GREAT OCEAN ROAD HEALTH

2019/20 ANNUAL REPORT

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A MESSAGE FROM BOARD CHAIR

On behalf of the Board of Great Ocean Road Health, I am pleased to report the success of our first year operating as a single entity. As we enter our second financial year we remain committed to providing great care to communities within the Lorne and Otway catchment areas and surrounds.

Great Ocean Road Health (GORH) commenced operating on the Ist of July with a Board of twelve Ministerially appointed directors. Our intention was to continue to build a strong organisational culture, ensure we provided great care and access to services, provide effective clinical governance, manage our finances to ensure sustainability of our health service, and strengthen our partnerships with our community and other stakeholders.

We faced the extraordinary and unique challenges of a cyberattack, followed closely by the history-making pandemic, COVID-I9. The Board acknowledges and thanks Carissa Brock, who acted in the Chief Executive Officer role until the appointment of Sandy Chamberlin in November 2019. The Board is proud of our leadership team, including Sandy Chamberlin, Carissa Brock, Andrea Russell and Anne Rout, and all our staff, who remain dedicated and committed whilst having to adapt to a changed world. To Sandy Chamberlin in particular, we thank her for her leadership throughout this period, and ongoing passion for the development of our employees and building a sustainable GORH.

We have continued to have monthly Board meetings, using a digital platform, and our Board and Committees have been well supported by staff members – our thanks to Margaret Dunn, Hilary Tigani, Anna Creasey and Michael Markham for all their efforts.

Board directors contribute in many different ways to the success of GORH. We are fortunate to have a group with a variety of skills, capabilities and subject matter expertise, who bring plenty of goodwill. Nick Salkeld, chaired the Board for the first six months, guiding us through many conversations relating to risk management, clinical governance and organisational culture. The changes resulting from amalgamation required us to revise by-laws and policies to ensure we continue doing the right thing in response to governance requirements and mitigating risks; this work has been very ably led by Vicki Hammond who also chairs the Safety and Clinical Governance Committee. Kelli Nicola-Richmond and Tiffany Symes add a depth of clinical knowledge and Rob Knowles provides great support through his extensive knowledge of public health and clinical governance. Our finances are examined and thoughtfully analysed by the Finance, Audit and Risk Committee, which has been chaired by Ray Jacobson, and supported by the expertise of Paul Shannon and Mark Rogers. Sue Guinness has supported the chair role and contributed to the work of the Inclusive Practice Group which ensures we have an encouraging and equitable culture that attracts quality staff.

The year has been challenging and our traditional ways of working have been radically disrupted. It is an indicator of the strong relationships GORH has with our local communities that we have been able to continue to remain connected, even when we cannot physically meet. Fiona Williams, Chair of the Community Advisory Committee, and Marg Cartledge, Chair of the Community Liaison Committee have helped to ensure the Board is able to make decisions that include input from our faithful community members. Both Mark Rogers and Marg Cartledge have retired from the Board and we thank them for their services.

This year has also been challenging for the people who support us through donations and fundraising, nevertheless, we are very grateful for the continued strong support from the Apollo Bay and District Health Foundation, the Lorne Op Shop, Second Sails Op Shop, individuals and families who have donated to our annual appeal, and to the Great Ocean Road Cyclists who held a wonderful fundraising event. Our congratulations to Nurse Practitioner Bradley Pickering, who was awarded the Lawless Scholarship for 2019.

The pandemic has prevented us from having face to face meetings however an adapted consultation process continues with our community and other stakeholders to develop our strategic plan, which we hope to release in early 2021.

Throughout the year, our staff have continued to provide great services. Our throughput has doubled in Urgent Care; Residential Aged Care Services remains fully utilised, and Community Services have increased as we penetrate further into the broader reach of the Great Ocean Road. The use of Telehealth and the work of our General Practice Clinics has grown considerably. Our financial position is healthy, with the health service delivering a positive operating result of $484,575 against our agreed Statement of Priorities break even target. The net result for the year, after accounting for depreciation of $I.2m and non- operating expenses, was a deficit of $652,000.

We have seen the staff and our community rise above the challenges of the last year. On behalf of the Board, I want to acknowledge the hard work and commitment of all our staff, our volunteers, partners, donors, and Board directors and thank each of you for your support of GORH.

I look forward to continuing our work together as we consolidate a high quality integrated health service.

CEO REPORT

The first year of Great Ocean Road Health (GORH) has been a very different year, but a year of great teamwork, excellent innovation and agility, as the newly amalgamated health service rose to meet many challenges.

I started as Chief Executive Officer at GORH on 18 November 2019, when the organisation was still recovering from the after effects of a cyberattack, which had shut down all systems within the South West Alliance of Rural Health (SWARH), which provides IT services to the Public health services in the region. Recovery was a somewhat drawn out process with many systems quarantined until the extent of the attack was understood. Restoration of clinical systems occurred quickly after the 30 September attack, but GORH was without email and most internet services until early December. The return to manual processes was time consuming and frustrating, but it did bring teams together to share the workload.

Staff forums were held in March to confirm our Great Care framework, to build some resilience by providing a change, resilience and wellness workshop and some fun. The content of these forums were very appropriate for our year ahead.

COVID-19 cases were first recorded in Australia in January 2020 with the first death recorded in March. The response to the COVID-19 pandemic, has changed the way we work significantly. Both Lorne and Apollo Bay campuses have undertaken swabbing 7 days a week since February and are both listed as respiratory clinics. We instigated a pathology courier service to Geelong everyday to ensure the turn around times for swab results met our needs, using both Melbourne Pathology at Epworth Geelong and ARRL at University Hospital Geelong as additional pathology providers. This has allowed our community to get results faster, our staff and residents to reduce isolation times and allowed our community to have greater confidence in our health services.

The Apollo Bay campus has undergone a significant infrastructure change, to enable the separation of Aged Care, from Acute Care. The Apollo Bay medical practice has also moved to the Pengilly St entrance. This project was undertaken very quickly, with great teamwork and support from all teams and was funded by DHHS as COVID-19 related infrastructure funding.

Every staff member, visitor, client or contractor entering our facilities has been asked a series of questions, had their temperature taken and been provided with information and assistance since February 2020. These screener/concierge positions are new to our health service and have been a valuable addition to assist in keeping our facilities COVID-19 free.

The clinical teams have had an increased workload this winter as COVID-19 testing blitzes, the Colac outbreak heightened awareness and the recent Apollo Bay wastewater incident response meant a pop-up drive through clinic was required. The allied health and community teams have had to change the way they work, the way they communicate with clients and offer group activities in a different way. The Great Ocean Road Health - Exercise, Health and Well-Being and the GORH Staff Wellness Facebook pages have been a huge success with the community and staff and have provided, exercise videos, health coaching, nutrition advice and have been a very important part of our community engagement this year.The corporate services teams have also been changing the way they work and managing projects with the Lorne Gym project ready, awaiting a building permit and the Lorne X-ray refurbishment project recently receiving funding.

I have been very proud of the staff this year, the teamwork has been outstanding, the innovation displayed by finding a way to continue to provide Great Care at Great Ocean Road Health despite challenges has been extraordinary.

Picture: CEO Sandy Chamberlin with a Lorne Community Hospital aged care resident.

2019 ANNUAL APPEAL
$ 171,877

2020 MURRY TO MOYNE
$ 45,062

GENERAL DONATIONS
$10,132

LORNE OP SHOP
$ 78,800

MANNER OF ESTABLISHMENT AND THE RELEVANT MINISTERS

Great Ocean Road Health was established in July 2019, as a public hospital under the Health Services Act 1988, when Otway Health and Lorne Community Hospital joined forces to operate under one entity. Operating as a single entity facilitates our health services to meet the growing health care needs of the community and remain financially sustainable for the future.

Great Ocean Road Health will not only retain all local hospital names, services and staffing levels, but strengthen current services and increase access to new ones. This will mean more robust, readily available health care for Lorne and Apollo Bay into the future.

Responsible State Ministers;

Jenny Mikakos MP
Minister for Health
Minister for Ambulance Services
Minister for the Coordination of Health and Human Services – COVID-19

Martin Foley MP
Minister for Mental Health
Minister for Equality and Minister for Creative Industries.

The Hon. Luke Donnellan MP
Minister for Child Protection
Minister for Disability, Ageing and Carers

WORKFORCE DATA

Hospitals Labour Category	June current month FTE		June YTD FTE	
	2019	2020	2019	2020
Nursing	n/a	54.53	n/a	46.67
Administration and Clerical	n/a	27.95	n/a	27.18
Medical Support	n/a	8.42	n/a	7.39
Hotel and Allied Services	n/a	20.58	n/a	21.9
Medical Officers	n/a	n/a	n/a	n/a
Hospital Medical Officers	n/a	n/a	n/a	n/a
Sessional Clinicians	n/a	n/a	n/a	n/a
Ancillary Staff (Allied Health)	n/a	5.93	n/a	6.21
TOTAL	**0**	**117.41**	**0**	**109.35**

OUR COMMUNITY

Great Ocean Road Health (GORH) provides a range of health services within a large catchment area extending from Lavers Hill to Aireys Inlet, including the hinterland townships of Deans Marsh and Forrest and the coastal towns of Lorne and Apollo Bay, as well as many other small townships in between. There are two hospital campuses, including urgent care, acute wards, medical centres and aged care facilities, in Lorne and Apollo Bay.

Our catchment area is home to approx. 5,700 permanent residents and many visitors, particularly throughout the peak holiday season. More than half of the residents are over the age of 50 and health support services play an important role in their lives. Many of Great Ocean Road Health's programs and services are designed to reflect this specific demographic and their specific needs.

Great Ocean Road Health continues to work with our community, staff, volunteers and patients to build healthier lives.

Through our community enegement events, fundraising activities, patient centered care and staff information sessions, we have continued to bring our vision to reality.

Great Ocean Road Health also recognises that our consumers, particularly given the small, rural population of our catchment areas, play a pivotal role in shaping our health services.

Where safe, effective CARE is at the core of everything we do.

Where personal care is RESPONSIVE to individual needs and preferences.

Where CONNECTIONS are nurtured, valued and delivered

Where GREAT HEALTH is what we strive to provide to our community

OUR SERVICES

Great Ocean Road Health has a range of health services that span across Urgent Care, Short Term Care, Residential Care and Community Care. All residents within the Great Ocean Road Health catchment area (Lorne, Deans Marsh, Fairhaven, Aireys Inlet, Wye River, Kennett River, Seperation Creek, Apollo Bay, Lavers Hill),as well as visitors to the region are eligible to access services provided by GORH.

