ANNUAL REPORT 2020-21

GREAT OCEAN ROAD HEALTH

Our Purpose

To provide great health care to enable people to live purposeful, healthy and engaged lives.

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GREAT OCEAN ROAD HEALTH

Chair's and Chief Executive Officer Message

GREAT CARE

GREAT HEALTH

GREAT COMMUNITY

Board Chair Report

The Board continues to be impressed by, and thankful for, the innovative response of all our clinical and administrative staff as they adapt to changes.

On behalf of the Board of Great Ocean Road Health, I am pleased to report the activities undertaken during 2020 – 21, a year in which all our decisions have been predicated on the impact of the COVID-19 virus.

The Board is extremely proud of our Chief Executive Officer, Sandy Chamberlin, the executive leadership team, and the staff of Great Ocean Road Health, who undertook early pandemic scenario planning, which enabled them to prepare for significant changes to accommodate pop-up COVID-19 swabbing clinics, and provide vaccinations to staff and our community members. At the same time, all staff ensured that our standard of care for routine services was maintained. We thank every staff member for their commitment to provide great care and support for Great Ocean Road Health.

Governance of Great Ocean Road Health is provided by a skills-based, dedicated, Board of ten directors, appointed by the Governor Council and recommended by the Minister. Over the last twelve months, due to COVID-19 restrictions, the majority of Board and committee meetings have been held via video-conferencing. We continued to focus on ensuring financial sustainability, strengthening organisational culture and capability, providing great clinical care, and building collaborative partnerships across the region.

Our governance structure includes Board committees who delve deeply into strategic planning and make recommendations to the Board.

The Finance, Audit and Risk Committee, chaired by Paul Shannon, and supported by the finance team, has overseen effective management of finances and mitigation of risk, which has enabled us to maintain a healthy financial position.

The Safety and Clinical Governance Committee, chaired by Kelli Nicola-Richmond, and supported by Hilary Tigani, examines data related to patient experiences and indicators of staff culture. The Board has actively supported the staff wellbeing program and the work of the inclusive practice committee, and is pleased to see that the 2020 People Matter Survey, shows results well above comparative health organisations.

We continue to have two Community Advisory Groups who provide advice to the Board relating to community needs. The Apollo Bay group is chaired by Fiona Williams, and the Lorne group has been co-chaired by Tiffany Symes and Sue Guinness. Corinna Dichiera and Anna Creasey have ably provided administration to these groups. Getting everyone together has been challenged by online meetings, however, community members continue to turn up and provide important input to the Board. In addition to involvement with committees, we have Board directors who provide the Board with specialist expertise. We are grateful to Vicki Hammond who retired from the Board at our June meeting, having provided generous assistance with development of our policies and by-laws. I also acknowledge the invaluable assistance provided by Board directors Nick Salkeld, Rob Knowles and Ray Jacobson, who have added their expertise to Board and committee discussions. Thanks also to Odette Goater for her help administering Board activities.

This year has again been challenging for the many people who support us through donations and fundraising. We appreciate the continued strong support from the Great Ocean Road Cyclists, who kindly provide scholarships to facilitate staff development. We continue to receive wonderful support from the Second Sails Op Shop and Lorne Op Shop. We are indebted to the Apollo Bay and District Health Foundation, who remain strong partners in our work, and, our thanks go to all the individuals and families who have supported Great Ocean Road Health by donating to our annual appeal and/or providing bequests. Each year, the Board awards the Lawless Scholarship to a staff member who demonstrates ongoing support and contribution to Great Ocean Road Health. In 2020, this was awarded to Carly Endicott, who will use the scholarship to assist her to complete a Graduate Certificate in Palliative Care.

On behalf of the Board, thank you to every staff member, every volunteer, our partners, contractors, consultants, donors and all users of our service, for your continued support.

Dr. Joy Humphreys, GORH Board Chair

Chief Executive Officer Report

This year for Great Ocean Road Health (GORH) has been, a year like no other. The global pandemic has impacted our health service and our communities in the same ways health services and communities have been affected worldwide.

The way we have responded has been to do everything we can to keep our clients, our aged care residents, our staff and our communities safe and well. We have been innovative in our approach to providing care in different ways. We have provided access to COVID-19 swabbing 7 days a week, to keep our communities protected and have vaccinated our extended service area. We have also assisted others in COVID outbreaks, sending staff to assist in Colac and Shepparton, set up pop-up drive through swabbing centres when required.

GORH Nurse Unit Manager, Jason Phieler has been released to assist in the AUSMAT COVID-19 response in Darwin hotel quarantine, Papa New Guinea and Fiji. Jason's experiences from these deployments has added to our knowledge and expertise in managing outbreaks.

We have been able to forge strong relationships with our stakeholders with regular meetings based on our COVID response with the PHN, the Colac Otway and Surf Coast Shires and emergency services. This has led to us working better together on the vaccination roll out and COVID-19 outbreaks.

Providing business as usual services, whilst providing additional swabbing and vaccination has taken its toll on healthcare staff worldwide with staff fatigued and unable to travel to take leave contributing to a challenging year for staff. GORH has rolled out a staff health and wellbeing program, as part of the People Matter Wellbeing Survey 2020 action plan. This has been well received by staff. We have also continued our leadership coaching and have added Mental Health First Aid training for all staff, via a train the trainer approach. The dedication to this trainig is a credit to the resilience and dedication of GORH staff and leaders and their commitment to the health and wellbeing of the region.

The successful delivery of infrastructure projects has been a highlight this year, with projects being delivered at both sites on time and to budget. The Lorne Gym has been transformed into a wonderful space for individual and group activities with an incredible view of Loutit Bay. This project was funded by the 2019 annual appeal, the Lorne Op Shop and a local benefactor provided a sizable donation for equipment. Thank you so much to the community for funding this wonderful asset to our healthcare service. We were also able to install a digital x-ray unit at Lorne, after a successful application to the Regional Health Infrastructure Fund. This digital equipment allows better imaging, faster results and better outcomes for our clients.

The Apollo Bay campus has received further funding to refurbish the kitchen and other associated works following a significant infrastructure change last year, to enable the separation of Aged Care, from Acute Care. This is also funded by the Regional Health Infrastructure fund. We have also received funding from the Aged Care facilities refurbishment fund to refurbish the Lorne Laundry.

The Neighbourhood houses and the community teams have been very inventive this year to engage with their clients online. The GORH virtual hike was a huge success in 2019 and has enabled our staff to show off our region, whilst engaging in their two hours of exercise. It has been a turbulent year for community staff but despite the reduced provision of face to face services, I am very proud of the dedication our staff have to provide great care at home. We have also been able to increase Psychology, Social Work and Drug and Alcohol services this year, which has been very much needed.

The clinical teams at both sites have increased their workload with swabbing, increased permanent residents in our region as lockdowns shift our population more regionally and some increased workload with aged care residents. We continue to provide a courier service to Geelong daily, so our COVID-19 swab turnaround time is less than 24 hours.

Both Medical centres have been vaccinating the community since April, which has added to the workload, but is a huge benefit to our community to be able to access COVID-19 vaccines locally. Our vaccination rates are some of the highest in Australia.

I have been very proud of the staff this year, the teamwork continues to be outstanding. The assistance we have been able to provide others has also been a highlight, demonstrating how a relatively small health service can make a big difference.

