



GVHealth

# ANNUAL REPORT

2019-20





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

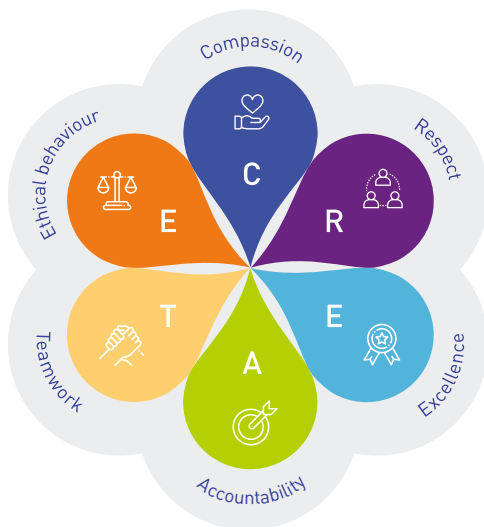
Improving community wellbeing through high-quality health services, outstanding care and learning.

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

Our CREATE values and behaviours are the foundations for our four 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**

A key focus of the Board during the past 12 months has been ensuring that Stage One of the GV Health, Graham Street, Shepparton redevelopment is delivering state-of-the-art healthcare facilities to the region. It is well documented that having access to healthcare closer to home improves healthcare outcomes for the community, and this development enables GV Health to deliver more services locally and reduce travel time for the community.

The first building finished as part of the \$229.3 million redevelopment funded by the Victorian Government at GV Health's Graham Street campus was the new Dialysis Unit which was opened in November 2019.

The new Dialysis Unit has provided a significant increase in capacity, with 16 treatment chairs now available compared to eight previously, thereby ensuring people from the region do not have to travel to receive the treatment they require.

At the end of June 2020, the new Emergency Department was opened giving both the community and staff access to a modern environment to provide services and care for patients. We particularly look forward to the former Emergency Department undergoing necessary refurbishment works over the next 12 to 18 months, which will result in the doubling of our emergency services capacity from 18 treatment bays to 36. This expansion will mean that more people than ever will be able to get the high-quality and safe emergency care they need faster.

Another major milestone in the redevelopment was the acceleration of the completion of the new Inpatient Unit. Completion of this five-storey building was fast-tracked to enable additional capacity in response to predicted demand in relation to the coronavirus pandemic (COVID-19). The new Inpatient Unit includes a mortuary with garden, new kitchen, two 32 bed inpatient wards, four new theatre spaces, a new Critical Care Unit and new plant areas on Levels 4 and 5, which supply essential utility and information communication and technology services across the entire site. At the time of preparing this report, it was anticipated GV Health would be able to move into this unit eight weeks ahead of schedule in August 2020 thanks to the support of the Victorian Government and the contracted builders.

The Board is looking forward to moving into the next phase of the redevelopment, which together with the refurbishment of the former Emergency Department is the refurbishment of the Special Care Nursery, Maternity Unit and the Theatre complex.



## FUNDING ANNOUNCEMENTS

The Board welcomed the Victorian State Government's \$58 million funding announcement in September 2019, with the funds to be used to expand medical imaging services within the new Emergency Department, compliance works to ensure the entire Graham Street site in Shepparton meets all statutory building codes, with some of the funds also being used to install an additional electrical supply feed into the site.

The Federal Government announced in April 2019 a \$26 million investment into a new, state-of-the-art integrated cancer centre which will allow GV Health to expand the current cancer services it provides while introducing new programs and models of care for people in the region with cancer. Planning for the new centre will commence in coming months and it is anticipated the new building will provide a major expansion of medical day oncology services, additional clinical spaces for medical specialists, nursing specialists and allied health professionals to deliver contemporary and best practice cancer services to our entire region.

I would like to thank the Copulos family for their generous support of GV Health's cancer services over a number of years and would like to acknowledge what a wonderful facility the Peter Copulos Cancer and Wellness Centre is for the region. GV Health looks forward to enhancing these services into the future.

Also, in April 2019, the Federal Government announced that it will invest \$4 million in a Children's and Young Person's Service Hub in the Goulburn Valley. This funding will be used to develop existing treatment and therapy areas and establish new, purpose-built facilities at the Community Health@GV Health site in Corio Street, Shepparton.

This redevelopment will enable GV Health to provide consolidated care for children and young people through a Children and Young Person's Hub allowing health professionals and a range of services to be co-located. This will provide seamless access to services for children and their families through an integrated service delivery centre, which, in turn will deliver quality care leading to better and improved health outcomes in our community.

## THANK YOU

There are a number of people and community groups I would like to thank for their wonderful support of GV Health during this year being the GV Health Foundation, all donors, auxiliaries, local community organisations and individuals for

their continued and generous support. I would particularly like to thank Peter Copulos and family and Paul Archer "The Battery Man" for their outstanding support over a number of years.

This year has been a particularly challenging year for all staff and I would like to sincerely thank each and every staff member for their hard work, dedication and their incredible resilience in facing COVID-19 while providing the best possible healthcare to the Goulburn Valley community.

While our volunteers have not been able to provide their usual service to GV Health due to COVID-19, the months of fantastic service they were all able to contribute before the pandemic, was and remains invaluable. We all look forward to the day you are once again able to come back and provide the comfort to our patients, families, and visitors that they have missed.

I would also like to thank and recognise the contribution of the executive team, led by Chief Executive, Matt Sharp, all of whom have guided and led the region through COVID-19 in ensuring all essential planning was in place to successfully manage any outbreak, while continuing to lead the health service in its main purpose of improving community wellbeing through high-quality services, outstanding care and learning.

I would like to take this opportunity to thank the members of the Board who I have worked with during my time as Board Chair and offer my support and congratulations to the new Board Chair, Michael Delahunty.

I look forward to seeing the ongoing improvements to the services that GV Health delivers to the people and families of the Goulburn Valley as the health service continues to provide outstanding health and wellbeing outcomes for the entire region.

**REBECCA WOOLSTENCROFT**  
Board Chair



**MATT SHARP**  
**CHIEF EXECUTIVE**

It has been a very challenging and unexpected year for all staff and the Goulburn Valley community as a whole, with much of our focus on preparing for and with much of our focus on preparing for and facing the coronavirus pandemic (COVID-19).

I have been so pleased and proud of the way GV Health has responded to this unprecedented situation through new and different services, while also maintaining essential clinical and non-clinical services. In some ways it has been galvanizing for us as an organisation and I hope provides a stronger foundation for us moving forward.

GV Health's preparations were guided by its Pandemic Plan that was already in place for such an event and an emergency management structure was established to ensure the health service was fully prepared for any outbreak.

An Incident Management Team was brought together to plan for a worst-case scenario in terms of an outbreak of COVID-19 ensuring the organisation was ready and able to look after our community should the need arise.

The Department of Health and Human Services designated GV Health as the lead agency in the Hume region to work with all other health services to develop plans and establish teams to respond to any outbreak of COVID-19.

A number of GV Health executive staff were responsible for many of the service streams across the region leading in a number of areas that included COVID-19 contact tracing, rapid response testing and residential aged care.

A considerable amount of work has also been undertaken to ensure each GV Health site has a COVID Safe Plan in place.

As part of GV Health's overarching Pandemic Plan, a COVID-19 Screening Station and Acute Respiratory Clinic was established to manage COVID-19 patient presentations.

A COVID-19 isolation ward was also established, allowing for improved co-ordination of care and separation of possible and/or confirmed COVID-19 patients from other patients.

Before COVID-19, all of GV Health's pathology swabs were sent to a laboratory in Melbourne for testing. GV Health purchased additional pathology equipment which now gives us the ability to test for COVID-19 in the Pathology Laboratory at our Shepparton campus, significantly improving turnaround times for high-priority groups requiring testing.

Visitor restrictions set out by the Victorian State Government were established to ensure the safety of all our patients and staff, with a number of other health and safety regulations applied to minimise the risk of spreading COVID-19 among those who are the most vulnerable in our community.

Reductions in elective surgery, community health services, specialist clinics and dental services were managed by GV Health offering alternative options where possible, for example using technology such as Telehealth to ensure people in our community were still able to have access to health professionals.

GV Health staff has had to adapt and change the way they work, with a number of staff working offsite at home, meetings now taking place virtually, having their temperature taken and being screened at the start of each shift for COVID-19 and filling out daily attestations before entering any GV Health campus.

## REDEVELOPMENT UPDATE

While COVID-19 has been the main focus for us all in 2020, GV Health is continuing work on the \$229.3 million redevelopment of its Graham Street, Shepparton campus.

To quickly increase capacity and meet the health needs of the community during COVID-19, support was provided by the Victorian State Government and the Victorian Health and



Human Services Building Authority to accelerate the delivery of the new Inpatient Unit building, which was completed eight weeks ahead of schedule.

The accelerated program allowed GV Health to create additional intensive care beds and general ward beds to ensure we were able to treat and care for people with COVID-19 and also allow us to continue to provide essential clinical services.

The unit includes a new mortuary with garden, new kitchen, two 32 bed inpatient wards, four new theatre spaces, a new Critical Care Unit and new plant areas on Levels 4 and 5, which supply essential utility and ICT services across the entire site.

A number of GV Health's services have been relocated in 2020; some permanently into their newly built departments and some temporarily while refurbishment works take place.

While GV Health's new Emergency Department is now open and fully operational, I look forward to moving into the next phase of the redevelopment which includes the refurbishment of the former Emergency Department, the Special Care Nursery, Maternity Unit and the Theatre complex. These refurbishment works will take place over the next 12 months, resulting in an expansion of the Emergency Department, doubling its capacity, which will enable those in our community who require emergency care to receive outstanding care without having to travel to metropolitan areas.

### 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:

#### **Board Chair Award for Excellence in Customer Service (Individual)**

**TOBY DAFF** – Podiatrist within the Rural Allied Health Team

#### **CE Award for Living the Values (Individual)**

**BERNIE SQUIRES** – Volunteer

#### **CREATE. Outstanding Award**

**SARAH MARSHALL** – Medical Intern

#### **OH&S Representative of the Year**

**ANDREW HAWKS** – Engineering Department

#### **Patient-Centred Care Award**

**RHONDA PETHER** – Counsellor Advocate - GV Centre Against Sexual Assault

#### **Excellence in Consumer Participation in Quality Improvement Award**

**THE CONSUMER EXPERIENCE COMMITTEE**

#### **CREATE. Outstanding Nursing and Midwifery Award**

**WENDY JOHNSTONE** – After Hours Co-ordinator

It has been an extraordinary year and I would like to take this opportunity to thank all staff for their outstanding effort in their response to COVID-19, taking on extra workloads and responsibilities while continuing to carry on our business as usual work. All your hard work, dedication and resilience has ensured we have kept our community safe during this pandemic, while continuing to provide the best possible service by attending to the healthcare needs of those who need us the most. You have all been truly remarkable and I sincerely thank you all.

I would also like to thank our wonderful volunteers who were able to provide such wonderful and comforting service to our patients and their families for some of the past 12 months. We have all greatly missed your smiles and dedication to our community and we look forward to the day you are able to return to the health service.

Thank you to each member of the Board for their continued leadership, support and guidance in delivering quality, world-class healthcare for everyone across the Goulburn Valley region.

I also wish to thank outgoing Board Chair, Rebecca Woolstencroft who has served on the GV Health Board and as Chair for the past three years. Her passion and enthusiasm, together with her support, expertise and advice was greatly appreciated by the Board and the Executive.

I look forward to working with new Board Chair, Michael Delahunty and the newly appointed Board Directors, Cathy Jones and Nicole Inglis as we continue to create and deliver outstanding health and wellbeing services for the Goulburn Valley region.

**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 GV Health for the year ended 30 June 2020.



**MICHAEL DELAHUNTY**  
Chair – Board of Directors

26 November 2020

## RELEVANT MINISTERS

The responsible Ministers during the reporting period were:

Jenny Mikakos MP:	
• Minister for Health	1/07/2019 - 30/06/2020
• Minister for Ambulance Services	
Martin Foley MP:	
• Minister for Mental Health	01/07/2019 - 30/06/2020

## 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 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 By-laws of the organisation.

## OUR 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 Parkvilla Aged Care residential facility.

The Rushworth campus is known as Waranga Health and provides 36 aged care beds; Hostel and Nursing Home combined, and four acute beds.

Total number of beds	2017/18	2018/19	2019/20
All Acute (includes Shepparton, Tatura and Waranga)	185	185	190
Acute (Shepparton campus only)	165	165	178
Aged Care Residential	77	77	71
Mental Health - Acute Mental Health - Community	20	20	20
Prevention and Recovery Care Service and Supported Residential Rehab Program	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

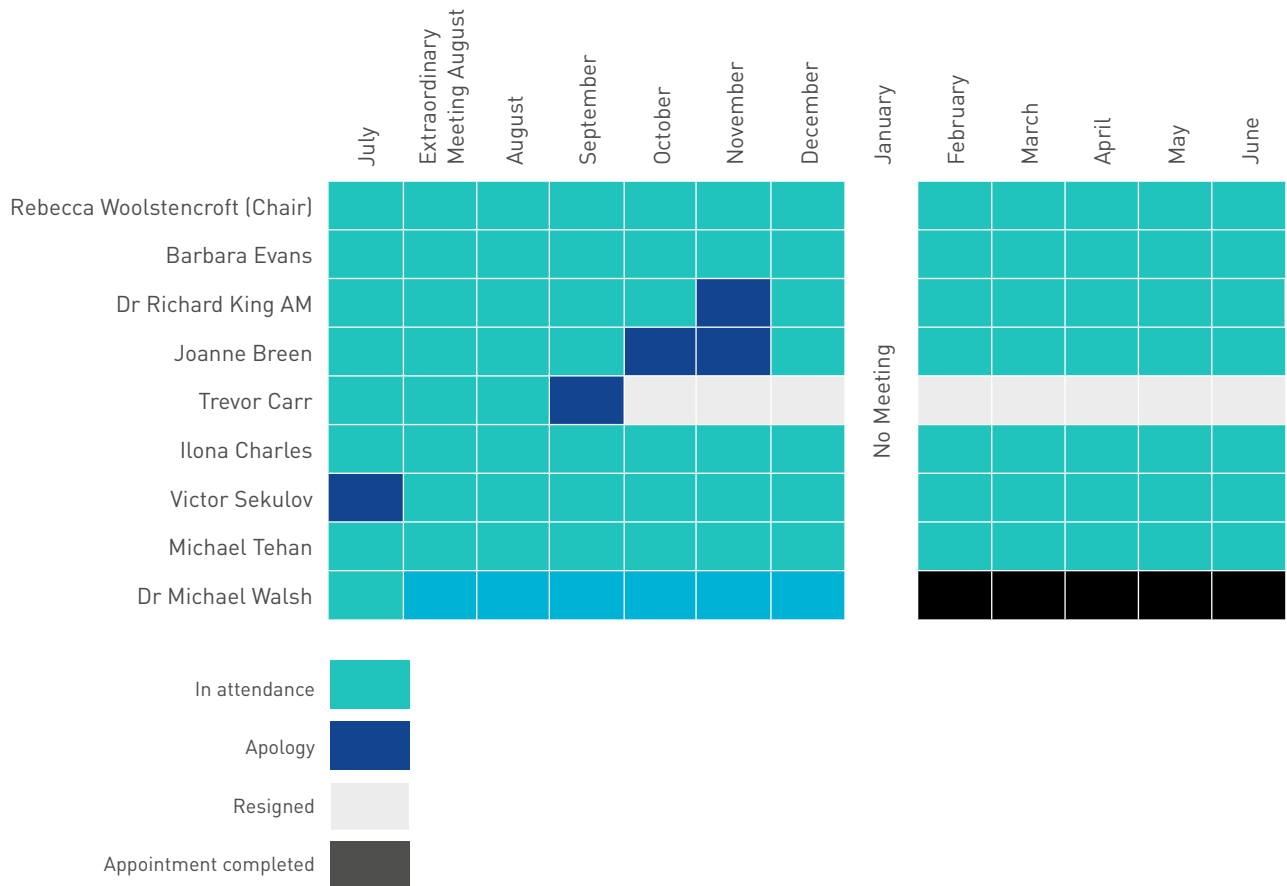
Dr Richard King AM

Victor Sekulov

Michael Tehan

Dr Michael Walsh, Ministerial Delegate

### BOARD OF DIRECTORS' MEETING ATTENDANCE 2019-20





## QUALITY COMMITTEE MEETING ATTENDANCE 2019-20



### MEMBERS OF THE GV HEALTH AUDIT AND RISK COMMITTEE

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

### MEMBERS OF THE GV HEALTH FINANCE AND INFRASTRUCTURE COMMITTEE

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

# 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 since June 2018, 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 much-needed 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.

## DR JOHN ELCOCK

EXECUTIVE DIRECTOR  
MEDICAL SERVICES & CHIEF  
MEDICAL OFFICER



**BMedSci (Hons), MBBS, MBA, FRACGP, FRACMA, FCHSM, GAICD**

Dr John Elcock was appointed to his current role in August 2019. Previously he was the Director of Medical Services at Northeast Health Wangaratta for 16 years.

Prior to becoming a medical administrator, Dr Elcock was a full-time clinician for 13 years, working in general medicine, anaesthetics, emergency medicine and general practice. He also has a background in military medicine and remains a Senior Medical Officer in the Australian Army.

Dr Elcock has attained Fellowships of the Royal Australasian College of Medical Administrators, the Australasian College of Health Service Management and the Royal Australian College of General Practitioners. He is a graduate of the Australian Institute of Company Directors' course, and has a master's degree in business administration and degrees in medicine and immunology.

Dr Elcock's professional interests include effective medical governance, ethical medical practice, medical leadership, and state-wide health strategy and policy. He is the chair of the Victorian Rural and Regional Directors of Medical Services Forum and is on a number of Department of Health and Human Services state-wide advisory committees.

## JOSHUA FREEMAN

EXECUTIVE DIRECTOR  
COMMUNITY CARE & MENTAL  
HEALTH



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

Joshua Freeman is the Executive Director of Community Care & 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. Before joining GV Health, Mr Freeman was an Executive Director with Queensland Health. He 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.

# EXECUTIVE OFFICERS

## 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 and Infrastructure and Risk and 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 the previous 18 years. He was responsible for Eastern Health's financial services, management accountant services, procurement and supply, facilities and infrastructure, security, property and retail, 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.

## JACINTA RUSSELL

### EXECUTIVE DIRECTOR CAPITAL PROJECTS, INFRASTRUCTURE & SUPPORT SERVICES



#### **B.Sc (Bio), M.Sc.App.Biotech, Grad Cert Management and Leadership, Prof Cert HSM, GAICD, Prince 2 Project Management (Foundation and Practitioner)**

Jacinta Russell has been the Executive Director Capital Projects, Infrastructure & Support Services from March 2020, following a four month period as the Interim Executive Director for Rural Campuses (Tatura Hospital and Parkvillia Aged Care and Waranga Health). Prior to this Ms Russell was the Divisional Director Clinical Support Services with a portfolio incorporating pathology, pharmacy, medical imaging, allied health sciences clinical education and diagnostic cardiology and neurology services. As the Executive Director Capital Projects, Infrastructure & Support Services, Ms Russell leads the redevelopment and capital project works, corporate

support services inclusive of food services, environmental services, supply and procurement, contract management, security, accommodation, patient transport, sustainability and insurances. Clinical Support Services is inclusive of pharmacy, pathology and medical imaging; media and communications and infrastructure and assets, including biomedical engineering.

Ms Russell joined GV Health in 2004 as the Pathology Manager before moving into the role of Clinical Business Manager. Prior to joining GV Health, she worked at Bendigo Health as a senior manager in Pathology and at the Royal Children's Hospital in the Microbiology and Infectious Diseases unit as a diagnostic scientist and research assistant.

Ms Russell has extensive experience leading health service multi-disciplinary teams and has been an active member of the Statewide Pathology Executive, and Allied Health committee's with Department of Health and Human Services. Ms Russell serves on several local Boards including Primary Care Connect and is the previous Board Chair of Fairley Leadership. For the past eight years she has been a judge of the Victorian Public Healthcare Awards.

## GAYLE SAMMUT

### CHIEF ALLIED HEALTH OFFICER & DIRECTOR AMBULATORY CARE DIVISION



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

Gayle Sammut is the Chief Allied Health Officer & Director Ambulatory Care Division.

Ms Sammut has extensive leadership experience through her work in rural, remote and regional areas of New South Wales, Victoria and Queensland, where she has held a range of clinical and leadership roles in acute, ambulatory, community and aged care settings in public, private health and the not-for-profit sector. After gaining her qualification as a Physiotherapist, Ms Sammut undertook a graduate internship year at The Sydney Hospital in New South Wales, which included a four month rotation to Broken Hill Base Hospital in the state's far west region.

A keen interest in rural and remote health, as well as a love of travel, led Ms Sammut to take up a position in Broken Hill where she was able to consolidate her skills as a clinical physiotherapist, before pursuing physiotherapy management and allied health leadership roles at Mildura Base Hospital in north west Victoria.