Clinical Services

Acute Care

Aids and Equipment Hire

Aged Care

Chronic Disease Management

Day Respite Care

Immunisation

Infant Welfare

Needle Exchange Program

Nurse Clinic

Otway Health Central Records, incorporating medical records & FOI

Palliative Care

Residential Aged Care

Residential Respite Care

Urgent Care 24/7

Community Services

Auspice for Marrar Woorn Neighbourhood House

Lorne Community House

Community Nursing

Community Welfare

Customer Service and Reception

Delivered Meals

Dietetics

Domestic Assistance

Exercise Classes

Exercise Physiology

Falls Prevention Program

Health Coaching

In Home and Social Support Services (HACC/PYP, CHSP, NDIS, TAC, Work-Cover)

In Home Respite

Independent Living Units

Medical GP Services

Occupational Therapy

Personal Care

Physiotherapy

Social Support Individual

Social Support Group

Social Worker

Volunteer Support

Visiting Services

Corporate Services

Administration

Asset Management

Board Secretariat

Buildings and Grounds

Cleaning

Communications

Executive Assistant to CEO

Financial Management

Food Services

Governance Support

Grants and Submissions

Human Resources Management

Information Technology

Information Management

Infrastructure Maintenance

Occupational Health and Safety

Management of Second Sails Opportunity Shop

Quality Improvement

Risk Management

CORPORATE GOVERNANCE

Board Committees

Board Executive Committee

Joy Humphreys
Board Chair
Nick Salkeld
Ist Vice Chair
Sue Guinness
2nd Vice Chair
Margaret Cartledge
Vicki Hammond
Ray Jacobson
Rob Knowles
Kelli Nicola-Richmond
Paul Shannon
Tiffany Symes
Fiona Williams
Mark Rogers

Finance Audit and Risk Committee

Ray Jacobson
Chairperson
Sue Guinness
Joy Humphreys
(ex-officio)
Paul Shannon
Fiona Williams
Nick Salked

Safety and Clinical Governance Committee

Vicki Hammond
Chairperson
Margaret Cartledge
Joy Humphreys
(ex-officio)
Rob Knowles
Kelli Nicola-Richmond
Tiffany Symes

CEO Appointment & Remuneration Committee

Joy Humphreys
Chairperson
Nick Salkeld
Sue Guinness

Community Liaison Committee

Margaret Cartledge
Chairperson
Sue Guinness
Joy Humphreys
(ex-officio)

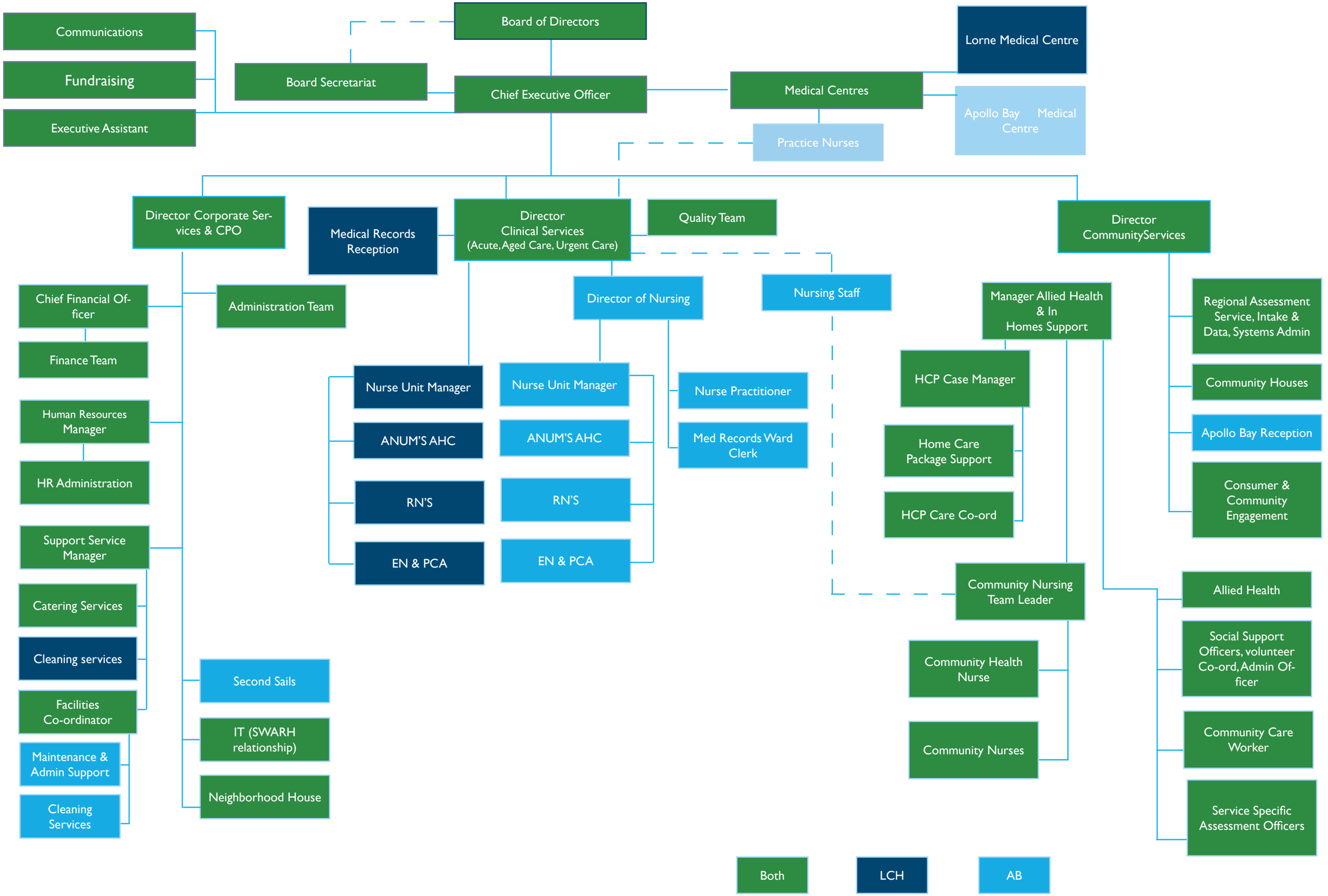
Community Representatives:

Stella O'Donnell
Susan Balderas
Suzanne Diviny
Carly Enticott
Stephen Hishon
Lesley Goldsworthy
Michael Hanson

Community Advisory Committee

Fiona Williams
Chairperson
Joy Humphreys
(Ex-officio)

ORGANISATION STRUCTURE



PROJECTS AND INITIATIVES

During 2020, we have focued on improving the way we deliver our services, quality of care and safety within the workplace.

Telehealth

Telehealth has been used extensively this year in the Medical Centres for routine appointments, in Urgent Care, using My Emergency Doctor for Category 4 and 5 presentations when a Doctor is not available on site, in the Aged Care settings for specialist, allied health and general practitioner care. Our Allied Health teams have been very innovative this year and have provided an excellent virtual health and wellbeing services to both the community and staff using Facebook and You Tube. These initiatives have been very successful with large numbers of views and excellent engagement.

The increased use of telehealth has been directly related to the COVID-19 pandemic, and is certainly a very positive change, increasing the access for Great Ocean Road Health's clients to specialist and other services and reducing the need for travel.

The advancement of the use of telehealth has been greatly encouraged by the availability of the Medicare item numbers, the encouragement for medical and other staff to work from home if possible and the ease and availability of useful easy to use platforms. Access is now easy for both practitioner and patient and available on mobile devices. There is now no need for dedicated telehealth equipment to be purchased, which allows telehealth to be more widely available.

Strengthening Our Workforce

People Matter Survey

The People Matter Survey (PMS) was completed in May 2019, with results shared in July 2019. As the survey was completed prior to amalgamation, the results are site specific. The PMS 2020 was set to be completed under Great Ocean Road Health (GORH) but due to the COVID-19 pandemic was delayed and altered to a Staff Health and Wellbeing Survey (participation optional for Health Services).

We are pleased to report we recieved 45 respondents to the Staff Health and Wellbeing Survey, which is a smaller sample than the PMS, and represents around 39% of employees.

CEO Survey

GORH CEO, Sandy Chamberlin conducted a staff CEO Survey in April 2020, to gain a better understanding about post ammalgamation concerns. Topics included: training and development, organisational culture, employee engagement, resilience and change management and future vision.

Results included a very positive response to organisational safety (95%) , satisfied with job security (75%) and the organisation is dedicated to diversity and inclusiveness.

A further 72% of staff agree that they have a good relationship with their supervisor and 87% agree they have a good relationship with their co- workers. An impressive 87% agree that employees treat each other with respect, however only 56% agree that communication between senior leaders and employees is good in our organisation.

Given GORH is a newly amalgamated organisation and there have been recent changes of leadership, and other turmoil, including the cyber incident creating significant challenges, the 42% of employees willingly accept change is accepatable. On a positive note, 75% agree that employees are willing to take on new tasks and always keep going when the going gets tough.

The conclusion from both the People Matter and CEO Survey clearly state communication, training and development, organisation culture and change management have all been identified as areas for improvement.

Staff Forums/Workplace Training

Two staff forums were held at Wye River in February and March 2020. Swinburne University hosted sessions on resilience, change management and mindfulness. Our Great Ocean Road Health Executive team delivered a session titled - 'Great Care Framework'. These forums were very successful and the training delivered was very appropriate considering the escalation of the COVID-19 pandemic which followed.

Coaching circles for senior managers and line managers were initiated post staff forums Mandatory staff and other annual training was also delivered online throughout 2020. This was a great opportunity to keep staff connected and engaged for those working remotely.

PROJECTS AND INITIATIVES

Virtual Hike

Over the month of September, a large number of GORH staff, heath-care providers, family and friends from around Victoria spent 30 days clocking up their steps, with 10,000 being the optimum daily goal. This inaugural event was the initiative of GORH Exercise Physiologist, Campbell Craig who simply wanted to encourage people to feel motivated and inspired throughout the second wave of COVID restrictions, particularly healthcare workers. A staff member from GORH filmed a section of the walk and shared on facebook daily, everyone was encouraged to feel connected and post a photo of their daily activity.

"I loved being part of this challenge and supporting your service. I live in the Western Suburbs of metro Melbourne and have been in lockdown restrictions for over three months - both stage 3 and 4 so the virtual challenges have been a great release and virtually widened my 5 km radius. I wish you and your service all the best and thank you for organising such a wonderful event...that some-one like me could also be a part of."

GORH Branding

A new logo was launched to symbolise the coming together of Otway Health and Lorne Community Hospital.Drawing from our existing medical centre logo's, the coloured dots have been strategically placed at the centre of a 'cluster'element. This positioning places Great Ocean Road Health at the centre of its community's health services and outcomes. The radiating dots reflects a growing network as Great Ocean Road Health will work throughout a large region that emcompasses communities on the coast and throughout the Otways. The dots are connected to each other visually by their uniform structure to reflect connection. This symbolises the connection between Great Ocean Road Health and the community it serves.

PROJECTS AND INITIATIVES

COVID Planning

To adapt to the changing pandemic regulations, Great Ocean Road Health staff consistently reviewed the COVID prevention, response and recovery plan ready to activate in our rural communities.

GORH assembled a COVID-19 response team and appointed a COVID-19 project manager in March 2020, to ensure our health service was prepared and could document pandemic and outbreak management plans. Our staff completed a number of COVID related scenarios, an example was our response to an outbreak in aged care. These scenarios have been essential in preparation for a COVID outbreak, plus running staff daily situational analysis meetings to stay well informed.

Summer Preparations

Due to the current interstate and international travel restrictions, it is expected that regional towns such as Lorne and Apollo Bay will receive large numbers of Victorian visitors during summer. Not only will this place a huge demand on preventative COVID-19 measures, such as physical distancing, and cleaning regimes of public spaces and amenities but increase the likelihood of COVID outbreaks.

In the event of a community outbreak in our catchment area, Great Ocean Road Health are well prepared to implement a COVID mobile pop-up clinic anytime or anywhere. This scenario has already been trialled, when the sewerage testing in Apollo Bay revealed positive traces of COVID fragments in the area.

Our GORH pop-up clinic goal is to promote early detection of community acquired COVID-19, support community testing by providing fast and convenient testing options, provide a safe environment for staff working within the pop up clinic and enable the Urgent Care Centres to focus on urgent presentations.