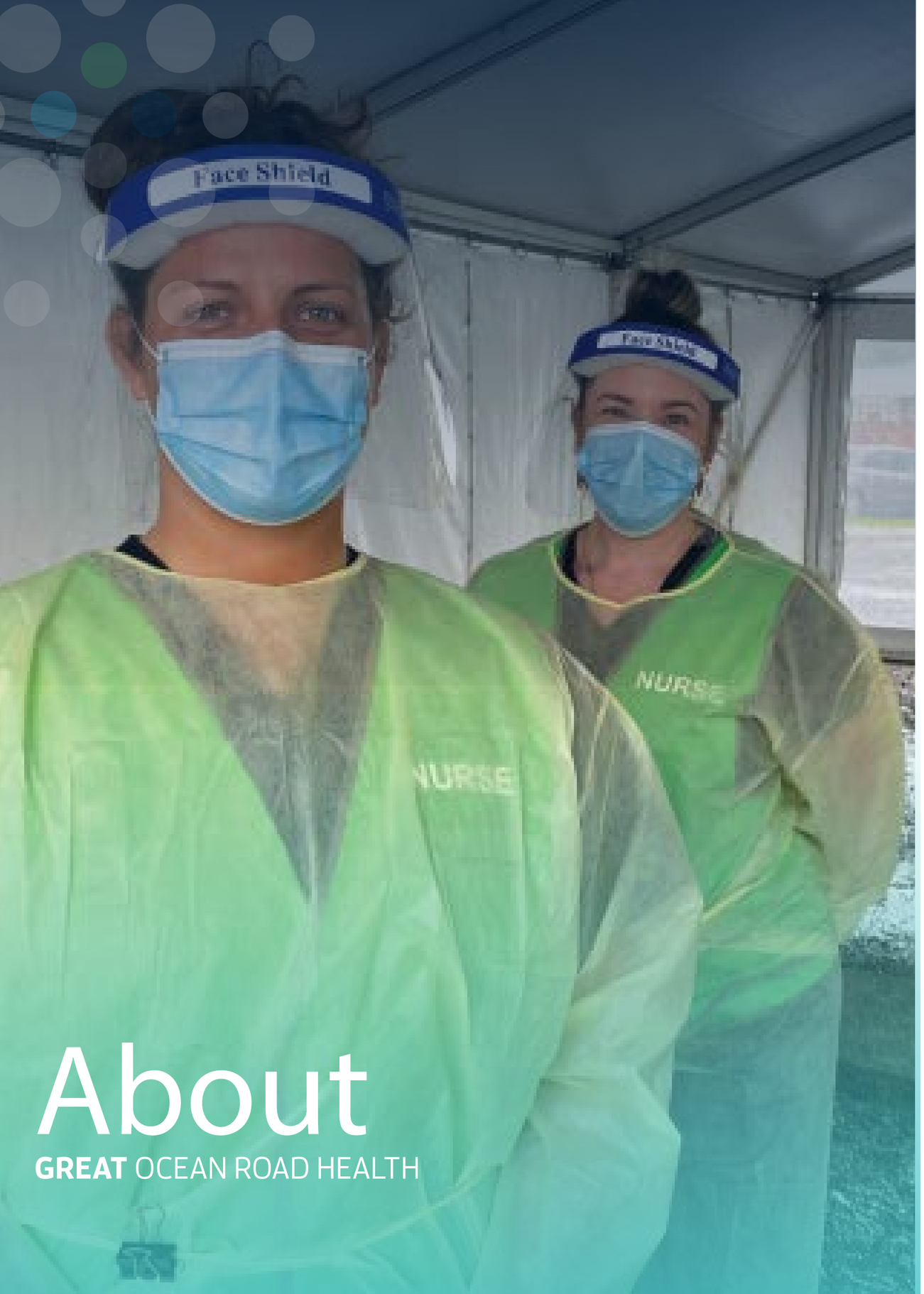
Sandy Chamberlin, GORH CEO

2020 Annual Appeal
$103,742.47

General Donations
$15,130

Op Shop Donations
$60,898

Great Ocean Road Cyclists
$14,130



About
GREAT OCEAN ROAD HEALTH

MANNER OF ESTABLISHMENT AND RELEVANT MINISTERS

Great Ocean Road Health was established in July 2019, when Otway Health and Lorne Community Hospital joined forces to operate under one entity, Great Ocean Road Health. 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.

Responsible State Ministers:

Jenny Mikakos MP
Minister for Health
Minister for Ambulance Services

Martin Foley MP
Minister for Health
Minister for Ambulance Services
Minister for Equality

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	
	2020	2021	2020	2021
Nursing	54.53	45.55	46.67	45
Administration and Clerical	27.95	23.98	27.18	25
Medical Support	8.42	8.04	7.39	6
Hotel and Allied Services	20.58	37.08	21.9	33
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)	5.93	6.69	6.21	6
TOTAL	**117.41**	**121.34**	**109.35**	**115**

GREAT OCEAN ROAD HEALTH SERVICES

Great Ocean Road Health was established in July 2019, following the amalgamation of Lorne Community Hospital and Otway Health (a multi purpose service).

Our Lorne and Apollo Bay campuses provides a comprehensive range of services, including acute, residential, aged care, primary and community care, to our catchment area, extending from Aireys Inlet to Lavers Hill and the hinterland townships.

Each of our catchment area townships has a small permanent population (approx. 5,700 in our catchment area), with a large proportion of coastal homes vacant or holiday let throughout the year. On average approximately 45,000 tourist visit our region during the peak holiday season.

Local residents experience disadvantages in terms of limited transport, education, employment opportunities, housing availability and childcare services. Great Ocean Road Health works closely with local government and other services to reduce the impact of these factors, which are similar to many rural communities.

The average age of our residents is 50 years plus, Great Ocean Road Health is actively planning and changing the model of care it delivers to meet the growing need for community based services to support positive ageing.

Great Ocean Road Health continues to work with our staff, stakeholders, volunteers and community to provide great care today and into the future.

approximately
5,700
PERMANENT RESIDENTS

approximately
45,500
DURING PEAK
HOLIDAY SEASON

GREAT HEALTH CARE 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, Separation Creek, Apollo Bay, Lavers Hill),as well as visitors to the region are eligible to access services provided by GORH.

MAP OF **GREAT** HEALTH CARE SERVICES

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, in corporating 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
- Domestic Assistance
- Exercise Classes
- Exercise Physiology
- Falls Prevention Program
- Health Coaching
- In Home and Social Support Services (HACC/ PYP, CHSP, NDIS, TAC, WorkCover)
- In Home Respite
- Independent Living Units
- Medical GP Services
- Occupational Therapy
- Personal Care
- Physiotherapy
- Social Support Individual
- Social Support Group
- 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

GREAT OCEAN ROAD
HEALTH

CORPORATE GOVERNANCE

BOARD OF DIRECTOR

Board Executive Committee

Joy Humphreys (Board Chair)
Sue Guinness (Deputy Chair)
Nick Salkeld (Deputy Chair)
Vicki Hammond
Ray Jacobson
Rob Knowles
Kelli Nicola-Richmond
Paul Shannon
Tiffany Symes
Fiona Williams

FINANCE AUDIT AND RISK COMMITTEE

Paul Shannon (Chair)
Ray Jacobson
Sue Guinness
Joy Humphreys (Ex-officio)
Nick Salkeld
Fiona Williams

SAFETY AND CLINICAL GOVERNANCE COMMITTEE

Kelli Nicola-Richmond (Chair)
Vicki Hammond
Joy Humphreys (Ex-officio)
Rob Knowles

CEO APPOINTMENT & REMUNERATION COMMITTEE

Joy Humphreys (Chair)
Nick Salkeld
Sue Guinness
Paul Shannon

COMMUNITY LIAISON COMMITTEE - LORNE

Tiffany Symes and Sue Guinness (Co-Chairs)
Joy Humphreys (Ex-officio)

Community Representatives:

Susan Balderas
Marg Cartledge
Suzanne Diviny
Carly Enticott
Lesley Goldsworthy
Michael Hansen
Stephen Hishon
Katrina Lovett
Rhiannan Sandiford