Ms Sammut then worked in an executive leadership role with a non-government aged and community care provider on the Gold Coast, Queensland, before relocating to Shepparton to take up the newly created allied health leadership position with GV Health. Since this time, Ms Sammut has held the Director of Allied Health role at GV Health, prior to taking up the Chief Allied Health Officer role in 2017. This position is managed concurrently with that of Director, Ambulatory Care Division.





Ms Sammut, who has worked in health management for many years, has post graduate management qualifications and has most recently completed the University of Melbourne's Professional Certificate in Health Systems Management. During her career, Ms Sammut has taken a specific interest in developing the allied health assistant workforce, allied health educator and allied health research roles, and allied health leadership pathways in regional public health.

Ms Sammut is a member of the Department of Health and Human Services Allied Health Leaders — Strategic Advisory Group, a member of the Ovens, Murray-Goulburn Allied Health Leaders Council and a current member of the Australian Physiotherapy Association.

**DONNA SHERRINGHAM**  
EXECUTIVE DIRECTOR  
CLINICAL OPERATIONS



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

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.

**KELLIE THOMPSON**  
EXECUTIVE DIRECTOR OF  
QUALITY, RISK & INNOVATION  
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), MACN**

Kellie Thompson is the Executive Director of Quality, Risk & Innovation and the 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 & 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 clinical background in nursing and is the professional lead for all nursing and midwifery at GV Health.

**STACEY WEEKS**  
EXECUTIVE DIRECTOR  
PEOPLE & CULTURE



**BBus, Grad Cert IR**

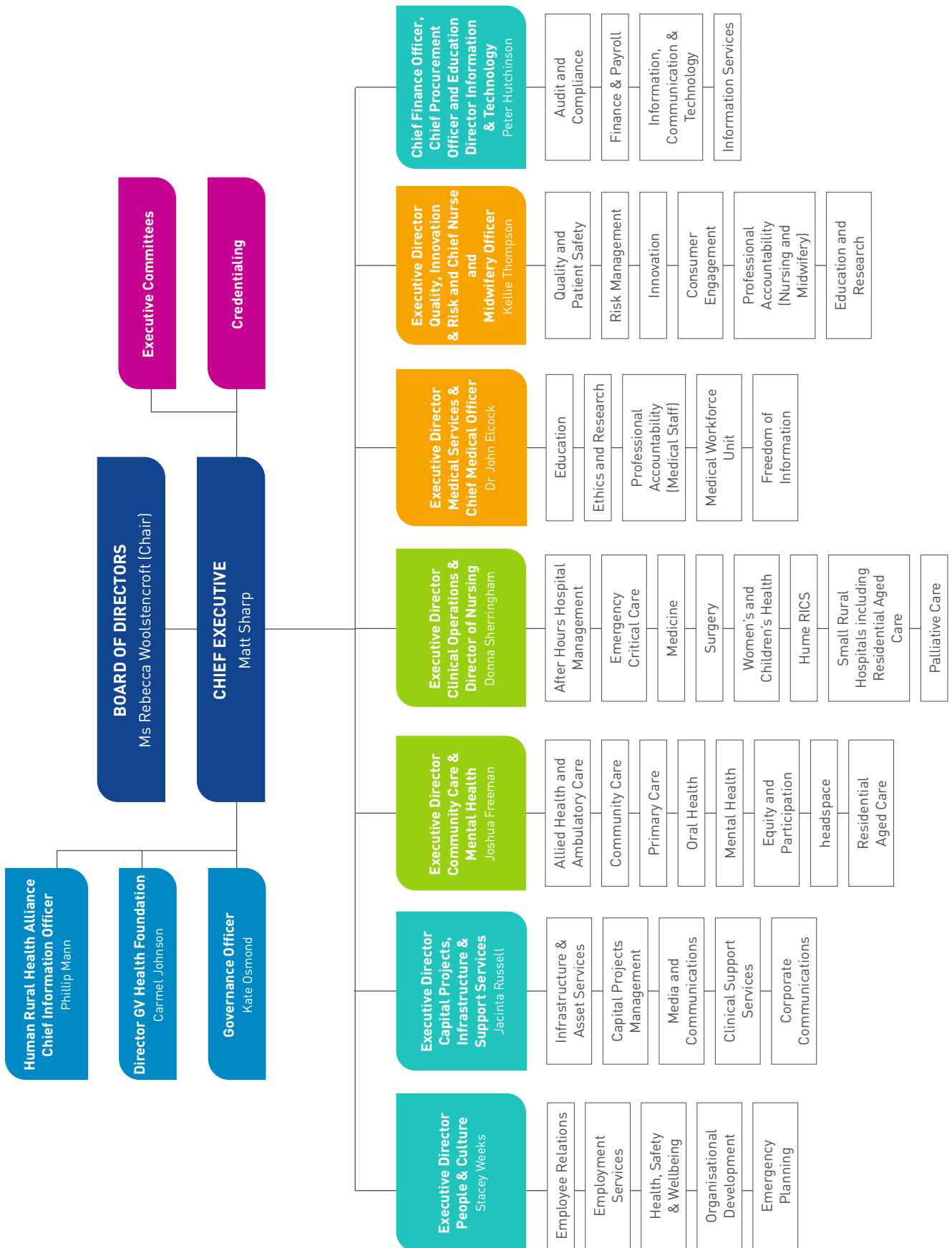
Stacey Weeks is the Executive Director of People & Culture and attended La Trobe University in Bendigo where she earned a Bachelor of Business majoring in Human Resources. Ms Weeks then completed a Graduate Certificate in Industrial Relations at Charles Sturt University in 2012.

Ms Weeks started her career in Human Resources 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 Executive Director Workforce in October 2017 and is responsible for the functions ranging from employee relations, organisational development, employment services and medical workforce.

Her professional affiliations over the years have included the Industrial Relations Society of Victoria and the Australian Human Resources Institute.

# ORGANISATION STRUCTURE





## EXECUTIVE DIRECTOR OF MEDICAL SERVICES AND CHIEF MEDICAL OFFICER

Not surprisingly much of the second half of the financial year was focused on ensuring that GV Health managed its response to the coronavirus pandemic (COVID-19) so that it could provide capacity for the predicted surge demands on the health service and preserve staff safety. As a consequence however, a number of initiatives planned for 2019-20 were delayed.

### SAFETY AND QUALITY SYSTEMS

The credentialing of senior medical and dental practitioners has further strengthened, with robust interim credentialing processes to accommodate a high use of locum specialists due to COVID-19 demands.

The Executive Director Medical Services and Chief Medical Officer (EDMS & CMO) is executive sponsor for three of the eight National Accreditation Standards, Communicating for Patient Safety, Medication Safety, and Blood and Blood Products.

### MEDICAL WORKFORCE

Medical workforce development planning continues to position GV Health for service expansion as the capital redevelopment progresses. This has included strengthening relationships with metropolitan health services to provide shared training pathways in both accredited and unaccredited positions.

The medical workforce was significantly impacted by the need to increase services to respond to COVID-19. In particular, additional recruitment was required to staff the Respiratory Emergency Department, the Respiratory Unit and to provide increased staffing for the Critical Care Unit. Some junior doctor rotations were frozen in early 2020 following a Department of Health and Human Services directive to keep junior doctors in their current positions as the first wave of COVID-19 infections evolved. Due to reductions in elective surgery and necessary redeployment to the Emergency Department and Respiratory Unit duties, junior doctor training has been significantly impacted at GV Health as in all other Victorian health services. This will be addressed as much as possible in the first half to the 2020-21 year.

GV Health has continued to support medical student training throughout the COVID-19 response and all GV Health medical students have been able to complete their required clinical placements despite the pandemic.

A number of external bodies including specialist training colleges were due to conduct periodic re-accreditation surveys of GV Health during early 2020. Due to COVID-19, these surveys have been postponed until 2021, and GV Health's accreditation automatically extended in the interim.

### RESEARCH AND ETHICS

Research at GV Health is showing a very encouraging increase in activity with the number of research projects underway doubling in a single year. The GV Health Research and Ethics Committee considered 53 applications for ethics approval in the year 2019-20. A total of 52 research projects were undertaken in 2019-20 and a range of different clinical departments had papers published in learned journals.

## MODELS OF CARE

The Directorate contributed to or led the development of a number of new models of care during the year, in response to either the capital redevelopment of GV Health, COVID-19 or both simultaneously. This included the establishment of a Respiratory Unit, catering specifically for COVID-19 patients and a separate patient stream for patients presenting with respiratory symptoms in the Emergency Department.

### COVID-19 RESPONSE

In addition to the issues outlined above, the Directorate was involved in a number of COVID-19-related initiatives, including the establishment of a COVID-19 testing clinic and outreach service, and the EDMS & CMO was a member of the Department of Health and Human Services statewide PPE Taskforce, representing Victorian regional and rural health services.

## CHIEF NURSE AND MIDWIFERY OFFICER

The Chief Nurse and Midwifery Officer role has experienced a number of changes in the past 12 months, with the appointment of Kellie Thompson as the Chief Nurse and Midwifery Officer, a position Kellie has held in an interim capacity since 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 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.

Follow through from the collaborative research with the Department of Rural Health, University of Melbourne in Advanced Clinical Practice for Nurses and Midwives in 2018 has occurred with the seven recommendations from the study completed. A framework to support and strengthen all nursing and midwifery roles at GV Health, including Advanced Clinical Practice has now been established for all clinical areas.

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.

While this development takes place, interim measures to bring LaTrobe University undergraduate nursing students onsite has occurred with the remodelling of a clinical simulation room in the current Elsie Jones Education Centre.

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 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.

The Nursing and Midwifery Credentialing framework and process have been reviewed with revised credentialing processes implemented to better support nurses and midwives with advanced practice. This has included the credentialing of the 11 Nurse Practitioner / Nurse Practitioner Candidates and the 15 Nurse Immunisers across all of GV Health's programs.

The new Clinical Placement Co-ordinator position introduced in late 2019 has assisted in an increase in undergraduate clinical placements for both nursing and midwifery students. This role has improved all processes and communication with learner cohorts and education providers, while strengthening collaboration with other disciplines to ensure a consistent approach of clinical placement at GV Health. Local education providers will have their entire learner cohorts' graduate despite the challenges faced in 2020 and are extremely grateful to GV Health for all supportive efforts.

Extending opportunities for post graduate studies has included an increase in financial support with scholarships and post graduate study for both nurses and midwives, with more than 40 staff graduating at the completion of the year.



## COMMUNITY CARE AND MENTAL HEALTH

### MENTAL HEALTH DIVISION

GV Health started Project ECHO, which is a collaboration between the GV Health Area Mental Health Service (GVAMHS) and the Goulburn Valley Alcohol and Drug Service (GVADS) which are both GV Health services. Using proven adult learning techniques and interactive video technology, the ECHO Model™ connects groups of community providers with specialists at centres of excellence in regular, real-time collaborative sessions. A group of seven staff

were supported to attend immersion training in implementing Project ECHO at the ECHO Institute, University of New Mexico, Albuquerque, USA. The sessions, designed around case-based learning and mentorship, assists local workers gain the expertise required to provide services. Providers gain skills and confidence, while specialists learn new approaches for applying their knowledge across diverse cultural and geographical contexts. As the capacity of the local workforce increases, services and practices for consumers improves.

The ECHO Model™ is consistent with GV Health's pillar of creating values-based healthcare partnerships, which deliver equitable and accessible healthcare for all.

GVAMHS started the Early Intervention Psychosocial Support Response (EIPSR) program providing psychosocial support to mental health consumers who do not qualify or are waiting for National Disability Insurance Service (NDIS) supports. This initiative is being operated in conjunction with Wellways.

The Office of the Chief Psychiatrist (OCP) undertook scheduled reviews of Electroconvulsive Therapy (ECT) service and Grutzner House, which is an aged care residential facility for people with mental illness. Both of these reviews highlighted the compassionate care provided to consumers. The Grutzner House review highlighted medication management, a good, personalised lifestyle program and good support for carers.

As part of the COVID-19 preparedness process, Grutzner House underwent a gap analysis conducted by the Department of Health and Human Services' Residential Aged Care Services. Consistent with the OCP review, the gap analysis identified excellent lifestyle programs, a well-engaged team, good documentation, good COVID-19 preparedness and education provided to staff and residents around metabolic monitoring.

GV Health has the first addiction medicine training program accredited by the Royal Australasian College of Physicians (RACP) outside of a capital city in Australia. This accreditation has been led by Professor Ed Ogden, Addiction Medicine Specialist at GV Health and Associate Professor Ravi Bhat, Divisional Clinical Director Mental Health. It enables GV Health to be eligible for Federal Government funding for an advanced training in addiction medicine role.

The Mental Health service provided 42,745 contacts which exceeded the statement of priorities target, achieving an overall result of 101 per cent.

### COMMUNITY INTERLINK

Community Interlink was the recipient of the Minister for Disability, Ageing and Carers' Award for Excellence in Public Sector Aged Care at the 2019 Victorian Public Healthcare Awards. The award was recognition for a hub-and-spoke model that allows for smooth contract management, resource allocation and quality improvement.

The Community Interlink team has continued to grow over the past 12 months and provides services to more than 380 Commonwealth supported Home Care Packages. The service also supports 138 registered Commonwealth Home Support Program clients and 147 National Disability Insurance Scheme (NDIS) participants.

The Community Interlink team provides services to people from sites across the Hume Region at Benalla, Broadford, Cobram, Numurkah, Seymour, Shepparton, Wangaratta and Wodonga.





As highlighted by the service's success in the Victorian Public Healthcare awards, Community Interlink is well placed to remain a local service provider and employer. During the year Community Interlink also welcomed Kyabram District Health Service into the consortium, further strengthening the local response to service provision.

The Community Care team has undergone significant changes in the past 12 months with the addition of a NDIS Transition Manager and adoption of NDIS Support Co-ordination into its suite of services, with consumer feedback forums providing service feedback. Community Interlink consistently receives feedback from both consumers and other service providers in relation to the team's professionalism and understanding of both the needs of our participants, their families and available services.

### PRIMARY CARE DIVISION

Early Childhood Therapy and Supports (formerly known as Early Childhood Intervention Service) has completed the transition to being a NDIS provider. Considerable work was undertaken to align the service model and program documentation with the NDIS, and also in supporting families to navigate the process of accessing the NDIS. To help mark this transition, and to better reflect the early childhood services provided, the program has had a name change.

A significant achievement for the Primary Care Division during 2020 has been its contribution to GV Health's response to COVID-19. Staff from across all Primary Care programs assisted in the planning, implementation, day-to-day running and evaluation of GV Health's COVID-19 community testing clinics at Riverside Plaza in Kialla and Bunnings Warehouse in Shepparton, the Acute Respiratory Clinic (ARC) at Graham Street, Shepparton, the front entrance temperature screening at Community Health @ GV Health building, the GV Health Contact Tracing team and the Rapid Response testing service. GV Health's CREATE values have been on full display as staff have consistently contributed to help keep the Goulburn Valley community safe.

The Goulburn Valley Alcohol and Drug Service consortium is made up of three partners; GV Health, The Salvation Army and Odyssey House Victoria. Staff from all three entities work in

collaboration to provide counselling, care for and treat people with drug and alcohol dependency. The service also has specialist staff that provide nursing, residential withdrawal and addiction medicine services.

### DENTAL SERVICE REPORT

The GV Health dental team has demonstrated adaptability and resilience while facing a number of changes in the past 12 months, operating at various levels of restrictions to navigate safely throughout COVID-19. Up to 10,000 patients were treated in the past year.

Clinicians have made the most of Tele-Dentistry services and phone consultations to minimise patient movement, especially to Melbourne for specialist services.

Staff was able to support GV Health through COVID-19 by managing temperature testing checkpoints throughout the health service. Other changes include the resignation of Clinical Director, Dr David Whelan and from December 2019, the interim appointment of Dr Rose Macdonald.

The dental service, in partnership with NCN Health Cobram, has been committed to supporting dental and oral health therapy students to continue placements safely throughout the year, as well as a continuation of the graduate and trainee programs. In addition to the training of a new workforce, focus has always been on maintaining an excellent standard of care and patient service, with numerous compliments received across various modalities for the team.

### AMBULATORY AGED CARE AND ALLIED HEALTH

The Aged Care Assessment Team provided 1,585 assessments and 1,141 support plan reviews in 2019-20. This service exceeded target and also added additional services by taking over the Regional Assessment Service (RAS). The RAS provides a home support assessment for clients aged 65 and over and enables access to the Commonwealth Home Support Program services. The assessment focus is from a wellness and reablement approach ensuring clients are assisted to achieve an improvement in function if possible.

## CLINICAL OPERATIONS

The Clinical Operations directorate, which spans all campuses' hospital inpatient services, residential services and a large range of ambulatory services has had an extremely challenging year responding to COVID-19, while remaining focused on keeping the community and staff safe and still providing clinical care to patients. The culmination of many years' work has come to fruition, with significant growth in services and commissioning of the new buildings as part of Stage 1 of the redevelopment. While it was not anticipated that some of the buildings would be required for COVID-19, there is no doubt having access to this new infrastructure has been a great asset in our successful response to COVID-19.

The completion of a new Dialysis Unit has enabled the expansion of GV Health's renal service and is complemented by the increased number of dialysis chairs from seven to 16. To support this growth, GV Health continues its partnership with St Vincent's Hospital Melbourne to facilitate patient care. GV Health has recruited a second nephrologist and developed a nurse practitioner candidate position that services a combination of acute kidney injury patients and patients that access peritoneal dialysis. This innovative model of care will service dialysis patients across the region well into the future. Dr Anil Xavier has been well recognised for his instrumental lead in developing the software that recognises acute kidney injury for early intervention, which saves kidney function.

In partnership with Bendigo Health, as part of an expansion of the program to make specialist geriatrician expertise accessible to more people, GV Health established the Geri-Connect service for the Goulburn region. Currently seven services are participating in the Geri-Connect model. Further expansion of the service has been impacted by geriatrician availability and the impact of COVID-19 preventing access to the residential aged care facilities. GV Health is committed to an ongoing service.

Specialist Consulting Suite (SCS) clinics have also experienced significant growth, with additional services in key areas such as cardiology and orthopedics. The challenge to continue to provide services during COVID-19 led to the SCS rapidly expanding into the Telehealth space of service provision. Staff worked tirelessly to support patients and families to transition to Telehealth to ensure care was provided. GV Health successfully expanded both on-site and Telehealth cardiology clinics at Numurkah District Health Service to provide care closer to home.

Recruitment has taken place for a number of key senior medical consultant positions ensuring service continues in several areas including orthopedics, rheumatology, intensive care, medical, obstetrics and gynecology, paediatrics, anesthetics, general surgery and nephrology.

GV Health's oncology service has experienced a key service development, together with the Department of Health and Human Services in being able to access radiotherapy locally as a result of Genesis Care establishing a service in Shepparton. The service agreement with Genesis Care has enabled public patients with certain tumour streams to be treated locally rather than having to travel out of the region. The Biggest Blokes' Lunch has increased funding to support a second Prostate Nurse along with the Bowel Nurse. Without these local partnerships, GV Health's oncology patients would not receive the necessary care they require or experience such successful outcomes. GV Health's outreach clinics continue at both Seymour and Kyabram, with a significant



increase in patients cared for at Kyabram. Other areas of the oncology team also increased their services via Telehealth, which has now become a key service of the Symptom Urgent Review Clinic.

The implementation of the improvement initiative 'Patient Bundle' at GV Health continues, with the aim to improve communication and care of both patients and families. Staff involved have been very positive regarding the links developed with patients. This strategy has been developed in response to the patient experience strategy, partnering with consumers and patient-goal orientated care.

COVID-19 has created a significant impact on GV Health's surgical activity, with restrictions placed on the amount of elective surgery performed as a result of the strategies put in place to reduce COVID-19 community transmission. GV Health is planning to reschedule those patients who have had their surgery delayed during the recovery phase. There has also been a decrease in Emergency Department patient presentations as staff has been challenged to meet the requirements of COVID-19, while still continuing to provide other medical care. A key strategy for GV Health was the establishment of a COVID-19 care pathway for patients that included retaining part of the former Emergency Department to enable increased capacity should the need arise.

A significant focus for GV Health, and particularly Clinical Operations, has been planning for the relocation into the new buildings. The development of new models of care to support staff relocating has been essential for staff to prepare for these moves in July 2020. This work will continue into 2020 and 2021.

During mid-to-late 2019, the redevelopment and co-location of the services at Waranga Health occurred after a number of years of planning and construction. The staff and Community Reference Group were deeply involved in the planning of buildings and the model of care that has resulted in this service amalgamation being successful.

Patient flow has been a key focus for Clinical Operations. with the implementation of the Daily Operating System. This was the key recommendation of the Flow-to-Go program undertaken in early 2019, which identified work processes that may impact on patient flow. The four-tier process has been rolled out across all of GV Health, with patient clinical units being the first priority. This process supported staff to focus on patient communication and access to services, with a clear structure and defined, organisation-wide goals. This process has resulted in improvements in patient access and remains a key strategy. GV Health was successful to participate in the Safer Care Victoria Timely Care Program that was unfortunately delayed due to COVID-19. It is expected that this program will be implemented in late 2020.