A number of potential pop up clinic locations have also been identified, plus clinic operations and logistics have been well documented.

Diversity Action Plan

GORH have devloped a planning committee to identify a diversity framework for the service. Our five priorty areas include:

- Disability
- Lesbian, Gay, Tisexual, Trans/transgender, intersex (LGBTI) Community
- Dementia and Cognitive Decline
- Culturally and linguistically diverse
- Aboriginal and Torres Strait Islander Community

This group will draft a plan which will be submitted to the Inclusive Practise Group for endorsement.

OCCUPATIONAL VIOLENCE

Great Ocean Road Health is committed to addressing occupational violence incidences. During the 2019-20 reporting period, there were 20 incidents registered.

Occupational Violence Statistics	2019-2020
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	20
Number of occupational violence incidents reported per 100 FTE	18.29
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

OCCUPATIONAL HEALTH AND SAFETY DATA

	2019-2020
Number of reported hazards/incidents for the year per 100 FTE	55.00
Number of reported 'lost time' standard claims for the year 100 FTE	*n/a
Average cost per claim	*n/a

FINANCIAL REPORT

FINANCIAL RESULTS

As our inaugural financial year, this is the first time reporting a consolidated operating result for our two funding models, a small rural health service in Lorne, and a Multi-Purpose Service in Apollo Bay.

The first combined budget was forecasted as a break even position for 2019-20, with the focus on achieving a strong financial position while amalgamation synergies were implemented. Both sites performed well, ensuring sustainable 24/7 Urgent Care, high-occupancy Aged Care, further developed & combined community services, along with strengthened Medical Centres. Combined with additional amalgamation support funding received, 2019-20 finished in a strong financial position.

Great Ocean Road Health's operational and budgetary objectives for the year were met and management of financial reporting, creditors and debtors continue to be fully compliant.

Carissa Brock
Director of Corporate Services

INCOME STATEMENT

	2020
Total revenue	17,834,629
Total expenses	18,546,601
Net result from transactions	(711,972)
Total other economic flows	58,718
Net result	(653,255)
Total Assets	45,622,194
Total Liabilities	10,976,454
Net Assets/Total Equity	**34,645,740**

	2020
Net operating result	484,575
Capital Purpose Income	131,094
Specific income	0
COVID 19 State Supply Arrangements	N/A
State supply items consumed up to 30 June 2020	N/A
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	(123,477)
Depreciation and amortisation	(1,204,163)
Finance costs (other)	0
Net Result from Transactions	**(711,972)**

CONSULTANCIES INFORMATION

Details of consultancies (under $10,000).
In 2019-20 there were 20 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2019-20 in relation to these consultancies is $86,222 (excl. GST).

Details of consultancies (over $10,000).
In 2019-20 there was 1 consultancy where the total fees payable to the consultants was $10,000 or greater. The total expenditure incurred during 2019-20 in relation to these consultancies is $16,658 (excl. GST).

Consultant	Purpose	Start Date	End Date	Total project fee (excl GST)	Expenditure 2018-19 (excl GST)	Future expenditure (excl GST)
Health Recruitment Specialist	Recruitment Service	July 2019	October 2019	$16,658	$16,658	$Nil

INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT EXPENDITURE

The total ICT expenditure incurred during 2019-20 is $0.52m (excluding GST) with the details shown below:

Business as Usual (BAU) ICT expenditure	Non-B usiness As Usual (non	BAU) ICT expenditure	
Total (excluding GST)	Total Operational expenditure and capital expenditure (exclud-ing GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST)
$0.52m	NIL	NIL	NIL

COMPLIANCE WITH LEGISLATION

Local Jobs Act 2003

The Victorian Government requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy Act 2003, "reformed in August 2018 by the Victorian Parliament into the Local Jobs First Act 2003".

Freedom of Information Act 1982

The Freedom of Information Act 1982 provides the right to obtain information held by Great Ocean Road Health. Requests under the Act are made in writing to the Administration Officer. The Chief Executive Officer is the organisation's Authorised Officer. The majority of requests received annually are from patients or their authorised representatives for release of medical record information.

In the year ended 30 June 2020, 12 applications for access to documents under the Freedom of Information Act were received.

Public Interest Disclosure Act 2012

The Public Interest Disclosure Act ensures transparency and accountability and provides an environment that guarantees disclosures can be made safely without the fear of reprisal. Throughout the year no disclosures have been made under the Act.

Carers Recognition Act 2012

The Carers Recognition Act formally recognises and values the role of carers and the importance of care relationships in the Victorian community. It includes a set of principles about the significance of care relationships, and specifies obligations for state government agencies, local councils, and other organisations that interact with people in care relationships. Throughout the reporting period no disclosures have been made under the Act.

Building Act 1993

In accordance with "Good Building Principles and Practices", agencies are required to regularly carry out assessments and reports on the condition of built assets. Great Ocean Road Health has complied with all government requirements to ensure that all built assets are maintained and protected.

National Competition Policy

Great Ocean Road Health complies to the degree applicable with the Competitive Neutrality Policy Victoria.

ENVIRONMENTAL PERFORMANCE AND SUSTAINABILITY

Overview

Great Ocean Road Health's utility usage shows a downward trend from 2011-12 to 2019-20 as a result of upgrades in plant and infrastructure including the installation of solar power and increased staff engagement in good energy saving practices. Utility consumption will also be impacted by the level of activity and occupancy. In the final quarter of 2019-20 the COVID 19 pandemic also impacted on our environmental and utility activity.

Solar Power

As part of the Victorian Health and Human Services Building Authority's Regional Health Solar Program Great Ocean Road Health installed PV solar panels at both the Apollo Bay and Lorne sites in 2019. 2019-20 is the first full year of solar power operation. Hospitals and health services are energy intensive buildings and the installation of Photovoltaic (PV) solar panels will offset a significant amount of emissions that would have normally been produced through the current methods of using electrical energy.

Electricity

Great Ocean Road Health has improved electricity consumption since 2018-19 with a total energy use of 580 MWh (a reduction of 22% on the previous year). Carbon emissions fell by 15% over the previous year and cost reduced 13.9%.

The health service's main energy source is electricity. The installation of solar power is expected to produce substantial long term savings in electricity usage and cost.

Water

Water usage of 3.45m litres is a reduction of 3% on the previous year.

LPG

Liquid Petroleum Gas (LPG) usage increased slightly in the last 12 months by 3% or 1,600 litres but remains substantially lower than 2017-18.

	2018 - 2019	2018 - 2019	Change from previous year
Electricity	$135	$116	-13.9%
Liquefied Petroleum Gas	$44	$43	-1.1%
Potable Water	$18	$19	8.7%
Total	**$196**	**$179**	**-9.0%**

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

Consistent with FRD 22H (Section 5.19) details in respect of the items listed below have been retained by Great Ocean Road 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):

a) Declarations of pecuniary interests have been duly completed by all relevant officers;

b) Details of shares held by senior officers as nominee or held beneficially;

c) Details of publications produced by the entity about itself, and how these can be obtained;

d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service;

e) Details of any major external reviews carried out on the Health Service;

f) Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations;

g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;

h) Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;

i) Details of assessments and measures undertaken to improve the occupational health and safety of employees;

j) General statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations;

k) A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;

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

STATEMENT OF PRIORITIES PART A

GOALS	STRATEGIES	DELIVERABLES	OUTCOME
Better Health A system geared to prevention as much as treatment Everyone understands their own health and risks. Illness is detected and managed early. Healthy neighbourhoods and communities encourage healthy lifestyles.	Reduce State-wide Risks Build Healthy Neighbourhoods Help people to stay healthy Target health gaps	Implement coaching for health program for chronic disease into community programs targeting 60% of Exercise Physiology clients. Implement programs that focus on maintaining mental health and wellbeing: • Men's yoga course • Mindfulness Course • Positive mental health forum	Achieved Coaching program initiated for all exercise physiology patients. In the final quarter AHA contacted all program participants who had not been involved in the past 6 months, and this resulted in 268 discreet individuals being seen, with over 200 of these booking in for a health coaching session. • Men's yoga course • Mindfulness Course • Positive mental health forum All implemented and operational with good numbers of attendees.
Better Access Care is always being there when people need it. Better access to care in the home and community. People are connected to the full range of care and support they need.	Plan and invest Unlock innovation Provide easier access Ensure fair access	Expand home care services to include cleaning and maintenance from Lorne Community Hospital campus. • Implement single point of access for Community Services across Great Ocean Road Health to facilitateease of consumer access to services they need. • Facilitate consumer access to specialist services using the following options: telehealth, volunteer transport services and Victorian Patient Transport Assistance Service (VPTAS).	Achieved Home care services to include cleaning and maintenance from Lorne Community Hospital campus. Recruited +3 Community Care Workers awaiting Surf Coast workers to start in Oct 2020. Implementing single point of access for Community Services across Great Ocean Road Health to facilitate ease of consumer access to services they need. Recruitment to role complete with full service implemented in April.

STATEMENT OF PRIORITIES PART A

GOALS	STRATEGIES	DELIVERABLES	OUTCOME
			implemented in April. Telehealth available and volunteer transport services, used for appointments. Increased telehealth for physiotherapy, exercise physiology due to COVID restrictions. VPTAS limited access due to consumer preference.
Better Care Targeting zero avoidable harm Healthcare that focusses on outcomes Patients and carers are active partners in care Care fits together around people's needs	Put quality First Join up care Partner with patients Strengthen the workforce Embed evidence Ensure equal care	Implement the Great Care Framework across Great Ocean Road Health to improve care and consumer experience. • Review, update and implement the Consumer and Community Partici-pation plan across Great OceanRoad Health. • Improve access to General Practitioner services by enhancing the GP Registrar supervision model.	Achieved Great Care Framework consultation period will be completed. Launched at Staff Forums 27 February and 10 March. Consumer and Community Participation Plan expanded across GORH. Meetings undertaken with MCCC to agree the registrar supervision model. 2020 registrars' recruited. Recruitment of a FTE supervising GP continues. Locum GP supervision agreed and progressed with MCCC.
Supporting the Mental Health System	Improve service access to mental health treatment to address the physical and mental health needs of consumers	Deliver a weekly visiting Psychology service at Lorne Campus, with availability for Apollo Bay residents.	Achieved Alcohol and other drugs practitioners from Colac- fortnightly visits, well supported with waiting list. Looking to expand service.