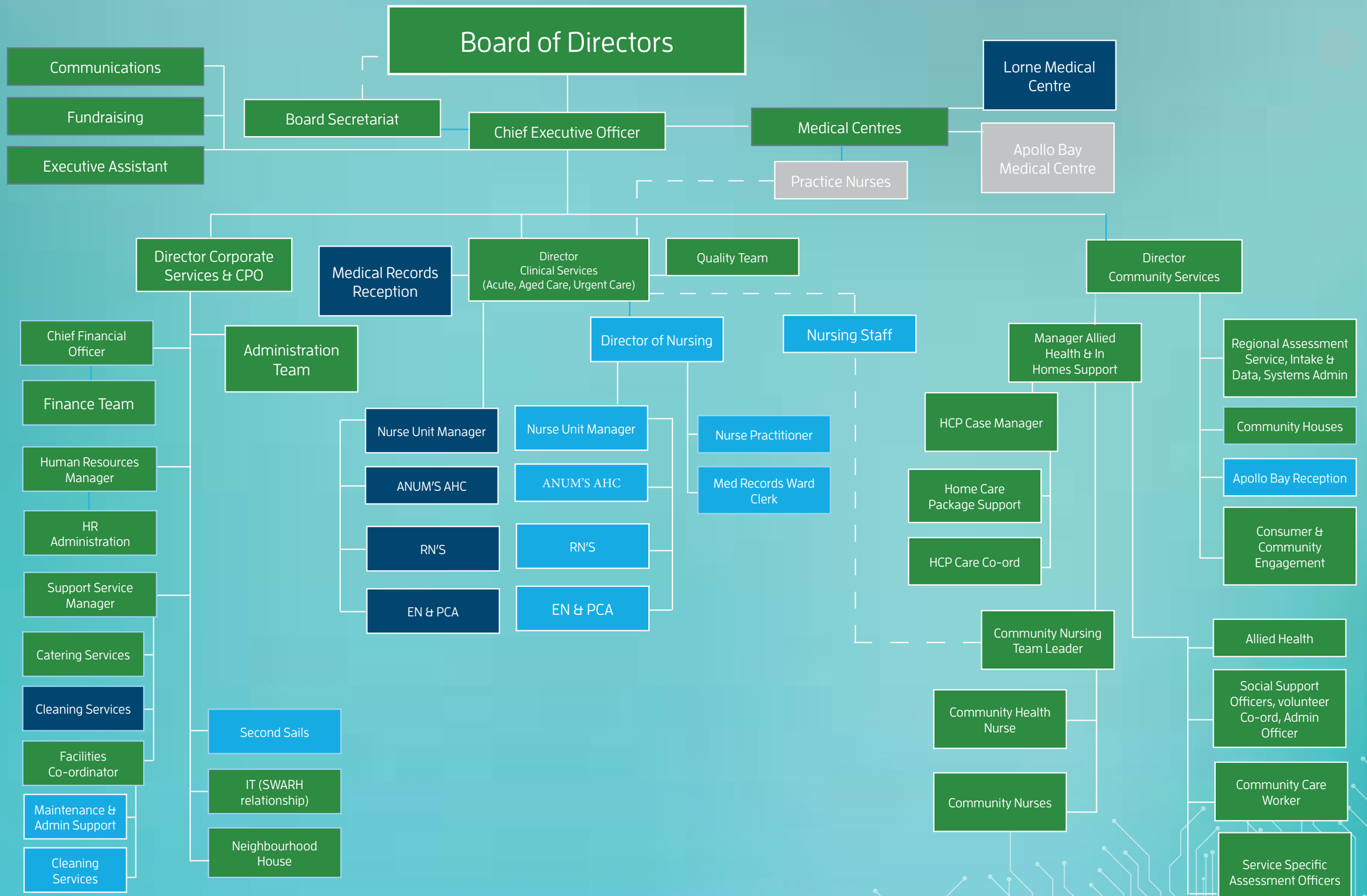
COMMUNITY ADVISORY COMMITTEE - APOLLO BAY

Fiona Williams (Chair)
Joy Humphreys (Ex-officio)

COMMUNITY REPRESENTATIVES

Di Clarke
Aimee Pickering
Hans Fankhanel
Jane Buckingham
Gill Binger
Mel Kohout
Kim Vince
Craig Buckingham
Kerry McMahon

ORGANISATIONAL CHART



PROJECTS AND INITIATIVES

Building our Identity

Although Great Ocean Road Health is a relatively new organisation, we have a long history of providing great care to our community and visitors. Great Ocean Road Health has a viable and exciting future. During the last six months, we have been developing a 2021 - 2025 Strategic Plan which highlights our new vision, purpose and values under the amalgamated health service. We will also launch our 'Great Care for Our Community' framework, which is designed to create and achieve a consumer-centered, high quality experience for every Great Ocean Road Health consumer. It has been critical to make sure our strategic plan achieves our proposed goals and aspirations, as we continue to provide great care to our regional and rural communities across Lorne and Apollo Bay.

COVID Vaccination roll-out

Great Ocean Road Health are working closely with the Department of Health/Primary Health Networks and Barwon South West Public Health Unit to plan and implement a safe and effective vaccination program for our catchment area.

Our communications department has been implementing ongoing marketing campaigns to keep our catchment area well informed and up to date with the latest vaccination advice and upcoming clinic dates. We also appointed a dedicated vaccine Clinical Project Officer to work closely with our medical centre staff and plan and ensure the effective execution of the vaccine roll-out.

Both Lorne and Apollo Bay Medial Centres play a key role in delivering the vaccines to our community. The Medical Centre staff are highly experienced in administering vaccinations, such as the influenza vaccine and have the extra benefit of being located within the Hospital, if the unlikely event of further medical assistance is required.

GORH staff are working closely with other stakeholders, including the local pharmacies, Shires, health services and media outlets to create ambassador campaigns in our catchment area.

With the COVID-19 vaccination roll-out likely to be an ongoing process throughout 2021 and beyond, the staff at GORH will be working hard to ensure the community has as much access as required to provide the immunisation for all age groups.

Virtual Hike

Great Ocean Road Health held our second annual virtual hike in support of regional and remote health care workers caring for residents in aged care. We have an aged care facility linked with both of our campuses and know how difficult this period has been on residents, staff and community.

"We have been really looking forward to the virtual hike again, especially having been locked down in the city on and off over the last 18 months. Thank you to all the staff for showcasing your wonderful coastline and thank you for inspiring my family to keep active during this very difficult period"

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 regional community.

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, where we tested our response to an outbreak in aged care and urgent care. These scenarios have been essential in preparation for an outbreak in our community.

Staff also hold a daily situational analysis meeting to review the latest COVID regulations, policies and discuss issues affecting the health services.

Diversity Action Plan

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

- Disability
- LGBTIQ+
- Dementia and Cognitive Decline
- Culturally and linguistically diverse
- Aboriginal and Torres Strait Islander Community

This group will draft a plan and will be submitted to the Inclusive Practice Group for endorsement.

People Matter Survey

COVID-19 has influenced working lives across the Victorian Public Sector and tested resilience, the People Matter Survey (PMS) has been shortened and more focused on staff wellbeing in order to better represent 2020.

The PMS provides valuable information on organisational culture, staff health and wellbeing, the response to COVID-19, negative behaviors and psychological safety. The results are extraordinary considering the amount of change, the increased workload and the COVID-19 fatigue each staff member has had to go through in the past 12-18 months. GORH implemented a health and wellbeing program in 2020, which has been recognised as an initiative and appreciated by staff.

The response rate in 2020 was much lower than previous years but this was the case for a number of small rural comparator groups across the state. This has been attributed to survey and general fatigue due to the increased workload in 2020 and beyond.

Our Highlights

- Commenced the development of GORH Strategic Plan 2021-2025
- Implementation of telehealth program
- Strengthened Consumer Advisory Committees
- Working towards zero waste on both campuses
- Lorne Gym refurbishment
- Review of home care packages
- Development of Marketing and Communication Strategies
- Lorne X Ray
- Significant growth in our community care packages
- Swabbed and vaccinated our catchment area

OCCUPATIONAL VIOLENCE

Great Ocean Road Health is committed to addressing occupational violence. During the 2020-21 reporting period, there were 15 incidents registered.

Occupational Violence Statistics	2019 - 2020	2020-2021
Workcover accepted claims with an occupational violence cause per 100 FTE	0	0.87
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0	0
Number of occupational violence incidents reported	20	15
Number of occupational violence incidents reported per 100 FTE	18.29	13.04
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0	6.67

OCCUPATIONAL HEALTH AND SAFETY DATA

	2019-2020	2020-2021
Number of reported hazards/incidents for the year per 100 FTE	55.00	49.00
Number of reported 'lost time' standard claims for the year 100 FTE	*n/a	*n/a
Average cost per claim	*n/a	*n/a

Great Ocean Road Health's occupational health and safety (OHS) incident reporting rate has decreased slightly over the past 12 months, although the rate of reporting was relatively stable quarter to quarter. OHS incidents are reviewed by the Great Ocean Road Health's, Quality, Risk and Safety committee on a monthly basis. During 2020-21, a number of controls and treatments were implemented in response to these reports.