## CHIEF ALLIED HEALTH OFFICER

The Chief Allied Health Officer, representing the therapy and science disciplines at GV Health has focused on the collaborative growth and development of the allied health professions during 2019-20. New challenges presented and innovative workforce planning has facilitated the development of new models of care to ensure services are prepared for the significant growth generated by the redevelopment work being undertaken across the organisation.

The allied health professions joined together in October 2019 to celebrate International Allied Health Professionals Day (AHPs Day) which was a key international initiative to celebrate who AHPs are, what they do, and why it is a valuable service. AHPs Day is an initiative that started in 2018 in the UK, and the key Australian initiative was promoted as #AHPsDayAUS.

With a theme of Celebrate, Appreciate, Inspire, GV Health's AHPs promoted and celebrated the fabulous work of AHPs at GV Health with colleagues through two well-attended events being an allied health morning tea and an allied health social function. These two events provided an excellent opportunity to celebrate allied health's integral role and presence in health services and to meet other AHPs from different departments, teams and disciplines. The impact that AHPs have on patient outcomes was promoted through social media and local newspapers, with the therapy and sciences groups providing insight into their roles in the management of COVID-19 patients.

Notwithstanding the need to promote and grow each service, 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. Involvement in education, training and workforce development continues to be the highest of priorities for GV Health's AHPs.

## 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), Allied Health Science Clinical Educator (AHSCE), Allied Health Therapy Research and Translation Lead as well as allied health discipline and/or program managers. During 2019-20, the AHTERC role has been successfully undertaken by three staff members, and the AHSCE role undertaken by two staff members, thus ensuring the continuity of comprehensive service provision in the areas of clinical placement and allied health education.

These roles cover areas such as work experience, the Vocational Education and Training in Schools (VETiS) program, professional entry level student placements, early graduate support, staff education including mandatory training and research support.

## DEVELOPING THE ALLIED HEALTH WORKFORCE

### Work Experience

In the latter half of 2019, allied health continued to build on its partnership with workforce and nursing colleagues to offer multi-disciplinary work experience placements to address individual student requests, and provide rich placement experiences. The program was paused in early 2020 due to COVID-19, but will resume when safe to do so.

### VETiS Program

The VETiS student placement program ran successfully in 2019, however the program had to be paused during early 2020 to comply with COVID-19 restrictions. It is planned that the VETiS placements will continue as they provide a valuable focus on supporting final year students to complete their certificates before the end of 2020.

### Professional Entry Level Student Placements

There was an increased number of placements planned for 2020 across allied health disciplines compared to previous years, with great engagement from allied health clinicians. While some of these placements had to be cancelled due to COVID-19, wherever possible placements have proceeded, with particular focus on supporting final year placements. To support placements during COVID-19, staff has proactively engaged in developing shared placement models across different settings to maximise learning opportunities for students. External partners have reported that students have provided positive feedback about the quality of their placement experiences at GV Health. This approach will be further developed in the coming year.

### Staff Education

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. GV Health graduates had their learning needs identified and a program of topics developed to provide a rich array of educational opportunities. With requirements for physical distancing, education sessions were provided virtually, when required. A program of educational opportunities was also developed for both new graduates to Grade 2 and senior allied health staff in 2020, with content tailored to meet identified needs and support career goals.

More broadly, social distancing requirements have led to an increase in high-quality webinars and other educational opportunities being offered in 2020. These opportunities have been promoted to staff and have provided greater access to content from nationally and internationally recognised experts.

The AHTERC worked collaboratively with project leads while educational resources were transferred to the new HEART learning management system. In future, this system will allow staff to obtain real-time reports regarding their training.





## Research Support

The results of the mixed methods Research Capacity and Culture of Allied Health (Therapy) baseline study has been completed, which in turn, has informed a plan to build research capacity among allied health therapy staff at GV Health for the next two years.

Actions arising from this study include 'Research On-boarding' for allied health, the completion of the Good Clinical Practice Program, registering for Ethics Review Manager and a short tutorial on developing a population, intervention, comparison and outcome question. A guide to completing Low to Negligible Risk (LNR) ethics applications was also developed as a collaborative project by the Allied Health Research and Translation Leads (AHRTL) Community of Practice. This resource is provided to allied health staff who seek assistance with planning and writing their LNR Vic applications.

In collaboration with GV Health Library services, a research ready room has been developed and resources including Statistical Package for the Social Sciences (SPSS) and updated guides on statistical analyses and research planning and conduct have been purchased. The AHRTL has continued to work with teams and individual allied health staff in the planning and implementation of a number of quality improvement and research projects during the year, with the goal that some of these projects will be presented at conferences in 2021. Research and quality improvement resources, opportunities and staff achievements have been promoted via the development and distribution of an Allied Health QI and Research Newsletter.

## PEOPLE & CULTURE

### WORKFORCE PLAN 2019-23

Ensuring there is a highly skilled workforce in the right numbers and in the right places to meet the future health needs of the Goulburn Valley region is a key priority of GV Health. To understand what the workforce requirements are to support the needs of our community, the progressive growth in service delivery and the increase in capacity that will be available upon completion of the Graham Street, Shepparton redevelopment, a comprehensive five-year plan was developed.

### REDEVELOPMENT, WORKFORCE IMPLEMENTATION PLAN AND TALENT ACQUISITION

With the Graham Street, Shepparton redevelopment well underway, a key focus has been on determining workforce needs once the increase in services are commissioned. Extensive work has been completed in developing a five-year Implementation Plan to support the GV Health Workforce Plan 2019-23.

The actions identified within the Implementation Plan and the forecast increase in staffing detailed in the GV Health Workforce Plan 2019-23 are being progressively implemented in line with the Graham Street, Shepparton redevelopment milestones. The introduction of a Talent Acquisition Manager role has bolstered the team's ability to support hiring managers with bespoke and hard-to-fill positions. The industrial considerations for changes relating to the redevelopment have been led by the Employee Relations team.

## INTRODUCTION OF THE GV HEALTH GAP YEAR PROGRAM

In January 2020, GV Health launched its inaugural Gap Year Program. The program directly aligns to the Workforce Plan and in particular the strategy to "grow your own" from a recruitment perspective. The initiative was suggested by one of GV Health's staff members, with a large number of local people applying for the program. The four positions (based on a traineeship model) worked across a number of areas within GV Health. Participants not only gained hands-on experience within the healthcare sector, they have also undertaken studies with Goulburn Ovens Institute of TAFE (GOTAFE) in Allied Health Assistance, Health Assistance in Nursing and Health Administration.

## HUMAN RESOURCES SYSTEM UPGRADE TO SUPPORT NEW HIRES AND OUR MANAGERS

A project to customise and upgrade the e-recruitment system is underway and scheduled to go live in September 2020. Led by People & Culture, this is an organisation-wide project that in addition to enhancing recruitment and onboarding for all users will see the introduction of paper-less variation and termination forms.

## VOLUNTEERS

GV Health's Volunteer program continues to support the health service with almost 100 volunteers generously contributing their time and skills. A few highlights include:

- Volunteers have assisted patients and visitors with wayfinding on a daily basis. This was particularly of benefit given the redevelopment and related changes.
- Grutzner House welcomed a volunteer to enhance the resident's lifestyle activities including assistance with the arts, crafts and pampering programs.
- GV Health has partnered with Shepparton Access to enable five clients to volunteer and successfully complete their bronze certificate of the 2019 Duke of Edinburgh presidios award. These volunteers returned in 2020 to undertake their six month silver certificate placement.

Unfortunately, COVID-19 meant volunteers have not been able to volunteer on site at GV Health.

## CAREERS, TRAINING AND LEARNING

Given GV Health's growth in relation to the redevelopment, we have invested in our people and their professional development through an innovative partnership with GOTAFE which has enabled 17 health administrative staff who work across the health service to gain a Certificate III in Health Administration in 2020. Further partnerships are planned to continue to support non-clinical staff in their career development at GV Health.

## PROMOTING A POSITIVE WORKPLACE CULTURE

To support a positive workplace culture, GV Health implemented a Promoting a Positive Workplace Culture Action Plan incorporating the Department of Health and Human Services guideline that was developed in conjunction with Work Safe. The plan covers seven key areas with 23 actions identified, with 19 now complete. One key action that was a key focus for the 2019-20 financial year was the 'Know Better, Be Better' campaign. The campaign aimed at improving awareness of inappropriate behaviours, encouraging healthcare workers to speak up, and health service leaders to act to prevent and respond to inappropriate behaviour and poor culture.





## HEALTH, SAFETY AND WELLBEING

There has been a significant focus increasing the safety culture within GV Health, including the importance of reporting incidents, hazards and near misses. As a result, there has been an increase in the number of incidents reported through our incident management system.

There has also been a large amount of work undertaken to support our WorkCover program, with improvements being made in the number of claims for the year and a reduction in our claims costs.

## STAFF RECOGNITION

The following staff were recognised this year for their outstanding contributions:

- Tess Simkin - E-recruit Project Manager - was recognised for her work in customising the E-recruit system to meet the needs of the organisation.
- Olivia Gallace – Employee Relations Consultant - was recognised for her highly valued advice and skill in employee relations, especially in relation to the redevelopment.
- Janette Webster – Nurse - successfully received an Australian College of Nursing Scholarship to attend the Jon Baines Tour to South Africa with a number of other attendees from across the nursing sector. Janette has worked as a nurse at GV Health for the past 30 years and it is this experience that made her a great candidate for the scholarship and enabled her selection for the tour.



## QUALITY, RISK & INNOVATION

The Quality, Risk & Innovation Division has been focussed on embedding improvement across the clinical governance elements utilising a new partnership model with clinical divisions and allocated a Safety and Quality Co-ordinator partner. GV Health has reviewed the clinical governance framework with improvements across governance structures, incidents and complaint management and risk management systems.

The focus has been to work with clinical teams to constantly improve the quality of care and consumer experience at GV Health. In particular, there has been significant work in the area of risk management including the Board of Directors reviewing all existing strategic risks in the context of the new GV Health Strategic Plan 2019-23. This will ensure that GV Health is well placed to mitigate any risks that may impact on the delivery of the Plan.

The consumer experience team has been working on improving response times to consumer complaints and feedback. Feedback from patients, clients, their families and carers is a critical element towards creating improvement of GV Health's services. In partnership with other members of the Quality, Risk & Innovation team, the consumer experience staff work together with staff and consumers to improve how services are provided to the community. Using this information, together with information from the Victorian Health Experience Survey a new consumer experience strategy has been developed. This strategy is part of the overall GV Health Consumer Experience Plan.

GV Health has achieved accreditation across a range of programs providing assurance that the organisation is meeting best practice standards in the delivery of safe and quality care. The scheduled accreditation against the National Safety and Quality in Health Service Standards has been postponed by the Australian Commission on Safety and Quality for all Australian Health Services due to COVID-19.

During 2019-20, the Improvement Advisor through the Improvement and Innovation Program has supported the following:

- Mentoring, coaching and upskilling GV Health's workforce in the improvement methodology to undertake successful improvement initiatives.
- Implementation of the Daily Operating System (DOS) Tier Huddles was completed in March 2020 to provide a daily readiness assessment process across all levels and areas of the organisation that supports the reduction of avoidable harm and improve quality of care for our consumers by asking every day "Are we ready today? If not why not?" The aim of DOS is to improve the consumer journey and experience and all frontline staffs' working environment, supporting timely access and flow as well as proactive, safe discharges before midday.
- Utilising the Model for Improvement method, improvement teams have been set up to drive continuous improvement initiatives in the Emergency Department, Medical Unit and Rapid Assessment and Planning Unit (RAPU).
- To strengthen our culture of care at the bedside, the Patient Bundle project has been implemented in the Surgical Unit, Medial Unit and RAPU to embed beside handover, hourly patient rounding and care boards to increase patient engagement in their care, management and discharge planning. By 2021, the Patient Bundle program will be rolled out to all GV Health acute and sub-acute wards.

GV Health has participated in the Better Care Victoria Patient Flow Partnership and Safer Care Victoria/Institute of Healthcare Improvement Breakthrough Series Delirium and Timely Care Collaboratives.

## CAPITAL PROJECTS, INFRASTRUCTURE & SUPPORT SERVICES

The directorate of Capital Projects, Infrastructure & Support Services underwent a significant restructure in early 2020 and now includes the Redevelopment, Capital Projects, Infrastructure and Assets, Corporate Support Services, Media and Communications and the Division of Clinical Support Services of Pharmacy, Medical Imaging and Pathology. Sandy Chamberlin, Executive Director – Infrastructure, Business Services, and Chief Procurement Officer resigned from GV Health in October 2019 with Peter Hutchinson, Chief Finance Officer overseeing the directorate to mid-March 2020. Jacinta Russell was appointed to the permanent role of Executive Director Capital Projects, Infrastructure & Support Services in March 2020.

The Infrastructure and Assets Division provides leadership and oversight of engineering, bio-medical engineering, capital projects and the redevelopment works. GV Health purchased new asset management software in late 2019, which has been implemented in Biomedical Engineering and will continue to be further implemented within Engineering and the wider organisation in 2020-21. The Redevelopment team oversaw the clinical commissioning of all new areas including the procurement of all medical equipment and ensuring a high-quality, safe transition into new clinical spaces was achieved. During 2019-20, the Redevelopment team and Infrastructure and Assets Division led significant changes to support the redevelopment of new areas and changes to infrastructure that supported the organisation during COVID-19 and ensured our business as usual preventative and reactive maintenance schedules were maintained to a high standard, meeting regulatory, accreditation and compliance requirements.

The Business Services division changed its name to Corporate Support Services in March 2020. Corporate Support Services includes environmental services, hotel services, food services, supply and procurement, accommodation, security, contracts, sustainability, patient transport, fleet and insurances. Several major projects were implemented in 2019-20 including leading the procurement, purchase, receipt and reconciliation of all furniture, fittings and equipment works for the redevelopment through the Supply and Procurement team. The Supply Shop adapted its processes to ensure NDIS clients are able to self-manage their requirements and procure equipment that is fit-for-purpose to meet their needs. Managing stock shortages, new centralised allocations and supply chain challenges during COVID-19 has been successfully managed while also setting up new sterile stock rooms and completing first level testing of the Common Catalogue at GV Health. The Social Procurement Strategy was also developed along with the Procurement Framework. Food Services implemented changes to texture modified food requirements to comply with international standards and also introduced a new workforce model of staff to work across different parts of the division in response to COVID-19 and the extra demands on cleaning and resources.

The Clinical Support Services division incorporates pharmacy, pathology and medical imaging. The Pharmacy department secured funding for its first intern position in more than 10 years and is pleased to provide this opportunity to new graduates and improve our career pathways. Pathology has



played a pivotal role in COVID-19 testing and ensured early plans to acquire and set up COVID-19 point-of-care testing was available for high-risk patients improving the safe patient flow throughout the organisation. Medical Imaging continue with critical projects including the consolidation of our two Picture Archiving and Communication System (PACS) systems migration of results and images onto one platform, IntelRad. The Fujifim Synapse-Mix 'Hub and Spoke' image transfer with other public health services was also completed, improving outcomes for patients who are transferred quickly to other health services. The fluoroscopy room and equipment was also fully renovated with state-of-the-art facilities to offer our staff and patients.

The Media and Communications team continued to provide a high level of engagement with internal and external stakeholders by providing updates, interest articles and critical information to all media platforms including newspaper, television and social media. Many people in the region have relied on this communication for the redevelopment and COVID-19 updates as a local and trusted source for information. Engagement of GV Health's social media sites continues to grow, with the number of followers on Facebook, Instagram and LinkedIn doubling in the past 12 months. GV Health's Facebook page has more than 6,500 followers, Instagram more than 1,700 followers and LinkedIn more than 2,100 followers. A number of educational and information videos have been produced in the past 12 months to assist with education and training. There have also been a number of videos created to assist with recruitment, which have been used on social media with positive outcomes.



## FINANCE, HEALTH INFORMATION SERVICES AND INFORMATION COMMUNICATIONS AND TECHNOLOGY (ICT)

The directorate provides a wide-ranging number of corporate support and clinical information services to the organisation. This extends across 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 service's telecommunications team running the switchboard. Many of these areas have again provided wonderful service, often 24 hours every day to our patients, visitors and staff.

The year has been like no other in responding to the demands of COVID-19. It has impacted all areas of the service, but it is important to acknowledge the significant additional efforts that all departments in the directorate made to adjust their work routines. This required staff to adapt and take on board changed tasks to support the necessary responses to address COVID-19.

The year presented a number of financial challenges for GV Health to address while continuing to treat patients in a very challenging environment.

Overall, GV Health pleasingly delivered on the financial target set with the Minister for Health for the year ending 30 June 2020. This involved a significant amount of support from all directorates and staff to deliver this positive outcome. It is also important to acknowledge the assistance of the Department of Health and Human Services over the course of the year in particular the Regional and Rural Health Branch for providing support and advice to address the impacts of additional costs associated with COVID-19.

### PAYROLL

The Payroll team, while supporting GV Health also provides payroll services to eight neighbouring hospitals and health services, which is a great support for these smaller services. The Payroll team made improvements in managing the service by shifting the key application functions to secure cloud-based solutions and this has proved invaluable. A plan is in place to upgrade the current version of the rostering time and attendance system, which is accurate and timely in capturing staff times for automated payroll processing. It is pleasing to report that 85 per cent of staff is engaged in the salary packaging program to varying degrees.

### FINANCE

The Finance team has experienced a busy year and completed all the statutory and regulatory reporting in accordance with the guidelines and timelines. The team also provides the accounting services to Yea and District Health Service. This year Rachael McAlister was appointed to the permanent role of Financial Controller.

### ICT

The ICT team has an ever-increasing work load with so many applications and projects to support at a time when so much functionality at GV Health is delivered electronically requiring

ongoing monitoring. During the year the team worked diligently to ensure the commissioning of the new Inpatient Unit building was operational by deploying a wide range of devices to all areas. This effort ensured a successful transition for all ICT requirements. The impact of COVID-19 required the ICT team to act quickly to activate new call centres and patient treatment areas with equipment in particularly short timeframes. 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. Penetration testing processes are routinely undertaken to test GV Health's resilience, which has proved to be adequate to date. Congratulations to the ICT team for the significant workload and tasks that were delivered during the year.

### INFORMATION SERVICES

The Information Services team has been dealing with the ever-increasing patient numbers and associated coding, information management and data reporting requirements within the required timelines.

This team has been busy responding to many competing requirements over the past year. During COVID-19, the team was expanded to include the Temperature Testing Station, the new Respiratory Unit and the second Emergency Department area, as well as providing administration support for the Acute Respiratory Clinic and Rapid Response Testing teams. A major focus has been effective reporting to the Executive with the development of a number of consistent dashboards providing quality information and activity across the whole organisation. The coding team have worked hard with our Application Systems team to develop an electronic documentation query and clarification process reducing the turnaround time for documentation queries considerably. The Health Information Services team has continued to provide effective and accurate scanning processes and the development of a number of electronic forms has resulted in a greater link between internal applications to assist clinicians with timely and easy access to critical clinical information.

Internal auditing continues in a number of areas with a focus on the Hospital Acquired Complications list to ensure accurate documentation and coding as a reflection of GV Health's services.

The Applications team has developed automated results reporting for COVID-19 negative patients, reporting and documentation tools developed to assist in the management of COVID-19, as well as education of clerical staff to assist in patient registration and data collection. The health service's Main Reception has continued to provide effective front-of-house service and the Ward Clerks and Emergency Department Clerical teams are acclimating to the changed environment in the new five-storey building.

Improvements that are part of the ICT Strategic Plan are continuing and one major project is the implementation of a new Patient Administration System which is the DXC Lorenzo Patient Care Suite. This system is scheduled for go live in late 2021 and is in full swing, currently being led by Melissa Wood who joined GV Health to lead the implementation in early June 2020.



# OUR SERVICES

## ADMITTED PATIENT SERVICES

- After Hours Hospital Management
- Medicine
- Women's and Children's Services
- Geriatric Evaluation Management
- Rehabilitation
- Oncology
- Dialysis
- Surgical Services
- Palliative Care
- Critical Care Service
- Geri-Connect

## NON-ADMITTED PATIENT SERVICES

- Antenatal Clinic
- Breast Clinic
- Dialysis
- Home Enteral Nutrition
- Lactation Clinic
- Outpatients
- Non-admitted Sub-acute Community Care
- Telehealth from Specialist Consulting Suite

## EMERGENCY DEPARTMENT SERVICES

- Critical Care
- Emergency Services

## AGED AND RESIDENTIAL CARE SERVICES

- Commonwealth Home Support Program
- Home and Community Care
- National Disability Insurance Scheme
- Tatura Parkvillia
- Waranga Health

## MENTAL HEALTH SERVICES

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

## PRIMARY HEALTH SERVICES

- Primary Mental Health
- Regional Partnerships

## OTHER SERVICES

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



# HIGHLIGHTS AND ACHIEVEMENTS



## REDEVELOPMENT REPORT

GV Health's Graham Street site is undergoing a redevelopment funded by the Victorian State Government.

An extra \$58.115 million was announced on 19 September 2019, as Stage 1A to take the total value of the redevelopment to \$229.3 million.

