>	<b>(283,058)</b>
<b>Net Result from Transactions - Net Operating Balance</b>		<b>36,047</b>	<b>15,290</b>
<b>Other Economic Flows included in Net Result</b>			
Net Gain/(Loss) on Sale of Non-Financial Assets	3.2	175	29
Net Gain/(Loss) on Financial Instruments at Fair Value	3.2	(191)	163
Other Gain/(Loss) from Other Economic Flows	3.2	(1,892)	(41)
<b>Total Other Economic Flows Included in Net Result</b>		<b>(1,908)</b>	<b>151</b>
<b>Net Result for the Year</b>		<b>34,139</b>	<b>15,441</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to Net Result</b>			
Changes in Property, Plant and Equipment Revaluation Surplus	4.1(b)	29,506	10,652
<b>Total Other Comprehensive Income</b>		<b>29,506</b>	<b>10,652</b>
<b>Comprehensive result for the year</b>		<b>63,645</b>	<b>26,093</b>

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



## GV HEALTH

### BALANCE SHEET AS AT 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
<b>Current Assets</b>			
Cash and Cash Equivalents	6.2	23,888	27,782
Receivables	5.1	5,734	8,318
Inventories		2,042	2,153
Other Financial Assets		1,567	1,067
<b>Total Current Assets</b>		<b>33,231</b>	<b>39,320</b>
<b>Non-Current Assets</b>			
Receivables	5.1	3,786	1,733
Property, Plant and Equipment	4.1	194,022	122,762
Intangible Assets	4.2	1,122	606
<b>Total Non-Current Assets</b>		<b>198,930</b>	<b>125,101</b>
<b>TOTAL ASSETS</b>		<b>232,161</b>	<b>164,421</b>
<b>Current Liabilities</b>			
Payables	5.2	16,482	21,950
Borrowings	6.1	1,413	961
Provisions	3.4	40,306	33,933
Other Liabilities	5.3	9,967	8,657
<b>Total Current Liabilities</b>		<b>68,168</b>	<b>65,501</b>
<b>Non-Current Liabilities</b>			
Borrowings	6.1	3,456	3,123
Provisions	3.4	6,279	5,184
<b>Total Non-Current Liabilities</b>		<b>9,735</b>	<b>8,307</b>
<b>TOTAL LIABILITIES</b>		<b>77,903</b>	<b>73,808</b>
<b>NET ASSETS</b>		<b>154,258</b>	<b>90,613</b>
<b>Equity</b>			
Property, Plant and Equipment Revaluation Surplus	4.1(f)	104,150	74,644
General Purpose Surplus		2,489	2,473
Restricted Specific Purpose Surplus		5,278	5,342
Contributed Capital		46,821	46,821
Accumulated Deficits		(4,480)	(38,667)
<b>TOTAL EQUITY</b>		<b>154,258</b>	<b>90,613</b>
Contingent Assets and Contingent Liabilities	7.2		
Commitments	6.3		

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

## GV HEALTH

### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Property, Plant & Equipment Revaluation Surplus \$'000	General Purpose Surplus \$'000	Restricted Specific Purpose Surplus \$'000	Contributed Capital \$'000	Accumulated Surpluses/ (Deficits) \$'000	Total \$'000
<b>Balance at 1 July 2017</b>	<b>63,992</b>	<b>19,562</b>	<b>5,379</b>	<b>46,821</b>	<b>(71,234)</b>	<b>64,520</b>
Net Result for the Year	-	-	-	-	15,441	15,441
Other comprehensive income for the year	10,652	-	-	-	-	10,652
Transfer from/(to) Accumulated Surplus (Deficit)	-	(17,089)	(37)	-	17,126	-
<b>Balance at 30 June 2018</b>	<b>74,644</b>	<b>2,473</b>	<b>5,342</b>	<b>46,821</b>	<b>(38,667)</b>	<b>90,613</b>
Net Result for the Year	-	-	-	-	34,139	34,139
Other comprehensive income for the year	29,506	-	-	-	-	29,506
Transfer from/(to) Accumulated Surplus (Deficit)	-	16	(64)	-	48	-
<b>Balance at 30 June 2019</b>	<b>104,150</b>	<b>2,489</b>	<b>5,278</b>	<b>46,821</b>	<b>(4,480)</b>	<b>154,258</b>

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



## GV HEALTH

# CASH FLOW STATEMENT

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
<b>Cash Flows from Operating Activities</b>			
Operating Grants from Government		246,360	229,484
Capital Grants from Government		4,360	14,249
Other Capital Receipts		-	5
Patient and Resident Fees Received		19,248	18,860
Private Practice Fees Received		3,206	3,374
Donations and Bequests Received		289	421
Capital Donations and Bequests Received		298	605
GST received from/(paid to) ATO		7,456	7,045
Interest and Investment Income Received		793	761
Car Park Income Received		495	544
Other Receipts		15,770	13,865
Trust Monies recognised as Cash from Operations		-	8,657
<b>Total Receipts</b>		<b>298,275</b>	<b>297,870</b>
Employee Expenses Paid		(185,810)	(169,596)
Non Salary Labour Costs		(17,362)	(18,862)
Payments for Supplies and Consumables		(52,159)	(50,576)
Payments for Medical Indemnity Insurance		(4,013)	(4,261)
Payments for Repairs and Maintenance		(3,790)	(3,496)
Finance Costs		(157)	(95)
Payment for share of Hume Rural Health Alliance		(491)	(493)
Other Payments		(31,175)	(22,519)
<b>Total Payments</b>		<b>(294,957)</b>	<b>(269,898)</b>
<b>Net Cash Flow From/(Used in) Operating Activities</b>	<b>8.1</b>	<b>3,318</b>	<b>27,972</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Non-Financial Assets		(9,162)	(9,135)
Purchase of Intangible Assets		(851)	(215)
Proceeds from Disposal of Non-Financial Assets		705	144
<b>Net Cash Flow From/(Used in) Investing Activities</b>		<b>(9,308)</b>	<b>(9,206)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of Borrowings		(447)	(550)
Net Movement Trust Monies		1,082	-
Receipt of Accommodation Deposits		2,495	-
Repayment of Accommodation Deposits		(2,267)	-
Proceeds from Finance Leases		1,461	1,551
Repayment of Finance Leases		(228)	(347)
<b>Net Cash Flow From/(Used in) Financing Activities</b>		<b>2,096</b>	<b>654</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Held</b>		<b>(3,894)</b>	<b>19,420</b>
Cash and Cash Equivalents at Beginning of Year		27,782	8,362
<b>Cash and Cash Equivalents at End of Year</b>	<b>6.2</b>	<b>23,888</b>	<b>27,782</b>

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





# GV HEALTH

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

These annual financial statements represent the audited general purpose financial statements for GV Health for the year ended 30 June 2019. The report provides users with information about GV Health's stewardship of resources entrusted to it.

#### (A) STATEMENT OF COMPLIANCE

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

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

GV Health is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to not-for-profit health service under the AASBs.

The annual financial statements were authorised by the Board of GV Health on 12 August 2019.

#### (B) REPORTING ENTITY

The financial statements include all the controlled activities of GV Health.

Its principal address is:

Graham Street

Shepparton, Victoria 3630

A description of the nature of GV Health's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

#### (C) BASIS OF ACCOUNTING PREPARATION AND MEASUREMENT

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies have been applied in preparing the financial statements for the year ended 30 June 2019, and the comparative information presented in these financial

statements for the year ended 30 June 2018.

The 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 GV Health.

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

GV Health operates on a fund accounting basis and maintains three funds; Operating, Specific Purpose and Capital Funds.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is, they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASBs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings and plant and equipment (refer to Note 4.1 Property, Plant and Equipment);
- Defined benefit superannuation expense (refer to Note 3.5 Superannuation); and
- Employee benefit provisions are based on likely tenure

of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4 Employee Benefits in the Balance Sheet).

#### **Goods and Services Tax (GST)**

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

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

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

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

#### **(D) JOINTLY CONTROLLED OPERATION**

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In respect of any interest in joint operations, GV Health recognises in the financial statements:

- Its assets, including its share of any assets held jointly;
- Any liabilities including its share of liabilities that it had incurred;
- Its revenue from the sale of its share of the output from the joint operation;
- Its share of the revenue from the sale of the output by the operation; and
- Its expenses, including its share of any expenses incurred jointly.

GV Health is a member of the Hume Rural Health Alliance (HRHA) and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.8 Jointly Controlled Operations).

#### **(E) EQUITY**

##### **Contributed Capital**

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

##### **Specific Restricted Purpose Surplus**

The Specific Restricted Purpose Surplus is established where GV 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.

#### **(F) COMPARATIVES**

Where applicable, the comparative figures have been restated to align with the presentation in the current year. Figures have been restated in Notes 2 and 3.

## NOTE 2: FUNDING DELIVERY OF OUR SERVICES

GV Health's overall objective is to provide quality health services that promote healthy communities and improve the quality of life of Victorians.

GV Health is predominantly funded by accrual-based grant funding for the provision of agreed outputs.

GV Health also receives income from the supply of services.