Financial Results

2020-21 was the second year as an amalgamated entity bringing together a Small Rural Health Service in Lorne and a Multi-Purpose Health Service in Apollo Bay.

Our budget targeted a break even outcome, as we continued to focus on generating operating efficiencies brought about though the amalgamation.

Both revenue and expenditure was impacted by the COVID-19 pandemic, with our ability to provide certain services diminished in combination with increased costs. In spite of these challenges both hospitals performed well, ensuring sustainable 24/7 Urgent Care, high-occupancy Aged Care, further developed & combined community services, along with strengthened medical centres.

We are proud to report 2020-21 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.

INCOME STATEMENT

	2020	2021
Total revenue	17,834,629	19,410,000
Total expenses	18,546,601	20,073,000
Net result from transactions	(711,972)	(663,000)
Total other economic flows	58,718	80,000
Net result	(653,255)	(583,000)
Total Assets	45,622,194	46,438,000
Total Liabilities	10,976,454	9,946,000
Net Assets/Total Equity	**34,645,740**	**36,492,000**

	2021
Net operating result	384,000
Capital Purpose Income	138,000
Specific income	0
COVID 19 State Supply Arrangements	N/A
- Assets received free of charge or for nil consideration under the State Supply	N/A
State supply items consumed up to 30 June 2021	N/A
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	(1,4)
Depreciation and amortisation	(1,208,000)
Impairment of non-financial assets	N/A
Finance costs (other)	0
Net Result from Transactions	**(633,000)**

CONSULTANCIES INFORMATION

Details of consultancies (under $10,000).
In 2020-21 there were twenty consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2020-21 in relation to these consultancies is $20,818 (excl. GST).

Details of consultancies (over $10,000).
In 2020-21 there was two consultancy where the total fees payable to the consultants was $10,000 or greater. The total expenditure incurred during 2020-21 in relation to these consultancies is $48,353 (excl. GST).

Consultant	Purpose	Start Date	End Date	Total project fee (excl GST)	Expenditure 2020-21 (excl GST)	Future expenditure (excl GST)
Margot Lockhart	Coaching & leadership	Apr 20	Jun 21	$23,573	$17,633	$NIL
KPMG	Training Services	Dec 20	Mar 21	$30,720	$30,720	$NIL

INFORMATION & COMMUNICATIONS TECHNOLOGY (ICT EXPENDITURE)

The total ICT expenditure incurred during 2020-2021 is $0.57m (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 (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST)
$0.57M	NIL	NIL	NIL

COMPLIANCE WITH LEGISLATION

Local Jobs First 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 2021, 21 applications for access to documents under the Freedom of Information Act were received.

Public Interest Disclosure Act 2012

The Protected 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.

Gender Equality Act 2020

Great Ocean Road Health is formulating our own Gender Equality Action Plan. This includes auditing workforce data, employee surveys, and working collaboratively to form an inclusive action plan. GORH will submit the strategies and measures we develop for promoting gender equality in our workplace by 31 March 2022

ENVIRONMENTAL PERFORMANCE AND SUSTAINABILITY

Great Ocean Road Health is committed to maintaining and improving the health and wellbeing of our catchment area we service. To achieve this goal, we acknowledge our responsibility to provide a leadership role to ensure the environmental, social and economic sustainability of our organisation.

Environmental Performance

Our aim is to implement sound environmental practices in all areas of our operations to minimize both the impact on the environment, as well as cost.

This has lead to impressive outcomes since the health services amalgamated in 2019.

Our key highlights for 2020/21 include:

- LPG usage is down across both campuses from last year by 8.5%
- Our solar panels have generated 115,776 KW h for both Lorne and Apollo Bay.
- Implementation of sustainable business practices during the concept phase of our major/minor capital works.
- Improvements to recycling program implemented, including mask recycling.
- Moving towards providing electric fleet vehicles.

Economic Sustainability

Great Ocean Road Health is the largest employer in Apollo Bay and Lorne, with over 230 employees and a turnover of $19.4M this financial year. We support local business (both commercial and private) and play a large role in local fundraising events.

Information Technology

Great Ocean Road Health continues to ensure our information technology continues to develop to support efficient and effective operational programs required to support our organisation's commitment to ensuring the delivery of appropriate and safe care.

This is achieved through our partnership with South West Alliance of Rural Health (SWARH).

	2019-2020	2020-2021	Change from previous year
Electricity	$116	$123	+ 6%
Liquefied Petroleum Gas	$43	$47	+ 9.3%
Potable Water	$19	$20	+ 5.2%
Total	$178	$190	+6.74%

* Figures reported are based on increased pricing, although usage is reduced.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

Consistent with FRD 221 (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 dulycompleted 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

In 2020-2021 Great Ocean Road Health assisted with the following state-wide priorities to develop and implement important system reforms, including modernising our health system through redesigned governance; driving system reforms that deliver better population health, high quality care and improved patient outcomes and experiences; and reforming clinical services to ensure we are delivering our community the best value care.

Strategic Priorities

Maintain robust COVID-19 readiness and response, working with the department to ensure rapid response to outbreaks, if and when they occur, which includes providing testing for the community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of COVID-19 vaccine immunisation program rollout, ensuring the local community's confidence in the program.

Outcomes

Scenario planning for outbreaks assisted us to prepare for potential outbreaks in our region. Sending teams to work in outbreaks in regional Victoria and via AUSMAT in Papua New Guinea and Fiji allowed us to understand what an outbreak might look like in our region.

We have been able to provide pop-up drive through testing at both sites when required.

We service our region well with 7 day a week swabbing available at both sites with a 24 hour turnaround time for results. We also provide vaccination of both Pfizer and Astra Zeneca available at both Lorne and Apollo Bay Medical Centres.

The response from the community has been overwhelmingly positive for both our COVID-19 response and our COVID-19 vaccination roll out.

Engage with the community to address the needs of patients, especially vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary "catch-up" care to support them to get back on track.

Outcomes

As providers of care, respond to the recommendations of the Royal Commission into Victoria's Mental Health system and the Royal Commission into Aged Care Quality and Safety. Outcomes:

Outcome

The Royal Commission into Aged Care Quality and Safety and Mental Health was released by the Commonwealth Government on 1 March 2021. The Commonwealth Government announced a budget package of support on 11 May 2021 and at the same time released their full response to the Royal Commission. As providers of Aged Care services, the health service commits to working collaboratively with the Victorian and Commonwealth Governments to respond to the broad range of recommendations to improve outcomes for older Victorians. As a priority, health service will identify and prepare for and comply with changes that come into effect from 1 July 2021.

STATEMENT OF PRIORITIES PART **A**

Develop and foster local health partner relationships to continue delivering collaborative approaches to planning, procurement and service delivery at scale. Including prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform.

Outcomes:

Telehealth has been used extensively this year to provide GP and Allied Health appointments, we have also used telehealth in aged care to reduce travel and in urgent care when required. We have also provided group activities, exercise classes, healthy eating classes and other wellbeing activities via our Facebook pages. We have increased our onsite services for Paediatrics, Psychology, Social work and Drug and Alcohol services.