The scope of the redevelopment includes:

- A new five-storey building which expands theatre and the Surgical Unit, Critical Care Unit, and inpatient bed capacity, as well as upgrading the kitchen and mortuary.
- Additional Emergency Department, short stay and imaging capacity.
- A Women's and Children's precinct comprising the existing Maternity Unit, expanded Special Care Nursery. A new Paediatrics Unit is to be built adjacent to this area.
- A new 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 and structural and fire sprinkler upgrades to existing buildings.

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 October 2018.

Three buildings have since achieved practical completion at the Graham Street campus within the 2019-20 reporting period:

1. The Dialysis Unit is a new, single-level building providing 16 treatment spaces. This was completed in October 2019 and clinically occupied in November 2019.
2. The Emergency Department extension is a three-storey building, which was completed with an interconnecting corridor in March 2020. Clinical operations commenced in the Emergency Department extension on the Ground Floor in June 2020. Occupation of the new Paediatric Unit on Level 1 of this building will not occur until after complementing refurbishment works are undertaken. Level 2 of this building is for supporting plant equipment.
3. The Inpatient Unit, which includes a new kitchen and mortuary at ground level, an expansion of the theatre suites and a new 10 bed Critical Care Unit on Level 1, 32 inpatient beds on Levels 2 and 3, and associated plant on levels 4 and 5 of the building. Due to escalation of the coronavirus pandemic (COVID-19), the building works were accelerated and the Inpatient Unit building was completed ahead of schedule in May 2020. Clinical occupation of the new building was scheduled to commence from early July 2020.

The clinical occupation of the respective new facilities could only occur following the culmination of operational readiness activities including updating models of care, furniture, fixtures and equipment procurement, staff orientation, training and recruitment. GV Health engaged the services of consultants to ensure that all clinical moves within the organisation were carried out in a robust and safe manner.

Once the works were accelerated as a result of COVID-19,



Lendlease was operating multiple shifts on a 24/7 basis for several weeks to deliver the Inpatient Unit building early. After 13 months the tower crane, named Lilyshay, was dismantled and removed from site in March 2020.

To date, Lendlease has engaged 18 persons from the Aboriginal and Torres Strait Islander community to work in the construction industry. At various stages of construction, Lendlease had more than 140 labourers on site including numerous local workers.

The renovation and refurbishment works are scheduled to commence from July 2020. The existing Emergency Department, an expanded Special Care Nursery and Maternity Unit, Perioperative Services and miscellaneous compliance works are areas included within this scope.

Once completed, the Emergency Department will have an additional 22 patient treatment spaces and be almost double the size when compared to the previous facility. The fully completed Emergency Department will include a dedicated paediatrics zone, additional isolation rooms, nine fast track bays and expanded medical imaging capacity within the unit.

Access to the new Paediatrics Unit will be possible once the Special Care Nursery and Maternity Unit refurbishment works are undertaken to complete the new Women's and Children's precinct. The Special Care Nursery will have 10 treatment bays and will be double the footprint of the existing facility.

The Perioperative Services refurbishment works include the construction of a new Central Sterile Services Department capable of supporting all operating theatres and a new Day of Surgery Admission Unit.

Construction is scheduled to be completed in 2022.

## GV HEALTH FOUNDATION SCHOLARSHIP

Over the past three years, GV Health and the GV Health Foundation Scholarship Program has expanded to offer more than 20 staff scholarships to undertake further training. This year, 17 recipients received funding to extend their training, with all staff committing to continue their careers at GV Health.

The number of scholarships increased during 2019-20 to assist in upskilling staff through the post-graduate nursing specialties being offered by LaTrobe University in Shepparton. Recipients are able to obtain up to \$5000 toward their development. The scholarships are crucial in supporting GV Health's own nurses and midwives to gain further skills to provide quality healthcare to our community.

Many local services groups and businesses fund and support the scholarship program. It is this support from the broader community that enables the program to be successful. GV Health would like to sincerely thank all those that support this program, which benefits our patients by enhancing our workforce capabilities by creating a highly skilled workforce.

## CELEBRATING NURSES AND MIDWIVES AT GV HEALTH

International Day of the Midwife was celebrated on Tuesday 5 May 2020 and International Nurses Day on Tuesday 12 May 2020. The International Year of the Nurse and Midwife was declared by the World Health Organisation in 2020 to celebrate the contribution of nurses and midwives to healthcare.

At GV Health, COVID-19 provided a unique framework to celebrate our own nurses and midwives for the work they do for patients, not only during the crisis, but every day at the health service. It has been, once again, a time when our nurses and midwives have been at the forefront of leading the fight to provide healthcare during this international time of need.

GV Health celebrated our nurses and midwives' wonderful commitment and care to our community in a number of ways including:

- A centralised photo display of past and current nurses;
- A regional leadership workshop for Australian College of Nursing (ACN) members; and
- Hosting an ACN facilitated workshop for GV Health nurse leaders covering critical leadership themes.

## GV HEALTH GRADUATE NURSE AND GRADUATE MIDWIFERY PROGRAMS

This year GV Health took on its largest cohort of graduate registered nurses, with 25 registered nurses beginning at the health service in January and a further 25 in February 2020.

The graduate nurses are all registered and are transitioning from university to the work environment. The program runs for one year, with nurses from a range of different universities. This year's cohort, which has been the largest intake ever, has been possible as a result of GV Health's redevelopment, which has increased the need for more nursing staff.

GV Health's numbers have also expanded with several midwifery graduates starting new positions this year. Each year, GV Health takes on five or six midwife graduates; this

year also included six post-graduate midwives.

The program provides a number of different pathways and a wide-variety of patients, from antenatal care right through to working in the lactation clinic, which is quite different to similar programs offered within metropolitan hospitals.

## CREATE. OUTSTANDING

A range of actions and initiatives designed to CREATE Outstanding outcomes for our patients, community and staff were undertaken during the year, driven by GV Health's Strategic Plan 2019-23. The operational plan for this year included the introduction of key business strategies to help deliver towards GV Health's four strategic pillars including:

- Consumer Experience Plan 2019-23;
- Aboriginal and Torres Strait Islander Cultural Responsiveness Plan 2019-23; and
- People and Culture Strategy 2019-23, including a 2019-20 Workforce Plan.

CREATE. Outstanding priorities were established at the start of the year with key milestones and deliverables established. Monthly tracking and reporting is established through a series of governance committees, with quarterly updates to the GV Health Board and Executive team. GV Health's achievements this year included, but are not limited to:

- The successful introduction of Telehealth services, which have been positively received by patients, enabling clinicians to remain connected and able to deliver patient care directly to consumers through online channels.
- Embedding our Risk Management Framework across all areas of the organisation, with all strategic risks reviewed and new risks identified to reflect the new strategic plan. All extreme and high risks were reviewed and revised risk matrices were implemented onto our RiskMan platform early in 2020. A review of the resources allocated to risk has occurred and a plan developed to increase resourcing in this area. These additional resources will assist with a revised approach to risk reporting.
- The development and implementation of our Financial Sustainability Plan to achieve critical savings and efficiencies.



# DISCLOSURES REQUIRED UNDER LEGISLATION



## COMPLIANCE WITH FREEDOM OF INFORMATION ACT 1982

A total of 738 formal requests for information were received and processed in 2019-20, compared to 634 requests in 2018-19. Of that total, 388 freedom of information applications were processed under the *Freedom of Information Act* (1982) with payment of a legislated application fee of \$29.60 per request; a fee total of \$11,484.80.

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 and the Traffic Accident Commission. Twelve medico legal requests were received. Total fees collected were \$19,478.40.

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.

## 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.

## THE PUBLIC INTEREST DISCLOSURE ACT 2012

GV Health is subject to the *Public Interest 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 *Public Interest Disclosure Act 2012* by 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 [www.gvhealth.org.au](http://www.gvhealth.org.au).

## STATEMENT ON COMPETITIVE NEUTRALITY POLICY

GV Health complied with all government policies regarding competitive neutrality.

## CARERS RECOGNITION ACT 2012

In accordance with the *Carer's Recognition Act 2012*, GV Health has complied with the provisions by 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 assist in 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 project 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; and
- Sustainable procurement and associated information relevant to understanding and reducing office-based environmental impacts.

The environmental sustainability reports are available to view on the GV Health website. We continue to expand efforts to become a more environmentally sustainable health service.

## 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.
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

## STATUTORY REQUIREMENTS

### LOCAL JOBS FIRST POLICY ACT 2003

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

### SAFE PATIENT CARE

GV Health does not have any matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.

### 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).

## WORKFORCE DATA

Labour Category	June current month FTE*		Average monthly FTE*	
	2019	2020	2019	2020
Nursing Services	695.39	750.89	685.05	713.05
Administration and Clerical	311.54	321.64	305.55	314.81
Medical Support Services	181.89	186.32	175.60	179.24
Hotel and Allied Services	175.17	189.24	173.36	184.04
Medical Officers	31.05	29.23	32.84	28.43
Hospital Medical Officers	116.74	118.81	114.41	118.39
Sessional Medical Officers	20.33	27.83	20.96	25.70
Ancillary Support Services (Allied Health)	118.35	132.18	117.59	121.92
<b>Total</b>	<b>1650.46</b>	<b>1756.14</b>	<b>1625.37</b>	<b>1685.58</b>





## WORKFORCE DATA

Labour Category	June current month FTE*		Average monthly FTE*	
	2019	2020	2019	2020
<b>Nursing Services</b>	<b>695.39</b>	<b>750.89</b>	<b>685.05</b>	<b>713.05</b>
Casual Employee	31.74	25.66	33.17	25.94
Part-Time	532.29	582.72	521.39	554.09
Full-Time	131.36	142.51	130.49	133.02
<b>Administration and Clerical</b>	<b>311.54</b>	<b>321.64</b>	<b>305.55</b>	<b>314.81</b>
Casual Employee	6.17	9.87	6.71	7.08
Part-Time	143.88	152.96	141.94	150.48
Full-Time	161.48	158.81	156.90	157.25
<b>Medical Support Services</b>	<b>181.89</b>	<b>186.32</b>	<b>175.60</b>	<b>179.24</b>
Casual Employee	5.63	6.27	8.69	6.61
Part-Time	76.76	74.84	72.53	74.85
Full-Time	99.49	105.21	94.38	97.78
<b>Hotel and Allied Services</b>	<b>175.17</b>	<b>189.25</b>	<b>173.36</b>	<b>184.04</b>
Casual Employee	22.81	26.42	19.33	16.51
Part-Time	113.66	119.07	114.85	122.85
Full-Time	38.70	43.76	39.18	44.68
<b>Medical Officers</b>	<b>31.05</b>	<b>29.23</b>	<b>32.84</b>	<b>28.43</b>
Part-Time	0.56	0.23	0.41	0.38
Full-Time	30.49	29.00	32.43	28.05
<b>Hospital Medical Officers</b>	<b>116.74</b>	<b>118.81</b>	<b>114.41</b>	<b>118.39</b>
Casual Employee	0.60	2.36	1.65	1.66
Part-Time	3.07	2.17	2.55	3.24
Full-Time	113.08	114.28	110.20	113.49
<b>Sessional Medical Officers</b>	<b>20.33</b>	<b>27.82</b>	<b>20.96</b>	<b>25.70</b>
Part-Time	15.33	21.96	15.97	20.48
Full-Time	5.00	5.86	5.00	5.22
<b>Ancillary Support Services (Allied Health)</b>	<b>118.35</b>	<b>132.18</b>	<b>117.59</b>	<b>121.92</b>
Casual Employee	1.82	1.42	2.88	1.45
Part-Time	55.16	63.71	54.87	56.43
Full-Time	61.37	67.05	59.84	64.04
<b>Total</b>	<b>1650.46</b>	<b>1756.14</b>	<b>1625.37</b>	<b>1685.58</b>

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

GV Health as a public-sector employer has employment processes that are consistent with the public sector employment principles and any mandatory standards issued by the Victorian Public Sector Commission. These standards guide the development of employment processes. The standards and principles help shape the type of working environment offered to our employees which assists in setting the right conditions for harmonious and productive working relationships.

GV Health employees have been correctly classified in workforce data collections. The number of Full Time Equivalent (FTE) roles continues to grow as a result of the opening of new facilities and the expansion of other services and programs. The majority of FTE is in direct care areas of nursing, medical, allied health, medical support services such as medical imaging and pathology and they are complemented by the administrative and clerical staff and hotel services staff. The data is a true and accurate reflection of the staffing FTE allocation at the point in time for the relevant period.

## FINANCIAL AND SERVICE PERFORMANCE REPORTING

Summary of the financial results for the year	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
<b>Operating Result</b>	<b>(2,413)</b>	<b>40</b>	<b>52</b>	<b>518</b>	<b>(253)</b>
Total Revenue*	405,524	331,975	298,348	258,017	234,619
Total Expenses*	(322,246)	(295,928)	(283,058)	(261,585)	(242,309)
<b>Net Result from Transactions</b>	<b>83,278</b>	<b>36,047</b>	<b>15,290</b>	<b>(3,568)</b>	<b>(7,690)</b>
Total other economic flows	(699)	(1,908)	151	779	(635)
<b>Net Result</b>	<b>82,579</b>	<b>34,139</b>	<b>15,441</b>	<b>(2,789)</b>	<b>(8,325)</b>
Total Assets	324,735	232,049	164,421	125,395	123,788
Total Liabilities	(87,508)	(77,791)	(73,808)	(60,875)	(56,139)
<b>Net assets /Total equity</b>	<b>237,227</b>	<b>154,258</b>	<b>90,613</b>	<b>64,520</b>	<b>67,649</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

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
<b>Net operating result*</b>	<b>(2,673)</b>	<b>40</b>	<b>52</b>	<b>518</b>	<b>(253)</b>
Capital and specific items					
Capital purpose income	102,155	48,872	30,804	10,141	4,162
Specific income	-	-	-	-	-
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	129	-	-	-	-
State Supply items consumed up to 30 June 2020	131	-	-	-	-
Assets provided free of charge	-	-	-	-	-
Assets received free of charge	-	-	-	-	-
Expenditure for capital purpose	(4,086)	(943)	(5,107)	(4,198)	(1,212)
Specific expenses	-	(76)	(250)	(14)	(270)
Depreciation and amortisation	(12,292)	(11,626)	(10,094)	(9,998)	(10,075)
Impairment of non-financial assets	-	-	-	-	-
Finance costs (Other)	(86)	(220)	(115)	(17)	(42)
<b>Net results from transactions</b>	<b>83,278</b>	<b>36,047</b>	<b>15,290</b>	<b>(3,568)</b>	<b>(7,690)</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 Statement of Priorities (SoP) accountabilities in 2019-20 within its agreed budget.

GV Health delivered an operating deficit of \$2.413m for the 2019-20 financial year (excluding capital, depreciation and specific items) compared to its \$2.598m deficit budget target. GV Health delivered an overall surplus of \$82.579m for the 2019-20 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 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 SoP with the Department of Health and Human Services 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 Victorian State Government and agency specific priorities.

A deficit operating result of \$2.598 m (excluding capital, depreciation and specific items) was agreed in the 2019–20 SoP for GV Health. The final result for the year was an operating deficit of \$2.413 m. 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 Department of Health and Human Services is project dependent and therefore highly variable year-to-year. Funding for capital redevelopment and major equipment purchases are sourced from the Department of Health and Human Services. Such funding is allocated according to need and after consideration of a supporting submission.

## CONSULTANCIES

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

In 2019-20, there were zero consultancies where the total fees payable to the consultants were less than \$10,000.

## SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL POSITION

Total cash increased by \$3.637 m from \$23.888 m to \$27.525 m in 2019–20.

The increase reflects capital cash inflows exceeding capital cash outflows by \$3.0m and reduction in operating working capital. The reduction in operating working capital reflects an increase in the Department of Health and Human Services grant revenue offset by an increase in Employee Entitlements expense, an increase in Accrued Expenses combined with an increase in Capital Expenditure.

Equity increased by \$83 m as a result of the net surplus of \$82.579 m.

## SUBSEQUENT EVENTS TO BALANCE DATE

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by GV Health at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on GV Health, its operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of GV Health, the results of its operations or its state of affairs of GV Health in future years.

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

In 2019-20, there were four consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2019-20 in relation to these consultancies was \$169,677 (excluding GST).

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project (exc. GST)	Expenditure (exc. GST)	Future expenditure (exc. GST)
Graylin Pty Ltd	People & Culture Directorate Review	Aug 2019	Sep 2019	\$ 20,413	\$ 20,413	\$ -
TMS Consulting	Strategic Workforce Planning	Jul 2019	Dec 2019	\$ 107,229	\$ 107,229	\$ -
Healthcare Culinary Consulting	Room Service Feasibility Study	Jul 2019	Sep 2019	\$ 16,126	\$ 16,126	\$ -
Project Partnerships	Co-ordination and Development of Local Drug Action Team Consultation and Action Plan	Jul 2019	Dec 2019	\$ 25,909	\$ 25,909	\$ -

## INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

The total Information and Communication Technology expenditure during 2019-20 was \$1.91 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)
\$1.91 million	\$ -	\$1.23 million	\$0.68 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 enable the identification and rectification of potential sources of workplace injury.

Occupational Health and Safety Statistics	2019-20	2018-19	2017-18 **
The number of reported hazards/incidents for the year per 100 FTE	32.28	25.02 *	-
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.94	0.97	1.01
The average cost per WorkCover claim for the year ('000)	\$66,125	\$82,274	\$50,994

\* In 2018-19, hazards and incidents were reported as 1.87 and 23.15, respectively.

In 2019-20, there were 21 claims of which 17 claims resulted in a physical injury and four claims resulted in a psychological injury. All staff members are supported and assisted in transitioning back to work at the earliest opportunity. Of the 17 physical injury claims, eight employees have returned to their pre-injury duties and hours, and three employees have

returned to work on suitable duties on partial hours. Of the four psychological injury claims, one employee has returned to their pre-injury duties and hours, with two employee/s leaving the health service to engage employment with another employer.

## OCCUPATIONAL VIOLENCE DATA

GV Health implemented an Occupational Violence and Aggression (OVA) Procedure Manual in 2018-19 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 adding alerts and flags into the patient management system. This is supported by a Code Grey response team and mandatory OVA training for all staff.