### Structure

#### 2.1 Income from Transactions

## NOTE 2.1: INCOME FROM TRANSACTIONS

	2019 \$'000	2018 \$'000
Government Grants - Operating	247,061	230,339
Government Grants - Capital	293	266
Other Capital Purpose Income (including Capital Donations)	48,800	30,721
Patient and Resident Fees	8,378	8,785
Private Practice Fees	512	659
Commercial Activities <sup>(i)</sup>	18,618	18,526
Other Revenue from Operating Activities	7,552	8,294
<b>Total Income from Operating Activities</b>	<b>331,214</b>	<b>297,590</b>
Capital Interest	72	83
Other Interest	689	675
<b>Total Income from Non-Operating Activities</b>	<b>761</b>	<b>758</b>
<b>Total Income from Transactions</b>	<b>331,975</b>	<b>298,348</b>

<sup>(i)</sup> Commercial activities represent business activities which the health service enters into to support operations.

### Revenue Recognition

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to GV Health and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances and duties and taxes.

### Government Grants and Other Transfers of Income (Other than Contributions by Owners)

In accordance with AASB 1004 *Contributions*, government grants and other transfers of income (other than contributions by owners) are recognised as income when GV Health gains control of the underlying assets irrespective of whether conditions are imposed on GV Health's use of the contributions.

The Department of Health and Human Services makes certain payments on behalf of GV Health. These amounts have been

brought to account as grants in determining the operating result for the year by recording them as revenue.

Contributions are deferred as income in advance when GV Health has a present obligation to repay them and the present obligation can be reliably measured.

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

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

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



## NOTE 2.1: INCOME FROM TRANSACTIONS (CONTINUED)

### **Patient and Resident Fees**

Patient fees are recognised as revenue on an accrual basis.

### **Private Practice Fees**

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

### **Revenue from Commercial Activities**

Revenue from commercial activities such as commercial laboratory medicine, diagnostic imaging are recognised at the time invoices are raised.

### **Fair Value of Assets and Services Received Free of Charge or for Nominal Consideration**

Resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions,

unless received from another health service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying amount. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

### **Other Income**

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

### **Interest Revenue**

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

## NOTE 3: THE COST OF DELIVERING OUR SERVICES

This section provides an account of the expenses incurred by GV 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 services are recorded.

### **Structure**

- 3.1 Expenses from transactions
- 3.2 Other Economic Flows
- 3.3 Analysis of expense and revenue by internally managed and restricted specific purpose funds
- 3.4 Employee benefits in the Balance Sheet
- 3.5 Superannuation

## NOTE 3.1: EXPENSES FROM TRANSACTIONS

	2019 \$'000	2018 \$'000
Salaries and Wages	150,690	140,579
On-costs	37,847	33,117
Agency Expenses	8,204	9,362
Fee for Service Medical Officer Expenses	7,580	7,785
Workcover Premium	2,195	1,618
<b>Total Employee Expenses</b>	<b>206,516</b>	<b>192,461</b>
Drug Supplies	12,366	11,373
Medical and Surgical Supplies (including Prostheses)	10,327	10,631
Diagnostic and Radiology Supplies	2,284	1,739
Other Supplies and Consumables	25,740	25,110
<b>Total Supplies and Consumables</b>	<b>50,717</b>	<b>48,851</b>
Finance Costs	21	45
<b>Total Finance Costs</b>	<b>21</b>	<b>45</b>
Fuel, Light, Power and Water	2,628	2,561
Repairs and Maintenance	1,113	1,164
Maintenance Contracts	929	924
Medical Indemnity Insurance	3,648	3,853
Other Administrative Expenses	17,497	17,633
Expenditure for Capital Purposes	1,233	5,472
<b>Total Other Operating Expenses</b>	<b>27,048</b>	<b>31,607</b>
Depreciation and Amortisation (refer Note 4.3)	11,626	10,094
<b>Total Other Non-Operating Expenses</b>	<b>11,626</b>	<b>10,094</b>
<b>Total Expenses from Transactions</b>	<b>295,928</b>	<b>283,058</b>

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

### **Employee Expenses**

Employee expenses include:

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

### **Supplies and consumables**

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

### **Finance costs**

Finance costs include:

- Interest on bank overdrafts and short-term and long-term borrowings (interest expense is recognised in the period in which it is incurred);
- Interest on RAC Accommodation Deposits;
- Finance charges in respect of finance leases recognised in accordance with AASB 117 *Leases*.

### **Other Operating Expenses**

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

- Fuel, light and power.



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

The Department of Health and Human Services also makes certain payments on behalf of GV 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.

**Non-operating expenses**

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

**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 held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value.

Inventories acquired for no cost or nominal considerations are measured at current replacement cost at the date of acquisition.

The basis used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

**Fair Value of Assets, Services Provided Free of Charge or for Nominal Consideration**

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them.

**NOTE 3.2: OTHER ECONOMIC FLOWS**

*Net gain/(loss) on sale of non-financial assets*

Net gain on disposal of property, plant and equipment

**Total net gain/(loss) on non-financial assets**

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

Bad debts written off unilaterally

**Total net gain/(loss) on financial instruments at fair value**

*Other gains/(losses) from other economic flows*

Net gain/(loss) arising from revaluation of long-service liability

**Total other gains/(losses) from other economic flows**

**Total other gains/(losses) from economic flows**

	2019 \$'000	2018 \$'000
	175	29
<b>Total net gain/(loss) on non-financial assets</b>	<b>175</b>	<b>29</b>
	(191)	163
<b>Total net gain/(loss) on financial instruments at fair value</b>	<b>(191)</b>	<b>163</b>
	(1,892)	(41)
<b>Total other gains/(losses) from other economic flows</b>	<b>(1,892)</b>	<b>(41)</b>
<b>Total other gains/(losses) from economic flows</b>	<b>(1,908)</b>	<b>151</b>

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

- The revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

**Net gain/ (loss) on non-financial assets**

Net gain/ (loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

- Revaluation gains/ (losses) of non-financial physical assets (Refer to Note 4.1 Property, plant and equipment.).
- 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 includes:

- Realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- Disposals of financial assets and derecognition of financial liabilities.

**Amortisation of non-produced intangible assets**

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic basis over the asset's useful life. Amortisation begins when the asset is



## NOTE 3.2: OTHER ECONOMIC FLOWS (CONTINUED)

available for use that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

### **Impairment of non-financial assets**

Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired.

### **Other gains/ (losses) from other economic flows**

Other gains/ (losses) include:

- The revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and
- Transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

## NOTE 3.3: ANALYSIS OF EXPENSE AND REVENUE BY INTERNALLY MANAGED AND RESTRICTED SPECIFIC PURPOSE FUNDS

	Expense		Revenue	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Commercial Activities</b>				
Private Practice and Other Patient Activities	305	491	2,489	2,732
Laboratory Medicine	6,009	5,918	4,558	4,926
Diagnostics Imaging	5,731	5,794	5,294	5,651
Cafeteria and Catering Services	1,172	1,207	1,252	1,310
Patient Transport	(45)	(70)	-	-
Car Park	78	105	413	495
Regional Services	2,753	2,302	2,506	2,635
Retail Aids and Equipment Outlet	311	513	372	469
<b>Total Commercial Activities</b>	<b>16,314</b>	<b>16,260</b>	<b>16,884</b>	<b>18,218</b>
<b>Other Activities</b>				
Fundraising and Community Support	-	98	71	259
Restricted Funds	157	121	65	48
<b>Total Other Activities</b>	<b>157</b>	<b>219</b>	<b>136</b>	<b>307</b>
<b>Total</b>	<b>16,471</b>	<b>16,479</b>	<b>17,020</b>	<b>18,525</b>



## NOTE 3.4: EMPLOYEE BENEFITS IN THE BALANCE SHEET

	2019 \$'000	2018 \$'000
<b>Current Provisions</b>		
Employee Benefits <sup>(i)</sup>		
<i>Accrued Days Off</i>		
- Unconditional and expected to be settled wholly within 12 months <sup>(iii)</sup>	386	450
<i>Annual Leave</i>		
- Unconditional and expected to be settled wholly within 12 months <sup>(iii)</sup>	15,272	13,403
- Unconditional and expected to be settled wholly after 12 months <sup>(iii)</sup>	1,376	1,212
<i>Long Service Leave</i>		
- Unconditional and expected to be settled wholly within 12 months <sup>(iii)</sup>	2,909	2,496
- Unconditional and expected to be settled wholly after 12 months <sup>(iii)</sup>	16,434	13,117
	<b>36,377</b>	<b>30,678</b>
<b>Provisions related to Employee Benefit On-Costs</b>		
Unconditional and expected to be settled wholly within 12 months <sup>(iii)</sup>	1,974	1,729
Unconditional and expected to be settled wholly after 12 months <sup>(iii)</sup>	1,955	1,526
	<b>3,929</b>	<b>3,255</b>
<b>Total Current Provisions</b>	<b>40,306</b>	<b>33,933</b>
<b>Non-Current Provisions</b>		
Conditional Long Service Leave	5,656	4,685
Provisions related to Employee Benefit On-Costs	623	499
<b>Total Non-Current Provisions</b>	<b>6,279</b>	<b>5,184</b>
<b>Total Provisions</b>	<b>46,585</b>	<b>39,117</b>

<sup>(i)</sup> Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.

<sup>(ii)</sup> The amounts disclosed are nominal amounts.

<sup>(iii)</sup> The amounts disclosed are discounted to present values.