STATEMENT OF PRIORITIES PART A

GOALS	STRATEGIES	DELIVERABLES	OUTCOME
			Additional psychologist has commenced one day per week at Lorne campus, available for telehealth and able to expand to two days per week if required.
Addressing Occupational Violence	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. Implement the department's security training principles to address identified security risks.	Implement actions from security risk assessment and action plan including: I. Provide targeted training for all staff on preventing and managing Occupational Violence to achieve 100% compliance. 2. Install new duress system at Otway Health campus with corresponding review of code grey procedure.	Achieved I. Occupational violence training completed 2. New duress system installed at Otway Health campus with corresponding review of code grey procedure. 3. Infrastructure (COVID-19) change completed at OH to separate the Aged Care from Acute care, Urgent Care and the Medical Centre. • Aged Care residents now located in secure wing. • Medical Centre moved to Admin area with invited entry and screener employed. • Acute area refurbished • Reception closed, invited entry only • Screening at all entrances
Addressing Bullying and Harassment	Implement the department's Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination and Work-place culture and bullying, harassment and discrimination training: guiding principles for Victorian health services.	In line with the department's framework: I. Implement staff health and wellbeing program across Great Ocean Road Health. 2. Implement bullying and harassment contact officers program across Great Ocean Road Health.	Achieved Staff health and well being program implemented post staff forums with a focus on mindfulness and well being. GORH Staff Wellness Facebook page. This is a group facebook page designed to support the health & wellness of

STATEMENT OF PRIORITIES PART A

GOALS	STRATEGIES	DELIVERABLES	OUTCOME
			all staff at Great Ocean Road Health. It is a positive place where we can post supportive information and further develop an inclusive community within our great workforce. Exercise videos, meditation, yoga, nutrition, health and wellbeing, mindfulness content is added by dedicated staff. 2. Bullying and harassment contact officer is Georgina Harrison
Supporting Vulnerable Patients	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.	Establish the Equity & Diversity Group and implement inclusive practice for all consumers. Improvements to be monitored through Victorian Healthcare Experience Survey diversity and inclusion module and consumer feedback.	In Progress Inclusive practice (Equity and Diversity Group) membership has been expanded to incorporate both campuses. Activities include: • installation of lighting at AB campus so three flags can fly 24 hours. • Rainbow flags purchased for both sites. • Flagpoles and flags have been purchased for Lorne campus, yet to be installed. • Screening of films • Wear it Purple day • LGBTIA+ training • Sorry day activities • Rainbow included in email signatures Low numbers in VHES make improvement monitoring difficult.

STATEMENT OF PRIORITIES PART A

GOALS	STRATEGIES	DELIVERABLES	OUTCOME
Supporting Aboriginal Cultural Safety	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.	All staff to receive annual training on the provision of culturally safe services. Identify gaps to inclusive practice for Aboriginal and Torres Strait Islander people and develop action plan to address gaps.	Achieved Annual training completed as part of the face to face annual training days, completed Nov 2019. Barwon Health Aboriginal and TI cultural identity training. Two sessions at each site in February and March 2020 delayed due to COVID 19. Action plan in place, training undertaken, flags provided, welcome to country updated and reviewing physical welcome at both sites.
Addressing Family Violence	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.	Align polices and procedure with the Multiagency Risk Assessment and Risk Management framework.	Achieved Family Violence project in conjunction with Barwon healthMARAM. Volunteer training 19 Feb 2020. Further to be provided in September 2020.
Implementing Disability Action Plans	Continue to build upon last year's action by ensuring implementation and embedding of a disability action plan to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of careand employment opportunities for people with disability.	Partner with consumers with a disability and / or their carers to improve access to services, as an identified priority action in the Great Ocean Road Health's Disability Action Plan.	Achieved Consumer forum completed in Nov 2019. Increased disabled car parking the priority identified. Great Ocean Road Health's Disability Action Plan in place. UCC waiting area at LCH

STATEMENT OF PRIORITIES PART A

GOALS	STRATEGIES	DELIVERABLES	OUTCOME
Supporting Environmental Sustainability	Contribute to improving the environmental sustainability of the health system by identifying and implementing projects and/or processes to reduce carbon emissions.	Installation of solar roof panel system at Lorne Community Hospital campus. Establish sustainability staff group and review recyclable waste processes and identify sustainable alternatives.	Achieved Installation of solar panels completed Engagement with Great Ocean Road Sustainability forum, with membership.

STATEMENT OF PRIORITIES PART B

Key Performance Indicator	Target	Result 2019-2020
Operating result ($m)	0.04	0.49
Average number of days to paying trade creditors	60 days	7 days
Average number of days to receiving patient fee debtors	60 days	21 days
Public and Private WIES activity performance to target	100%	94%
Adjusted current asset ratio	0.7	1.34
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month.	14 days	Achieved

Funding Type - Acute Admitted	2019-2020
WIES Public	21.07
WIES Private	27.69
Total PPWIES (Public and Private)	48.76
WIES DVA	0.00
WIES Renal	18.57
WIES TOTAL	18.57

STATEMENT OF PRIORITIES PART B

High Quality and Safe Care

Key Performance Indicator	Target	2019- 2020 Result
Health service accreditation	Full Compliance	Full Compliance
Compliance with cleaning standards	Full Compliance	Full Compliance
Compliance with the Hand Hygiene Australia Program	80%	89.5%
Percentage of healthcare workers immunized for influenza	80%	95%
Victorian Healthcare Experience Survey – data submission	95%	Full Compliance *
Victorian Healthcare Experience Survey – percentage of positive patient experience – Quarter I	95%	Full Compliance *
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	Full Compliance *
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	Full Compliance *
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter I	75%	Full Compliance *
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 2	75%	Full Compliance *
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 3	75%	Full Compliance *
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter I	70%	Full Compliance *
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 2	70%	Full Compliance *
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 3	70%	Full Compliance *

Note: * Less than 42 responses were received for the period due to the relative size of the Health Service.

Governance and Leadership

Key Performance Indicator	Target	2019- 2020 Result
People Matter Survey – percentage of staff with a positive response to safety culture questions	80%	*n/a

*Great Ocean Road Health formed on I July 2019. Data was finalised prior to the formation of the new entity

STATEMENT OF PRIORITIES PART C

Funded Flexible Aged Care Places

Great Ocean Road Health	Number
Flexible high care	28
Flexible low care	I3
Flexible home care	n/a

Utilisation of Flexible Aged Care Places

Great Ocean Road Health	Number	Occupancy Level %
Flexible high care	28	87.5%
Flexible low care	I3	50%
Respite	4	63%
Flexible home care	n/a	n/a
Total	45	2.13%

*Respite beds used are flexible and not connected to occupancy.

Acute Care

GORH Service	Facility	Type of Activity	Actual Activity 2019-2020
Medical Inpatients	Clinical	Bed days	724
Urgent Care	Clinical	Presentations	4500
District Nursing	Community	Occasions of service	I9II
Radiology	Clinical	Number of clients	505

Primary Health Care

GORH Service	Actual activity 2019 -20 hours of service (both campuses combined)
Physiotherapy	I680
Community Nursing	I9II
Dietetics*	42
Podiatry*	n/a
Exercise Physiologist	I086
Occupational Therapy	246
Allied Health Assistant	I975
Social Worker	449
Community Health Nursing	230

ATTESTATIONS

Responsible Body Declaration

I, Joy Humphreys in accordance with the Financial Management Act 1994, am pleased to present the Report of Operations for Great Ocean Road Health for the year ending 30 June 2020.

Joy Humphreys
Chairman – Board of Management
Apollo Bay, Victoria
18 August 2020

Attestation on Financial Management Compliance.

I, Joy Humphreys certify that Great Ocean Road Health has complied with the applicable Standing Directions made under the Financial Management Act 1994 and Instructions.

Joy Humphreys
Chairman – Board of Management
Great Ocean Road Health
18 August 2020

Attestation on Data Integrity

I, Sandy Chamberlin certify that Great Ocean Road Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Great Ocean Road Health has critically reviewed these controls and processes during the year.

Sandy Chamberlin
Chief Executive Officer
Great Ocean Road Health
18 August 2020

Attestation for Integrity, fraud and corruption

I, Sandy Chamberlin certify that Great Ocean Road Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Great Ocean Road Health during the year.

Sandy Chamberlin
Chief Executive Officer
Great Ocean Road Health
18 August 2020

Attestation on Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies Compliant

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

Sandy Chamberlin
Chief Executive Officer
Great Ocean Road Health
18 August 2020

Annual Fire Safety Certification is submitted to the Department of Health to verify compliance with maintenance of the essential safety measures. In the process of new construction or modification of the building, the service engages architects, engineers and builders who are registered with the Building Practitioner's Board. Under this engagement, the health service ensures that all buildings and renovations comply with the Australian Standards and the Building Codes of Australia.

ATTESTATIONS

Conflict of Interest

I, Sandy Chamberlin, certify that Great Ocean Road 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 Great Ocean Road 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.

Sandy Chamberlin
Chief Executive Officer
Great Ocean Road Health
18 August 2020

Safe Patient Care Act 2015

In accordance with Safe Patient Care Act 2015, Great Ocean Road Health has complied with all government requirements in the 2019-20 reporting period. This ensures that Great Ocean Road Health provides the correct staffing levels in caring for its patients. Great Ocean Road Health has nil matters to report in relation to its obligations under section 40 of the Safe Patient Care Act 2015.

Employment Practices

Great Ocean Road Health is committed to the principles of merit and equity in the workplace with respect to employment, promotion and opportunity. Selection processes reflect equal opportunity and diversity principles. The organisation recognizes the Public Sector Code of Conduct and actively promotes a positive working environment and values based culture, which includes a code of conduct for staff and volunteers.

Gender Balance	Male	Female
Board	40%	60%
Senior Staff	30%	70%

DISCLOSURE INDEX

The Great Ocean Road Health Annual Report is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.2

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	6
FRD 22H	Purpose, functions, powers and duties	6-11
FRD 22H	Activities, programs and achievements for the reporting period	3-9
FRD 22H	Nature and range of services provided	9
FRD 22H	Significant changes in key initiatives and expectations for the future	14 - 16
Management and structure		
FRD 22H	Organisational structure	12-131
FRD 22H	Occupational Health and Safety	17
FDR 22H	Workforce data/employment and conduct principles	6
Financial and other information		
FRD 22H	Summary of financial results for the year	19
FRD 22H	Significant changes in financial position during the year	Financials
FRD 22H	Subsequent events	Financials
FRD 22H	Details of consultancies over $10,000	21
FRD 22H	Details of consultancies under $10,000	21
FRD 22H	Disclosure of ICT expenditure	21
FRD 22H	Operational and budgetry objectives and performace against objectives	30-31
Legislation		
FRD 22H	Application and operation of Freedom of Information Act 1982	22
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	22
FRD 22H	Application and operation of Protected Disclosure 2012	22
FRD 22H	Statement and National Competition Policy	22
FRD 22H	Application and operation of Carers Recognition Act 2012	24

DISCLOSURE INDEX

FRD 22H	Summary of the entity's environmental performance	23
FRD 22H	Additional information available on request	24

Other relevant reporting directives

Legislation	Requirement	Page Reference
FRD 22D	Local jobs First Act disclosures	22
SD 5.1.4	Financial Management Compliance attestation	32
SD 5.2.3	Declaration in report operations	32
Attestations		
	Attestaton on Data Integrity	32
	Attestation on managing Conflicts of Interest	33
	Attestation on Integrity, fraud and corruption	22
	Other Reporting Requirements	
	Reporting of outcomes from Statement of Priorities 2019-2020	25-28
	Occupational Violence reporting	17
	Operational and budgetry objectives and performance against objectives	30-31

Lorne Campus
Albert Street, Lorne, Victoria 3232
Phone: (03) 5289 4300

Apollo Bay Campus
75 McLachlan St, Apollo Bay, Victoria 3
Phone: (03) 5237 8500

www.greatoceanroadhealth.com.au

GREAT OCEAN ROAD HEALTH

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Great Ocean Road Health

Opinion	I have audited the financial report of Great Ocean Road Health (the health service) which comprises the: • balance sheet as at 30 June 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board member's, accountable officer's and chief finance & accounting officer's declaration. 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 *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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
27 October 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

Financial Statements
Financial Year ended 30 June 2020

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

The attached financial statements for Great Ocean Road 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, 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 Great Ocean Road 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 19th October 2020.