Occupational Violence Statistics	2019/20
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.06
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.34
Number of occupational violence incidents reported	253
Number of occupational violence incidents reported per 100 FTE	15.01
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	11.46%





## PART A: STRATEGIC PRIORITIES

BETTER HEALTH			
Goals	Strategies	Health Service Deliverables	Not Achieved
<p><b>A system geared to prevention as much as treatment.</b></p> <p><b>Everyone understands their own health and risks.</b></p> <p><b>Illness is detected and managed early.</b></p> <p><b>Healthy neighbourhoods and communities encourage healthy lifestyles.</b></p>	<p><i>Reduce state-wide risks.</i></p> <p><i>Build healthy neighbourhoods.</i></p> <p><i>Help people to stay healthy.</i></p> <p><i>Target health gaps.</i></p>	<p><b>Reduce avoidable patient presentations to the Emergency Department (ED) by five per cent from 1 July 2019 to 30 June 2020 for patients who have had three or more ED presentations in the 12 months prior to 30 June 2019.</b></p>	<p>GV Health was selected as one of eight health services in the state to participate in the Safer Care Victoria Timely Care Program, which is designed to improve patient flow and access to emergency and inpatient services. However, in 2019-20, GV Health was required to respond to COVID-19, and in doing so, was unable to fully achieve this target in the Statement of Priorities (SoP).</p> <p>Work will resume once the situation related to COVID-19 becomes clearer.</p>
		<p><b>Implement the Geri-Connect Telehealth model by 31 December 2019 to increase access to geriatric assessment and review for patients living in residential aged care facilities across the West Hume Region and achieve 20 Telehealth consultations by 30 June 2020.</b></p>	<p><b>In Progress</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>



BETTER ACCESS			
Goals	Strategies	Health Service Deliverables	Achieved
<p>Care is always there when people need it.</p> <p>Better 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>Equal access to care.</p>	<p><i>Plan and invest.</i></p> <p><i>Unlock innovation.</i></p> <p><i>Provide easier access.</i></p> <p><i>Ensure fair access.</i></p>	<p><b>Commence services from the new Dialysis Unit as part of the Stage 1 Graham Street, Shepparton redevelopment increasing access to dialysis services for patients by 31 December 2019.</b></p>	<p>The clinical commissioning and commencement of services for patients in the new Dialysis Unit has occurred and it is functioning safely for all staff and patients/consumers. Feedback to date has been very positive.</p>
			<b>In Progress</b>
		<p><b>Provide additional specialist clinic appointments across cardiology, paediatrics, rheumatology, respiratory and nephrology services from 1 July 2019 to 30 June 2020.</b></p>	<p>Telehealth clinics were established to support COVID-19 requirements.</p> <p>Consultants supported in setting up clinics and patient support provided. However, due to the impact of COVID-19, GV Health was unable to fully achieve the target in the SoP.</p> <p>Work will continue and increased capacity will occur once the situation related to COVID-19 support going forward becomes clearer.</p>
			<b>In Progress</b>
		<p><b>Develop and implement a strategy by 30 September 2019 to improve discharge of patients from bed-based services to Hospital in the Home (HITH) and achieve a 10 per cent increase in HITH utilisation by 30 June 2020.</b></p>	<p>Strategy developed to increase GV Health bed capacity in responding to potential increase in COVID-19 patients requiring medical care through HITH.</p> <p>Standard work practice for COVID-19 management in the HITH program has been written and service agreements extending HITH reach across the Goulburn Valley catchment completed for NCN Health, Euroa Health, Benalla Health and Murrumbidgee Local Health. However, due to COVID-19 we were unable to fully achieve the target in the SoP.</p> <p>Work will continue and increased capacity will occur once the situation related to COVID-19 support going forward becomes clearer.</p>



BETTER CARE			
Goals	Strategies	Health Service Deliverables	Achieved
<p><b>Target zero avoidable harm.</b></p> <p><b>Health care that focusses on outcomes.</b></p> <p><b>Patients and carers are active partners in care.</b></p> <p><b>Care fits together around people's needs.</b></p>	<p><i>Put quality first.</i></p> <p><i>Join up care.</i></p> <p><i>Partner with patients.</i></p> <p><i>Strengthen the workforce.</i></p> <p><i>Embed evidence.</i></p> <p><i>Ensure equal care.</i></p>	<p><b>Evaluate GV Health's Clinical Governance Framework by 31 March 2020 and commence implementation of identified improvements from 1 April 2020.</b></p>	<p>The clinical governance framework annual review was conducted as part of GV Health's internal audit program. This commenced in November 2019 with a final report available in April 2020. Specific elements of the governance framework have also been further reviewed; this includes the incident management system, complaints system, controlled documents system for policy, procedure and governance committee structure and terms of reference and procedure for credentialing (nursing, midwifery and medical).</p> <p>The revised clinical governance framework was approved by the Board in April 2020. Many of the actions identified have been managed through a Chief Executive led taskforce that reports to the Board of Directors.</p>
		<p><b>Develop a Consumer Experience Strategy by 31 December 2019 and commence implementation from 1 January 2020.</b></p>	<p>The Consumer Experience Strategy 2019-23 has been developed and action delivery is underway. However, due to COVID-19 we were unable to fully achieve the target as per the SoP.</p> <p>Work will continue and increased capacity will occur once the situation related to COVID-19 support going forward becomes clearer.</p>
		<p><b>Strengthen proactive safety leadership and accountability across the organisation through participation of 24 key leaders in the Safer Care Victoria Leadership Gateway Program from 1 August 2019 to 30 May 2020.</b></p>	<p>Five of the seven scheduled Leadership Gateway Program sessions were held prior to COVID-19. However, due to COVID-19, GV Health was unable to fully achieve the target in the SoP.</p> <p>Discussions will resume with Safer Care Victoria once the situation related to COVID-19 becomes clearer.</p>



SPECIFIC PRIORITIES FOR 2019-20			
IN 2019-20 GV HEALTH CONTRIBUTED TO THE ACHIEVEMENT OF GOVERNMENT PRIORITIES BY:			
Goals	Strategies	Health Service Deliverables	In Progress
<b>Supporting the Mental Health System</b>	<i>Improve service access to mental health treatment to address the physical and mental health needs of consumers.</i>	<b>Implement a revised Mental Health Emergency Clinical Assessment Team by 30 October 2019.</b>	Funding from the Victorian State Government has been received for Adult Intensive Community Mental Health Packages, which are targeted for adult consumers at risk of recurring acute episodes and associated hospital admissions. Recruitment to additional positions to increase services is underway.
		<b>Implement a revised model of care for adult mental health consumers by 31 March 2020.</b>	<p>GV Health has successfully commenced Occupational Therapy Services at Wanyarra, with the appointment of a therapist. The provision of equipment and resources is underway through funding. The development of a program of activities to support patients in their recovery is in progress. Occupational Therapy is currently developing a program which will be continually monitored and assessed to ensure it is meeting the current needs.</p> <p>Funding received for dietetic services in Wanyarra for two days per fortnight to support consumers in achieving optimum dietary health is underway.</p> <p>Wanyarra has also achieved becoming a smoke-free environment, which will help staff with the management of patients withdrawing from nicotine addiction.</p> <p>The Hospital Outreach Post-Suicide Engagement (HOPE) program is in progress. This is designed to reduce deaths from suicide within the catchment area. The business case has been approved and recruitment will commence shortly. Completion of outcome measures that identify reduction in acuity of clients presenting to the service and KPIs have been reported to the Department of Health and Human Services.</p> <p>Telehealth services have been introduced during COVID-19 enabling clinicians to maintain clinical connection with consumers. Psychiatrists are also successfully using Telehealth for assessments, family meetings and reviews. This has enabled GV Health to continue levels of service in these areas during the restrictions on face-to-face interactions.</p> <p>Regular family/carer meetings are occurring throughout the consumer's treatment and technology has been provided to consumers as needed, including tablets, Wi-Fi bundles and mobile phones. Ongoing monthly meetings are also attended by carers and consumers to assure patients and carers are involved in all aspects of care while in the service.</p>





Goals	Strategies	Health Service Deliverables	In Progress
<b>Supporting the Mental Health System</b>	<i>Improve service access to mental health treatment to address the physical and mental health needs of consumers.</i>	<b>Implement a revised model of care for adult mental health consumers by 31 March 2020. (Continued)</b>	<p>GV Health has worked to enhance the outdoor living space for residents at Grutzner House by removing existing fencing and creating more open space.</p> <p>A review of restrictive interventions is in progress to decrease seclusion and restraint events. Audits have been conducted and staff training in progress. The guidelines are also under review for further service improvement opportunities.</p>
			<b>Achieved</b>
<b>Addressing Occupational Violence</b>	<p><i>Foster an organisational-wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation.</i></p> <p><i>Implement the Department of Health and Human Services' security training principles to address identified security risks.</i></p>	<b>Implement new lone-worker duress alarms for community-based staff by 30 September 2019.</b>	<p>Training sessions were held at Community Health@GV Health.</p> <p>Portable duress alarms have been implemented in a number of community programs to support the safety of GV Health staff.</p> <p>Implementation of safer wards in Grutzner House is in progress to reduce incidents of behaviour conduct abuse. Increased staff training is underway and mutual help meetings, chaired by residents, have been implemented.</p> <p>GV Health implemented a mandatory Occupational Violence and Aggression training program for all staff in October 2019.</p>
			<b>Achieved</b>
<b>Addressing Bullying and Harassment</b>	<p><i>Actively promote positive workplace behaviours, encourage reporting and action on all reports.</i></p> <p><i>Implement the Department of Health and Human Services' framework for promoting a positive workplace culture: Promoting a Positive Workplace Culture: Preventing Bullying, Harassment and Discrimination training - Guiding Principles for Victorian Health Services.</i></p>	<b>Actively support the 'Know Better Be Better' campaign through to 30 September 2019.</b>	All phases of the 'Know Better Be Better' campaign have been fully implemented and the target achieved.
		<b>Develop and implement a Promoting a Positive Workplace Culture: Preventing Bullying, Harassment and Discrimination Action Plan by 30 June 2020.</b>	<p>An action plan has been developed, with 19 of the 23 actions completed. Of the four remaining actions, one is in progress and three are yet to commence.</p> <p>The remaining actions will be completed in 2020-21.</p>



Goals	Strategies	Health Service Deliverables	In Progress
<p><b>Supporting Vulnerable Patients</b></p>	<p><i>Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to health care.</i></p>	<p><b>Continue the Implementation of the Strengthening Hospital Responses to Family Violence (SHR Family Violence) Tool Kit across the West Hume Region health services and complete the System Audit Family Evaluation Project by 30 June 2020.</b></p>	<p>GV Health's SHR Family Violence project team continues to implement the SHR Family Violence initiative. Activities and communication activities included:</p> <ul style="list-style-type: none"> <li>• Grand Round presentations.</li> <li>• 16 Days of Activism activities.</li> <li>• Communication plan enacted including Monday Messages, newsletters etc.</li> </ul> <p>Although the training program was disrupted in 2020, due to COVID-19, the team adapted the activities, training packages and delivery options to ensure COVID safe practices were in place. This resulted in momentum continuing, but a reduction in numbers attending. Overall the project timelines have remained on schedule.</p> <p>Responding to Family Violence training at GV Health:</p> <ul style="list-style-type: none"> <li>• 67 per cent of all GV Health staff has attended Family Violence training.</li> <li>• The Family Violence Champion model is established and all identified champions have received additional training and support.</li> </ul> <p>Supporting our staff impacted by Family Violence at GV Health:</p> <ul style="list-style-type: none"> <li>• 134 per cent of GV Health managers have attended Family Violence Workplace Support training. (This figure is higher than 100 per cent due to a number of team leaders etc. who have attended in addition to assigned management roles).</li> <li>• Family Violence Contact Officers are available through the People &amp; Culture directorate.</li> </ul> <p>The GV Health SHR Family Violence team support seven regional health services to embed the SHR Family Violence initiative; service level agreements are in place with each of the supported health services. Working in collaboration with specialist family violence networks, the GV Health SHR Family Violence team delivered a number of events; including a Family Violence Specialist Services Panel, Family Violence Trainings and Community of Practices for the health services SHR Family Violence teams. Six of the seven health services have trained greater than 50 per cent of staff, with four of them having achieved training 100 per cent of their staff.</p> <p>Psychological interventions are being provided by the Aged Psychiatric Assessment Treatment Team (APATT) and clinicians to aged consumers. This is being achieved through a combination of activities. Group work and individual sessions are being completed, as well as increased training with staff in dealing with psychological interventions.</p>



Goals	Strategies	Health Service Deliverables	Achieved
<b>Supporting Aboriginal Cultural Safety</b>	<i>Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families and Aboriginal staff.</i>	<b>Implement a revised Aboriginal and Torres Strait Islander (ATSI) cultural competency training program for staff and volunteers by 31 December 2019.</b>	A mandatory cultural awareness training package has been developed and has been placed on the HEART training platform for all staff to undertake.
		<b>Refurbish the Minya Barmah Room, a dedicated space for ATSI people, by 31 March 2020 to enhance the cultural appropriateness of this space for ATSI people.</b>	<b>Achieved</b> The Minya Barmah Room was successfully refurbished after an initial delay due to COVID-19 restrictions.
<b>Addressing Family Violence</b>	<i>Strengthen responses to family violence in line with the Multiagency Risk Assessment and Risk Management Framework (MARAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.</i>	<b>Implement a revised practice guideline to enhance co-ordination of information between GV Health areas, such as alcohol and drug, centre against sexual assault, mental health, acute health including emergency as well as paediatric services, for people who may be experiencing child and/or family violence through a revised practice guideline and education by 31 December 2019.</b>	<b>Achieved</b> Relevant training packages and resources, including procedures have been updated to align with the MARAM Framework and information sharing legislation. All staff has access via PROMPT and the Family Violence Department page to the procedures and resources. The SHR Family Violence training packages reinforce these processes.  The relevant departments have processes in place to share information, as legislated. Work has commenced to develop a single organisational procedure that will ensure consistency and compliance across the health service to manage requests and responses. The MARAM framework and information sharing legislation will apply to the whole health service in early 2021.
<b>Implementing Disability Action Plans</b>	<i>Continue to build on last year's action by ensuring implementation and embedding of a disability action plan which seeks to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of care and employment opportunities for people with a disability.</i>	<b>Complete the development of the Disability Action Plan by 30 September 2019 and achieve required year one initiatives by 30 June 2020.</b>	<b>In Progress</b> The Diversity, Inclusion and Accessibility Plan 2019-23 has been developed and action delivery is underway. However, due to COVID-19, GV Health was unable to fully achieve the year one initiatives as per the SoP.  Work will resume once the situation related to COVID-19 support going forward becomes clearer.



Goals	Strategies	Health Service Deliverables	In Progress
<b>Supporting Environmental Sustainability</b>	<i>Contribute to improving the environmental sustainability of the health system by identifying and implementing projects and/or processes to reduce carbon emissions.</i>	<b>Continue with the implementation of the fleet vehicle replacement strategy and procure vehicles that have reduced carbon emissions.</b>	<p>GV Health has introduced 20 hybrid vehicles into their fleet during 2020. Three of these are Pathology courier vehicles that travel approximately 60,000 kilometres in any given year. Another two Pathology courier vehicles (both hybrid) are on order with a delivery date of January 2021.</p> <p>GV Health has also successfully reduced the fleet by nine vehicles since July 2020.</p>
		<b>Implement the Sustainability Plan year one initiatives by 30 June 2020 particularly the initiative related to returning surplus generator power to the electricity grid.</b>	<p><b>In Progress</b></p> <p>In 2019-20, GV Health was required to respond to COVID-19, and in doing so, was unable to fully achieve the target in the SoP.</p> <p>This initiative will resume once the situation related to COVID-19 becomes clearer and redeployed resources can be returned to the project.</p>



## PART B: PERFORMANCE PRIORITIES 2019-20

### HIGH-QUALITY AND SAFE CARE

Key Performance Indicator	Target	Result
<b>ACCREDITATION</b>		
Compliance with Aged Care Standards	Full compliance	Full compliance
<b>INFECTION PREVENTION AND CONTROL</b>		
Compliance with the Hand Hygiene Australia program	83%	88% <sup>1</sup>
Percentage of healthcare workers immunised for influenza	84%	88%
<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%	89.2%
Victorian Healthcare Experience Survey - percentage of positive patient experience – Quarter 2	95%	84.1%
Victorian Healthcare Experience Survey - percentage of positive patient experience – Quarter 3	95%	85.4%
Victorian Healthcare Experience Survey - percentage of very positive responses to questions on discharge care – Quarter 1	75%	81.2%
Victorian Healthcare Experience Survey - percentage of very positive responses to questions on discharge care – Quarter 2	75%	76.3%
Victorian Healthcare Experience Survey - percentage of very positive responses to questions on discharge care – Quarter 3	75%	75.5%
Victorian Healthcare Experience Survey - patient's perception of cleanliness – Quarter 1	70%	69.8%
Victorian Healthcare Experience Survey - patient's perception of cleanliness – Quarter 2	70%	59.8%
Victorian Healthcare Experience Survey - patient's perception of cleanliness – Quarter 3	70%	65.6%
<b>HEALTHCARE ASSOCIATED INFECTIONS</b>		
Rate of patients with surgical site infection	No outliers	Met
Rate of patients with ICU central-line-associated bloodstream infection (CLABSI)	0.0	0.0
Rate of patients with SAB1 per 10,000 occupied bed day	≤ 1	0.6
<b>ADVERSE EVENTS</b>		
Sentinel events - root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	100%
Unplanned readmission hip replacement	Annual rate ≤ 2.5%	2.7%

<sup>1</sup> Hand Hygiene Quarter 4 data is not available due to COVID-19. Result is based on available data.





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%	12%
Rate of seclusion events relating to an adult acute mental health admission.	⋈ 15/1,000	19
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%	88%
Percentage of adult acute mental health inpatients who have a post-discharge follow up within seven days.	80%	89%
Percentage of aged acute mental health inpatients who have a post-discharge follow up within seven days.	80%	90%
<b>MATERNITY AND NEWBORN</b>		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes.	⋈ 1.4%	1.2%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks.	⋈ 28.6%	33.3%
Proportion of urgent maternity patients referred for obstetric care to a level 4, 5 or 6 maternity service who were booked for a specialist clinic appointment within 30 days of accepted referral.	100%	Data not available
<b>CONTINUING CARE</b>		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay.	≤ 0.645	0.639

## 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%	87%
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%	95%
People Matter Survey - percentage of staff with a positive response to the question "Patient care errors are handled appropriately in my work area."	80%	92%
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%	90%
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%	90%
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%	82%
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%	75%



## 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%	57%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours.	81%	58%
Number of patients with a length of stay in the emergency department greater than 24 hours.	0%	1%
<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%	94.7%
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	8.1%
Number of patients on the elective surgery waiting list.	650	916
Number of hospital initiated postponements per 100 scheduled elective surgery admissions.	⋮ 7/100	8.5
Number of patients admitted from the elective surgery waiting list – annual total.	3,221	2,873
<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%	93.4%

## EFFECTIVE FINANCIAL MANAGEMENT

<b>FINANCE</b>		
Operating result (\$m).	-\$2.60m	-\$2.41m
Average number of days to paying trade creditors.	60 days	43 days
Average number of days to receiving patient fee debtors.	60 days	56 days
Public and Private WIES activity performance to target.	100%	100%
Adjusted current asset ratio.	0.7 or 3% improvement from health service base target.	0.63
Forecast number of days available cash (based on end of year forecast)	14 days	4.2 days
Actual number of days available cash, measured on the last day of the month.	14 days	6.4 days
Variance between forecast and actual Net Result From Transactions (NRFT) for the current financial year ending 30 June.	Variations ⋮ \$250,000	Achieved

## PART C: ACTIVITY AND FUNDING 2019-20

Funding Type	Activity	Budget	Actual
<b>Acute Admitted</b>			
Acute WIES	20,948	100,428	19,485
WIES DVA	151	778	254
WIES TAC	139	814	138
Other Admitted		10,354	
<b>Acute Non-Admitted</b>			
Emergency Services		19,284	43,553
Home Enteral Nutrition	415	90	355
Specialist Clinics	55,440	14,223	49,022
Specialist Clinics - DVA		48	
<b>Sub-Acute and Non-Acute Admitted</b>			
Sub-Acute WIES – Rehabilitation Public	427	4,583	453
Sub-Acute WIES – Rehabilitation Private	106	1,055	91
Sub-Acute WIES – GEM Public	385	4,138	394
Sub-Acute WIES – GEM Private	72	718	72
Sub-Acute WIES – Palliative Care Public	130	1,392	79
Sub-Acute WIES – Palliative Care Private	32	316	28
Sub-Acute WIES - DVA	22	284	22
Transition Care – Bed Days	13,118	2,062	10,440
Transition Care – Home Days	13,546	781	14,280
<b>Sub-Acute Non-Admitted</b>			
Palliative Care Non-Admitted		200	
Health Independence Program - Public	30,814	6,884	32,871
Health Independence Program - DVA		22	
Sub-Acute Non-Admitted Other		537	
<b>Aged Care</b>			
Aged Care Assessment Service		1,453	
Residential Aged Care	19,888	899	17,310
HACC	8,465	1,683	8,929
<b>Mental Health and Drug Services</b>			
Mental Health Ambulatory	42,413	18,159	42,745
Mental Health Inpatient – Available Bed Days	7,305	6,845	6,379
Mental Health Residential	7,305	750	7,079
Mental Health Service System Capacity	1	390	1
Mental Health Sub-Acute	7,306	3,347	7,604
Mental Health Other		1,045	
Drug Services	2,213	2,715	1,717
<b>Primary Health</b>			
Community Health / Primary Care Programs	13,063	1,417	12,314
Community Health Other		248	
<b>Other</b>			
Health Workforce		6,440	
Other Specified Funding		4,201	
<b>Total Funding</b>		<b>218,584</b>	

# ATTESTATIONS



## FINANCIAL MANAGEMENT COMPLIANCE

I, Michael Delahunty, on behalf of the GV Health Board, certify that GV Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

**Mr Michael Delahunty**  
Board Chair  
18 August 2020

## 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  
26 November 2020

## 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  
26 November 2020

## 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 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 Victorian Public Sector Commission.

**Matt Sharp**  
Chief Executive  
26 November 2020

# DISCLOSURE INDEX

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

LEGISLATION    REQUIREMENT

PAGE REFERENCE

## MINISTERIAL DIRECTIONS

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# FINANCIAL REPORT

2019-20



# GV HEALTH

## FINANCIAL REPORT

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## 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 2020 and the financial position of GV Health at 30 June 2020.

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

We authorise the attached financial statements for issue on the 18 August 2020.