### (A) EMPLOYEE BENEFITS AND RELATED ON-COSTS

	2019 \$'000	2018 \$'000
<b>Current Employee Benefits and Related On-Costs</b>		
Unconditional Long Service Leave entitlements	21,474	17,277
Annual Leave entitlements	18,405	16,158
Accrued Days Off	427	498
<b>Non-Current Employee Benefits and Related On-Costs</b>		
Conditional Long Service Leave entitlements <sup>(iii)</sup>	6,279	5,185
<b>Total Employee Benefits and Related On-Costs</b>	<b>46,585</b>	<b>39,117</b>

## NOTE 3.4: EMPLOYEE BENEFITS IN THE BALANCE SHEET (CONTINUED)

### (B) MOVEMENT IN ON-COST PROVISION

	2019 \$'000	2018 \$'000
<b>Balance at beginning of year</b>	3,754	3,293
Additional provisions recognised	2,317	1,958
Unwinding of discount and effect of changes in the discount rate	182	-
Reduction due to transfer out	(1,701)	(1,497)
<b>Balance at end of year</b>	<b>4,552</b>	<b>3,754</b>

#### **Employee Benefit Recognition**

Provision is made for benefits accruing to employees in respect of salaries and wages, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

#### **Provisions**

Provisions are recognised when GV Health has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

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

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

#### **Long Service Leave**

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

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where GV 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 GV Health expects to wholly settle within 12 months; or
- Present value — if GV Health does not expect to wholly settle within 12 months.

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

#### **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 Benefits**

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



## NOTE 3.5: SUPERANNUATION

	Paid Contribution for the Year	
	2019 \$'000	2018 \$'000
Defined Benefit Plans <sup>(i)</sup>	194	244
Defined Contribution Plans	14,249	13,029
<b>Total</b>	<b>14,443</b>	<b>13,273</b>

<sup>(i)</sup> The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

There were no outstanding superannuation contributions due at the 30 June 2019.

Employees of GV Health are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

### **Defined Benefit Superannuation Plans**

The costs represent the contributions made by GV Health to the superannuation plans in respect of the services of current GV 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.

GV 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 Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of GV Health.

### **Defined Contribution Superannuation Plans**

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

## NOTE 4: KEY ASSETS TO SUPPORT SERVICE DELIVERY

GV Health controls infrastructure and other investments that are utilised in meeting its objectives and delivering its activities. They represent the key resources that have been entrusted to GV Health to be utilised for delivery of its outputs and services.

### **Structure**

- 4.1 Property, plant and equipment
- 4.2 Intangible assets
- 4.3 Depreciation and amortisation

## NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT

### **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 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.

The initial cost for non-financial physical assets under finance

lease (refer to Note 6.1) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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

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

## NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### **Revaluations of Non-Current Physical Assets**

Non-current physical assets are measured at fair value and are revalued in accordance with FRD 103H *Non-Current Physical Assets*. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs. Revaluation increments or decrements arise from differences between an asset's carrying value and fair value.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation surplus, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment.

Revaluation increases and revaluation decreases relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation surplus is not transferred to accumulated funds on de-recognition of the relevant asset, except where an asset is transferred via contributed capital.

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

### **Fair Value Measurement**

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

For the purpose of fair value disclosures, GV Health has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

In addition, GV 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.

The Valuer-General Victoria is GV Health's independent valuation agency.

The estimates and underlying assumptions are reviewed on an ongoing basis.

### **Valuation hierarchy**

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

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

### **Identifying unobservable inputs (level 3) fair value measurements**

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

Unobservable inputs 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.

### **Consideration of Highest and Best Use (HBU) for Non-Financial Physical Assets**

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

In accordance with paragraph AASB 13.29, GV Health has assumed the current use of a non-financial physical asset as its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

### **Non-Specialised Land, Non-Specialised Buildings and Cultural Assets**

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

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

### **Specialised Land and Specialised Buildings**

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical



## NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

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

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

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

### **Vehicles**

GV 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).

### **Plant and Equipment**

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

There were no changes in valuation techniques throughout the period to 30 June 2019.

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



## NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### (A) GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION

	2019 \$'000	2018 \$'000
<b>Land</b>		
Land at Fair Value	8,072	11,185
<b>Total Land</b>	<b>8,072</b>	<b>11,185</b>
<b>Buildings</b>		
Buildings at Fair Value	103,918	105,559
Less Accumulated Depreciation	-	(26,506)
Leasehold Improvements at Cost	2,447	2,447
Less Accumulated Depreciation	(2,312)	(2,108)
Work in Progress at Cost	71,635	23,056
<b>Total Buildings</b>	<b>175,688</b>	<b>102,448</b>
<b>Plant and Equipment</b>		
Plant and Equipment at Fair Value	5,750	4,785
Less Accumulated Depreciation	(3,906)	(3,462)
	<b>1,844</b>	<b>1,323</b>
<b>Motor Vehicles</b>		
Motor Vehicles at Fair Value	2,457	3,577
Less Accumulated Depreciation	(2,010)	(2,888)
	<b>447</b>	<b>689</b>
<b>Medical Equipment</b>		
Medical Equipment at Fair Value	14,232	13,742
Less Accumulated Depreciation	(9,421)	(8,737)
	<b>4,811</b>	<b>5,005</b>
<b>Computers &amp; Communication Equipment</b>		
Computers and Communication at Fair Value	2,307	2,268
Less Accumulated Depreciation	(2,043)	(1,861)
	<b>264</b>	<b>407</b>
<b>Furniture &amp; Fittings</b>		
Furniture and Fittings at Fair Value	558	517
Less Accumulated Depreciation	(413)	(362)
	<b>145</b>	<b>155</b>
<b>Leased Assets</b>		
Leased Computers and Communication at Fair Value	323	116
Less Accumulated Depreciation	(90)	(6)
Leased Vehicles at Fair Value	1,943	738
Less Accumulated Depreciation	(348)	(47)
Leased Medical Equipment at Fair Value	1,118	680
Less Accumulated Depreciation	(356)	(128)
<b>Total Leased Assets</b>	<b>2,590</b>	<b>1,353</b>
<b>HRHA Plant and Equipment</b>		
Plant and Non-medical Equipment at Fair Value	98	97
Less Accumulated Depreciation	(46)	(23)
Leased Assets at Fair Value	366	318
Less Accumulated Depreciation	(257)	(195)
<b>Total HRHA Plant and Equipment</b>	<b>161</b>	<b>197</b>
<b>Total Property, Plant and Equipment</b>	<b>194,022</b>	<b>122,762</b>

## NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### (B) RECONCILIATIONS OF THE CARRYING AMOUNTS OF EACH CLASS OF ASSET

	Land \$'000	Buildings \$'000	Work In Progress \$'000	Plant & Equip- ment \$'000	Motor Vehicles \$'000	Medical Equip- ment \$'000	Com- puters & Comm. Equip- ment \$'000	Furniture & Fittings \$'000	Leased Assets \$'000	HRHA \$'000	Total \$'000
<b>Balance at 1 July 2017</b>	<b>10,006</b>	<b>75,532</b>	<b>5,733</b>	<b>1,601</b>	<b>1,082</b>	<b>4,260</b>	<b>299</b>	<b>133</b>	<b>74</b>	<b>209</b>	<b>98,929</b>
Additions	-	-	19,223	122	-	1,664	358	76	1,534	-	22,977
Disposals	-	-	-	(17)	(55)	(35)	(3)	(5)	-	-	(115)
HRHA % share adjustment	-	-	-	-	-	-	-	-	-	92	92
Revaluations increments/ (decrements)	1,179	9,473	-	-	-	-	-	-	-	-	10,652
Net Transfers between Classes	-	1,736	(1,900)	-	-	164	-	-	-	-	-
Depreciation (Note 4.3)	-	(7,349)	-	(383)	(338)	(1,048)	(248)	(48)	(255)	(104)	(9,773)
<b>Balance at 1 July 2018</b>	<b>11,185</b>	<b>79,392</b>	<b>23,056</b>	<b>1,323</b>	<b>689</b>	<b>5,005</b>	<b>407</b>	<b>155</b>	<b>1,353</b>	<b>197</b>	<b>122,762</b>
Additions	-	-	49,864	231	-	987	97	25	1,850	-	53,054
Disposals	-	62	-	-	(66)	(24)	-	-	-	-	(28)
HRHA % share adjustment	-	-	-	-	-	-	-	-	-	62	62
Revaluations increments/ (decrements)	(3,113)	32,619	-	-	-	-	-	-	-	-	29,506
Net Transfers between Classes	-	437	(1,242)	789	-	-	-	16	-	-	-
Transfers to Intangible Assets	-	-	(43)	-	-	-	-	-	-	-	(43)
Depreciation (Note 4.3)	-	(8,457)	-	(499)	(176)	(1,157)	(240)	(51)	(613)	(98)	(11,291)
<b>Balance at 30 June 2019</b>	<b>8,072</b>	<b>104,053</b>	<b>71,635</b>	<b>1,844</b>	<b>447</b>	<b>4,811</b>	<b>264</b>	<b>145</b>	<b>2,590</b>	<b>161</b>	<b>194,022</b>

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

The Valuer-General Victoria undertook to re-value all of GV Health's owned and leased 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 is 30 June 2019.

In the year ended 30 June 2018, GV Health's management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer-General Victoria indices for the financial year ended 30 June 2018. The latest indices required a management revaluation of the fair value of land and buildings in 2018. DHHS approved a managerial revaluation of land (\$1.179m) and buildings (\$9.472m) in 2018.

## NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### (C) FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS

	Fair Value measurement at end of reporting period using:			
	Total Carrying Amount \$'000	Level 1 <sup>(i)</sup> \$000	Level 2 <sup>(i)</sup> \$000	Level 3 <sup>(i)</sup> \$000
<b>Balance at 30 June 2019</b>				
<b>Land at Fair Value</b>				
Non-Specialised Land	4,647	-	4,647	-
Specialised Land				
GV Health - Graham Street, Shepparton	2,898	-	-	2,898
Tatura Campus - Park Street, Tatura	241	-	-	241
Waranga Campus - Coyle Street, Rushworth	139	-	-	139
Waranga Hostel - High Street, Rushworth	147	-	-	147
<b>Total of Land at Fair Value</b>	<b>8,072</b>	<b>-</b>	<b>4,647</b>	<b>3,425</b>
<b>Buildings at Fair Value</b>				
Non-Specialised Buildings	666	-	666	-
Specialised Buildings	103,252	-	-	103,252
<b>Total of Buildings at Fair Value</b>	<b>103,918</b>	<b>-</b>	<b>666</b>	<b>103,252</b>
Plant and Equipment at Fair Value	1,844	-	-	1,844
Motor Vehicles at Fair Value	447	-	-	447
Medical Equipment at Fair Value	4,811	-	-	4,811
Computers & Communications at Fair Value	264	-	-	264
Furniture & Fittings Fair Value	145	-	-	145
<b>HRHA Plant and Equipment</b>				
Plant and Non-Medical Equipment at Fair Value	52	-	-	52
<b>Total HRHA Plant and Equipment</b>	<b>52</b>	<b>-</b>	<b>-</b>	<b>52</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>119,553</b>	<b>-</b>	<b>5,313</b>	<b>114,240</b>

<sup>(i)</sup> Classified in accordance with the Fair Value hierarchy.

There have been no transfers between levels during the period.



## NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### (C) FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS

	Fair Value measurement at end of reporting period using:			
	Total Carrying Amount \$'000	Level 1 <sup>(i)</sup> \$000	Level 2 <sup>(i)</sup> \$000	Level 3 <sup>(i)</sup> \$000
<b>Balance at 30 June 2018</b>				
<b>Land at Fair Value</b>				
Non-Specialised Land	6,567	-	6,567	-
Specialised Land				
GV Health - Graham Street, Shepparton	4,107	-	-	4,107
Tatura Campus - Park Street, Tatura	245	-	-	245
Waranga Campus - Coyle Street, Rushworth	138	-	-	138
Waranga Hostel - High Street, Rushworth	128	-	-	128
<b>Total of Land at Fair Value</b>	<b>11,185</b>	<b>-</b>	<b>6,567</b>	<b>4,618</b>
<b>Buildings at Fair Value</b>				
Non-Specialised Buildings	554	-	554	-
Specialised Buildings	78,838	-	-	78,838
<b>Total of Buildings at Fair Value</b>	<b>79,392</b>	<b>-</b>	<b>554</b>	<b>78,838</b>
Plant and Equipment at Fair Value	1,323	-	-	1,323
Motor Vehicles at Fair Value	689	-	-	689
Medical Equipment at Fair Value	5,005	-	-	5,005
Computers & Communications at Fair Value	407	-	-	407
Furniture & Fittings Fair Value	155	-	-	155
<b>HRHA Plant and Equipment</b>				
Plant and Non-Medical Equipment at Fair Value	74	-	-	74
<b>Total HRHA Plant and Equipment</b>	<b>74</b>	<b>-</b>	<b>-</b>	<b>74</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>98,230</b>	<b>-</b>	<b>7,121</b>	<b>91,109</b>

<sup>(i)</sup> Classified in accordance with the Fair Value hierarchy.  
There have been no transfers between levels during the period.

## NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### (D) RECONCILIATION OF LEVEL 3 FAIR VALUE

	Land \$'000	Buildings \$'000	Plant & Equip- ment \$'000	Motor Vehicles \$'000	Medical Equipment \$'000	Com- puters & Comm. Equip- ment \$'000	Furniture & Fittings \$'000	HRHA \$'000
<b>Balance at 1 July 2018</b>	4,618	78,838	1,323	689	5,005	407	155	74
Additions/(Disposals)	-	499	1,020	(66)	963	97	41	4
Gains/(Losses) recognised in Net Result	-	(8,424)	(499)	(176)	(1,157)	(240)	(51)	(26)
- Depreciation and Amortisation	-	-	-	-	-	-	-	-
Items recognised in Other Compensable Income	-	-	-	-	-	-	-	-
- Revaluation	(1,193)	32,340	-	-	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>3,425</b>	<b>103,253</b>	<b>1,844</b>	<b>447</b>	<b>4,811</b>	<b>264</b>	<b>145</b>	<b>52</b>

	Land \$'000	Buildings \$'000	Plant & Equip- ment \$'000	Motor Vehicles \$'000	Medical Equipment \$'000	Com- puters & Comm. Equip- ment \$'000	Furniture & Fittings \$'000	HRHA \$'000
<b>Balance at 1 July 2017</b>	4,120	74,995	1,601	1,082	4,260	299	133	2
Additions/(Disposals)	-	1,725	105	(55)	1,793	356	70	77
Gains/(Losses) recognised in Net Result	-	(7,317)	(383)	(338)	(1,048)	(248)	(48)	(5)
- Depreciation and Amortisation	-	-	-	-	-	-	-	-
Items recognised in Other Compensable Income	-	-	-	-	-	-	-	-
- Revaluation	498	9,435	-	-	-	-	-	-
<b>Balance at 30 June 2018</b>	<b>4,618</b>	<b>78,838</b>	<b>1,323</b>	<b>689</b>	<b>5,005</b>	<b>407</b>	<b>155</b>	<b>74</b>



## NOTE 4.1: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### (E) FAIR VALUE DETERMINATION

Asset Class	Likely valuation approach	Significant inputs (Level 3 Only)
Non-specialised land	Market approach	N/A
Specialised land (Crown / Freehold)	Market approach	Community Service Obligations (CSO) adjustments <sup>(i)</sup>
Non-specialised buildings	Market approach	N/A
Specialised buildings	Depreciated replacement cost approach	- Cost per square metre - Useful life
Dwellings	Market approach	N/A
	Depreciated replacement cost approach	- Cost per square metre - Useful life
Motor Vehicles	Market approach	N/A
	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and Equipment	Depreciated replacement cost approach	- Cost per square metre - Useful life
Medical Equipment	Depreciated replacement cost approach	- Cost per unit - Useful life

<sup>(i)</sup> CSO adjustment of 20% was applied to reduce the market approach value for GV Health's specialised land.

### (F) REVALUATION SURPLUS

	2019 \$'000	2018 \$'000
<b>Property, Plant and Equipment Revaluation Surplus</b>		
Balance at the beginning of the reporting period	74,644	63,992
Transfer to Accumulated Deficits		
Revaluation Increment		
- Land (refer Note 4.1b)	(3,113)	1,179
- Buildings	32,619	9,473
<b>Balance at the end of the reporting period*</b>	<b>104,150</b>	<b>74,644</b>
<b>*Represented by:</b>		
Land	3,360	6,473
Buildings	100,790	68,171
<b>Total</b>	<b>104,150</b>	<b>74,644</b>



## NOTE 4.2: INTANGIBLE ASSETS

### (A) INTANGIBLE ASSETS - GROSS CARRYING AMOUNT AND ACCUMULATED AMORTISATION

	2019 \$'000	2018 \$'000
<b>Software</b>		
Software	3,565	2,854
Less Accumulated Amortisation	(2,527)	(2,318)
<b>Total Software</b>	<b>1,038</b>	<b>536</b>
<b>HRHA Software</b>		
Software	99	99
Less Accumulated Amortisation	(15)	(29)
<b>Total HRHA Software</b>	<b>84</b>	<b>70</b>
<b>Total Intangible Assets</b>	<b>1,122</b>	<b>606</b>

### (B) INTANGIBLE ASSETS - RECONCILIATION OF THE CARRYING AMOUNTS BY CLASS OF ASSET

	Software \$'000	Software Work in Progress \$'000	HRHA \$'000	HRHA Work in Progress \$'000	Total \$'000
<b>Balance at 1 July 2017</b>	<b>412</b>	<b>331</b>	<b>32</b>	<b>205</b>	<b>980</b>
Additions	436	(331)	47	64	216
Software WIP Written Off	-	-	-	(269)	(269)
Amortisation (refer Note 4.3)	(312)	-	(9)	-	(321)
<b>Balance at 1 July 2018</b>	<b>536</b>	<b>-</b>	<b>70</b>	<b>-</b>	<b>606</b>
Additions	820	-	31	-	851
Amortisation (refer Note 4.3)	(318)	-	(17)	-	(335)
<b>Balance at 30 June 2019</b>	<b>1,038</b>	<b>-</b>	<b>84</b>	<b>-</b>	<b>1,122</b>

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

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to GV Health.