Member of Responsible Body

Ms Joy Humphreys

Chair

Lorne
19/10/2020

Accountable Officer

Ms Sandy Chamberlin

Chief Executive Officer

Lorne
19/10/2020

Chief Finance and Accountable Officer

Mr Michael Markham

Chief Finance and Accounting Officer

Lorne
19/10/2020

Great Ocean Road Health
Comprehensive Operating Statement
For the year ended 30 June 2020

		Total 2020 $'000
Income from Transactions		
Operating activities	2.1	17,719
Non-operating activities	2.1	117
Total Income from Transactions		**17,836**
Expenses from Transactions		
Employee expenses	3.1	(13,129)
Supplies and consumables	3.1	(874)
Finance costs	3.1	(5)
Depreciation and amortisation	4.2	(1,204)
Other administrative expenses	3.1	(2,448)
Other operating expenses	3.1	(855)
Other non-operating expenses	3.1	(31)
Total Expenses from Transactions		**(18,546)**
Net Result from Transactions - Net Operating Balance		**(710)**
Other Economic Flows included in Net Result		
Net Gain/(Loss) on sale of non-financial assets	3.2	94
Net Gain/(Loss) on financial instruments at fair value	3.2	(2)
Other Gain/(Loss) from other economic flows	3.2	(34)
Total Other Economic Flows included in Net Result		**58**
Net Result for the year		**(652)**
Comprehensive Result for the Year		**(652)**

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

Great Ocean Road Health
Balance Sheet as at 30 June 2020

	Note	Total 2020 $'000
Current Assets		
Cash and cash Equivalents	6.2	12,794
Receivables	5.1	862
Other Assets		183
Total Current Assets		**13,839**
Non-Current Assets		
Property, plant and equipment	4.1(a)	31,737
Total Non-Current Assets		**31,737**
TOTAL ASSETS		**45,576**
Current Liabilities		
Payables	5.2	1,225
Borrowings	6.1	111
Provisions	3.4	1,739
Other liabilities	5.3	7,207
Total Current Liabilities		**10,282**
Non-Current Liabilities		
Borrowings	6.1	174
Provisions	3.4	474
Total Non-Current Liabilities		**648**
TOTAL LIABILITIES		**10,930**
NET ASSETS		**34,646**
EQUITY		
Restricted Specific Purpose Reserve (Refer Note 8.11)	SCE	1,904
Contributed capital	SCE	35,337
Accumulated deficit	SCE	(2,595)
TOTAL EQUITY		**34,646**

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

Great Ocean Road Health
Statement of Changes in Equity
For the Financial Year Ended 30 June 2020

Total	Notes	Restricted Specific Purpose Reserve $'000	Contributed Capital $'000	Accumulated Deficits $'000	Total $'000
Amounts transferred from amalgamated entities	**8.11**	**-**	**35,087**	**-**	**35,087**
Effect of adoption of AASB 15, 16 and 1058		-	-	(39)	**(39)**
Restated balance at 30 June 2019		**-**	**35,087**	**(39)**	**35,048**
Net result for the year		-	-	(652)	(652)
Transfer from/(to) accumulated deficits		1,904	-	(1,904)	-
Contributed capital		-	250	-	250
Balance at 30 June 2020		**1,904**	**35,337**	**(2,595)**	**34,646**

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

Great Ocean Road Health
Cash Flow Statement
For the Financial Year Ended 30 June 2020

	Note	Total 2020 $'000
Cash Flows from Operating Activities		
Operating grants from government		11,979
Capital grants from government - State		24
Patient fees received		1,469
Interest and investment income received		117
Commercial Income Received		2,590
Other Receipts		1,920
Total Receipts		**18,099**
Employee expenses paid		(13,196)
Payments for supplies and consumables		(731)
Payments for medical indemnity insurance		(19)
Payments for repairs and Maintenance		(486)
Finance Costs		(5)
GST paid to ATO		(107)
Other payments		(2,924)
Total Payments		**(17,468)**
Net Cash Flows from/(used in) Operating Activities	8.1	**631**
Cash Flows from Investing Activities		
Proceeds from disposal of investments		308
Purchase of non-financial assets		(666)
Capital Donations and Bequests Received		241
Other Capital Receipts		68
Proceeds from disposal of non-financial assets		580
Net Cash Flows from/(used in) Investing Activities		**531**
Cash Flows from Financing Activities		
Proceeds from borrowings		(134)
Receipt of capital contribution		250
Receipt of accommodation deposits		1,343
Net Cash Flows from /(used in) Financing Activities		**1,459**
Net Increase/(Decrease) in Cash and Cash Equivalents Held		**2,621**
Cash and cash equivalents transferred from amalgamated entities		**10,173**
Cash and Cash Equivalents at End of Year	6.2	**12,794**

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

Great Ocean Road Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2020
Basis of preparation

These financial statements are 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.

Note 1 – Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for Great Ocean Road Health for the year ended 30 June 2020. The report provides users with information about Great Ocean Road 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 authorised by the Assistant Treasurer.

Great Ocean Road 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

Effective 1 July 2019, the Minister-in-Council pursuant to the Health Services Act 1988 amalgamated the Lorne Community Hospital and Otway Health to form Great Ocean Road Health. As this is the first year of operations of Great Ocean Road Health, no comparatives are provided. Refer to Note 8.11 Restructuring of administrative arrangements for details of balances transferred at 1 July 2019.

The financial statements include all the controlled activities of Great Ocean Road Health.
Its principal address is:
Albert Street
Lorne, Victoria 3232

A description of the nature of Great Ocean Road 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.

The financial statements are prepared on a going concern basis (refer to Note 8.8 Economic Dependency).

These financial statements are presented in Australian dollars, the functional and presentation currency of Great Ocean Road 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.

The Great Ocean Road 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 AABSs 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), and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4 Employee Benefits in the Balance Sheet).

Covid-19

The global health pandemic Covid-19, has impacted Australia and the World in a significant manner. Victoria was originally declared a State of Emergency and subsequently moved to a State of Disaster prior to signing these financial statements. The impact on communities and businesses has been varied, with Government policies put in place to provide support to those who are most in need. Financial support in the form of JobKeeper and JobSeeker have been implemented for those who are unable to be fully employed or have been made redundant. State Government entities have also been instructed to provide 100% rent relief to commercial tenants and to ensure trade creditor payments are made more regularly, with a target of net 5 days from invoice.

Regional areas have generally been less impacted by the pandemic, however the changed conditions continue to provide uncertainty and a reluctance from the community to engage as regularly with the Health Sector. The State Government have recognised the importance of a strong public health system and are providing ongoing support to ensure we remain financially viable and we can continue to support our staff who are at the front line of defence should the pandemic impact our community even more directly going forward.

From a financial perspective, the Health Service expects there will be a negative impact in the following areas:

- Private Patient Revenue due to fewer patients presenting for hospitalisation.
- Recoveries from clinicians for use of hospital facilities as they have not been able to provide them.
- Recoveries from clients for services normally provided directly, but are no longer able to be provided.
- Activity based funding areas where there is no dispensation or reduced dispensation made available by the provider.
- Specific costs incurred in the prevention and/or treatment of Covid-19.

For further details refer to Note 2.1 Funding delivery of our services and Note 4.1 Property, Plant and Equipment.

The following account balances have been considered by Management but we remain satisfied that Covid-19 has not required a change to the judgement and/or assumptions in the disclosure of any balances.

- Fair value of receivable balances,
- Fair value of non-financial assets,
- Impairment of non-financial assets,
- Superannuation Defined benefit assets and liabilities,
- Going concern.

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, Great Ocean Road 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.

Great Ocean Road Health is a member of the South West Alliance of Rural Health Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.7 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 the Great Ocean Road Health.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital.

Specific Restricted Purpose Surplus

The Specific Restricted Purpose Surplus is established where Great Ocean Road 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.

The Board acknowledges the specific requirements and restrictions of the special purpose funds brought forward on the amalgamation of Lorne Community Hospital and Otway Health as the governing body of Great Ocean Road Health.

Note: 2 Funding delivery of our services

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

Structure
2.1 Income from Transactions

Note 2.1: Income from Transactions

	Total 2020 $'000
Government grants (state) - Operating [1]	7,927
Government grants (Commonwealth) - Operating	3,793
Government grants (State) - Capital	24
Other capital purpose income	68
Patient and resident fees	1,559
Commercial activities [2]	2,590
Assets received free of charge or for nominal consideration	241
Other revenue from operating activities (including non-capital donations)	1,517
Total Income from Operating Activities	**17,719**
Capital interest	14
Other interest	103
Total Income from Non-Operating Activities	**117**
Total Income from Transactions	**17,836**

[1.] Government Grants (State) - Operating includes $0.31m of funding support for COVID-19 impact on health service operations.

[2.] Commercial activities represent business activities which health services enter into to support their operations.

Revenue Recognition
Impact of COVID-19 on revenue and income

As indicated at Note 1, Great Ocean Road Health's response to the pandemic included introduction of restrictions for entry and reduced activity. This resulted in Great Ocean Road 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 Great Ocean Road Health. Great Ocean Road 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 as 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, is recognised when Great Ocean Road Health has an unconditional right to receive the cash which usually coincides with receipt of cash. On initial recognition of the asset, Great Ocean Road 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:

(a) contributions by owners, in accordance with AASB 1004;
(b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
(c) income for not-for-profit entities in accordance with AASB 1058;
(d) a lease liability in accordance with AASB 16;
(e) a financial instrument, in accordance with AASB 9; or
(f) 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, as 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).

Note 2.1: Income from Transactions

Performance obligations

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

- Activity based funding with identifiable targets,
- Grants requiring acquittal of services and/or expenditure

For activity based funding, revenue is recognised as target levels are met. These performance obligations have been selected as they align with the terms and conditions of the funding provided. For this type of funding, there is minimal judgement required, as performance is measured in accordance with DHHS Policy and Funding Guidelines.

For grants requiring acquittal of services and/or expenditure, revenue is recognised in accordance with the funding agreement. Great Ocean Road Health exercises judgement over whether performance obligations are met, which includes assessment of total expenditure incurred and whether key performance indicators have been met.

Patient and Resident Fees

The performance obligations related to patient fees are based on the delivery of services. These performance obligations have been selected as they align with the terms and conditions of providing the services. Revenue is recognised as these performance obligations are met.

Resident fees are recognised as revenue over time as Great Ocean Road 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 based on the delivery of services. 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.

Commercial activities

Performance obligations related to commercial activities are based on the delivery of services. These performance obligations have been selected as they align with the terms and conditions per the contract with the provider of the commercial activities.

Revenue from commercial activities includes items such as private practice fees, provision of meals, property rental and fundraising activities.

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

	2020 $'000
Cash donations and gifts	241
Total fair value of assets and services received free of charge or for nominal consideration	241

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.

The exception to this would be when the resource is received from another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its carrying value in the transferring department or agency as a capital contribution transfer.

Voluntary Services: Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased if not donated. Great Ocean Road Health operates with minimal volunteer services and does not consider a reliable fair value can be determined.

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
- Resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another Health Service or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such transfer will be recognised at carrying amount. Contributions in the form of services are only recognised when a fair value can be reliably determined and the service would have been purchased if not received as a donation.