STATEMENT OF PRIORITIES PART **B**

Key Performance Indicator	Target	Result 2020-2021
Operating result ($m)	0.04	0.44
Average number of days to paying trade creditors	60 days	10 days
Average number of days to receiving patient fee debtors	60 days	21 days
Public and Private WIES activity performance to target	100%	100%
Adjusted current asset ratio	0.7	1.35
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	2020-2021
WIES Public	61.00
WIES Private	50.28
Total PPWIES (Public and Private)	111.28
WIES DVA	5.22
WIES Renal	25.65
WIES TOTAL	**142.15**

STATEMENT OF PRIORITIES PART **B**

Quality and Safe Care

Key Performance Indicator	Target	2020- 2021 Result
Health service accreditation	Full Compliance	Full Compliance
Compliance with cleaning standards	Full Compliance	Full Compliance
Compliance with the Hand Hygiene Australia Program	83%	90%
Percentage of healthcare workers immunized for influenza	90%	98%
Victorian Healthcare Experience Survey - percentage of positive patient experience responces	95%	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey - percentage of very positive responces to questions on discharge care	75%	No surveys conducted in 2020-2021

Governance and Leadership

Key Performance Indicator	Target	2020- 2021 Result
People Matter Survey - percentage of staff with a positive response to safety culture questions.	80%	85%

Financial Sustainability

Key Performance Indicator	Target	2020- 2021 Outcome
Operating result ($m)	$0.00	0.44
Trade creditors	60 days	Achieved
Patient fee debtors	60 days	Achieved
Adjusted current asset ration	0.7	Achieved
Actual number of days available cash	14 days	Achieved

STATEMENT OF PRIORITIES PART **C**

Funded Flexible Aged Care Places

Funding type	Activity Achievement 2020-2021	
Small Rural		
Small Rural Acute (TAC and DVA)	17	WEIS equivalent
Small Rural Primary Health & HACC	3,915	Service hours
Small Rural Residential Care	26,686	Bed days
Small Rural HACC	3,260	Service hours

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

Acute Care

Service	Campus	Type of Activity	Actual Activity 2020-2021
Medical Inpatients	Clinical	Bed days	696
Urgent Care	Clinical	Presentations	7380
Radiology	Clinical	Number of clients	305

Primary Health Care

Service	Actual activity 2020 -21 hours of service (both campuses combined)
Physiotherapy	1469
Community Nursing	2143
Dietetics	6.5
Podiatry (Lorne only)	104
Exercise Physiologist	575
Occupational Therapy	170
Allied Health Assistant	774
Social Worker	618
Domestic Assistance	5474
Health Coaching	486
Social Support Group	1102
Allied Health Exercise Group	4686

ATTESTATIONS AND DECLARATIONS

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 2021.

Joy Humphreys
Chair Of The Board
Great Ocean Road Health
18 October 2021

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
Chair Of The Board
Great Ocean Road Health
18 October 2021

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 October 2021

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 October 2021

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 October 2021

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 October 2021

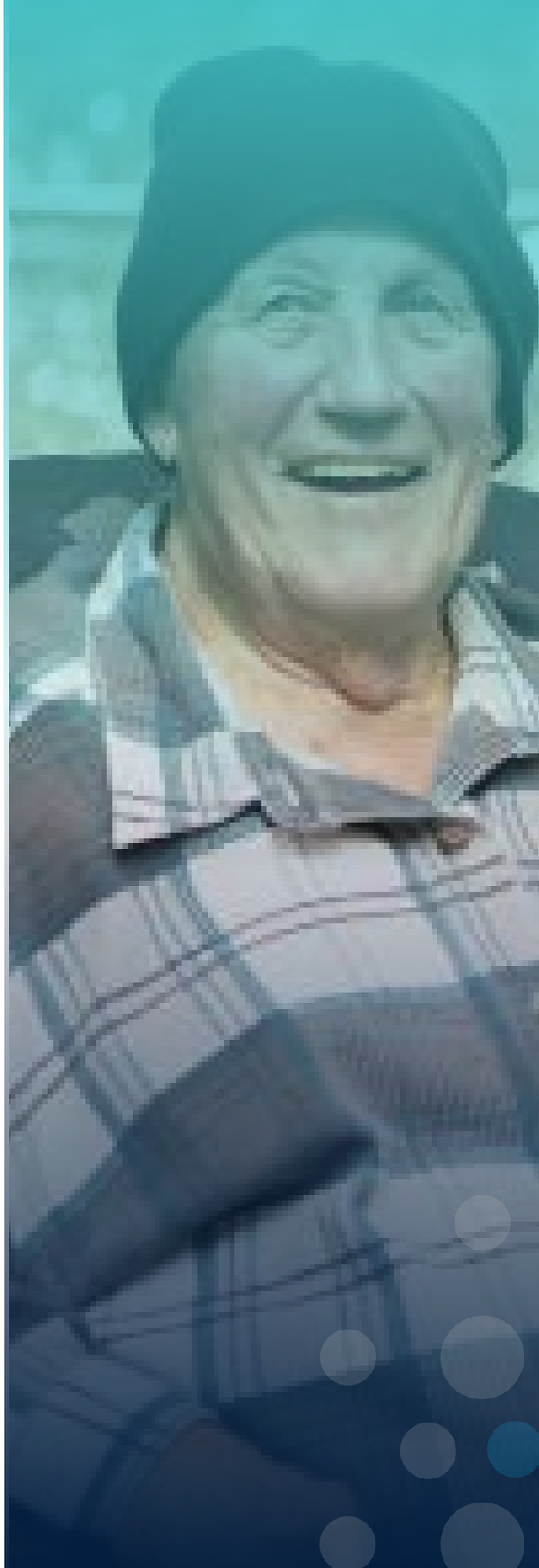
Safe Patient Care Act 2015

In accordance with Safe Patient Care Act 2015, Great Ocean Road Health has complied with all government requirements in the 2020-21 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%



ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK (AMAF) MATURITY ASSESSMENT

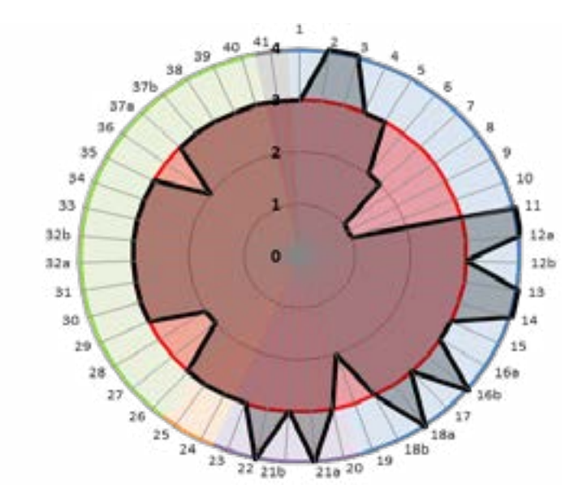
The following sections summarise Great Ocean Road health assessment of maturity against the requirements of the Asset Management Accountability.

Framework (AMAF).

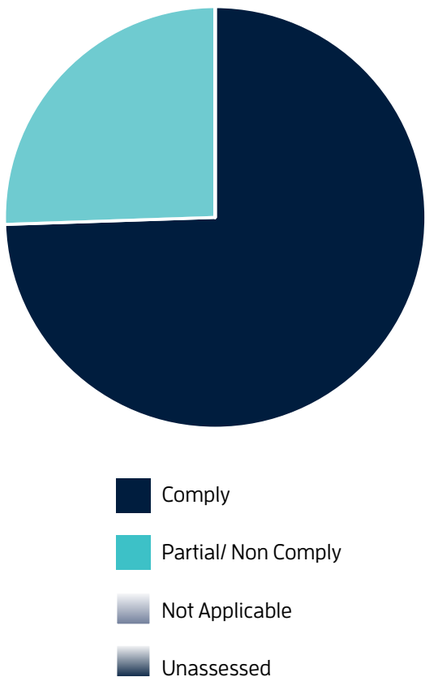
The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework).

Great Ocean Road Health target maturity rating is 3 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

Compliance and Maturity Rating Tool



AMAF Compliance



Leadership and Accountability (requirements 1-19)

Great Ocean Road Health did not comply with some requirements in the areas of allocating asset management responsibility and other requirement. There is no material non-compliance reported in this category. A plan for improvement is in place to improve Great Ocean Road Health's maturity rating in these areas.

Planning (requirements 20-23)

Great Ocean Road Health has met or is working towards target maturity level in this category. This works aligns with GORH's new strategic plan.

Acquisition (requirements 24 and 25)

Great Ocean Road Health has met or exceeded its target maturity level in this category.

Operation (requirements 26-40)

Great Ocean Road Health has met or exceeded its target maturity level under most requirements within this category. GORH did not comply with one of the requirements in the of information management regarding asset revaluation. GORH is developing a plan for improvement to establish processes to improve the capture of this data.

Disposal (requirement 41)

Great Ocean Road Health has met its target maturity level in this category.

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.