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



## NOTE 4.3: DEPRECIATION AND AMORTISATION

	2019 \$'000	2018 \$'000
<b>Depreciation</b>		
Buildings	8,253	6,860
Leased Buildings	204	489
Plant and Equipment	499	383
Motor Vehicles	176	338
Medical Equipment	1,157	1,048
Computers & Communications	240	248
Furniture & Fittings	51	48
Leased Assets	613	255
HRHA - Depreciation	98	104
	<b>11,291</b>	<b>9,773</b>
<b>Amortisation</b>		
Software	318	312
HRHA - Amortisation	17	9
<b>Total</b>	<b>335</b>	<b>321</b>
<b>Total Depreciation and Amortisation</b>	<b>11,626</b>	<b>10,094</b>

### Depreciation

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

This depreciation charge is not funded by the DHHS. Assets with a cost in excess of \$1,000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

### Amortisation

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

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

	2019	2018
Buildings	2 to 47 years	2 to 47 years
Plant and Equipment	3 to 15 years	3 to 15 years
Medical Equipment	3 to 10 years	3 to 10 years
Computers & Communication	3 to 10 years	3 to 10 years
Furniture & Fittings	3 to 16 years	3 to 16 years
Motor Vehicles	5 to 8 years	5 to 8 years
Intangible assets	3 to 10 years	3 to 10 years

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

## NOTE 5: OTHER ASSETS AND LIABILITIES

This section sets out the assets and liabilities that arose from GV Health's operations.

### Structure

- 5.1 Receivables
- 5.2 Payables
- 5.3 Other Liabilities

## NOTE 5.1: RECEIVABLES

	2019 \$'000	2018 \$'000
<b>Current</b>		
<b>Contractual</b>		
Trade Debtors	(108)	298
Capital Debtors	1,000	1,500
Patient Fees - Health Service Agreement	2,569	2,774
Patient Fees - Hospital and Community Initiatives	717	694
Patient Fees - Private Practice	139	205
Accrued Investment Income	-	32
Other Accrued Revenue	309	1,187
HRHA - Receivables	207	554
<b>Less: Allowance for impairment losses of Contractual Receivables</b>		
Trade Debtors	(36)	(89)
Patient Fees - Health Service Agreement	(158)	(17)
Patient Fees - Hospital and Community Initiatives	(15)	(10)
	<b>4,624</b>	<b>7,128</b>
<b>Statutory</b>		
Dental Health Services Victoria Accrued Grants	332	269
Department of Health and Human Services	4	227
GST Receivable	774	694
	<b>1,110</b>	<b>1,190</b>
<b>Total Current Receivables</b>	<b>5,734</b>	<b>8,318</b>
<b>Non-Current</b>		
<b>Contractual</b>		
Trade Debtors	59	64
	<b>59</b>	<b>64</b>
<b>Statutory</b>		
Long Service Leave - Department of Health and Human Services	3,727	1,669
	<b>3,727</b>	<b>1,669</b>
<b>Total Non-Current Receivables</b>	<b>3,786</b>	<b>1,733</b>
<b>Total Receivables</b>	<b>9,520</b>	<b>10,051</b>



## NOTE 5.1: RECEIVABLES (CONTINUED)

### (A): MOVEMENT IN THE ALLOWANCE FOR IMPAIRMENT LOSSES OF CONTRACTUAL RECEIVABLES

	2019 \$'000	2018 \$'000
Balance at beginning of year	116	471
Reversal of unused allowance recognised in the net result	-	(373)
Increase/(Decrease) in allowance recognised in the net result	93	18
<b>Balance at end of year</b>	<b>209</b>	<b>116</b>

#### **Receivables recognition**

Receivables consist of:

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

GV 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 (c) Contractual receivables at amortised costs for GV Health's contractual impairment losses.

## NOTE 5.2: PAYABLES

	2019 \$'000	2018 \$'000
<b>Current</b>		
<b>Contractual</b>		
Trade Creditors	4,732	6,413
Accrued Salaries and Wages	4,372	4,770
Accrued Expenses	5,435	9,701
Revenue in Advance	349	205
HRHA - Payables	535	714
	<b>15,423</b>	<b>21,803</b>
<b>Statutory</b>		
GST Payable	112	122
Fringe Benefits Tax (FBT) Payable	3	9
Revenue in Advance - Department of Health and Human Services	944	-
Revenue in Advance - Commonwealth	-	16
	<b>1,059</b>	<b>147</b>
<b>Total Current Payables</b>	<b>16,482</b>	<b>21,950</b>
<b>Total Payables</b>	<b>16,482</b>	<b>21,950</b>

### **Payables Recognition**

Payables consist of:

- Contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to GV Health prior to the end of the financial year that are unpaid; and
- Statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

### **Maturity analysis of payables**

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



## NOTE 5.3: OTHER LIABILITIES

	2019 \$'000	2018 \$'000
<b>Current</b>		
Monies Held in Trust*		
Patient Monies Held in Trust*	3,305	2,811
Accommodation Deposits (Refundable Entrance Fees)*	4,488	4,259
Employee Trust Funds*	97	86
Community Funds*	66	61
Government Grants - Hume Region Programs*	2,011	1,440
<b>Total Other Liabilities</b>	<b>9,967</b>	<b>8,657</b>
<b>*Total Monies Held in Trust</b>		
<b>Represented by the following assets:</b>		
Cash Assets	7,890	7,156
Other Financial Assets	2,077	1,501
<b>Total</b>	<b>9,967</b>	<b>8,657</b>

## NOTE 6: HOW WE FINANCE OUR OPERATIONS

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



## NOTE 6.1: BORROWINGS

	2019 \$'000	2018 \$'000
<b>Current</b>		
Finance Lease Liability <sup>(i)</sup>	804	349
Finance Lease Liability - HRHA <sup>(ii)</sup>	59	62
	<b>863</b>	<b>411</b>
Department of Health and Human Services Loan <sup>(iii)</sup>	550	550
<b>Total Current Borrowings</b>	<b>1,413</b>	<b>961</b>
<b>Non Current</b>		
Finance Lease Liability <sup>(i)</sup>	1,805	1,012
Finance Lease Liability - HRHA <sup>(ii)</sup>	49	62
	<b>1,854</b>	<b>1,074</b>
Department of Health and Human Services Loan <sup>(iii)</sup>	1,602	2,049
<b>Total Non-Current Borrowings</b>	<b>3,456</b>	<b>3,123</b>
<b>Total Borrowings</b>	<b>4,869</b>	<b>4,084</b>

<sup>(i)</sup> Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

<sup>(ii)</sup> They are unsecured loans which bear no interest.

### (A) MATURITY ANALYSIS OF BORROWINGS

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

### (B) DEFAULTS AND BREACHES

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

### (C) FINANCE LEASE LIABILITIES

	Minimum future lease payments	
	2019 \$'000	2018 \$'000
<b>Finance Leases</b>		
Repayments in relation to finance leases are payable as follows:		
Not later than one year	921	467
Later than 1 year and not later than 5 years	1,941	1,128
Minimum lease payments	2,862	1,595
Less future finance charges	(145)	(110)
<b>Total</b>	<b>2,717</b>	<b>1,485</b>
Included in the financial statements as:		
Current borrowings finance lease liability	863	411
Non-current borrowings finance lease liability	1,854	1,074
<b>Total</b>	<b>2,717</b>	<b>1,484</b>

The weighted average interest rate implicit in the finance lease is 6.03% (2018: 4.6%).



## NOTE 6.1: BORROWINGS (CONTINUED)

### **Borrowing Recognition**

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership.

Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases, in the manner described in Note 6.3 Commitments.

### **Finance Leases**

#### **Entity as Lessor**

GV Health does not hold any finance lease arrangements with other parties.

#### **Entity as Lessee**

Finance leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. Minimum

lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the Comprehensive Operating Statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

### **Borrowings**

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 GV Health has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

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

## NOTE 6.2: CASH AND CASH EQUIVALENTS

	2019 \$'000	2018 \$'000
Cash on Hand (excluding Monies held in trust)	22	20
Cash at Bank (excluding Monies held in trust)	12,923	8,318
Term Deposits < 3 months (excluding Monies held in trust)	-	10,000
Cash at Bank (Monies held in trust)	9,967	8,657
HRHA	976	787
<b>Total Cash and Cash Equivalents</b>	<b>23,888</b>	<b>27,782</b>

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

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

## NOTE 6.3: COMMITMENTS FOR EXPENDITURE

	2019 \$'000	2018 \$'000
<b>Capital Expenditure Commitments</b>		
Less than 1 year	1,848	4,814
<b>Total Capital Expenditure Commitments</b>	<b>1,848</b>	<b>4,814</b>
<b>Operating Expenditure Commitments</b>		
Less than 1 year	91	18
Longer than 1 year and not later than 5 years	216	12
<b>Total Operating Expenditure Commitments</b>	<b>306</b>	<b>30</b>
<b>Total Commitments for Expenditure (inclusive of GST)</b>	<b>2,154</b>	<b>4,844</b>
Less GST Recoverable from the Australian Taxation Office	(196)	(440)
<b>Total Commitments for Expenditure (exclusive of GST)</b>	<b>1,958</b>	<b>4,404</b>

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

### 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.

GV Health has entered into commercial leases on certain medical equipment, computer equipment and property where it is not in the interest of GV Health to purchase these assets. These leases have an average life of between 1 and 20 years with renewal terms included in the contracts. Renewals are at the option of GV Health. There are no restrictions placed upon the lessee by entering into these leases.

## NOTE 7: RISKS, CONTINGENCIES AND VALUATION UNCERTAINTIES

GV Health is exposed to risks 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 GV Health is related mainly to fair value determination.