2.1 (c) Other non operating income

	2020 $'000
Capital interest	14
Other interest	103
Total other income	117

Interest Income

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

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from Transactions
3.2 Other Economic Flows
3.3 Analysis of expenses 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

	Total 2020 $'000
Salaries and wages	10,286
On-costs	933
Agency expenses	556
Fee for service medical officer expenses	1,293
Workcover premium	61
Total Employee Expenses	**13,129**
Drug supplies	70
Medical and surgical supplies (including Prostheses)	276
Diagnostic and radiology supplies	10
Other supplies and consumables	518
Total Supplies and Consumables	**874**
Finance costs	5
Total Finance Costs	**5**
Other administrative expenses	2,448
Total Other Administrative Expenses	**2,448**
Fuel, light, power and water	227
Repairs and maintenance	297
Maintenance contracts	189
Medical indemnity insurance	19
Expenditure for capital purposes	123
Total Other Operating Expenses	**855**
Total Operating Expense	**17,311**
Depreciation and amortisation (refer Note 4.2)	1,204
Total Depreciation and Amortisation	**1,204**
Bad and doubtful debt expense	31
Total Other Non-Operating Expenses	**31**
Total Non-Operating Expense	**1,235**
Total Expenses from Transactions	**18,546**

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

Impact of Covid-19 on expenses

As indicated at Note 1(c), Great Ocean Road Health's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as additional medical supplies, maintenance of salary levels for casual and part-time employees, acquisition of minor equipment for testing purposes and redeployment of staff where activities have been impacted by shutdowns.

Great Ocean Road Health has had no patient admissions relating directly to Covid-19, therefore the impact on the Health Service has been in preventative and preparatory costs only.

Note 3.1: Expenses from Transactions

Employee Expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

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

Other Operating Expenses

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

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

The Department of Health and Human Services also makes certain payments on behalf of Great Ocean Road 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 outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

Operating lease payments

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 included in net result

	Total 2020 $'000
Net gain/(loss) on non-financial assets	
Net gain on disposal of property plant and equipment	94
Total Net Gain/(Loss) on Non-Financial Assets	**94**
Net gain/(loss) on financial instruments	
Other Gains/(Losses) from Other Economic Flows	(2)
Total Net Gain/(Loss) on Financial Instruments	**(2)**
Other gains/(losses) from other economic flows	
Net gain/(loss) arising from revaluation of long service liability	(34)
Total other Gains/(Losses) from Other Economic Flows	**(34)**
Total Gains/(Losses) From Other Economic Flows	**58**

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

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- reclassified amounts relating to available-for-sale financial instruments from the reserves to net result due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

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;
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 7.1 Financial Instruments; and
- disposals of financial assets and derecognition of financial liabilities.

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. Refer to Note 4.1 Investments and other financial assets.

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 Expenses and Revenue by Internally Managed Commercial Activities

	Expense	Revenue
	Total 2020 $'000	Total 2020 $'000
Commercial Activities		
Private practice and other patient activities	2,645	2,332
Cafeteria	-	32
Property	18	226
Total Commercial Activities	**2,663**	**2,590**
TOTAL	**2,663**	**2,590**

Note 3.4: Employee Benefits in the Balance Sheet

	Total 2020 $'000
CURRENT PROVISIONS	
Employee Benefits [i]	
Accrued days off	
- unconditional and expected to be settled wholly within 12 months [ii]	19
Annual leave	
- unconditional and expected to be settled wholly within 12 months [ii]	645
- unconditional and expected to be settled wholly after 12 months [iii]	113
Long service leave	
- unconditional and expected to be settled wholly within 12 months [ii]	148
- unconditional and expected to be settled wholly after 12 months [iii]	652
	1,577
Provisions related to Employee Benefit On-Costs	
Unconditional and expected to be settled within 12 months [ii]	78
Unconditional and expected to be settled after 12 months [iii]	84
	162
TOTAL CURRENT PROVISIONS	**1,739**
NON-CURRENT PROVISIONS	
Conditional long service leave	428
Provisions related to employee benefit on-costs	46
TOTAL NON-CURRENT PROVISIONS	**474**
TOTAL PROVISIONS	**2,213**

[i] Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.
[ii] The amounts disclosed are nominal amounts.
[iii] The amounts disclosed are discounted to present values.

Note 3.4: Employee Benefits in the Balance Sheet

(a) Employee Benefits and Related On-Costs

	Total 2020 $'000
Current Employee Benefits and Related On-Costs	
Unconditional long service leave entitlements	882
Annual leave entitlements	838
Accrued days off	19
Total Current Employee Benefits and Related On-Costs	**1,739**
Non-Current Employee Benefits and Related On-Costs	
Conditional long service leave entitlements	474
Total Non-Current Employee Benefits and Related On-Costs	**474**
TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS	**2,213**

(b) Movement in On-Costs Provision

	Total 2020 $'000
Transitioned from amalgamated entities	**282**
Additional provisions recognised	54
Unwinding of discount and effect of changes in the discount rate	(34)
Reduction due to transfer out	(94)
Balance at end of year	**208**

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 Great Ocean Road 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.

Note 3.4: Employee Benefits in the Balance Sheet

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 Great Ocean Road 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 Great Ocean Road Health expects to wholly settle within 12 months; or
- Present value – if Great Ocean Road 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 the Great Ocean Road 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 Great Ocean Road Health expects to wholly settle within 12 months; or
- Present value – if Great Ocean Road 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	Contribution Outstanding at Year End
	Total 2020 $'000	**Total 2020 $'000**
Defined Benefit Plans:[i]		
First State Super	4	-
Defined Contribution Plans:		
First State Super	491	-
Hesta	241	-
Other	197	-
Total	**933**	**-**

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

Employees of Great Ocean Road 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.

Note 3.5: Superannuation (continued)

Defined Benefit Superannuation Plans

The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Great Ocean Road Health to the superannuation plans in respect of the services of current Great Ocean Road 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.

Great Ocean Road 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 Great Ocean Road Health.

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

Defined Contribution Superannuation Plans

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

Note 4: Key Assets to support service delivery

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

Structure

4.1 Property, plant & equipment
4.2 Depreciation and amortisation

Note 4.1: Property, plant and equipment

Initial Recognition

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

The cost of 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 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

Great Ocean Road 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 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

Great Ocean Road 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-financial 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, Great Ocean Road 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, Great Ocean Road 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, Great Ocean Road 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 (VGV) is Great Ocean Road Health's independent valuation agency.

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

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

Consideration of highest and best use (HBU) for non-financial physical assets

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

In accordance with AASB 13 Fair Value Measurement paragraph 29, Great Ocean Road 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, Non-Specialised Buildings and Cultural Assets

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

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

Specialised Land and Specialised Buildings

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

For the assets transferred under the amalgamation, an independent valuation of Great Ocean Road 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

The Great Ocean Road 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

(a) Gross carrying amount and accumulated depreciation

	Total 2020 $'000
Land - Crown	9,271
TOTAL LAND AT FAIR VALUE	**9,271**
Buildings at cost	101
Less accumulated depreciation	-
Sub-totals Buildings at Cost	**101**
Buildings at fair value	20,859
Less accumulated depreciation	(779)
Sub-totals Buildings at Fair Value	**20,080**
Land improvements at cost	493
Less accumulated depreciation	-
Sub-totals Leasehold Improvements at Cost	**493**
Building work in progress at cost	20
TOTAL BUILDINGS	**20,694**
Plant and equipment at fair value	1,247
Less accumulated depreciation	(832)
TOTAL PLANT AND EQUIPMENT	**415**
Motor vehicles at fair value	661
Less accumulated depreciation	(465)
TOTAL MOTOR VEHICLES	**196**
Medical equipment at fair value	993
Less Accumulated Depreciation	(665)
TOTAL MEDICAL EQUIPMENT	**328**
Computers and communication equipment at fair value	186
Less accumulated depreciation	(163)
TOTAL COMPUTERS AND COMMUNICATION EQUIPMENT	**23**
Furniture and fittings at fair value	1,222
Less accumulated depreciation	(767)
TOTAL FURNITURE AND FITTINGS	**455**
Right of use- plant, equipment, furniture and fittings and vehicles	362
Less accumulated depreciation	(7)
TOTAL RIGHT OF USE - PLANT, EQUIPMENT, FURNITURE AND FITTINGS AND VEHICLES	**355**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**31,737**

Note 4.1: Property, Plant and Equipment (Continued)

(b) Reconciliations of the carrying amounts of each class of asset

Total	Note	Land $'000	Land improvements $'000	Buildings $'000	Plant & equipment $'000	Motor vehicles $'000	Medical Equipment $'000	Computers & Communication Equipment $'000	Furniture & Fittings $'000	Right of use - PPE, F&V	Assets under construction	Total $'000
Assets transferred 1 July 2019	4.1 (a)	**9,509**	**490**	**21,110**	**530**	**268**	**193**	**26**	**401**	**-**	**24**	**32,551**
Additions		-	3	102	179	-	216	11	159	210	(4)	876
Disposals		(238)	-	(248)	-	-	-	-	-	-	-	(486)
Net Transfers between classes		-	-	-	(215)	-	-	-	-	215	-	-
Depreciation	4.2	-	-	(783)	(79)	(73)	(81)	(14)	(104)	(70)	-	(1,204)
Balance at 30 June 2020	4.1 (a)	**9,271**	**493**	**20,181**	**415**	**195**	**328**	**23**	**456**	**355**	**20**	**31,737**

Land and Buildings and Leased Assets Carried at Valuation

All of the land and buildings transferred at 1 July 2019 were at valuation, after the Valuer-General Victoria undertook to re-value all owned and leased land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2019.

In compliance with FRD 103H, in the year ended 30 June 2020, Great Ocean Road 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 indices for the financial year ended 30 June 2020.

The VGV indices, which are based on data to March 2020, indicate a range of 0.0% and 3.0% movement across all land parcels and a 3% increase 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.

As the accumulative movement was less than 10% for land and buildings, no managerial revaluation was required.

Note 4.1: Property, Plant and Equipment (Continued)

(c) Fair value measurement hierarchy for assets

	Note	Total Carrying Amount	Fair value measurement at end of reporting period using: Level 1 [i]	Level 2 [i]	Level 3 [i]
Balance at 30 June 2020		**$'000**	**$'000**	**$'000**	**$'000**
- Specialised land		9,271	-	-	9,271
Total Land at Fair Value	4.1 (a)	**9,271**	**-**	**-**	**9,271**
- Specialised buildings		20,674	-	-	20,674
Total Building at Fair Value	4.1 (a)	**20,674**	**-**	**-**	**20,674**
Plant and equipment at fair value	4.1 (a)	415	-	-	415
Motor vehicles at fair value	4.1 (a)	196			196
Medical equipment at Fair Value	4.1 (a)	328	-	-	328
Computers and communication equipment at fair value	4.1 (a)	23	-	-	23
Furniture and fittings at fair value	4.1 (a)	455	-	-	455
Total Other Plant and Equipment at Fair Value		**1,417**	**-**	**-**	**1,417**
Total Property, Plant and Equipment		**31,362**	**-**	**-**	**31,362**

[i] Classified in accordance with the fair value hierarchy.

(d) Reconciliation of Level 3 Fair Value [i]

Total	Note	Land $'000	Buildings & Improve. $'000	Plant & Equipment $'000	Motor Vehicles $'000	Medical Equipment $'000	Computers & Comm $'000	Furniture & Fittings $'000
Assets transferred 1 July 2019		**9,509**	**21,600**	**530**	**268**	**193**	**26**	**401**
Additions/(Disposals)	4.1 (b)	(238)	(143)	179	-	216	11	159
Net Transfers between classes	4.1 (b)	-	-	(215)	-	-	-	-
Gains/(Losses) recognised in net result								
- Depreciation and Amortisation	4.2	-	(783)	(79)	(73)	(81)	(14)	(104)
Balance at 30 June 2020	4.1 (c)	**9,271**	**20,674**	**415**	**195**	**328**	**23**	**456**

[i] Classified in accordance with the fair value hierarchy, refer Note 4.1(c).