**MICHAEL DELAHUNTY**  
BOARD CHAIR

Shepparton  
18 August 2020

**MATT SHARP**  
CHIEF EXECUTIVE

Shepparton  
18 August 2020

**PETER HUTCHINSON**  
CHIEF FINANCE OFFICER

Shepparton  
18 August 2020



Victorian Auditor-General's Office

## 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 2020</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 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<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 <i>APES 110 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>



---

**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

---

MELBOURNE  
10 September 2020

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



## GV HEALTH

# COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020 \$'000	2019 \$'000
<b>Income from Transactions</b>			
Operating Activities	2.1	404,937	331,214
Non-operating Activities	2.1	587	761
<b>Total Income from Transactions</b>		<b>405,524</b>	<b>331,975</b>
<b>Expenses from Transactions</b>			
Employee Expenses	3.1	(225,942)	(206,516)
Supplies and Consumables	3.1	(53,433)	(50,717)
Finance Costs	3.1	(85)	(21)
Depreciation and Amortisation	4.3	(12,292)	(11,626)
Other Administration Expenses	3.1	(14,063)	(14,035)
Other Operating Expenses	3.1	(16,420)	(12,937)
Other Non-operating Expenses	3.1	(11)	(76)
<b>Total Expenses from Transactions</b>		<b>(322,246)</b>	<b>(295,928)</b>
<b>Net Result from Transactions - Net Operating Balance</b>		<b>83,278</b>	<b>36,047</b>
<b>Other Economic Flows included in Net Result</b>			
Net Gain/(Loss) on Sale of Non-Financial Assets	3.2	140	175
Net Gain/(Loss) on Financial Instruments at Fair Value	3.2	(252)	(191)
Other Gain/(Loss) from Other Economic Flows	3.2	(587)	(1,892)
<b>Total Other Economic Flows Included in Net Result</b>		<b>(699)</b>	<b>(1,908)</b>
<b>Net Result for the Year</b>		<b>82,579</b>	<b>34,139</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)	22	29,506
<b>Total Other Comprehensive Income</b>		<b>22</b>	<b>29,506</b>
<b>Comprehensive result for the year</b>		<b>82,601</b>	<b>63,645</b>

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



## GV HEALTH

### BALANCE SHEET AS AT 30 JUNE 2020

	Note	2020 \$'000	2019 \$'000
<b>Current Assets</b>			
Cash and Cash Equivalents	6.2	27,525	23,888
Receivables	5.1	5,128	5,622
Inventories	4.4	2,547	2,042
Other Financial Assets		1,490	1,567
<b>Total Current Assets</b>		<b>36,690</b>	<b>33,119</b>
<b>Non-Current Assets</b>			
Receivables	5.1	4,671	3,786
Property, Plant and Equipment	4.1(a)	282,688	194,022
Intangible Assets	4.2	686	1,122
<b>Total Non-Current Assets</b>		<b>288,045</b>	<b>198,930</b>
<b>TOTAL ASSETS</b>		<b>324,735</b>	<b>232,049</b>
<b>Current Liabilities</b>			
Payables	5.2	17,583	16,370
Borrowings	6.1	1,878	1,413
Provisions	3.4	45,392	40,306
Other Liabilities	5.3	11,988	9,967
<b>Total Current Liabilities</b>		<b>76,841</b>	<b>68,056</b>
<b>Non-Current Liabilities</b>			
Borrowings	6.1	3,375	3,456
Provisions	3.4	7,292	6,279
<b>Total Non-Current Liabilities</b>		<b>10,667</b>	<b>9,735</b>
<b>TOTAL LIABILITIES</b>		<b>87,508</b>	<b>77,791</b>
<b>NET ASSETS</b>		<b>237,227</b>	<b>154,258</b>
<b>Equity</b>			
Property, Plant and Equipment Revaluation Surplus	4.1(f)	104,172	104,150
General Purpose Surplus	SCE	5,029	2,489
Restricted Specific Purpose Surplus	SCE	1,535	5,278
Contributed Capital	SCE	47,189	46,821
Accumulated Deficits	SCE	79,302	(4,480)
<b>TOTAL EQUITY</b>		<b>237,227</b>	<b>154,258</b>

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 2020

	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 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>
Net Result for the Year	-	-	-	-	82,579	82,579
Other comprehensive income for the year	22	-	-	-	-	22
Transfer from/(to) Accumulated Surplus (Deficit)	-	2,540	(3,743)	-	1,203	-
Contributed capital	-	-	-	368	-	368
<b>Balance at 30 June 2020</b>	<b>104,172</b>	<b>5,029</b>	<b>1,535</b>	<b>47,189</b>	<b>79,302</b>	<b>237,227</b>

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



## GV HEALTH

# CASH FLOW STATEMENT

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020 \$'000	2019 \$'000
<b>Cash Flows from Operating Activities</b>			
Operating Grants from Government		269,864	246,360
Capital Grants from Government - State		8,253	4,360
Patient and Resident Fees Received		18,265	19,248
Private Practice Fees Received		2,912	3,206
Donations and Bequests Received		259	289
GST Received from ATO		9,043	8,677
Interest and Investment Income Received		559	793
Car Park Income Received		453	495
Other Receipts		15,202	15,770
<b>Total Receipts</b>		<b>324,810</b>	<b>299,198</b>
Employee Expenses Paid		(203,918)	(185,810)
Non Salary Labour Costs		(19,317)	(17,362)
Payments for Supplies and Consumables		(55,918)	(52,159)
Payments for Medical Indemnity Insurance		(4,147)	(4,013)
Payments for Repairs and Maintenance		(4,462)	(3,790)
Finance Costs		(170)	(157)
GST Paid to ATO		(1,251)	(1,221)
Cash Outflow for Leases		(1,772)	-
Payment for Share of Hume Rural Health Alliance		(488)	(491)
Other Payments		(24,198)	(31,175)
<b>Total Payments</b>		<b>(315,641)</b>	<b>(296,178)</b>
<b>Net Cash Flow From/(Used in) Operating Activities</b>	<b>8.1</b>	<b>9,169</b>	<b>3,020</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Non-Financial Assets		(9,018)	(7,399)
Capital Donations and Bequests Received		478	298
Other Capital Receipts		1,120	-
Purchase of Intangible Assets		(28)	(851)
Proceeds from Disposal of Non-Financial Assets		289	705
<b>Net Cash Flow From/(Used in) Investing Activities</b>		<b>(7,159)</b>	<b>(7,247)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of Borrowings		(509)	(447)
Receipt of Capital Contribution		368	-
Net Movement Trust Monies		1,446	1,082
Receipt of Accommodation Deposits		2,421	2,495
Repayment of Accommodation Deposits		(1,847)	(2,267)
Repayment of Finance Leases		(252)	(530)
<b>Net Cash Flow From/(Used in) Financing Activities</b>		<b>1,627</b>	<b>333</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Held</b>		<b>3,637</b>	<b>(3,894)</b>
Cash and Cash Equivalents at Beginning of Year		23,888	27,782
<b>Cash and Cash Equivalents at End of Year</b>	<b>6.2</b>	<b>27,525</b>	<b>23,888</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 2020. 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 AASBs, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

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

#### (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 2020, and the comparative information presented in these financial statements for the year ended 30 June 2019.

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);
- 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).





## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### COVID-19

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

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

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

For further details refer to Note 2.1 Revenue and income, Note 3.1 and Note 4.1 Property, plant and equipment.

### 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 separately in the 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.

### FINANCIAL ASSETS AVAILABLE-FOR-SALE REVALUATION SURPLUS

The available-for-sale revaluation surplus arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, that portion of the surplus which relates to that financial asset is effectively realised and is recognised in the Comprehensive Operating Statement. Where a revalued financial asset is impaired that portion of the surplus which relates to that financial asset is recognised in the Comprehensive Operating Statement.

### 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.

## 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 Revenue and income that funds the delivery of our services

## NOTE 2.1: REVENUE AND INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

### (A) INCOME FROM TRANSACTIONS

	2020 \$'000	2019 \$'000
Government Grants (State) - Operating <sup>i</sup>	234,042	215,180
Government Grants (Commonwealth) - Operating	35,316	31,881
Government Grants (State) - Capital	98,450	48,272
Government Grants (Commonwealth) - Capital	318	293
Other capital purpose income	2,882	230
Capital donations	478	298
Private and resident fees	8,734	8,378
Private practice fees	459	512
Commercial activities <sup>ii</sup>	18,854	18,618
Assets received free of charge or for nominal charge	260	-
Assets received free from operating activities (including non-capital donations)	5,144	7,552
<b>Total Income from Operating Activities</b>	<b>404,937</b>	<b>331,214</b>
Capital Interest	43	72
Other Interest	544	689
<b>Total Income from Non-Operating Activities</b>	<b>587</b>	<b>761</b>
<b>Total Income from Transactions</b>	<b>405,524</b>	<b>331,975</b>

<sup>i</sup> Government Grant (State) – Operating includes funding of \$11.02m which was spent due to the impacts of COVID-19.

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

### IMPACT OF COVID-19 ON REVENUE AND INCOME

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

### GOVERNMENT GRANTS

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB 15 *Revenue from Contracts with Customers*, with

revenue recognised as these performance obligations are met.

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

- contributions by owners, in accordance with AASB 1004;
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- a lease liability in accordance with AASB 16;



## NOTE 2.1: REVENUE AND INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES (CONTINUED)

- d) a financial instrument, in accordance with AASB 9; or
- e) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred. If the grant income is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in contract liabilities whereas grant revenue in relation to the construction of capital assets which the health service controls has been recognised in accordance with AASB 1058 and recognised as deferred grant revenue (refer note 5.2). If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2019-2020, the total grant revenue received would have been recognised in full.

### PERFORMANCE OBLIGATIONS

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

- Activity Based Funding (ABF) paid as WIES casemix
- COVID-19 Cancer Support staff to be employed for the period July 2020 – June 2021
- Leadership and Management of the Regional Maternal and Perinatal Mortality & Morbidity Committee
- Joint Addiction and Mental Health Echo Project
- Development of Workforce Models that leverage Allied Health expertise to deliver care
- Specialist Clinic Reform Project
- Development of a Hume Cluster Level Telehealth Strategic Plan

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

The performance obligations for the COVID-19 Cancer Support staff to be employed for the period July 2020 - June 2021 revenue is recognised as the staff members are employed each month and will cover the costs of the salaries and wages on a monthly basis. These performance obligations have been selected as they align with the terms and conditions of the funding provided. GV Health service exercises judgement over whether performance obligations related to the staff are met. This is measured by ensuring that full FTE is maintained in the program.

The performance obligations for the Leadership and Management of the Regional Maternal and Perinatal Mortality & Morbidity Committee revenue is recognised over the life of the project as the Committee is formed and the stages have been achieved. These performance obligations have been selected as they align with the terms and conditions of the funding provided. GV Health service exercises judgement over

whether performance obligations related to the formation of the committee and completing the stages are met. This is measured by ensuring the DHHS acquittal of the funds is completed at year end.

The performance obligations for the Joint Addiction and Mental Health Echo Project revenue are recognised over the life of the project as the staff have been employed and the equipment purchased in order to ensure the Project is formed. These performance obligations have been selected as they align with the terms and conditions of the funding provided. GV Health service exercises judgement over whether performance obligations related to the formation of the project are met. This is measured by ensuring the DHHS acquittal of the funds is completed at year end.

The performance obligations for the Development of Workforce Models that leverage Allied Health expertise to deliver care revenue is recognised over the life of the project as the new models of care have been developed and implemented. These performance obligations have been selected as they align with the terms and conditions of the funding provided. GV Health service exercises judgement over whether performance obligations related to the development of the models are met. This is measured by ensuring the DHHS acquittal of the funds is completed at year end.

The performance obligations for the Specialist Clinic Reform Project revenue are recognised over the life of the project as GV Health helps to inform of service delivery gaps and advises speciality clinics in the area of how to improve these gaps. These performance obligations have been selected as they align with the terms and conditions of the funding provided. GV Health service exercises judgement over whether performance obligations related to the development of the models are met. This is measured by ensuring the DHHS acquittal of the funds is completed at year end.

The performance obligations for the Development of a Hume Cluster Level Telehealth Strategic Plan revenue are recognised over the life of the project as staff are employed, costs are expended and capital equipment purchased for the Telehealth program. These performance obligations have been selected as they align with the terms and conditions of the funding provided. GV Health service exercises judgement over whether performance obligations related to the development of the models are met. This is measured by ensuring the that the full 2.5 FTE are employed and paid on a monthly basis and that all costs associated with the project are spent as per the guidelines.

### PREVIOUS ACCOUNTING POLICY FOR 30 JUNE 2019

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

## NOTE 2.1: REVENUE AND INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES (CONTINUED)

back by the recipient of the grant to the provider). GV Health recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, GV Health recognises revenue when the grant is received.

Grants can be received as general purpose grants, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

The following are transactions that GV Health has determined to be classified as revenue from contracts with customers in accordance with AASB 15. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

### PATIENT AND RESIDENT FEES

The performance obligations related to patient fees are to ensure that patients receive health care services that are equitable, appropriate and timely to meet their clinical needs. These performance obligations have been selected as they align with the Continuum of Care policy which GV Health has in place. Revenue is recognised as these performance obligations are met. GV Health service exercises judgement over whether performance obligations related to patient care and services are met. This is measured by addressing the type of care provided, the number of days spent in care and the discharge notes.

Residential fees are recognised as revenue over time as GV Health provides accommodation. This is calculated on a daily basis and invoiced monthly.

### PRIVATE PRACTICE FEES

The performance obligations related to private practice fees

are to ensure that patients receive health care services that are equitable, appropriate and timely to meet their clinical needs and that facilities are provided to Private Practitioners. These performance obligations have been selected as they align with the terms and conditions agreed with the private provider. Revenue is recognised as these performance obligations are met. Private practice fees include recoupments from the private practice for the use of hospital facilities. GV Health service exercises judgement over whether performance obligations related to patient care and services and provision of medical facilities are met. This is measured by addressing the type of care provided, the number of days spent in care and reading and charging the prescribed fees as per the discharge notes.

### COMMERCIAL ACTIVITIES

Revenue from commercial activities includes items such as car park income, commercial laboratory medicine and diagnostic imaging. Performance obligations related to commercial activities are directly in line with the type of activity utilised such as ensuring car parking is available or performing the diagnostic duties required. These performance obligations have been selected as they align with the terms and conditions per the contract with the provider of the commercial activities. GV Health service exercises judgement over whether performance obligations related to the provision of commercial activities are met. This is measured by addressing the number and type of commercial activities that have been undertaken at any point in time.

### OTHER REVENUE FROM OPERATING ACTIVITIES

Other revenue 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.

## (B) FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION

	2020 \$'000	2019 \$'000
Cash Donations	478	298
Assets received free of charge under state supply arrangements	260	-
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>738</b>	<b>298</b>

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

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

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

### VOLUNTARY SERVICES

Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would



## NOTE 2.1: REVENUE AND INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES (CONTINUED)

have been purchased if not donated. GV Health did not receive any volunteer services and does not depend on volunteers to deliver its services.

### NON-CASH CONTRIBUTIONS FROM THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

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

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

### PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION POLICIES

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

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.

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

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover the returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables (Note 5.2) and the right to recover returned goods is included in Inventory (Note 4.4). GV Health reviews its estimate of expected returns at each reporting date and updates the amount of the asset and liability accordingly. As the sales are made with a short credit term, there is no financing element present. There has been no change in the recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.2). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded (Note 5.1).

### (C) OTHER INCOME

Capital interest  
Other interest  
**Total other income**

	2020 \$'000	2019 \$'000
Capital interest	43	72
Other interest	544	689
<b>Total other income</b>	<b>587</b>	<b>761</b>

### INTEREST INCOME

Interest revenue is recognised on a time proportionate basis that takes in to 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

	2020 \$'000	2019 \$'000
Salaries and Wages	166,148	150,690
On-costs	39,193	37,847
Agency Expenses	10,125	8,204
Fee for Service Medical Officer Expenses	7,425	7,580
Workcover Premium	3,051	2,195
<b>Total Employee Expenses</b>	<b>225,942</b>	<b>206,516</b>
Drug Supplies	13,879	12,366
Medical and Surgical Supplies (including Prostheses)	9,495	10,327
Diagnostic and Radiology Supplies	2,821	2,284
Other Supplies and Consumables	27,238	25,740
<b>Total Supplies and Consumables</b>	<b>53,433</b>	<b>50,717</b>
Finance Costs	85	21
<b>Total Finance Costs</b>	<b>85</b>	<b>21</b>
Other Administrative Expenses	14,063	14,035
<b>Total Other Administrative Expenses</b>	<b>14,063</b>	<b>14,035</b>
Fuel, Light, Power and Water	2,572	2,628
Repairs and Maintenance	1,514	1,113
Maintenance Contracts	2,491	2,279
Medical Indemnity Insurance	3,780	3,648
Expenses related to operating leases	357	2,112
Expenses related to short term leases	1,328	-
Expenses related to leases of low value assets	87	-
Expenditure for Capital Purposes	4,291	1,157
<b>Total Other Operating Expenses</b>	<b>16,420</b>	<b>12,937</b>
<b>Total Operating Expense</b>	<b>309,943</b>	<b>284,226</b>
Depreciation and Amortisation (refer Note 4.3)	12,292	11,626
<b>Total Depreciation and Amortisation</b>	<b>12,292</b>	<b>11,626</b>
Specific Expenses	-	76
Bad and Doubtful Debts expenses	11	-
<b>Total Other Non-Operating Expenses</b>	<b>11</b>	<b>76</b>
<b>Total Non-Operating Expenses</b>	<b>12,303</b>	<b>11,702</b>
<b>Total Expenses from Transactions</b>	<b>322,246</b>	<b>295,928</b>

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





## NOTE 3.1: EXPENSES FROM TRANSACTIONS (CONTINUED)

### IMPACT OF COVID-19 ON EXPENSES

As indicated in Note 1, GV Health's daily activities were impacted by the pandemic. This resulted in an increase in costs directly associated with testing and screening of patients and caring for patients on the Respiratory Ward. The majority of the increased costs relate to salaries and wages, however other cost items such as consumables with an increase in Personal Protective Equipment (PPE) required.

### EMPLOYEE EXPENSES

Employee expenses include:

- Salaries and wages (including fringe benefits tax, termination payments)
- On-cost including leave entitlements
- 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 16 *Leases*

### OTHER OPERATING EXPENSES

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

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

The 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.

### OPERATING LEASE PAYMENTS

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

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

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

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

## NOTE 3.2: OTHER ECONOMIC FLOWS

	2020 \$'000	2019 \$'000
<i>Net gain/(loss) on sale of non-financial assets</i>		
Net gain on disposal of property, plant and equipment	140	175
<b>Total net gain/(loss) on non-financial assets</b>	<b>140</b>	<b>175</b>
<i>Net gain/(loss) on financial instruments</i>		
Allowance impairment losses of contractual receivables	(252)	(191)
<b>Total net gain/(loss) on financial instruments at fair value</b>	<b>(252)</b>	<b>(191)</b>
<i>Other gains/(losses) from other economic flows</i>		
Net gain/(loss) arising from revaluation of long service liability	(587)	(1,892)
<b>Total other gains/(losses) from other economic flows</b>	<b>(587)</b>	<b>(1,892)</b>
<b>Total other gains/(losses) from Other Economic Flows</b>	<b>(699)</b>	<b>(1,908)</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:

### 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

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 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Commercial Activities</b>				
Private Practice and Other Patient Activities	289	308	2,469	2,667
Laboratory Medicine	10,078	9,871	4,988	4,953
Diagnostics Imaging	11,631	11,023	5,804	5,776
Cafeteria	1,299	1,263	1,331	1,357
Car Park	72	83	412	450
Patient Transport	73	71	-	-
Regional Services	3,313	2,996	3,068	2,752
Retail Aids and Equipment Outlet	371	327	337	395
<b>Total Commercial Activities</b>	<b>27,126</b>	<b>25,942</b>	<b>18,409</b>	<b>18,350</b>
<b>Other Activities</b>				
Fundraising and Community Support	30	27	37	165
Restricted Funds	242	173	331	94
<b>Total Other Activities</b>	<b>272</b>	<b>200</b>	<b>368</b>	<b>259</b>
<b>Total</b>	<b>27,398</b>	<b>26,142</b>	<b>18,777</b>	<b>18,609</b>

## NOTE 3.4: EMPLOYEE BENEFITS IN THE BALANCE SHEET

	2020 \$'000	2019 \$'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>(ii)</sup>	414	386
<i>Annual Leave</i>		
- Unconditional and expected to be settled wholly within 12 months <sup>(ii)</sup>	17,291	15,272
- Unconditional and expected to be settled wholly after 12 months <sup>(iii)</sup>	1,583	1,376
<i>Long Service Leave</i>		
- Unconditional and expected to be settled wholly within 12 months <sup>(ii)</sup>	3,193	2,909
- Unconditional and expected to be settled wholly after 12 months <sup>(iii)</sup>	18,312	16,434
	<b>40,793</b>	<b>36,377</b>
<b>Provisions related to Employee Benefit On-Costs</b>		
Unconditional and expected to be settled wholly within 12 months <sup>(ii)</sup>	2,344	1,974
Unconditional and expected to be settled wholly after 12 months <sup>(iii)</sup>	2,255	1,955
	<b>4,599</b>	<b>3,929</b>
<b>Total Current Provisions</b>	<b>45,392</b>	<b>40,306</b>
<b>Non-Current Provisions</b>		
Conditional Long Service Leave	6,549	5,656
Provisions related to Employee Benefit On-Costs	743	623
<b>Total Non-Current Provisions</b>	<b>7,292</b>	<b>6,279</b>
<b>Total Provisions</b>	<b>52,684</b>	<b>46,585</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

	2020 \$'000	2019 \$'000
<b>Current Employee Benefits and Related On-Costs</b>		
Unconditional Long Service Leave entitlements	23,946	21,474
Annual Leave entitlements	20,985	18,405
Accrued Days Off	461	427
<b>Total Current Employee Benefits and Related On-Costs</b>	<b>45,392</b>	<b>40,306</b>
<b>Non-Current Employee Benefits and Related On-Costs</b>		
Conditional Long Service Leave entitlements <sup>(i)</sup>	7,292	6,279
<b>Total Non-Current Employees Benefits and Related On-Costs</b>	<b>7,292</b>	<b>6,279</b>
<b>Total Employee Benefits and Related On-Costs</b>	<b>52,684</b>	<b>46,585</b>



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

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

	2020 \$'000	2019 \$'000
Balance at start of year	4,552	3,754
Additional provisions recognised	2,557	2,317
Unwinding of discount and effect of changes in the discount rate	60	182
Reduction due to transfer out	(1,827)	(1,701)
<b>Balance at end of year</b>	<b>5,342</b>	<b>4,552</b>

### EMPLOYEE BENEFIT RECOGNITION

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

### 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	
	2020 \$'000	2019 \$'000
Defined Benefit Plans <sup>(i)</sup>		
First State	173	194
Defined Contribution Plans		
First State	8,632	8,036
Hesta	5,527	5,080
Other	1,460	1,133
<b>Total</b>	<b>15,792</b>	<b>14,443</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 30th June 2020.