### Structure

- 7.1 Financial Instruments
- 7.2 Contingent Assets and Contingent Liabilities

## NOTE 7.1: FINANCIAL INSTRUMENTS

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of GV Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.



## NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

### (A) FINANCIAL INSTRUMENTS: CATEGORISATION

2019	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
<b>Contractual Financial Assets</b>			
Cash and Cash Equivalents	23,888	-	23,888
<i>Receivables</i>			
- Trade Debtors and Patient Fees	4,374	-	4,374
- Other Receivables	309	-	309
<b>Total Financial Assets<sup>(i)</sup></b>	<b>28,571</b>	<b>-</b>	<b>28,571</b>
<b>Financial Liabilities</b>			
Payables	-	15,423	15,423
<i>Borrowings</i>			
- DHHS Loan	-	2,152	2,152
- Finance Leases	-	2,717	2,717
<i>Other Financial Liabilities</i>			
- Accommodation Bonds	-	4,488	4,488
- Other Funds Held in Trust	-	5,479	5,479
<b>Total Financial Liabilities<sup>(i)</sup></b>	<b>-</b>	<b>30,259</b>	<b>30,259</b>

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

2018	Contractual Financial Assets - Loans & Receivables and Cash \$'000	Contractual Financial Liabilities at Amortised Cost \$'000	Total \$'000
<b>Contractual Financial Assets</b>			
Cash and Cash Equivalents	27,782	-	27,782
<i>Receivables</i>			
- Trade Debtors and Patient Fees	5,973	-	5,973
- Other Receivables	1,219	-	1,219
<b>Total Financial Assets<sup>(i)</sup></b>	<b>34,974</b>	<b>-</b>	<b>34,974</b>
<b>Financial Liabilities</b>			
Payables	-	21,803	21,803
<i>Borrowings</i>			
- DHHS Loan	-	2,599	2,599
- Finance Leases	-	1,485	1,485
<i>Other Financial Liabilities</i>			
- Accommodation Bonds	-	4,259	4,259
- Other Funds Held in Trust	-	4,398	4,398
<b>Total Financial Liabilities<sup>(i)</sup></b>	<b>-</b>	<b>34,544</b>	<b>34,544</b>

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

## NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

### **Categories of financial instruments**

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

Categories of financial assets under AASB 9:

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

### **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 GV 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.

GV Health recognises the following assets in this category:

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

### **Categories of financial assets previously under AASB 139**

#### **Loans and receivables and cash**

Loans and receivable and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment).

GV Health recognises the following assets in this category:

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

### **Financial liabilities at amortised cost**

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. GV Health recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

### **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

### **Derecognition of financial liabilities**

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

### **Impairment of financial assets**

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

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



## NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

### (B) MATURITY ANALYSIS OF FINANCIAL LIABILITIES AS AT 30 JUNE

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

2019	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
<b>Financial Liabilities</b>							
<i>At amortised cost</i>							
Payables	5.2	15,423	15,423	-	15,423	-	-
Borrowings	6.1						
- DHHS Loan		2,152	2,152	46	92	413	1,602
- Finance Leases		2,717	2,717	72	144	647	1,854
Other Financial Liabilities <sup>(i)</sup>							
- Accommodation Deposits	5.3	4,488	4,488	-	-	4,488	-
- Other Funds Held in Trust	5.3	5,479	5,479	-	-	5,479	-
<b>Total Financial Liabilities</b>		<b>30,259</b>	<b>30,259</b>	<b>118</b>	<b>15,659</b>	<b>11,027</b>	<b>3,456</b>
<b>2018</b>							
<b>Financial Liabilities</b>							
<i>At amortised cost</i>							
Payables	5.2	21,803	21,803	-	21,803	-	-
Borrowings	6.1						
- DHHS Loan		2,599	2,599	46	91	413	2,049
- Finance Leases		1,485	1,485	34	69	308	1,074
Other Financial Liabilities <sup>(i)</sup>							
- Accommodation Deposits	5.3	4,259	4,259	-	-	4,259	-
- Other Funds Held in Trust	5.3	4,398	4,398	-	-	4,398	-
<b>Total Financial Liabilities</b>		<b>34,544</b>	<b>34,544</b>	<b>80</b>	<b>21,962</b>	<b>9,378</b>	<b>3,123</b>

<sup>(i)</sup> Ageing analysis of financial liabilities excludes the types of statutory financial liabilities (i.e. GST payable).



## NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

### (C) CONTRACTUAL RECEIVABLES AT AMORTISED COST

	Current \$'000	Less than 1 Month \$'000	1 - 3 Months \$'000	3 Months - 1 Year \$'000	1 - 5 Years \$'000	Total \$'000
<b>1 July 2018</b>						
<b>Expected loss rate</b>	<b>0.14%</b>	<b>0.16%</b>	<b>14.13%</b>	<b>27.48%</b>	<b>0.00%</b>	
Gross carrying amount of contractual receivables	4,385	1,462	1,096	365	-	<b>7,308</b>
<b>Loss allowance</b>	<b>22</b>	<b>15</b>	<b>21</b>	<b>58</b>	<b>-</b>	<b>116</b>
<b>30 June 2019</b>						
<b>Expected loss rate</b>	<b>0.14%</b>	<b>0.16%</b>	<b>14.13%</b>	<b>27.48%</b>	<b>0.00%</b>	
Gross carrying amount of contractual receivables	2,935	978	734	245	-	<b>4,892</b>
<b>Loss allowance</b>	<b>42</b>	<b>21</b>	<b>11</b>	<b>135</b>	<b>-</b>	<b>209</b>

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

From 1 July 2018, GV Health has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139s incurred loss approach with AASB 9s Expected Credit Loss approach. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

#### **Contractual receivables at amortised cost**

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

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

### RECONCILIATION OF THE MOVEMENT IN THE LOSS ALLOWANCE FOR CONTRACTUAL RECEIVABLES

	2018 \$'000	2017 \$'000
<b>Balance at beginning of the year</b>	<b>471</b>	<b>336</b>
Opening retained earnings adjustment on adoption of AASB 9	-	-
<b>Opening Loss Allowance</b>	<b>471</b>	<b>336</b>
Modification of contractual cash flows on financial assets	-	-
Increase in provision recognised in the net result	18	135
Reversal of provision of receivables written off during the year as uncollectible	-	-
Reversal of unused provision recognised in the net result	(373)	-
<b>Balance at end of the year</b>	<b>116</b>	<b>471</b>



## NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

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

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance recognised at 30 June 2018 under AASB 139. No additional loss allowance was required upon transition into AASB 9 on 1 July 2018.

## NOTE 7.2: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

GV Health does not have any contingent assets or liabilities as at 30 June 2019 (2018 \$Nil).

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note and, if quantifiable, are measured at nominal value. Contingent assets and contingent liabilities are presented inclusive of GST receivable or payable respectively.

## NOTE 8: OTHER DISCLOSURES

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

### **Structure**

- 8.1 Reconciliation of net result for the year to net cash inflow / (outflow) from operating activities
- 8.2 Responsible persons disclosures
- 8.3 Remuneration of Executives
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Ex-gratia expenses
- 8.7 Events occurring after the Balance Sheet date
- 8.8 Jointly Controlled Operations
- 8.9 Economic dependency
- 8.10 Changes in accounting policy and revision of estimates
- 8.11 AASBs Issued that are not yet effective
- 8.12 Glossary of terms and style conventions

## NOTE 8.1: RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES

	2019 \$'000	2018 \$'000
<b>Net Result for the Year</b>	34,139	15,441
<b>Non-Cash Movements:</b>		
Depreciation	11,626	10,094
Provision for Doubtful Debts	94	(18)
DHHS Non-capital Cash	(43,913)	(13,612)
<b>Movements Included in Investing and Financing Activities:</b>		
Net (Gain)/Loss from Disposal of Non-Financial Physical Assets	(175)	(29)
<b>Movements in Asset and Liabilities:</b>		
<i>Change in Operating Assets and Liabilities</i>		
(Increase)/Decrease in Receivables	(62)	(3,172)
(Increase)/Decrease in Prepayments	(501)	(168)
Increase/(Decrease) in Payables	(5,069)	4,813
Increase/(Decrease) in Provisions	7,069	5,883
(Increase)/Decrease in Inventories	110	83
Increase/(Decrease) in Trust Monies	-	8,657
<b>Net Cash Inflow from Operating Activities</b>	<b>3,318</b>	<b>27,972</b>



## NOTE 8.2: RESPONSIBLE PERSONS DISCLOSURES

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

### Responsible Ministers:

	Period	
The Honourable Jill Hennessy, MP Minister for Health and Human Services	01/07/2018	29/11/2018
Jenny Mikakos, MP Minister for Health and Minister for Ambulance Services	29/11/2018	30/06/2019
Martin Foley, Minister for Mental Health	01/07/2018	30/06/2019
Martin Foley, Minister for Housing, Disability and Ageing	01/07/2018	29/11/2018
The Honourable Luke Donnellan, MP Minister for Child Protection, Minister for Disability, Ageing and Carers	29/11/2018	30/06/2019