Note 4.1: Property, Plant and Equipment (Continued)

Note 4.1 (e): Property, Plant and Equipment (Fair value determination)

Asset class		Likely valuation approach	Significant inputs (Level 3 only)[(c)]
Specialised land (Crown / Freehold)		Market approach	Community Service Obligations Adjustments [(a)]
Specialised buildings		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

[a] A community Service Obligation (CSO) of 20% was applied to the health services specialised land Classified in accordance with the fair value hierarchy.

Note 4.2: Depreciation and Amortisation

	Total 2020 $'000
Depreciation	
Buildings	783
Plant and equipment	79
Motor vehicles	73
Medical equipment	81
Computers and communication equipment	14
Furniture and fittings	104
Right of use assets	
- Right of use plant, equipment and vehicles	70
Total Depreciation	**1,204**

Depreciation

All infrastructure assets, 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 Great Ocean Road Health Service 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 overs its useful life.

Note 4.2 (a): useful life of non-current assets

	2020
Buildings	
- Structure shell building fabric	45 to 60 years
- Site engineering services and central plant	20 to 30 years
Central Plant	
- Fit out	20 to 30 years
- Trunk reticulated building system	30 to 40 years
Plant and equipment	5 to 20 years
Medical equipment	5 to 10 years
Computers and communication	3 to 9 years
Furniture and fitting	10 to 15 years
Motor vehicles	5 to 8 years

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Great Ocean Road Health's operations.

Structure
5.1 Receivables
5.2 Payables
5.3 Other liabilities

Note 5.1: Receivables

	Notes	Total 2020 $'000
CURRENT		
Contractual		
Trade Debtors		406
Patient Fees		162
Amounts receivable from governments and agencies		38
Allowance for Impairment	5.1(a)	
Trade Debtors	7.1(c)	(16)
Sub-Total Contractual Receivables		**590**
Statutory		
Accrued Revenue - Department of Health and Human Services		93
GST Receivable		179
Sub-Total Statutory Receivables		**272**
TOTAL CURRENT RECEIVABLES		**862**

Note 5.1: Receivables

(a) Movement in the Allowance for impairment losses of contractual receivables

	Total 2020 $'000
Transition from amalgamated entities	**5**
Amounts written off during the year	(20)
Increase in allowance recognised in the net result	31
Balance at end of year	**16**

Receivables recognition

Receivables consist of:

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

Great Ocean Road 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.

Note 5.2: Payables

	Notes	Total 2020 $'000
CURRENT		
Contractual		
Trade creditors		189
Accrued salaries and wages		297
Accrued expenses		355
Contract Liabilities - income received in advance	5.2(a)	196
Inter- hospital creditors		150
Amounts payable to governments and agencies		32
Deposits		6
TOTAL PAYABLES		**1,225**

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 the Great Ocean Road 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 (a) Contract liabilities

	2020 $'000
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	39
Add: Payments received for performance obligations yet to be completed during the period	157
Total contract liabilities	**196**
Represented by	
Current contract liabilities	196

Contract liabilities include consideration received in advance from customers in respect of specified targets and outcomes. Invoices are raised once the goods and services are delivered/provided.

Maturity analysis of payables

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

Note 5.3: Other liabilities

	Total 2020 $'000
CURRENT	
Monies held in trust*: Refundable accommodation deposits	6,881
Monies held in trust*: Other monies held in trust	326
Total Current	**7,207**
Total Other Liabilities	**7,207**

*** Total Monies Held in Trust Represented by the Following Assets:**

Cash assets	7,207
TOTAL	**7,207**

Refundable Accommodation Deposit ("RAD")/Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents 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 Great Ocean Road Health during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Great Ocean Road 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
6.4 Non-cash financing and investing activities

Note 6.1: Borrowings

	Total 2020 $'000
CURRENT	
Lease liability [(i)]	90
Advances from government (ii)	21
Total Current Borrowings	**111**
NON CURRENT	
Lease liability [(i)]	127
Advances from government (ii)	47
Total Non Current Borrowings	**174**
Total Borrowings	**285**

(i) 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.

(ii) These are unsecured loans which bear no interest.

(a) Maturity Analysis of Borrowings

Please refer to Note 7.1 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 borrowings.

(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		2020 $'000	
Not later than one year	95		90	
Later than 1 year and not later than 5 years	148		127	
Minimum lease payments	**243**		**217**	
Less future finance charges	(26)		-	
TOTAL	**217**		**217**	
Included in the financial statements as:				
Current borrowings - lease liability	90		90	
Non-current borrowings - lease liability	127		127	
TOTAL	**217**		**217**	

The weighted average interest rate implicit in the finance lease is 3.25%.

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.

Great Ocean Road Health's leasing activities

Great Ocean Road Health has entered into leases related to motor vehicles and information technology equipment.
For any new contracts entered into on or after 1 July 2019, Great Ocean Road 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 Great Ocean Road 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 Great Ocean Road Health and for which the supplier does not have substantive substitution rights;
- Great Ocean Road 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 Great Ocean Road Health has the right to direct the use of the identified asset throughout the period of use; and
- Great Ocean Road 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 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 Great Ocean Road 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

Great Ocean Road 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.

Below market/Peppercorn lease

Great Ocean Road Health has no material below market/peppercorn leases.

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable Great Ocean Road Health to further its objectives, are initially and subsequently measured at cost.

These right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets.

Presentation of right-of-use assets and lease liabilities

Great Ocean Road 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.

Note 6.1: Borrowings (continued)

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. The lease assets are accounted for as a non-financial physical asset and is depreciated over the term of the lease plus five years. 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 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 the Great Ocean Road 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

	Total 2020 $'000
Cash on hand (excluding monies held in trust)	298
Cash at Bank (excluding monies held in trust)	1,143
Cash at Bank - CBS (excluding monies held in trust)	4,146
Cash at Bank - CBS (monies held in trust)	7,207
TOTAL CASH AND CASH EQUIVALENTS	**12,794**

Cash and Cash Equivalents

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

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

Note 6.3 : Commitments for expenditure

	2020 $'000
Non-cancellable Short Term and low value lease commitments	
Less than 1 year	4
Longer than 1 year but not longer than 5 years	44
Total Non-cancellable Lease Commitments	**48**
Total Commitments for Expenditure (inclusive of GST)	**48**
Less GST recoverable from the Australian Tax Office	(4)
TOTAL COMMITMENTS FOR EXPENDITURE (exclusive of GST)	**44**

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

Commitments

Great Ocean Road Health has entered into commercial leases on certain medical equipment, computer equipment and property where it is not in the interest of Great Ocean Road 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 Great Ocean Road Health. There are no restrictions placed upon the lessee by entering into these leases.

Note 6.4: Non-cash financing and investing activities

	Total 2020 $'000
Acquisition of plant and equipment by means of Finance Leases	210
Total Non-Cash Financing and Investing Activities	**210**

Note 7: Risks, contingencies and valuation uncertainties

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

Structure

7.1 Financial Instruments
7.2 Contingent Assets and Contingent Liabilities

Note 7.1 (a): 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 Great Ocean Road 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

(a) Categorisation of financial instruments

Total 2020	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	12,794	-	12,794
Receivables - Trade Debtors	5.1	406	-	406
Other Receivables	5.1	200	-	200
Total Financial Assets [i]		**13,400**	**-**	**13,400**
Financial Liabilities				
Payables	5.2	-	1,029	1,029
Borrowings	6.1	-	285	285
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	6,881	6,881
Total Financial Liabilities [i]		**-**	**8,195**	**8,521**

[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 (a): Financial Instruments

Categories of Non-Derivative Financial Instruments

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 Great Ocean Road 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.

Great Ocean Road Health recognises the following assets in this category:

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

Categories of financial liabilities

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 the Great Ocean Road Health Service's own credit risk. In this case, the portion of the change attributable to changes in Great Ocean Road Health's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised. Great Ocean Road 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. Great Ocean Road Health recognises the following liabilities in this category:

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

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

the rights to receive cash flows from the asset have expired; or

Great Ocean Road 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

Great Ocean Road 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 Great Ocean Road Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Great Ocean Road 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.

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when Great Ocean Road Health's business model for managing its financial assets has changes such that its previous model would no longer apply.

Note 7.1 (b): Payables and Borrowings Maturity Analysis

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

Maturity analysis of Financial Liabilities as at 30 June

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	Over 5 years $'000
Financial Liabilities at amortised cost								
Payables	**5.2**	1,029	1,029	1,029	-	-	-	-
Borrowings	**6.1**	285	285	-	-	47	238	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	6,881	6,881	-	-	6,881	-	-
Total Financial Liabilities		**8,521**	**8,195**	**1,029**	**-**	**6,928**	**238**	**-**

(i) Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST payable)

Note 7.1 (c)
Contractual receivables at amortised cost

30-Jun-20			*Current*	*Less than 1 month*	*1–3 months*	*3 months –1 year*	*1–5 years*	*Total*
Expected loss rate			0.0%	0.0%	0.0%	26.7%	0.0%	
Gross carrying amount of contractual receivables	5.1	606	253	278	15	60	0	**606**
Loss allowance			**-**	**-**	**-**	**(16)**	**-**	**(16)**

Impairment of financial assets under AASB 9 *Financial Instruments*

Great Ocean Road 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 Financial Instruments, impairment assessment includes the Great Ocean Road Health's contractual receivables, statutory receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9 *Financial Instruments* . 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

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

On this basis, the Great Ocean Road Health determines the opening loss allowance and the closing loss allowance at end of the financial year as disclosed above.

Note 7.1 (c)
Contractual receivables at amortised cost (Continued)

Reconciliation of the movement in the loss allowance for contractual receivables

	Note	*2020*
Transfer from amalgamated entities ($'000s)		**(5)**
Increase in provision recognised in the net result	3.1	(31)
Reversal of provision of receivables written off during the year as uncollectible		20
Balance at end of the year	5.1	**(16)**

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

The Great Ocean Road 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.

Statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

Note 7.2: Contingent assets and contingent liabilities

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.

There are no known contingent assets or contingent liabilities for Great Ocean Road Health at the date of this report.