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 amount charged to the Comprehensive Operating Statement in respect of benefit superannuation plans represent 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
- 4.4 Inventories

## 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 valueless accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred as part of

a merger/machinery of government change are transferred at their carrying amounts.

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





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

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 a 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.

### RIGHT-OF-USE ASSET ACQUIRED BY LESSEES (UNDER AASB 16 – LEASES FROM 1 JULY 2019) – INITIAL MEASUREMENT

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

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

### SUBSEQUENT MEASUREMENT

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

### RIGHT-OF-USE ASSET – SUBSEQUENT MEASUREMENT

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

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

### 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 *Non-Financial Physical Assets*, 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;

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

- 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 *Fair Value Measurement* paragraph 29, GV Health has assumed the current use of a non-financial physical asset is its HBU unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

### NON-SPECIALISED LAND AND NON-SPECIALISED BUILDINGS

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2020.

### SPECIALISED LAND AND SPECIALISED BUILDINGS

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any

restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

During the reporting period, 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 2020.

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

	2020 \$'000	2019 \$'000
<b>Land</b>		
Land at Fair Value	8,094	8,072
<b>Total Land</b>	<b>8,094</b>	<b>8,072</b>
<b>Buildings</b>		
Buildings at Cost	153,094	-
Less Accumulated Depreciation	(388)	-
	<b>152,706</b>	-
Buildings - Right of Use	625	-
Less Accumulated Depreciation	(98)	-
	<b>527</b>	-
Buildings at Fair Value	103,918	103,918
Less Accumulated Depreciation	(8,246)	-
	<b>95,672</b>	<b>103,918</b>
Leasehold Improvements at Cost	-	2,447
Less Accumulated Depreciation	-	(2,312)
	-	<b>135</b>
Building Work in Progress at Cost	14,791	71,635
<b>Total Buildings</b>	<b>263,696</b>	<b>175,688</b>
<b>Plant and Equipment</b>		
Plant and Equipment at Fair Value	5,906	5,750
Less Accumulated Depreciation	(4,411)	(3,906)
	<b>1,495</b>	<b>1,844</b>
<b>Vehicles</b>		
Motor Vehicles at Fair Value	1,323	2,457
Less Accumulated Depreciation	(1,014)	(2,010)
	<b>309</b>	<b>447</b>
<b>Medical Equipment</b>		
Medical Equipment at Fair Value	15,932	14,232
Less Accumulated Depreciation	(10,782)	(9,421)
	<b>5,150</b>	<b>4,811</b>
<b>Computers and Communication Equipment</b>		
Computers and Communication at Fair Value	2,954	2,307
Less Accumulated Depreciation	(2,261)	(2,043)
	<b>693</b>	<b>264</b>
<b>Furniture and Fittings</b>		
Furniture and Fittings at Fair Value	622	558
Less Accumulated Depreciation	(465)	(413)
	<b>157</b>	<b>145</b>
<b>Leased Assets</b>		
Leased Assets at Fair Value	-	3,384
Less Accumulated Depreciation	-	(794)
	-	<b>2,590</b>
<b>Right of Use - Plant, Equipment and Vehicles</b>		
Right of Use - Plant, Equipment and Vehicles	3,946	-
Less Accumulated Depreciation	(958)	-
<b>Total Right of Use - Plant, Equipment and Vehicles</b>	<b>2,988</b>	-
<b>HRHA Plant and Equipment</b>		
Plant and Non-Medical Equipment at Fair Value	98	98
Less Accumulated Depreciation	(62)	(46)
Right of Use - Building, Plant, Equipment, Furniture and Fittings	116	366
Less Accumulated Depreciation	(46)	(257)
<b>Total HRHA Plant and Equipment</b>	<b>106</b>	<b>161</b>
<b>Total Property, Plant and Equipment</b>	<b>282,688</b>	<b>194,022</b>

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

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

	Land \$'000	Build- ings \$'000	Right of Use - Buildings \$'000	Assets under con- struction (WIP) \$'000	Plant & Equip- ment \$'000	Vehicles \$'000	Medical Equip- ment \$'000	Com- puters & Equip- ment \$'000	Furni- ture & Fit- tings \$'000	Right of Use PP&E F&V \$'000	Leased Assets \$'000	HRHA \$'000	Total \$'000
<b>Balance at 1 July 2018</b>	11,185	79,392	-	23,056	1,323	689	5,005	407	155	-	1,353	197	122,762
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 1 July 2019</b>	8,072	104,053	-	71,635	1,844	447	4,811	264	145	-	2,590	161	194,022
Recognition of right-of-use assets on initial application of AASB 16	-	-	-	-	-	-	-	-	-	2,590	(2,590)	-	-
Additions	-	-	625	96,249	156	-	1,674	648	64	1,434	-	31	100,881
Disposals	-	(111)	-	-	-	(23)	(14)	-	-	(289)	-	(24)	(461)
Assets provided free of charge	-	-	-	-	-	-	53	-	-	-	-	-	53
Revaluations increments/ (decrements)	22	-	-	-	-	-	-	-	-	-	-	-	22
Net Transfers between Classes	-	153,093	-	(153,093)	-	-	-	-	-	-	-	-	-
Depreciation (Note 4.3)	-	(8,657)	(98)	-	(505)	(115)	(1,374)	(219)	(52)	(747)	-	(62)	(11,829)
<b>Balance at 30 June 2020</b>	8,094	248,378	527	14,791	1,495	309	5,150	693	157	2,988	-	106	282,688



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

### LAND AND BUILDINGS AND LEASED ASSETS CARRIED AT VALUATION

A full revaluation of GV Health's land and buildings was performed by Valuer-General in May 2019 in accordance with the requirements of Financial Reporting Direction (FRD) 103H *Non-Financial Physical Assets*. 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 effective date of the valuation for both land and buildings was 30 June 2019.

In compliance with FRD 103H, in the year ended 30 June 2020, GV Health's management conducted an annual assessment of the fair value of land and buildings and leased buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria (VGV) indices for the financial year ended 30 June 2020.

The VGV indices, which are based on data to March 2020,

indicate an average increase of 5% across all land parcels and a 0.05% decrease in buildings.

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

The indices indicated that a further managerial revaluation on residential zoned land was required for 2020. The indexed value was then compared to individual assets written down book value as at 30 June 2019 to determine the change in their fair values. The revaluation identified by the indices saw an increase in value by \$22,300 as at 30 June 2020. As the accumulative movement was less than 10% buildings no managerial revaluation was required. The land and building balances are considered to be sensitive to market conditions. To trigger a managerial revaluation an additional movement in indices an increase of 9.5% would have been needed for buildings to trigger a managerial revaluation.

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

	Note	Total Carrying Amount \$'000	Fair Value measurement at end of reporting period using:		
			Level 1 <sup>(i)</sup> \$000	Level 2 <sup>(i)</sup> \$000	Level 3 <sup>(i)</sup> \$000
<b>Balance at 30 June 2020</b>					
<b>Land at Fair Value</b>					
Non-Specialised Land		4,669	-	4,669	-
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>4.1(a)</b>	<b>8,094</b>	<b>-</b>	<b>4,669</b>	<b>3,425</b>
<b>Buildings at Fair Value</b>					
Non-Specialised Buildings		615	-	615	-
Specialised Buildings		247,763	-	-	247,763
<b>Total of Buildings at Fair Value</b>	<b>4.1(a)</b>	<b>248,378</b>	<b>-</b>	<b>615</b>	<b>247,763</b>
Plant and Equipment at Fair Value		1,495	-	-	1,495
Vehicles at Fair Value		309	-	-	309
Medical Equipment at Fair Value		5,150	-	-	5,150
Computers and Communications at Fair Value		693	-	-	693
Furniture and Fittings Fair Value		157	-	-	157
<b>Total Plant and Equipment at Fair Value</b>	<b>4.1(a)</b>	<b>7,804</b>	<b>-</b>	<b>-</b>	<b>7,804</b>
<b>HRHA Plant and Equipment</b>					
Plant and Non-Medical Equipment at Fair Value		36	-	-	36
<b>Total HRHA Plant and Equipment</b>		<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>4.1(a)</b>	<b>264,312</b>	<b>-</b>	<b>5,284</b>	<b>259,028</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

	Note	Total Carrying Amount \$'000	Fair Value measurement at end of reporting period using:		
			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>4.1(a)</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>4.1(a)</b>	<b>103,918</b>	<b>-</b>	<b>666</b>	<b>103,252</b>
Plant and Equipment at Fair Value		1,844	-	-	1,844
Vehicles at Fair Value		447	-	-	447
Medical Equipment at Fair Value		4,811	-	-	4,811
Computers and Communications at Fair Value		264	-	-	264
Furniture and Fittings Fair Value		145	-	-	145
<b>Total Plant and Equipment at Fair Value</b>	<b>4.1(a)</b>	<b>7,511</b>	<b>-</b>	<b>-</b>	<b>7,511</b>
<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>4.1(a)</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)

### (D) RECONCILIATION OF LEVEL 3 FAIR VALUE<sup>i</sup>

	Land \$'000	Buildings \$'000	Plant & Equip- ment \$'000	Vehicles \$'000	Medical Equipment \$'000	Com- puters & Comm. Equip- ment \$'000	Furniture & Fittings \$'000	HRHA \$'000
<b>Balance at 1 July 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>
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	(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>
<b>Balance at 1 July 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>
Additions/(Disposals)	-	-	156	(23)	1,660	648	64	12
Assets provided free of charge	-	-	-	-	53	-	-	-
Net transfers between classes	-	153,093	-	-	-	-	-	-
Gains/(Losses) recognised in Net Result	-	(8,583)	(505)	(115)	(1,374)	(219)	(52)	(28)
- Depreciation and Amortisation	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2020</b>	<b>3,425</b>	<b>247,763</b>	<b>1,495</b>	<b>309</b>	<b>5,150</b>	<b>693</b>	<b>157</b>	<b>36</b>

<sup>i</sup> Classified in accordance with the fair value hierarchy, refer Note 4.1(c).

## 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
Vehicles	Market approach	N/A
	Depreciated replacement cost approach	- Cost per unit - Useful life
Plant and Equipment	Depreciated replacement cost approach	- Cost per unit - Useful life
Medical Equipment	Depreciated replacement cost approach	- Cost per unit - Useful life
Infrastructure	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 the GV Health's specialised land.

### (F) REVALUATION SURPLUS

	Note	2020 \$'000	2019 \$'000
<b>Property, Plant and Equipment Revaluation Surplus</b>			
Balance at the beginning of the reporting period		104,150	74,644
<b>Revaluation Increment</b>			
- Land	4.1(b)	22	(3,113)
- Buildings	4.1(b)	-	32,619
<b>Balance at the end of the reporting period*</b>		<b>104,172</b>	<b>104,150</b>
<b>*Represented by:</b>			
Land		3,382	3,360
Buildings		100,790	100,790
<b>Total</b>		<b>104,172</b>	<b>104,150</b>



## NOTE 4.2: INTANGIBLE ASSETS

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

	2020 \$'000	2019 \$'000
<b>Intangible Produced Assets - Software</b>		
Software	3,574	3,565
Less Accumulated Amortisation	(2,971)	(2,527)
<b>Total Software</b>	<b>603</b>	<b>1,038</b>
<b>HRHA Intangible Produced Assets - Software</b>		
Software	138	99
Less Accumulated Amortisation	(66)	(15)
<b>Total HRHA Software</b>	<b>72</b>	<b>84</b>
<b>Intangible Work in Progress - Software</b>		
Work in Progress	11	-
	<b>11</b>	<b>-</b>
<b>Total Intangible Assets</b>	<b>686</b>	<b>1,122</b>

### (B) RECONCILIATION OF THE CARRYING AMOUNTS OF INTANGIBLE ASSETS

	Software \$'000	HRHA \$'000	Intangible Work in Progress \$'000	Total \$'000
<b>Balance at 1 July 2018</b>	<b>536</b>	<b>70</b>	-	<b>606</b>
Additions	820	31	-	851
Amortisation (refer Note 4.3)	(318)	(17)	-	(335)
<b>Balance at 1 July 2019</b>	<b>1,038</b>	<b>84</b>	-	<b>1,122</b>
Additions	9	8	11	28
Amortisation (refer Note 4.3)	(444)	(19)	-	(463)
<b>Balance at 30 June 2020</b>	<b>603</b>	<b>72</b>	<b>11</b>	<b>686</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.

#### PURCHASED INTANGIBLE ASSETS

Are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Depreciation and amortisation begins when the asset is 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.

#### INTERNALLY GENERATED INTANGIBLE ASSET

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

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

## NOTE 4.3: DEPRECIATION AND AMORTISATION

	2020 \$'000	2019 \$'000
<b>Depreciation</b>		
Buildings	8,634	8,253
Leased Buildings	23	204
Plant and Equipment	505	499
Vehicles	115	176
Medical Equipment	1,374	1,157
Computers and Communications equipment	219	240
Furniture and Fittings	52	51
Leased Assets	-	613
Right of use assets		
Right of use buildings	98	-
Right of use plant, equipment and vehicles	747	-
HRHA - Depreciation	62	98
<b>Total Depreciation</b>	<b>11,829</b>	<b>11,291</b>
<b>Amortisation</b>		
Software	444	318
HRHA - Amortisation	19	17
<b>Total Amortisation</b>	<b>463</b>	<b>335</b>
<b>Total Depreciation and Amortisation</b>	<b>12,292</b>	<b>11,626</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.

Right of use assets are depreciated over the shorter of the asset's useful life and the lease term. Where GV Health obtains

ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

### 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.

	2020	2019
Buildings	2 to 50 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 and Communication	3 to 10 years	3 to 10 years
Furniture and 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 4.4: INVENTORIES

	2020 \$'000	2019 \$'000
General Stores at cost	775	499
Medical and Surgical consumables at cost	880	765
Pharmacy supplies at cost	592	447
Pathology at cost	183	166
Engineering at cost	35	45
Catering Supplies at cost	10	11
Biomedical Engineering at cost	49	68
Retail Aids and Equipment Outlet at cost	23	41
<b>Total Inventories</b>	<b>2,547</b>	<b>2,042</b>

### 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.

## 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 and contract assets
- 5.2 Payables
- 5.3 Other Liabilities

## NOTE 5.1: RECEIVABLES AND CONTRACT ASSETS

	Note	2020 \$'000	2019 \$'000
<b>Current</b>			
<b>Contractual</b>			
Capital Debtors		1,000	1,000
Patient Fees - Health Service Agreement		1,900	2,461
Patient Fees - Hospital and Community Initiatives		666	717
Patient Fees - Private Practice		128	139
Accrued Revenue		588	309
HRHA - Receivables		160	207
Trade Debtors	7.1(c)	(49)	(36)
Patient Fees - Health Service Agreement	7.1(c)	(192)	(158)
Patient Fees - Hospital and Community Initiatives	7.1(c)	(21)	(15)
<b>Total Current Contractual Receivables</b>		<b>4,180</b>	<b>4,624</b>
<b>Statutory</b>			
Accrued Revenue - Dental Health Services Victoria		226	332
Accrued Revenue - Department of Health and Human Services		3	4
GST Receivable		719	662
<b>Total Current Statutory Receivables</b>		<b>948</b>	<b>998</b>
<b>Total Current Receivables</b>		<b>5,128</b>	<b>5,622</b>
<b>Non-Current</b>			
<b>Contractual</b>			
Trade Debtors		55	59
<b>Total Non-Current Contractual Receivables</b>		<b>55</b>	<b>59</b>
<b>Statutory</b>			
Long Service Leave - Department of Health and Human Services		4,616	3,727
<b>Total Non-Current Statutory Receivables</b>		<b>4,616</b>	<b>3,727</b>
<b>Total Non-Current Receivables</b>		<b>4,671</b>	<b>3,786</b>
<b>Total Receivables</b>		<b>9,799</b>	<b>9,408</b>

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

	2020 \$'000	2019 \$'000
Balance at beginning of year	209	116
Amounts written off during the year	(200)	-
Increase in allowance recognised in the net result	253	93
<b>Balance at end of year</b>	<b>262</b>	<b>209</b>





## NOTE 5.1: RECEIVABLES AND CONTRACT ASSETS (CONTINUED)

### 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 *Financial Instruments* 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

### Current

#### Contractual

Trade Creditors	
Accrued Salaries and Wages	
Accrued Expenses	
Deferred grant revenue	
Unearned Income - Operating	
Inter Hospital Creditors	
Amounts payable to governments and agencies	
HRHA - Payables	

#### Statutory

Fringe Benefits Tax (FBT) Payable	
Department of Health and Human Services	

### Total Current Payables

### Total Payables

	2020 \$'000	2019 \$'000
	2,900	4,732
	3,570	4,372
	8,076	5,435
	1,143	-
	196	349
	52	-
	14	-
	662	535
	<b>16,613</b>	<b>15,423</b>
	(13)	3
	983	944
	<b>970</b>	<b>947</b>
	<b>17,583</b>	<b>16,370</b>
	<b>17,583</b>	<b>16,370</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.

## NOTE 5.2: PAYABLES (CONTINUED)

### (A) DEFERRED GRANT REVENUE

Grant consideration for capital works recognised that was included in the deferred grant liability balance (adjusted for AASB 1058) at the beginning of the year

Grant consideration for capital works received during the year

**Closing balance of deferred grant consideration received for capital works**

2020 \$'000
-
290
<b>290</b>

Grant consideration was received from DHHS regarding the development of a Hume Cluster Level Telehealth Strategic Plan. Grant revenue is recognised progressively as the asset is constructed, since this is the time when GV Health satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done. (Note 2.1). As a result, GV Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

### (B) OPERATING GRANT CONSIDERATION

Transaction price allocated to the remaining performance obligations from contracts with customers to be recognised in:

Not longer than one year

**Total**

2020 \$'000
853
<b>853</b>

In addition, grant consideration was also received from the State Government in support of:

- COVID-19 Cancer Support staff to be employed for the period July 2020 – June 2021
- Leadership and Management of the Regional Maternal and Perinatal Mortality & Morbidity Committee
- Joint Addiction and Mental Health Echo Project
- Development of Workforce Models that leverage Allied Health expertise to deliver care
- Specialist Clinic Reform Project
- Development of a Hume Cluster Level Telehealth Strategic Plan

Grant income is recognised as service obligations are met. Differences in the number of some services provided may be adjusted in the funding provided annually. The remaining grant revenue is recognised when the service obligations are delivered in the following year.

### FINANCIAL GUARANTEES

Payments that are contingent under financial guarantee contracts are recognised as a liability, at fair value, at the time the guarantee is issued. Subsequently, should there be a material increase in the likelihood that the guarantee may have to be exercised, the liability is recognised at the higher of the amount determined in accordance with the expected credit loss model under AASB 9 *Financial Instruments* and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with AASB 118.

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

### MATURITY ANALYSIS OF PAYABLES

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



## NOTE 5.3: OTHER LIABILITIES

	2020 \$'000	2019 \$'000
<b>Current</b>		
Monies Held in Trust*		
Patient Monies Held in Trust*	4,760	3,305
Refundable Accommodation Deposits*	5,062	4,488
Employee Trust Funds*	144	97
Community Funds	67	66
Government Grants - Hume Region Programs	1,955	2,011
<b>Total Other Liabilities</b>	<b>11,988</b>	<b>9,967</b>
<b>*Total Monies Held in Trust Represented by the following Assets:</b>		
Cash Assets	9,966	7,890
Other Financial Assets	2,022	2,077
<b>Total</b>	<b>11,988</b>	<b>9,967</b>

### REFUNDABLE ACCOMMODATION DEPOSIT (RAD)/ ACCOMMODATION BOND LIABILITIES

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to the facility upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is

no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

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

## NOTE 6: HOW WE FINANCE OUR OPERATIONS

This section provides information on the sources of finance utilised by 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

	2020 \$'000	2019 \$'000
<b>Current</b>		
Lease Liability <sup>(i)</sup>	1,298	804
Lease Liability - HRHA <sup>(i)</sup>	30	59
	<b>1,328</b>	<b>863</b>
Advances from Government <sup>(iii)</sup>	550	550
<b>Total Current Borrowings</b>	<b>1,878</b>	<b>1,413</b>
<b>Non Current</b>		
Lease Liability <sup>(i)</sup>	2,241	1,805
Lease Liability - HRHA <sup>(i)</sup>	41	49
	<b>2,282</b>	<b>1,854</b>
Advances from Government <sup>(iii)</sup>	1,093	1,602
<b>Total Non-Current Borrowings</b>	<b>3,375</b>	<b>3,456</b>
<b>Total Borrowings</b>	<b>5,253</b>	<b>4,869</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>(iii)</sup> These 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) LEASE LIABILITIES

Repayments in relation to leases are payable as follows:

	Minimum future lease payments		Present value of minimum future lease payments	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Not later than one year	1,378	921	1,328	863
Later than 1 year and not later than 5 years	2,266	1,941	2,146	1,854
Later than 5 years	141	-	136	-
<b>Minimum lease payments</b>	<b>3,785</b>	<b>2,862</b>	<b>3,610</b>	<b>2,717</b>
Less future finance charges	(175)	(145)	-	-
<b>Total</b>	<b>3,610</b>	<b>2,717</b>	<b>3,610</b>	<b>2,717</b>

Included in the financial statements as:

Current borrowings - lease liability	1,328	863
Non-current borrowings - lease liability	2,282	1,854
<b>Total</b>	<b>3,610</b>	<b>2,717</b>

The weighted average interest rate implicit in the lease is 2% (2019: 6.03%).