### Governing Board

Barbara Evans	01/07/2018	30/06/2019
Dr Michael Walsh	01/07/2018	30/06/2019
Dr Richard King AM	01/07/2018	30/06/2019
Ilona Charles	01/07/2018	30/06/2019
Jo Breen	01/07/2018	30/06/2019
Michael Tehan	01/07/2018	30/06/2019
Rebecca Woolstencroft (Chair of the Board)	01/07/2018	30/06/2019
Trevor Carr	01/07/2018	30/06/2019
Victor Sekulov	01/07/2018	30/06/2019

### Accountable Officer

Matt Sharp (Interim Chief Executive Officer)	01/07/2018	22/10/2018
Matt Sharp (Chief Executive)	23/10/2018	30/06/2019

### Remuneration of Responsible Persons

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

Income Band	2019 No.	2018 No.
\$10,000 - \$19,999	-	2
\$20,000 - \$29,000	7	5
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	-
\$330,000 - \$339,999	1	-
\$390,000 - \$399,999	-	1
<b>Total Numbers</b>	<b>9</b>	<b>9</b>
<b>Total remuneration received or due and receivable by Responsible Persons from the Reporting entity amounted to:</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
	582	619

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in GV Health's financial statements. Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

## NOTE 8.3: REMUNERATION OF EXECUTIVES

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

<b>Remuneration of Executives Officers</b>	<b>2019 \$'000</b>	<b>2018 \$'000</b>
Short-term benefits	1,279	1,208
Post-employment benefits	108	95
Other long-term benefits	33	11
<b>Total Remuneration <sup>(i)</sup></b>	<b>1,420</b>	<b>1,314</b>
Total Number of Executives	9	7
Total Annualised Employee Equivalent <sup>(iii)</sup>	6.19	5.46

<sup>(i)</sup> The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of GV Health under AASB 124 *Related Party Disclosures* and are also reported within Note 8.4 *Relates Parties*.

<sup>(iii)</sup> Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

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

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

### **Short-term Employee Benefits**

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

### **Post-employment Benefits**

Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

### **Other Long-term Benefits**

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

### **Termination Benefits**

Termination of employment payments, such as severance packages.



## NOTE 8.4: RELATED PARTIES

GV Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

- All key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Jointly Controlled Operation — A member of the Hume Rural Health Alliance; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

The Board of Directors and the Executive Directors of GV Health are deemed to be KMPs.

Entity	KMPs	Position Title
GV Health	Rebecca Woolstencroft	Chair of the Board
GV Health	Barbara Evans	Director
GV Health	Dr Richard King AM	Director
GV Health	Ilona Charles	Director
GV Health	Jo Breen	Director
GV Health	Michael Tehan	Director
GV Health	Trevor Carr	Director
GV Health	Victor Sekulov	Director
GV Health	Dr Michael Walsh	Ministerial Delegate
GV Health	Matt Sharp	Chief Executive
GV Health	Donna Sherringham	Executive Director Clinical Operations
GV Health	Kellie Thompson	Executive Director Quality, Risk & Innovation and Interim Chief Nursing & Midwifery Officer
GV Health	Sandy Chamberlin	Executive Director Infrastructure, Chief Procurement Officer and Acting Executive Director Rural Campuses
GV Health	Joshua Freeman	Executive Director Community Care and Mental Health
GV Health	Peter Hutchinson	Chief Finance Officer
GV Health	Stacey Weeks	Executive Director People & Culture
GV Health	Gayle Sammut	Chief Allied Health Officer
GV Health	Julyan Howard	Former Interim Chief Nurse & Midwifery Officer
GV Health	Dr David Cooper	Interim Chief Medical Officer
GV Health	Dr Rod Lambert	Interim Chief Medical Officer
GV Health	Dr Nadarajah Ramesh	Former Chief Medical Officer
GV Health	Rick Garotti	Former Chief Finance 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 Department of Parliamentary Services' Financial Report.



## NOTE 8.4: RELATED PARTIES (CONTINUED)

### Compensation - KMPs

	Total Remuneration	
	2019 \$'000	2018 \$'000
Short-term benefits	1,809	1,660
Post-employment benefits	147	137
Other long-term benefits	33	11
Termination benefits	-	125
<b>Total<sup>(i)</sup></b>	<b>1,989</b>	<b>1,933</b>

<sup>(i)</sup> KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

### Significant Transactions with Government Related Entities

GV Health received funding from DHHS of \$214.2m (2018 \$208.7m) and indirect contributions of \$44.0m (2018 \$13.7m).

Expenses incurred by GV Health in delivering services and outputs are in accordance with Health Purchasing 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 a Victorian Managed Insurance Authority.

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

### Transactions with KMPs and Other Related Parties

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

Outside of normal citizen-type transactions with GV Health, there were no related party transactions that involved key management personnel, their close family members and 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 2019.

There were no related party transactions required to be disclosed for GV Health Board of Directors, Chief Executive and Executive Directors in 2019.

## NOTE 8.5: REMUNERATION OF AUDITORS

### Victorian Auditor-General's Office

Audit of the Financial Statements

### Other Providers

Internal Audit Services

### Total Remuneration of Auditors

	2019 \$'000	2018 \$'000
Audit of the Financial Statements	58	70
Internal Audit Services	92	131
<b>Total Remuneration of Auditors</b>	<b>150</b>	<b>201</b>



## **NOTE 8.6: EX-GRATIA EXPENSES**

In accordance with FRD 11A Disclosure of Ex-gratia Expenses, GV Health has made no Ex-Gratia payments in the 2018-2019 financial year (2017-2018 Nil).

## **NOTE 8.7: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

No matters or circumstances have arisen since the end of the financial year which significantly affect or may significantly affect the operations of GV Health, the results of its operations or its state of affairs in future years.

## NOTE 8.8: JOINTLY CONTROLLED OPERATIONS

Name of Entity	Principle Activity	Ownership Interest	
		2019	2018
Hume Rural Health Alliance (HRHA)	The Member Entities have committed to the establishment of information systems - including ICT investment facilitation, project delivery, workplace services, business application services, collaboration services and vendor management.	13.85%	14.30%

GV Health's interest in the above jointly controlled operation is detailed below. The amounts are included in the financial statements under their respective asset categories:

	2019 \$'000	2018 \$'000
<b>Current Assets</b>		
Cash and Cash Equivalents	976	787
Receivables	207	554
Prepayments	35	21
<b>Total Current Assets</b>	<b>1,218</b>	<b>1,362</b>
<b>Non-Current Assets</b>		
Property, Plant and Equipment	161	197
Intangible Assets	84	70
<b>Total Non-Current Assets</b>	<b>245</b>	<b>267</b>
<b>Total Assets</b>	<b>1,463</b>	<b>1,629</b>
<b>Current Liabilities</b>		
Payables	535	714
Borrowings	59	62
<b>Total Current Liabilities</b>	<b>594</b>	<b>776</b>
<b>Non-Current Liabilities</b>		
Borrowings	49	62
<b>Total Non-Current Liabilities</b>	<b>49</b>	<b>62</b>
<b>Total Liabilities</b>	<b>643</b>	<b>838</b>
<b>Net Assets</b>	<b>820</b>	<b>791</b>



## NOTE 8.8: JOINTLY CONTROLLED OPERATIONS (CONTINUED)

GV Health's interest in revenues and expenses resulting from jointly controlled operations are detailed below:

	2019 \$'000	2018 \$'000
<b>Income from Transactions</b>		
Operating Activities	1,228	1,729
<b>Total Revenue</b>	<b>1,228</b>	<b>1,729</b>
<b>Expenses from Transactions</b>		
Finance Costs	(5)	(5)
Depreciation and Amortisation	(115)	(113)
Other Operating Expenses	(1,081)	(1,903)
<b>Total Expenses</b>	<b>(1,201)</b>	<b>(2,021)</b>
<b>Net Result</b>	<b>27</b>	<b>(292)</b>

### Contingent Liabilities and Capital Commitments

There are no known contingent liabilities or capital commitments held by Hume Rural Health Alliance at balance date.

## NOTE 8.9: ECONOMIC DEPENDENCY

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

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

GV Health's current assets ratio continued to be below an adequate short-term position (2019: 0.49 and 2018: 0.60) while cash generated from operations has deteriorated from a \$28m surplus in 2018 to a \$3.3 surplus in 2019 and cash reserves have moved from \$27.8m in 2018 to \$23.8m in 2019.

A letter confirming adequate cash flow was also provided in the previous financial year.

## NOTE 8.10: CHANGES IN ACCOUNTING POLICY AND REVISION OF ESTIMATES

### Changes in accounting policy

GV Health has elected to apply the limited exemption in AASB 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. As a result:

- (a) any adjustments to carrying amounts of financial assets or liabilities are recognised at beginning of the current reporting period with difference recognised in opening retained earnings; and
- (b) financial assets and provision for impairment have not been reclassified and/or restated in the comparative period.

This note explains the impact of the adoption of AASB 9 *Financial Instruments* on GV Health's financial statements.

### Changes to classification and measurement

On initial application of AASB 9 on 1 July 2018, GV Health's management has assessed for all financial assets based on GV Health's business models for managing the assets.

### Summary of reclassification of assets and liabilities

As at 30 June 2018	AASB 139 Measurement Categories	AASB 9 Measurement Categories			
		Fair value through net result (designated)	Fair value through net result (mandatory)	Amortised cost	Fair value through other comprehensive income
<b>AASB 139 Measurement Categories</b>					
Loan and receivables					
Sale of goods and services	5,909	-	-	5,909	-
Accrued investment income	32	-	-	32	-
Other receivables	1,187	-	-	1,187	-
<b>As at 1 July 2018</b>	<b>7,128</b>	<b>-</b>	<b>-</b>	<b>7,128</b>	<b>-</b>

### Changes to the impairment of financial assets

Under AASB 9, all loans and receivables as well as other debt instruments not carried at fair value through net result are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach.