Note 8: Other disclosures

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

Structure

8.1 Reconciliation of Net Result for the Year to Net Cash Flow from Operating Activities
8.2 Responsible persons disclosure
8.3 Remuneration of Executive Officers
8.4 Related Parties
8.5 Remuneration of Auditors
8.6 Events Occurring after the Balance Sheet Date
8.7 Jointly Controlled Operations
8.8 Economic Dependency
8.9 Correction of prior period error and revision of estimates
8.10 AASBs Issued that are not yet Effective
8.11 Restructuring of administrative arrangements

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

	Note		Total 2020 $'000
Net Result for the Year		**OS**	(652)
Non-Cash Movements:			
Depreciation and amortisation		4.2	1,204
Provision for Doubtful Debts		5.1 (a)	11
Discount (interest) / expense on loan			2
Movements included in Investing and Financing Activities:			
Net (Gain)/Loss from Disposal of Non-Financial Physical Assets			(94)
Less cash inflow/outflow from investing and financing activities			(309)
Movements in Assets and Liabilities:			
Change in Operating Assets and Liabilities			
(Increase)/Decrease in Receivables		5.1	(18)
(Increase)/Decrease in Prepayments			(107)
Increase/(Decrease) in Payables		5.2	108
(Increase)/Decrease in Inventories			1
(Increase)/Decrease in employee benefits			159
NET CASH INFLOW FROM OPERATING ACTIVITIES			**631**

Note 8.2: Responsible Persons

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

	Period
Responsible Ministers:	
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
Governing Boards	
Joy Humphreys (appointed Chair of the Board 16th December 2019)	01/07/2019 - 30/06/2020
Margaret Cartledge	01/07/2019 - 30/06/2020
Vicki Hammond	01/07/2019 - 30/06/2020
Sue Guinness	01/07/2019 - 30/06/2020
Ray Jacobson	01/07/2019 - 30/06/2020
Rob Knowles	01/07/2019 - 30/06/2020
Kelli Nicola-Richmond	01/07/2019 - 30/06/2020
Mark Rogers	01/07/2019 - 31/01/2020
Nick Salkeld	01/07/2019 - 30/06/2020
Paul Shannon	01/07/2019 - 30/06/2020
Tiffany Symes	01/07/2019 - 30/06/2020
Fiona Williams	01/07/2019 - 30/06/2020
Accountable Officers	
Kate Gillan (Chief Executive Officer)	01/07/2019 - 23/07/2019
Carissa Brock (Acting Chief Executive Officer)	24/07/2019 - 17/11/2019
Sandy Chamberlin (Chief Executive Officer)	18/11/2019 - 30/06/2020

Remuneration of Responsible Persons

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

Income Band	**Total 2020 No.**
$0,000 - $9,999	12
$40,000 - $49,999	1
$70,000 - $79,999	1
$150,000 - $159,999	1
Total Numbers	**15**

	2020 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$325**

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in Great Ocean Road 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 Executive Officers (including Key Management Personnel Disclosed in Note 8.5)	**Total Remuneration 2020 $'000**
Short-term Benefits	541
Post-employment Benefits	42
Other Long-term Benefits	21
Total Remuneration [i]	**604**
Total Number of Executives	4
Total Annualised Employee Equivalent [ii]	3.8

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

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

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

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

Short-term Employee Benefits

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

Post-employment Benefits

Pensions and other retirement benefits 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

Great Ocean Road Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the Great Ocean Road Health 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 a regional Information Technology Joint Venture; 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 Great Ocean Road Health, directly or indirectly.

The Board of Directors, Chief Executive Officer and the Executive Directors of Great Ocean Road Health are deemed to be KMPs.

KMPs	**Position Title**
Joy Humphreys	Chair of the Board
Margaret Cartledge	Board Member
Vicki Hammond	Board Member
Sue Guinness	Board Member
Ray Jacobson	Board Member
Rob Knowles	Board Member
Kelli Nicola-Richmond	Board Member
Mark Rogers	Board Member
Nick Salkeld	Board Member
Paul Shannon	Board Member
Tiffany Symes	Board Member
Fiona Williams	Board Member
Kate Gillan	Chief Executive Officer
Sandy Chamberlin	Chief Executive Officer
Carissa Brock	Director Corporate Services
Andrea Russell	Director Clinical Services
Anne Rout	Director Community Services
Michael Markham	Chief Financial Officer

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

	Total 2020 $'000
Compensation - KMPs	
Short-term Employee Benefits [i]	842
Post-employment Benefits	60
Other Long-term Benefits	27
Total [ii]	**929**

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

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

Note 8.4: Related Parties

Significant Transactions with Government Related Entities

The Great Ocean Road Health received funding from the Department of Health and Human Services of $8m and indirect contributions of $0.003m . Balances outstanding as at year end are $0.093m.

Expenses incurred by the Great Ocean Road 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 the Victorian Managed Insurance Authority.

The Standing Directions of the Assistant Treasurer require the Great Ocean Road 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 Great Ocean Road 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.

There were no related party transactions required to be disclosed for the Great Ocean Road Health Board of Directors, Chief Executive Officer and Executive Directors in 2020.

Note 8.5: Remuneration of Auditors

	Total 2020 $'000
Victorian Auditor-General's Office	
Audit of the Financial Statements	21
TOTAL RENUMERATION OF AUDITORS	**21**

Note 8.6: Events Occurring after the Balance Sheet Date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Great Ocean Road Health and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period.

Adjustments are made to amounts recognised in the financial statements for events which occur between the end of the reporting period and the date when the financial statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

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 Great Ocean Road Health at the reporting date. As responses by government continue to evolve, management recognises it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on Great Ocean Road Health, its operations, its future results and financial position. The state of emergency in Victoria was extended on 13 September 2020 until 11 October 2020 and the state of disaster remains 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 Great Ocean Road Health, the results of the operations or the state of affairs of Great Ocean Road Health in the future financial years.

Note 8.7: Jointly Controlled Operations

Name of Entity	Principal Activity	Ownership Interest 2020 %
South West Alliance of Rural Health	Information Technology	3.39

Great Ocean Road Health's interest in the above jointly controlled operations are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2020 $'000 *
CURRENT ASSETS	
Cash and Cash Equivalents	295
Receivables	237
Inventory	2
TOTAL CURRENT ASSETS	**534**
NON-CURRENT ASSETS	
Receivables	19
Property, Plant and Equipment	196
TOTAL NON-CURRENT ASSETS	**215**
TOTAL ASSETS	**749**
CURRENT LIABILITIES	
Payables	482
Borrowings	33
Provisions	58
TOTAL CURRENT LIABILITIES	**573**
NON-CURRENT LIABILITIES	
Borrowings	44
Provisions	11
TOTAL NON-CURRENT LIABILITIES	**55**
TOTAL LIABILITIES	**628**
NET ASSETS	**121**
EQUITY	
Accumulated Surpluses/(Deficits)	121
TOTAL EQUITY	**121**

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

	2020 $'000 *
REVENUE	
Revenue from Operations	661
Capital Revenue	33
TOTAL REVENUE	**694**
EXPENSES	
Other Expenses from Continuing Operations	618
Other Economic Flows	5
Depreciation	65
TOTAL EXPENSES	**688**
NET RESULT	**6**

* Figures obtained from the unaudited South West Alliance of Rural Health Joint Venture annual report.

Contingent Liabilities and Capital Commitments
There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date.

Note 8.8: Economic Dependency

Great Ocean Road 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 has no reason to believe the Department will not continue to support Great Ocean Road Health.

Note 8.9: Changes in accounting policy and revision of estimates

Changes in accounting policy

There was no impact from the adoption of AASB 16 Leases on Great Ocean Road Health.

The impact from adoption of AASB15 Revenue from Contracts with Customers and AASB 1058 Income of Non-for-profit Entities is described as follows.

Revenue from Contracts with Customers
In accordance with FRD 121 requirements, Great Ocean Road 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, Great Ocean Road Health applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application. Great Ocean Road 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.

Note 2.1.1 – Sales of goods and services includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions.

Income of Not-for-Profit Entities
In accordance with FRD 122 requirements, Great Ocean Road 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, Great Ocean Road Health applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Note 2.1.2 – Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

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

Transition impact on financial statements.
This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 *Revenue from Contracts with Customers* ;
- AASB 1058 *Income of Not-for-Profit Entities* ; and
- AASB 16 Leases.

Impact on Balance Sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards (AASB 15 and AASB 16) at 1 July 2019:

Balance sheet	*Notes*	*Before new accounting standards Opening 1 July 2019* *$'000*	*Impact of new accounting standards - AASB 16, 15 & 1058 $'000*	*After new accounting standards Opening 1 July 2019* *$'000*
Property, Plant and Equipment		32,551	-	32,551
Total other assets		11,413	-	11,413
Total Assets		43,964	-	43,964
Payables and Contract Liabilities	5.2	8,669	39	8,708
Borrowings		207	-	207
Total Liabilities		8,876	39	8,915
Accumulated surplus/(deficit)		9,529	(39)	9,490
Asset Revaluation Reserve		17,391	-	17,391
Other items in equity		8,168	-	8,168
Total Equity		35,088	(39)	35,049

Note 8.9: Changes in accounting policy and revision of estimates

Statement of changes in equity – changes for AASB 1058 and AASB 15 adoption

For the financial year ended 30 June 2020 ($ thousand)

	Property, Plant and Equipment Revaluation Surplus	*Restricted Specific Purpose Surplus*	*Contributed Capital*	*Accumulated Surpluses*	*Total*
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
Balance at amalgamation 30 June 2019	**-**	**-**	**35,087**	**-**	**35,087**
Change in accounting policy (due to AASB 15, 1058)	**-**	**-**	**-**	**(39)**	(39)
Restated balance at 1 July 2019	-	-	35,087	(39)	35,048
Net result for the year	**-**	**-**	**-**	**(652)**	**(652)**
Capital appropriations	-	-	250	-	250
Balance at 30 June 2020	**-**	**-**	**35,337**	**(691)**	**34,646**

Note 8.10: 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 Great Ocean Road 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. Great Ocean Road 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 *Amendments to Australian Accounting Standards – Definition of Material*	This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* . 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 the public sector.
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	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 the public sector.

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 2019-20 reporting period (as listed below). In general, these amending standards include editorial and reference changes that are expected to have insignificant impacts on public sector reporting.

- AASB 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.*
- AASB 2019-4 *Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements.*
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).*

Note 8.11: Restructuring of administrative arrangements

On 18th June 2019, the Government by Order in Council directed that Lorne Community Hospital and Otway Health be amalgamated. The order to come into effect on 1 July 2019. The combined assets and liabilities of the two entities have been transitioned and are now reported under the designated name of Great Ocean Road Health. Equity accounts have been recognised in the form they took under the previous entities. As a result of this amalgamation, no comparative amounts are reported for the prior year.

The combined assets and liabilities recognised under this amalgamation are recognised as follows:

	Lorne Community Hospital	Otway Health	Inter-entity balances	Amalgamated Entity Great Ocean Road Health
	$'000	**$'000**	**$'000**	**$'000**
Assets				
Cash and cash equivalents	6,198	3,975	-	10,173
Receivables	381	473	27	854
Inventories	1	-	-	1
Other financial assets	-	308	-	308
Prepayments	63	13	-	76
Property, plant and equipment	17,891	14,660	-	32,551
Long term receivables	128	-	-	128
Liabilities				
Payables	582	495	27	1,077
Borrowings	113	94	-	207
Provisions	1,347	708	-	2,055
Other liabilities	3,534	2,004	-	5,538
Net Assets	**19,086**	**16,128**	**-**	**35,214**
Equity				
Asset Revaluation Reserves	8,876	8,515	-	17,391
Specific Purposes Reserves (i)	1,214	690	-	1,904
Contributed Capital	2,475	3,788	-	6,263
Retained Earnings	6,523	3,133	-	9,656
Total Equity	**19,088**	**16,126**	**-**	**35,214**
DHHS LSL Debtor adjustment (ii)	-	(127)	-	(127)
Net Equity transferred at Amalgamation	**19,088**	**15,999**	**-**	**35,087**

(i) The Board acknowledges the specific requirements and restrictions of the special purpose funds brought forward on the amalgamation of Lorne Community Hospital and Otway Health as the governing body of Great Ocean Road Health. The following specific purpose balances were transferred from the respective formative health services.

- Lorne Community Hospital	1,214
- Otway Health	690
Total Specific Purposes Reserves	1,904

(ii) Upon amalgamation Otway Health maintained a negative DHHS Long Service Leave balance which was not recorded in the financial statements. As the balance has carried across to Great Ocean Road Health, an equity adjustment has been recorded to correctly reflect the opening balance transferred.