Legislation	Requirement	Page Reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22I	Manner of establishment and the relevant Ministers	9
FRD 22I	Purpose, functions, powers and duties	4-7
FRD 22I	Activities, programs and achievements for the reporting period	6-7
FRD 22I	Nature and range of services provided	10-11
FRD 22I	Significant changes in key initiatives and expectations for the future	16-17
Management and structure		
FRD 22I	Organisational structure	14-15
FRD 22I	Occupational Health and Safety	18
FDR 22I	Workforce data/employment and conduct principles	9
Financial and other information		
FRD 22I	Summary of financial results for the year	20
FRD 22I	Significant changes in financial position during the year	Financials
FRD 22I	Operational and budgetery objectives and performance againist objectives	22-23
FRD 22I	Subsequent events	Financials
FRD 22I	Details of consultancies over $10,000	23
FRD 22I	Details of consultancies under $10,000	23
FRD 22I	Disclosure of ICT expenditure	23
FRD 22I	Operational and budgetry objectives and performace against objectives	20
Legislation		
FRD 22I	Application and operation of Freedom of Information Act 1982	24
FRD 22I	Compliance with building and maintenance provisions of Building Act 1993	24
FRD 22I	Application and operation of Protected Disclosure 2012	24
FRD 22I	Statement and National Competition Policy	24
FRD 22I	Application and operation of Carers Recognition Act 2012	24

DISCLOSURE INDEX

FRD 22I	Application and operation of Carers Recognition Act 2012	24
FRD 22I	Summary of the entity's environmental performance	25
FRD 22I	Additional information available on request	26

Other relevant reporting directives

Legislation	Requirement	Page Reference
FRD 22D	Local jobs First Act disclosures	23
SD 5.1.4	Financial Management Compliance attestation	32
SD 5.2.3	Declaration in report operations	32
Attestations		
	Attestation on Data Integrity	32
	Attestation on managing Conflicts of Interest	33
	Attestation on Integrity, fraud and corruption	32
Other Reporting Requirements		
	Reporting of outcomes from Statement of Priorities 2020-2021	27-28
	Occupational Violence reporting	18
	Reporting obligations under Safe Patient Care Act 2015	33
	Reporting obligations under the Asset Management Accountability Framework (AMAF)	34-35

LORNE COMMUNITY HOSPITAL
P: (03) 5289 4300
Albert Street, Lorne VIC 3232

OTWAY HEALTH
P: (03) 5237 8500
75 McLachlan Street, Apollo Bay VIC 3233

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
21 October 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

Financial Statements
Financial Year ended 30 June 2021

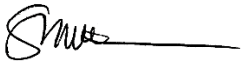
Board member's, accountable officer's, and chief finance & accounting officer's declaration

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 2021 and the financial position of Great Ocean Road Health at 30 June 2021.

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 18th October, 2021.

Board member	**Accountable Officer**	**Chief Finance & Accounting Officer**
		
Joy Humphreys	Sandy Chamberlin	Andrea Deppeler
Chair	Chief Executive Officer	Acting Chief Finance and Accounting Officer
Lorne 18th October, 2021	Lorne 18th October, 2021	Lorne 18th October, 2021

Great Ocean Road Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2021

	Note	Total 2021 $'000	Total 2020 $'000
Revenue and income from transactions			
Operating activities	2.1	19,295	17,719
Non-operating activities	2.1	115	117
Total revenue and income from transactions		**19,410**	**17,836**
Expenses from transactions			
Employee expenses	3.1	(14,882)	(13,129)
Supplies and consumables	3.1	(960)	(874)
Finance costs	3.1	(36)	(5)
Depreciation and amortisation	3.1	(1,208)	(1,204)
Other administrative expenses	3.1	(2,167)	(2,448)
Other operating expenses	3.1	(811)	(855)
Other non-operating expenses	3.1	(9)	(31)
Total Expenses from transactions		**(20,073)**	**(18,546)**
Net result from transactions - net operating balance		**(663)**	**(710)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.4	55	94
Net gain/(loss) on financial instruments	3.4	-	(2)
Other gain/(loss) from other economic flows	3.4	25	(34)
Total other economic flows included in net result		**80**	**58**
Net result for the year		**(583)**	**(652)**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.1(b)	2,429	-
Total other comprehensive income		**2,429**	**-**
Comprehensive result for the year		**1,846**	**(652)**

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

Great Ocean Road Health
Balance Sheet
As at 30 June 2021

	Note	Total 2021 $'000	Total 2020 $'000
Current assets			
Cash and cash equivalents	6.2	11,681	12,794
Receivables and contract assets	5.1	957	862
Prepaid expenses		107	183
Total current assets		**12,745**	**13,839**
Non-current assets			
Property, plant and equipment	4.1 (a)	33,693	31,737
Total non-current assets		**33,693**	**31,737**
Total assets		**46,438**	**45,576**
Current liabilities			
Payables and contract liabilities	5.2	1,283	1,225
Borrowings	6.1	80	111
Employee benefits	3.2	2,169	1,739
Other liabilities	5.3	5,920	7,207
Total current liabilities		**9,452**	**10,282**
Non-current liabilities			
Borrowings	6.1	190	174
Employee benefits	3.2	304	474
Total non-current liabilities		**494**	**648**
Total liabilities		**9,946**	**10,930**
Net assets		**36,492**	**34,646**
Equity			
Property, plant and equipment revaluation surplus	4.1(f)	2,429	-
Restricted specific purpose reserve	SCE	1,904	1,904
Contributed capital	SCE	35,337	35,337
Accumulated surplus/(deficit)	SCE	(3,178)	(2,595)
Total equity		**36,492**	**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 2021

Total	Note	Property, Plant and Equipment Revaluation Surplus $'000	Restricted Specific Purpose Reserve $'000	Contributed Capital $'000	Accumulated Surplus/(Deficits) $'000	Total $'000
Balance at 30 June 2019		**-**	**-**	**35,087**	**-**	**35,087**
Effect of adoption of AASB 15, 16 and 1058		-	-	-	(39)	(39)
Restated Balance at 1 July 2019		**-**	**-**	**35,087**	**(39)**	**35,048**
Net result for the year		-	-	-	(652)	(652)
Other comprehensive income for the year		-	-	-	-	-
Transfer from/(to) accumulated deficits		-	1,904	-	(1,904)	-
Contributed capital		-	-	250	-	250
Share of decrement in Joint Venture Membership		-	-	-	-	-
Balance at 30 June 2020		**-**	**1,904**	**35,337**	**(2,595)**	**34,646**
Net result for the year		-	-	-	(583)	(583)
Other comprehensive income for the year		2,429	-	-	-	2,429
Transfer from/(to) accumulated deficits		-	-	-	-	-
Balance at 30 June 2021		**2,429**	**1,904**	**35,337**	**(3,178)**	**36,492**

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 2021

	Note	Total 2021 $'000	Total 2020 $'000
Cash Flows from operating activities			
Operating grants from government		13,184	12,072
Capital grants from government - State		82	24
Patient fees received		1,271	1,469
Donations and bequests received		366	-
GST received from ATO		69	-
Interest and investment income received		40	117
Commercial Income Received		2,670	2,590
Other receipts		1,402	1,827
Total receipts		**19,084**	**18,099**
Employee expenses paid		(14,558)	(13,196)
Payments for supplies and consumables		(677)	(731)
Payments for medical indemnity insurance		(50)	(19)
Payments for repairs and maintenance		(494)	(486)
Finance Costs		(36)	(5)
GST paid to ATO		-	(107)
Other payments		(2,358)	(2,924)
Total payments		**(18,173)**	**(17,468)**
Net cash flows from/(used in) operating activities	8.1	**911**	**631**
Cash Flows from investing activities			
Purchase of property, plant and equipment		(500)	(666)
Capital donations and bequests received		37	241
Other capital receipts		15	68
Proceeds from disposal of property, plant and equipment		55	580
Proceeds from disposal of investments		-	308
Net cash flows from/(used in) investing activities		**(393)**	**531**
Cash flows from financing activities			
Repayment of borrowings		(225)	(134)
Receipt of Capital Contribution		-	250
Receipt of accommodation deposits		-	1,343
Repayment of accommodation deposits		(1,406)	-
Net cash flows from /(used in) financing activities		**(1,631)**	**1,459**
Net increase/(decrease) in cash and cash equivalents held		**(1,113)**	**2,621**
Cash and cash equivalents at beginning of year		12,794	10,173
Cash and cash equivalents at end of year	6.2	**11,681**	**12,794**

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

Notes to the Financial Statements

Great Ocean Road Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

Structure

1.1 Basis of preparation of the financial statements
1.2 Impact of COVID-19 pandemic
1.3 Abbreviations and terminology used in the financial statements
1.4 Joint arrangements
1.5 Key accounting estimates and judgements
1.6 Accounting standards issued but not yet effective
1.7 Goods and Services Tax (GST)
1.8 Reporting entity

Great Ocean Road Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Great Ocean Road Health for the year ended 30 June 2021. The report provides users with information about Great Ocean Road Health's stewardship of the resources entrusted to it.