For other loans and receivables, GV Health applies the AASB 9 simplified approach to measure expected credit losses based on the change in the ECLs over the life of the asset. Application of the lifetime ECL allowance method has resulted in an immaterial effect.

For debt instruments at amortised costs, GV Health considers them to be low risk and therefore determines the loss allowance based on ECLs associated with the probability of default in the next 12 months. Applying the ECL model does not result in recognition of additional loss allowance (previous loss allowance was nil). No further increase in allowance in the current financial year.

### Transition impact

Transition impact of first time adoption of AASB 9 on Comprehensive Operating Statement has been deemed immaterial.

Transition impact of first time adoption of AASB 9 on Balance Sheet has been deemed immaterial.



## NOTE 8.11: AASBS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2019 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises GV Health of their applicability and early adoption where applicable.

As at 30 June 2019, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. GV Health has not and does not intend to adopt these standards early.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015 8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i> has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018.	01/01/2019	GV Health has performed a detailed impact assessment of AASB 15 and AASB 1058 with no material impact for each major class of revenue and income in the initial year of application.
AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15.  This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	01/01/2019	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: <b>AASB 9</b> <ul style="list-style-type: none"> <li>Statutory receivables are recognised and measured similarly to financial assets.</li> </ul> <b>AASB 15</b> <ul style="list-style-type: none"> <li>The customer does not need to be the recipient of goods and/or services;</li> <li>The contract could include an arrangement entered into under the direction of another party;</li> <li>Contracts are enforceable if they are enforceable by legal or 'equivalent means';</li> <li>Contracts do not have to have commercial substance, only economic substance; and</li> <li>Performance obligations need to be 'sufficiently specific' to be able to apply AASB 15 to these transactions.</li> </ul>



## NOTE 8.11: AASBS ISSUED THAT ARE NOT YET EFFECTIVE (CONTINUED)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
<p>AASB 2018-8 <i>Amendments to Australian Accounting Standards – Right of Use Assets of Not-for-Profit entities.</i></p>	<p>This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.</p>	<p>01/01/2019</p>	<p>Under AASB 1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions.</p> <p>For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB 2018-8 provides a temporary option for not-for-profit entities to measure at initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption.</p> <p>GV Health has elected to apply the temporary option in AASB 2018-8 for not-for-profit entities to not apply the fair value provisions under AASB 1058 for these right-of-use assets.</p> <p>In making this election, GV Health considered that the methodology of valuing peppercorn leases was still being developed.</p>
<p>AASB 1058 <i>Income of Not-for-Profit Entities.</i></p>	<p>AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 <i>Contributions</i>.</p> <p>The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context, AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.</p>	<p>01/01/2019</p>	<p>Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 <i>Contributions</i>.</p> <p>The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed.</p> <p>The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement.</p>



## NOTE 8.11: AASBS ISSUED THAT ARE NOT YET EFFECTIVE (CONTINUED)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material.</i>	This standard principally amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	01/01/2019	The standard is not expected to have a significant impact on GV Health.
AASB 1059 <i>Service Concession Arrangements: Grantor.</i>	This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time.	01/01/2020	For an arrangement to be in scope of AASB 1059 all of the following requirements are to be satisfied: <ul style="list-style-type: none"> <li>• Operator is providing public services using a service concession asset;</li> <li>• Operator manages at least some of public services under its own discretion;</li> <li>• GV Health controls / regulates: <ul style="list-style-type: none"> <li>– what services are to be provided;</li> <li>– to whom; and</li> <li>– at what price.</li> </ul> </li> <li>• GV Health controls any significant residual interest in the asset.</li> </ul> <p>If the arrangement does not satisfy all the above requirements the recognition will fall under the requirements of another applicable accounting standard.</p>
AASB 2018-5 <i>Amendments to Australian Accounting Standards – Deferral of AASB 1059.</i>	This standard defers the mandatory effective date of AASB 1059 from 1 January 2019 to 1 January 2020.	01/01/2020	This standard defers the mandatory effective date of AASB 1059 for periods beginning on or after 1 January 2019 to 1 January 2020.

## NOTE 8.11: AASBS ISSUED THAT ARE NOT YET EFFECTIVE (CONTINUED)

### **AASB 16 Leases**

AASB 16 *Leases* replaces AASB 117 *Leases*, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).

AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The effective date is for annual reporting periods beginning on or after 1 January 2019. GV Health intends to adopt AASB 16 in 2019-20 financial year when it becomes effective.

GV Health will apply the standard using a modified retrospective approach with no restatement of comparative information.

Various, practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. GV Health will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low-value leases (deemed to be below \$10,000).

In addition, AASB 2018-8 – Amendments to Australian Accounting Standards – Right-of-Use Assets (RoU) of Not-for-Profit Entities allows a temporary option for not-for-profit entities to not measure RoU assets at initial recognition at fair value in respect of leases that have significantly below-market terms, since further guidance is expected to be developed to assist not-for-profit entities in measuring RoU assets at fair value. The standard requires an entity that elects to apply the option (i.e. measures a class or classes of such RoU assets at cost rather than fair value) to include additional disclosures. GV Health intends to choose the temporary relief to value the RoU asset at the present value of the payments required (at cost).

GV Health has performed a detailed impact assessment of AASB 16 and the potential impact in the initial year of application has been estimated as follows:

- increase in RoU \$235,660;
- increase in related depreciation \$73,044;
- increase in lease liability \$235,660;
- increase in related interest \$6,515 calculated using effective interest method, and;
- decrease in rental expense \$76,896.

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

- AASB 2017-6 *Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation.*
- AASB 2017-7 *Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures.*
- AASB 2018-1 *Amendments to Australian Accounting Standards – Annual Improvements 2015 – 2017 Cycle.*
- AASB 2018-3 *Amendments to Australian Accounting Standards – Reduced Disclosure Requirements.*

## NOTE 8.12: GLOSSARY OF TERMS AND STYLE CONVENTIONS

### **Actuarial gains or losses on superannuation defined benefit plans**

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from:

- experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- the effects of changes in actuarial assumptions.

### **Amortisation**

Amortisation is the expense which results from the

consumption, extraction or use over time of a non-produced physical or intangible asset.

### **Associates**

Associates are all entities over which an entity has significant influence but not control, generally accompanying a shareholding and voting rights of between 20 per cent and 50 per cent.

### **Comprehensive result**

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.



## NOTE 8.12: GLOSSARY OF TERMS AND STYLE CONVENTIONS (CONTINUED)

### **Commitments**

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

### **Current grants**

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

### **Depreciation**

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense reduces the net result for the year.

### **Effective interest method**

The effective interest method is used to calculate the amortised cost of a financial asset or liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period.

### **Employee benefits expenses**

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

### **Ex-gratia expenses**

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability, or claim against the entity.

### **Financial asset**

A financial asset is any asset that is:

- cash;
- a contractual or statutory right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

### **Financial instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity

instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

### **Financial liability**

A financial liability is any liability that is:

- A contractual obligation:
  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- A contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

### **Financial statements**

A complete set of financial statements comprises:

- Balance sheet as at the end of the period;
- Comprehensive operating statement for the period;
- A statement of changes in equity for the period;
- Cash flow statement for the period;
- Notes, comprising a summary of significant accounting policies and other explanatory information;
- Comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
- A statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

### **Grants and other transfers**

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form

## NOTE 8.12: GLOSSARY OF TERMS AND STYLE CONVENTIONS (CONTINUED)

of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

### **General government sector**

The general government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

### **Intangible produced assets**

Refer to produced assets in this glossary.

### **Intangible non-produced assets**

Refer to non-produced asset in this glossary.

### **Interest expense**

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortisation of discounts or premiums relating to liabilities, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

### **Interest income**

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

### **Joint Arrangements**

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

- The parties are bound by a contractual arrangement.
- The contractual arrangement gives two or more of those parties joint control of the arrangement.

A joint arrangement is either a joint operation or a joint venture.

### **Liabilities**

Liabilities refers to interest-bearing liabilities mainly raised from public liabilities raised through the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements. Liabilities also include non-interest-bearing advances from government that are acquired for policy purposes.

### **Net acquisition of non-financial assets (from transactions)**

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases

in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

### **Net result**

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as other comprehensive income.

Net result from transactions/net operating balance Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

### **Net worth**

Assets less liabilities, which is an economic measure of wealth.

### **Non-financial assets**

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

### **Non-produced assets**

Non-produced assets are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

### **Non-profit institution**

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

### **Payables**

Includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

### **Produced assets**

Produced assets include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films, and research and development costs (which does not include the start-up costs associated with capital projects).

### **Receivables**

Includes amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.



## NOTE 8.12: GLOSSARY OF TERMS AND STYLE CONVENTIONS (CONTINUED)

### ***Sales of goods and services***

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

### ***Supplies and services***

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of GV Health.

### ***Transactions***

Revised Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

### ***Style conventions***

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- rounded to zero
- 2018-2019 year period
- (xxx.x) negative numbers
- 2018-19 year period.





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