## NOTE 6.1: BORROWINGS (CONTINUED)

### LEASES

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

### GV HEALTH'S LEASING ACTIVITIES

GV Health has entered into leases relating to;

- Leased Premises
- Medical Equipment
- Vehicles - Vic Fleet

As a member of the Hume Rural Health Alliance, GV Health also shares a percentage of the financial liabilities relating to Leases entered into by HRHA on behalf of the agencies under the joint arrangement, these leases relate to;

- Various computer hardware equipment
- Network Infrastructure - WAN & LAN
- Leased Premises - 71 Williams Road, Shepparton VIC 3630

For any new contracts entered into on or after 1 July 2019, GV Health considers whether a contract is, or contains a lease.

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition GV Health assesses whether the contract meets three key evaluations which are whether:

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

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

### SEPARATION OF LEASE AND NON-LEASE COMPONENTS

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

### RECOGNITION AND MEASUREMENT OF LEASES AS A LESSEE (UNDER AASB 16 FROM 1 JULY 2019) LEASE LIABILITY – INITIAL MEASUREMENT

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or GV Health's incremental

borrowing rate.

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

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

### LEASE LIABILITY – SUBSEQUENT MEASUREMENT

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

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

### SHORT-TERM LEASES AND LEASES OF LOW VALUE ASSETS

GV Health has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

### PRESENTATION OF RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

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

### RECOGNITION AND MEASUREMENT OF LEASES (UNDER AASB 117 UNTIL 30 JUNE 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

GV Health determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where GV Health as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of

## NOTE 6.1: BORROWINGS (CONTINUED)

the asset or the term of the lease. Minimum finance lease payments were apportioned between the 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 consolidated comprehensive operating statement.

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in GV Health's balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

### OPERATING LEASE PAYMENTS UP UNTIL 30 JUNE 2019 (INCLUDING CONTINGENT RENTALS)

Are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

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

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

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

that triggers those payments occur.

### LEASES

#### Entity as lessor

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

#### Entity as lessee

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

	2020 \$'000	2019 \$'000
Cash on Hand (excluding monies held in trust)	26	22
Cash at Bank (excluding monies held in trust)	1,820	756
Cash at Bank - CBS (excluding monies held in trust)	14,382	14,242
Cash at Bank - CBS (monies held in trust)	9,968	7,892
HRHA - Cash and Cash Equivalents	1,329	976
<b>Total Cash and Cash Equivalents</b>	<b>27,525</b>	<b>23,888</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

	2020 \$'000	2019 \$'000
<b>Capital Expenditure Commitments</b>		
Less than 1 year	491	1,848
<b>Total Capital Expenditure Commitments</b>	<b>491</b>	<b>1,848</b>
<b>Operating Expenditure Commitments</b>		
Less than 1 year	-	91
Longer than 1 year and not later than 5 years	-	216
<b>Total Operating Expenditure Commitments</b>	<b>-</b>	<b>306</b>
<b>Non-cancellable Short Term and low value lease commitments</b>		
Less than 1 year	114	-
Longer than 1 year but not longer than 5 years	28	-
<b>Total Non-cancellable Operating Lease Commitments</b>	<b>142</b>	<b>-</b>
<b>Total Commitments for Expenditure (inclusive of GST)</b>	<b>633</b>	<b>2,154</b>
Less GST Recoverable from the Australian Taxation Office	(58)	(196)
<b>Total Commitments for Expenditure (exclusive of GST)</b>	<b>575</b>	<b>1,958</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 & 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

2020	Note	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
<b>Contractual Financial Assets</b>				
Cash and Cash Equivalents	6.2	27,525	-	27,525
<i>Receivables</i>				
- Trade Debtors and Patient Fees	5.1	3,647	-	3,647
- Other Receivables	5.1	588	-	588
<b>Total Financial Assets<sup>(i)</sup></b>		<b>31,760</b>	<b>-</b>	<b>31,760</b>
<b>Financial Liabilities</b>				
Payables	5.2	-	15,274	15,274
<i>Borrowings</i>				
- DHHS Loan	6.1	-	1,643	1,643
- Finance Leases	6.1	-	3,610	3,610
<i>Other Financial Liabilities</i>				
- Refundable Accommodation Bonds	5.3	-	5,062	5,062
- Patient Monies in Trust	5.3	-	4,760	4,760
- Other Funds Held in Trust	5.3	-	2,166	2,166
<b>Total Financial Liabilities<sup>(i)</sup></b>		<b>-</b>	<b>32,515</b>	<b>32,515</b>
<b>2019</b>				
	Note	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
<b>Contractual Financial Assets</b>				
Cash and Cash Equivalents	6.2	23,888	-	23,888
<i>Receivables</i>				
- Trade Debtors and Patient Fees	5.1	4,374	-	4,374
- Other Receivables	5.1	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	5.2	-	15,423	15,423
<i>Borrowings</i>				
- DHHS Loan	6.1	-	2,152	2,152
- Finance Leases	6.1	-	2,717	2,717
<i>Other Financial Liabilities</i>				
- Refundable Accommodation Bonds	5.3	-	4,488	4,488
- Patient Monies in Trust	5.3	-	3,305	3,305
- Other Funds Held in Trust	5.3	-	2,174	2,174
<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).



## NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

Categories of financial assets under AASB 9 *Financial Instruments*:

- 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 LIABILITIES FINANCIAL LIABILITIES AT AMORTISED COST

Financial assets and liabilities at fair value through net result are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through net result on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows unless the changes in fair value relate to changes in GV Health's own credit risk. In this case, the portion of the change attributable to changes in GV Health's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised. GV Health recognises some debt securities that are held for trading in this category and designated certain debt securities as fair value through net result in this category.

### 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).

### DERIVATIVE FINANCIAL INSTRUMENTS

Are classified as held for trading financial assets and liabilities. They are initially recognised at fair value on the date on which a derivative contract is entered into. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives after initial recognition are recognised in the consolidated comprehensive operating statement as an 'other economic flow' included in the net result.

### OFFSETTING FINANCIAL INSTRUMENTS

Financial instrument assets and liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, GV Health has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where GV Health does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

### DERECOGNITION OF FINANCIAL ASSETS

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

- The rights to receive cash flows from the asset have expired; or
- GV Health retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- GV Health has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

### DERECOGNITION OF FINANCIAL LIABILITIES

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

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

## NOTE 7.1: FINANCIAL INSTRUMENTS (CONTINUED)

### RECLASSIFICATION OF FINANCIAL INSTRUMENTS

Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value

through other comprehensive income and amortised cost when and only when GV Health's business model for managing its financial assets has changes such that its previous model would no longer apply.

### (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.

2020	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	16,613	16,613	-	16,613	-	-
Borrowings	6.1						
- DHHS Loan		1,643	1,643	46	92	413	1,092
- Finance Leases		3,610	3,610	111	221	996	2,282
Other Financial Liabilities <sup>(i)</sup>							
- Refundable Accommodation Deposits	5.3	5,062	5,062	-	-	5,062	-
- Patient Monies in Trust	5.3	4,760	4,760	-	-	4,760	-
- Other Funds Held in Trust	5.3	2,166	2,166	-	-	2,166	-
<b>Total Financial Liabilities</b>		<b>33,854</b>	<b>33,854</b>	<b>157</b>	<b>16,926</b>	<b>13,397</b>	<b>3,374</b>
<b>2019</b>							
<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	1,601
- Finance Leases		2,717	2,717	72	144	647	1,854
Other Financial Liabilities <sup>(i)</sup>							
- Refundable Accommodation Deposits	5.3	4,488	4,488	-	-	4,488	-
- Patient Monies in Trust	5.3	3,305	3,305	-	-	3,305	-
- Other Funds Held in Trust	5.3	2,174	2,174	-	-	2,174	-
<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>3,455</b>

<sup>(i)</sup> Ageing analysis of financial liabilities excludes the types of statutory financial liabilities (ie 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 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	-	4,892
<b>Loss allowance</b>	<b>42</b>	<b>21</b>	<b>11</b>	<b>135</b>	<b>-</b>	<b>209</b>
<b>30 June 2020</b>						
<b>Expected loss rate</b>	<b>4.00%</b>	<b>10.00%</b>	<b>14.00%</b>	<b>26.00%</b>	<b>46.00%</b>	
Gross carrying amount of contractual receivables	2,698	899	405	315	180	4,497
<b>Loss allowance</b>	<b>10</b>	<b>26</b>	<b>37</b>	<b>68</b>	<b>121</b>	<b>262</b>

#### IMPAIRMENT OF FINANCIAL ASSETS UNDER AASB 9 FINANCIAL INSTRUMENTS

GV Health records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 *Financial Instruments* 'Expected Credit Loss' approach. Subject to AASB 9 impairment assessment includes GV Health's contractual receivables and statutory receivables.

Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9 *Financial Instruments*. While cash and cash equivalents are also subject to the impairment requirements of AASB 9 *Financial Instruments*, any identified impairment loss would be immaterial.

#### CONTRACTUAL RECEIVABLES AT AMORTISED COST

GV Health applies AASB 9 *Financial Instruments* 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 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 and the closing loss allowance at end of the financial year as disclosed above.

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

	2020 \$'000	2019 \$'000
<b>Balance at beginning of the year</b>	<b>209</b>	<b>116</b>
Opening retained earnings adjustment on adoption of AASB 9	-	-
<b>Opening Loss Allowance</b>	<b>209</b>	<b>116</b>
Modification of contractual cash flows on financial assets		
Increase in provision recognised in the net result	53	93
<b>Balance at end of the year</b>	<b>262</b>	<b>209</b>

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

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

#### STATUTORY RECEIVABLES AND DEBT INVESTMENTS AT AMORTISED COST [AASB2016-8.4]

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

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 the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

## NOTE 7.2: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

	2020 \$'000	2019 \$'000
<b>Contingent Liabilities</b>		
<b>Quantifiable</b>		
Superannuation on Annual Leave Loading	752	-
<b>Total Contingent Liabilities</b>	<b>752</b>	<b>-</b>

In 2019 the ATO updated their guidance on superannuation and annual leave loading. The ATO's position is that in some circumstances annual leave loading is considered to be a part of ordinary time earnings (OTE) and so attracts the payment of superannuation by the employer. GV Health has included this as a contingent liability as we review the advice.

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 financial report.

### **Structure**

- 8.1 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities
- 8.2 Responsible persons disclosures
- 8.3 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 AASBs Issued that are not yet effective
- 8.11 Glossary of terms and style conventions



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

	2020 \$'000	2019 \$'000
<b>Net Result for the Year</b>	82,579	34,139
<b>Non-Cash Movements:</b>		
Depreciation and Amortisation	12,292	11,626
Provision for Doubtful Debts	53	94
DHHS Non Cash - Capital Funding	(90,198)	(43,913)
Assets received free of charge	(260)	-
<b>Movements Included in Investing and Financing Activities:</b>		
Net (Gain)/Loss from Disposal of Non-Financial Physical Assets	(140)	(175)
Less cash inflow/outflow from investing and financing activities	(1,598)	(298)
<b>Movements in Asset and Liabilities:</b>		
<i>Change in Operating Assets and Liabilities</i>		
(Increase)/Decrease in Receivables	(443)	(62)
(Increase)/Decrease in Prepayments	77	(501)
Increase/(Decrease) in Payables	1,213	(5,069)
Increase/(Decrease) in Provisions	6,099	7,069
(Increase)/Decrease in Inventories	(505)	110
<b>Net Cash Inflow from Operating Activities</b>	<b>9,169</b>	<b>3,020</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.

	Period	
<b>Responsible Ministers:</b>		
The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services	01/07/2019	30/06/2020
The Honourable Martin Foley, Minister for Mental Health	01/07/2019	30/06/2020
The Honourable Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	01/07/2019	30/06/2020
<b>Governing Board</b>		
Joanne Breen	01/07/2019	30/06/2020
Trevor Carr	01/07/2019	29/09/2019
Ilona Charles	01/07/2019	30/06/2020
Barbara Evans	01/07/2019	30/06/2020
Dr. Richard King AM	01/07/2019	30/06/2020
Victor Sekulov	01/07/2019	30/06/2020
Michael Tehan	01/07/2019	30/06/2020
Dr. Michael Walsh (Ministerial delegate)	01/07/2019	08/08/2019
Rebecca Woolstencroft (Chair of the Board)	01/07/2019	30/06/2020
<b>Accountable Officer</b>		
Matt Sharp (Chief Executive)	01/07/2019	30/06/2020

## NOTE 8.2: RESPONSIBLE PERSONS DISCLOSURES (CONTINUED)

### Remuneration of Responsible Persons

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

Income Band	2020 No.	2019 No.
\$0 - \$9,999	2	-
\$20,000 - \$29,000	6	7
\$50,000 - \$59,999	1	1
\$350,000 - \$369,999	-	1
\$390,000 - \$399,999	1	-
<b>Total Numbers</b>	<b>10</b>	<b>9</b>
<b>Total remuneration received or due and receivable by Responsible Persons from the Reporting entity amounted to:</b>	<b>2020 \$'000</b>	<b>2019 \$'000</b>
	596	582

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.

### Remuneration of Executives Officers

	Consolidated	
	2020 \$'000	2019 \$'000
Short-term benefits	1,600	1,279
Post-employment benefits	133	108
Other Long-term benefits	49	33
Termination Benefits	16	-
<b>Total Remuneration<sup>i</sup></b>	<b>1,798</b>	<b>1,420</b>
Total Number of Executives	10	9
Total Annualised Employee Equivalent <sup>(iii)</sup>	7.50	6.19

<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 *Related 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	Joanne Breen	Director
GV Health	Trevor Carr	Director (resigned 29 September 2019)
GV Health	Ilona Charles	Director
GV Health	Barbara Evans	Director
GV Health	Dr. Richard King AM	Director
GV Health	Victor Sekulov	Director
GV Health	Michael Tehan	Director
GV Health	Dr. Michael Walsh	Ministerial delegate (resigned 8 August 2019)
GV Health	Matt Sharp	Chief Executive
GV Health	Sandy Chamberlin	Former Executive Director Infrastructure, Chief Procurement Officer and Interim Acting Executive Director Rural Campuses
GV Health	Dr David Cooper	Former Interim Chief Medical Officer
GV Health	John Elcock	Executive Director Medical Services & Chief Medical Officer
GV Health	Joshua Freeman	Executive Director Community Care & Mental Health
GV Health	Peter Hutchinson	Chief Finance Officer, Chief Procurement Officer & Executive Director Information & Technology
GV Health	Dr Rodney Lambert	Former Interim Chief Medical Officer
GV Health	Jacinta Russell	Executive Director Capital Projects, Infrastructure & Support Services
GV Health	Jacinta Russell	Former Interim Director of Rural Campuses Executive Director Capital Projects, Infrastructure & Support Services
GV Health	Donna Sherringham	Executive Director Clinical Operations
GV Health	Kellie Thompson	Executive Director Quality, Innovation & Risk and Chief Nurse & Midwifery Officer
GV Health	Stacey Weeks	Executive Director People & Culture

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

	2020 \$'000	2019 \$'000
Short-term benefits	2,145	1,809
Post-employment benefits	171	147
Other long-term benefits	61	45
Termination benefits	16	-
<b>Total<sup>(i)</sup></b>	<b>2,393</b>	<b>2,001</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 \$237.7m (2019 \$214.2m), indirect contributions of \$90.2m (2019 \$44.0m) and capital contributions of \$0.36m (2019 nil).

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 Victorian unless an exemption has been approved by the Minister for Health and Human Services and the Treasurer.

### TRANSACTIONS WITH KMPs AND OTHER RELATED PARTIES

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

Outside of normal citizen type transactions with 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 2020.

## NOTE 8.5: REMUNERATION OF AUDITORS

	2020 \$'000	2019 \$'000
<b>Victorian Auditor-General's Office</b>		
Audit of the Financial Statements	96	58
<b>Other Providers</b>		
Internal Audit Services	112	92
<b>Total Remuneration of Auditors</b>	<b>208</b>	<b>150</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 2019-2020 financial year (2018-2019 Nil).



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

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by GV Health at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on GV Health, its operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place.

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

## NOTE 8.8: JOINTLY CONTROLLED OPERATIONS

Name of Entity	Principle Activity	Ownership Interest	
		2020	2019
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.	14.00%	13.85%

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:

	2020 \$'000	2019 \$'000
<b>Current Assets</b>		
Cash and Cash Equivalents	1,329	976
Receivables	160	207
Prepayments	19	35
<b>Total Current Assets</b>	<b>1,508</b>	<b>1,218</b>
<b>Non-Current Assets</b>		
Property, Plant and Equipment	106	161
Intangible Assets	72	84
<b>Total Non-Current Assets</b>	<b>178</b>	<b>245</b>
<b>Total Assets</b>	<b>1,686</b>	<b>1,463</b>
<b>Current Liabilities</b>		
Payables	662	535
Borrowings	30	59
<b>Total Current Liabilities</b>	<b>692</b>	<b>594</b>
<b>Non-Current Liabilities</b>		
Borrowings	41	49
<b>Total Non-Current Liabilities</b>	<b>41</b>	<b>49</b>
<b>Total Liabilities</b>	<b>733</b>	<b>643</b>
<b>Net Assets</b>	<b>953</b>	<b>820</b>

## NOTE 8.8: JOINTLY CONTROLLED OPERATIONS (CONTINUED)

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

	2020 \$'000	2019 \$'000
<b>Income from Transactions</b>		
Operating Activities	460	762
Other Income	696	453
Interest income	7	13
<b>Total Revenue</b>	<b>1,163</b>	<b>1,228</b>
<b>Expenses from Transactions</b>		
Management Fee	272	242
Other Expense from Continuing operations	701	839
Finance Costs	2	5
Depreciation and Amortisation	81	115
<b>Total Expenses</b>	<b>1,056</b>	<b>1,201</b>
<b>Net Result</b>	<b>107</b>	<b>27</b>

\*Figures obtained from the audited Hume Rural Health Alliance Annual Financial Statements

## 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.

GV Health is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors believe the Department of Health and Human Services will continue to support GV Health.

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 2021. 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 (2020: 0.48 and 2019: 0.49) while cash generated from operations has increased from a \$3.03m surplus in 2019 to a \$9.17m surplus in 2020 and cash reserves have moved from \$23.8m in 2019 to \$27.6m in 2020.

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 LEASES

This note explains the impact of the adoption of AASB 16 *Leases* on GV Health's financial statements.

GV Health has applied AASB 16 with a date of initial application of 1 July 2019.

GV Health has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, GV Health determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 - 'Determining whether an arrangement contains a Lease'. Under AASB 16, GV Health assesses whether a contract is or contains a lease based on the definition of a lease as explained in Note 6.1.

On transition to AASB 16, GV Health has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.



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

### LEASES CLASSIFIED AS OPERATING LEASES UNDER AASB 117

As a lessee, GV Health previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to GV Health. Under AASB 16, GV Health recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, GV Health recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using GV Health's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

GV Health has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;

- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

### IMPACTS ON FINANCIAL STATEMENTS

On transition to AASB 16, GV Health as part of the HRHA joint venture recognised \$695,273 of right-of-use assets and \$695,273 of lease liabilities.

When measuring lease liabilities, GV Health discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 2%.

	1 July 2019 \$'000
Total Operating lease commitments disclosed at 30 June 2019	755
Discounted using the incremental borrowing rate at 1 July 2019	740
Finance lease liabilities as at 30 June 2019	-
Recognition exemption for:	
Short-term leases	(45)
Leases of low-value assets	-
<b>Lease liabilities recognised at 1 July 2019</b>	<b>695</b>

### REVENUE FROM CONTRACTS WITH CUSTOMERS

In accordance with FRD 121 requirements, the GV Health has applied the transitional provision of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, GV Health applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application. GV Health has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122. Comparative information has not been restated.

### INCOME OF NOT-FOR-PROFIT ENTITIES

In accordance with FRD 122 requirements, GV Health has applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, GV Health applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Comparative information has not been restated.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

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



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

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2019-2020 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*

## 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 nonproduced 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.

### **Commitments**

Commitments include those operating, capital and other outsourcing commitments arising from noncancellable 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.



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

### **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 *Presentation of Financial Statements*.

### **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 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 noninterest-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 writeoffs, impairment write-downs and revaluations.



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

### **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.

### **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
- {xxx.x} negative numbers
- 2020 year period
- 2019-20 year period