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

Note 1.1: Basis of preparation of the financial statements

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

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

Great Ocean Road Health is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

Great Ocean Road Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Great Ocean Road Health's Capital and Specific Purpose Funds include:
- Donation and Fundraising Funds
- Commercial activities.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on a going concern basis (refer to Note 8.9 Economic Dependency).

The financial statements are in Australian dollars.

Great Ocean Road Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

The amounts presented in the financial statements have been rounded to the nearest thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of Great Ocean Road Health on 20th September, 2021.

Note 1.2 Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. Since this date, to contain the spread of COVID-19 and prioritise the health and safety of our community, Great Ocean Road Health was required to comply with various directions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Great Ocean Road Health operates.

Great Ocean Road Health introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing reduced visitor hours
- performing COVID-19 testing
- administering COVID-19 vaccinations
- implementing work from home arrangements where appropriate.

As restrictions have eased towards the end of the financial year Great Ocean Road Health has revised some measures where appropriate including returning to work onsite, recommencement of surgical activities and opening access for visitors during periods where we are able.

The financial impacts of the pandemic are disclosed at:

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering services.
- Note 4: Key assets to support service delivery
- Note 5: Other assets and liabilities
- Note 6: How we finance our operations.

Great Ocean Road Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1.3 Abbreviations and terminology used in the financial statements
The following table sets out the common abbreviations used throughout the financial statements:

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

Note 1.4 Joint arrangements
Interests in joint arrangements are accounted for by recognising in Great Ocean Road Health's financial statements, its share of assets and liabilities and any revenue and expenses of such joint arrangements.

Great Ocean Road Health has the following joint arrangements:

- South West Alliance of Rural Health - Joint Operation

Details of the joint arrangements are set out in Note 8.7.

Note 1.5 Key accounting estimates and judgements
Management make estimates and judgements when preparing the financial statements.

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

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

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

Note 1.6 Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Great Ocean Road Health and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: *Insurance Contracts*	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*	Reporting periods on or after 1 January 2021.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Great Ocean Road Health in future periods.

Note 1.7 Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are included in the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

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

Great Ocean Road Health
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Note 1.8 Reporting Entity
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, within the annual report, which does not form part of these financial statements.

Note 2: Funding delivery of our services

Great Ocean Road Health'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 grant funding for the provision of outputs. Great Ocean Road Health also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions
2.2 Fair value of assets and services received free of charge or for nominal consideration
2.3 Other income

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services increased during the financial year which was partially attributableto the COVID-19 Coronavirus pandemic.

Funding provided included:

- COVID-19 operational funding
- Specified funding for Covid-19 Vaccination

The funding received offset reductions in patient fees and other recoveries where services were unable to be provided.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	Great Ocean Road Health applies significant judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Great Ocean Road Health to recognise revenue as or when the health service transfers promised goods or services to customers. If this criteria is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Great Ocean Road Health applies significant judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	Great Ocean Road Health applies significant judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.

Note 2.1 Revenue and income from transactions

	Total 2021 $'000	Total 2020 $'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	3	3
Government grants (Commonwealth) - Operating	1,207	1,226
Patient and resident fees	1,281	1,559
Commercial activities [1]	2,670	2,590
Total revenue from contracts with customers	**5,161**	**5,378**
Other sources of income		
Government grants (State) - Operating	9,011	7,924
Government grants (Commonwealth) - Operating	3,092	2,567
Government grants (State) - Capital	82	24
Other capital purpose income	15	68
Capital donations	37	-
Assets received free of charge or for nominal consideration	526	241
Other revenue from operating activities (including non-capital donations)	1,371	1,517
Total other sources of income	**14,134**	**12,341**
Total revenue and income from operating activities	**19,295**	**17,719**
Non-operating activities		
Income from other sources		
Capital interest	5	14
Other interest	35	103
Other revenue from non-operating activities	75	-
Total other sources of income	**115**	**117**
Total income from non-operating activities	**115**	**117**
Total revenue and income from transactions	**19,410**	**17,836**

1. Commercial activities represent business activities which Great Ocean Road Health enter into to support their operations.

Note 2.1 Revenue and income from transactions

How we recognise revenue and income from transactions
Government operating grants

To recognise revenue, Great Ocean Road Health assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: Revenue from Contracts with Customers.

When both these conditions are satisfied, the health service:

- Identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfied its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, in accordance with AASB 1058 - *Income for not-for-profit entities* , the health service:

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

The types of government grants recognised under AASB 15: *Revenue from Contracts with Customers* includes:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed. WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group.
Commonwealth Residential Aged Care Grants	Funding is provided for the provision of care for aged care residents within facilities at Great Ocean Road Health. The performance obligations include provision of residentail accommodations and care from nursing staff and personal care workers. Revenue is recognised at the point in time when the service is provided within the residential aged care facility.

Capital grants

Where Great Ocean Road Health receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.

Income is recognised progressively as the asset is constructed which aligns with Great Ocean Road Health's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Note 2.1 Revenue and income from transactions (continued)

Patient and resident fees
Patient and resident fees are charges that can be levied on patients for some services they receive. Patient and resident fees are recognised at a point in time when the performance obligation, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

Commercial activities
Revenue from commercial activities includes items such as meal sales and provision of accommodation. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

Non-cash contributions from the Department of Health
The Department of Health makes some payments on behalf of Great Ocean Road Health as follows:

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

Note 2.2 Fair value of assets and services received free of charge or for nominal consideration

	Total 2021 $'000	Total 2020 $'000
Cash donations and gifts	366	241
Plant and equipment	25	-
Personal protective equipment	135	-
Total fair value of assets and services received free of charge or for nominal consideration	**526**	**241**

How we recognise the fair value of assets and services received free of charge or for nominal consideration

Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when Great Ocean Road Health usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

Personal protective equipment

In order to meet the State of Victoria's health system supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment.

The general principles of the State Supply Arrangement were that Health Share Victoria sourced, secured and agreed terms for the purchase of the PPE products, funded by the Department of Health, while Monash Health took delivery, and distributed an allocation of the products to Great Ocean Road Health as resources provided free of charge. Health Share Victoria and Monash Health were acting as an agent of the Department of Health under this arrangement.

Contributions

Great Ocean Road Health may receive assets for nil or nominal consideration to further its objectives. The assets are recognised at their fair value when Great Ocean Road Health obtains control over the asset, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

On initial recognition of the asset, Great Ocean Road Health recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions and revenue or contract liabilities arising from a contract with a customer.

Great Ocean Road Health recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

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

Note 2.2 Fair value of assets and services received free of charge or for nominal consideration

Voluntary Services

Contributions by volunteers, in the form of services, are only recognised when fair value can be reliably measured, and the services would have been purchased if they had not been donated. Great Ocean Road Health has considered the services provided by volunteers and has determined the value of volunteer services cannot be readily determined and therefore it has not recorded any income related to volunteer services.

Note 2.3 Other income

	Total 2021 $'000	Total 2020 $'000
Interest	40	117
Total other income	**40**	**117**

How we recognise other income

Interest Income

Interest revenue is recognised on a time proportionate basis that considers 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 health service in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

3.1 Expenses from transactions
3.2 Employee benefits in the balance sheet
3.3 Superannuation
3.4 Other economic flows

Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial year which was partially attributable to the COVID-19 Coronavirus pandemic.

Additional costs were incurred to deliver the following additional services:

- implement COVID safe practices throughout Great Ocean Road Health including increased cleaning, increased security, consumption of personal protective equipment provided as resources free of charge.
- establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in employee costs, additional equipment purchased.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	Great Ocean Road Health applies significant judgment when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Great Ocean Road Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Great Ocean Road Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category. The health service also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.

Note 3.1 Expenses from transactions

	Note	Total 2021 $'000	Total 2020 $'000
Salaries and wages		11,723	10,286
On-costs		1,025	933
Agency expenses		615	556
Fee for service medical officer expenses		1,443	1,293
Workcover premium		76	61
Total employee expenses		**14,882**	**13,129**
Drug supplies		48	70
Medical and surgical supplies (including Prostheses)		281	276
Diagnostic and radiology supplies		19	10
Other supplies and consumables		612	518
Total supplies and consumables		**960**	**874**
Finance costs		36	5
Total finance costs		**36**	**5**
Other administrative expenses		2,167	2,448
Total other administrative expenses		**2,167**	**2,448**
Fuel, light, power and water		216	227
Repairs and maintenance		283	297
Maintenance contracts		211	189
Medical indemnity insurance		50	19
Expenditure for capital purposes		51	123
Total other operating expenses		**811**	**855**
Total operating expense		**18,856**	**17,311**
Depreciation and amortisation	4.2	1,208	1,204
Total depreciation and amortisation		**1,208**	**1,204**
Bad and doubtful debt expense		9	31
Total other non-operating expenses		**9**	**31**
Total non-operating expense		**1,217**	**1,235**
Total expenses from transactions		**20,073**	**18,546**

Note 3.1 Expenses from transactions

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- amortisation of discounts or premiums relating to borrowings
- 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 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.

Note 3.2 Employee benefits in the balance sheet

	Total 2021 $'000	Total 2020 $'000
Current provisions		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [i]	24	19
	24	**19**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	771	645
Unconditional and expected to be settled wholly after 12 months [ii]	131	113
	902	**758**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	145	148
Unconditional and expected to be settled wholly after 12 months [ii]	891	652
	1,036	**800**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	95	78
Unconditional and expected to be settled after 12 months [ii]	112	84
	207	**162**
Total current employee benefits	**2,169**	**1,739**
Non-current provisions		
Conditional long service leave [i]	275	428
Provisions related to employee benefit on-costs [ii]	29	46
Total non-current employee benefits	**304**	**474**
Total employee benefits	**2,473**	**2,213**

[i] The amounts disclosed are nominal amounts.

[ii] The amounts disclosed are discounted to present values.

Note 3.2 Employee benefits in the balance sheet

How we recognise employee benefits
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.

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

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 3.2 (a) Employee benefits and related on-costs

	Total 2021 $'000	Total 2020 $'000
Unconditional accrued days off	24	19
Unconditional annual leave entitlements	1,001	838
Unconditional long service leave entitlements	1,144	882
Total current employee benefits and related on-costs	**2,169**	**1,739**
Conditional long service leave entitlements	304	474
Total non-current employee benefits and related on-costs	**304**	**474**
Total employee benefits and related on-costs	**2,473**	**2,213**
Carrying amount at start of year	2,213	2,054
Additional provisions recognised	1,182	1,048
Unwinding of discount and effect of changes in the discount rate	25	(34)
Amounts incurred during the year	(947)	(855)
Carrying amount at end of year	**2,473**	**2,213**

Note 3.3 Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2021 $'000	Total 2020 $'000	Total 2021 $'000	Total 2020 $'000
Defined benefit plans:[i]				
First State Super	3	4	-	-
Defined contribution plans:				
First State Super	471	491	-	-
Hesta	253	241	-	-
Other	298	197	-	-
Total	**1,025**	**933**	**-**	**-**

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

How we recognise superannuation

Employees of Great Ocean Road Health are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans

The defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by 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 DTF discloses the State's defined benefits liabilities in its disclosure for administered items. However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of 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.

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.

Note 3.4 Other economic flows included in net result

	Total 2021 $'000	Total 2020 $'000
Net gain/(loss) on disposal of property plant and equipment	55	94
Total net gain/(loss) on non-financial assets	**55**	**94**
Other gains/(losses) from other economic flows	-	(2)
Total net gain/(loss) on financial instruments	**-**	**(2)**
Net gain/(loss) arising from revaluation of long service liability	25	(34)
Total other gains/(losses) from other economic flows	**25**	**(34)**
Total gains/(losses) from other economic flows	**80**	**58**

How we recognise other economic flows

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

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates and;
- reclassified amounts relating to equity instruments from the reserves to retained surplus/(deficit) 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:

- 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 Investments and other financial assets and

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

Telling the COVID-19 story

Assets used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 Coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	Great Ocean Road Health obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	Great Ocean Road Health assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Great Ocean Road Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.

Key judgements and estimates (continued)

Key judgements and estimates	Description
Identifying indicators of impairment	At the end of each year, Great Ocean Road Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: ▪ If an asset's value has declined more than expected based on normal use ▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset ▪ If an asset is obsolete or damaged ▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life ▪ If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	Total 2021 $'000	Total 2020 $'000
Land at fair value - Crown	11,700	9,271
Total land at fair value	**11,700**	**9,271**
Buildings at fair value	21,046	20,960
Less accumulated depreciation	(1,552)	(779)
Total buildings at fair value	**19,494**	**20,181**
Property improvements at fair value	496	493
Less accumulated depreciation	(20)	-
Total property improvements at fair value	**476**	**493**
Works in progress at fair value	**315**	**20**
Total land and buildings	**31,985**	**29,965**
Plant and equipment at fair value	1,312	1,247
Less accumulated depreciation	(911)	(832)
Total plant and equipment at fair value	**401**	**415**
Motor vehicles at fair value	517	661
Less accumulated depreciation	(388)	(465)
Total motor vehicles at fair value	**129**	**196**
Medical equipment at fair value	1,072	993
Less accumulated depreciation	(743)	(665)
Total medical equipment at fair value	**329**	**328**
Computer equipment at fair value	207	186
Less accumulated depreciation	(174)	(163)
Total computer equipment at fair value	**33**	**23**
Furniture and fittings at fair value	1,301	1,222
Less accumulated depreciation	(878)	(767)
Total furniture and fittings at fair value	**423**	**455**
Right of use plant, equipment, furniture, fittings and vehicles at fair value	422	362
Less accumulated depreciation	(29)	(7)
Total right of use plant, equipment, furniture, fittings and vehicles at fair value	**393**	**355**
Total plant, equipment, furniture, fittings and vehicles at fair value	**1,708**	**1,772**
Total property, plant and equipment	**33,693**	**31,737**

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

	Note	Land $'000	Buildings & Improvements $'000	Building works in progress $'000	Plant & equipment $'000	Motor vehicles $'000	Medical Equipment $'000	Computer Equipment $'000
Balance at 1 July 2019		**9,509**	**21,600**	**24**	**530**	**268**	**193**	**26**
Additions		-	105	(4)	179	-	216	11
Disposals		(238)	(248)	-	-	-	-	-
Net transfers between classes		-	-	-	(215)	-	-	-
Depreciation	4.2	-	(783)	-	(79)	(73)	(81)	(14)
Balance at 30 June 2020	4.1 (a)	**9,271**	**20,674**	**20**	**415**	**195**	**328**	**23**
Additions		-	89	295	65	-	79	81
Disposals		-	-	-	-	(10)	-	-
Revaluation increments/(decrements)		2,429	-	-	-	-	-	-
Net Transfers between classes		-	-	-	-	-	-	-
Depreciation	4.2	-	(793)	-	(79)	(56)	(78)	(71)
Balance at 30 June 2021	4.1 (a)	**11,700**	**19,970**	**315**	**401**	**129**	**329**	**33**

	Note	Furniture & Fittings $'000	Right of use - PE, FF&V $'000	Total $'000
Balance at 1 July 2019		**401**	**-**	**32,551**
Additions		159	210	876
Disposals		-	-	(486)
Revaluation increments/(decrements)		-	-	-
Net transfers between classes		-	215	-
Depreciation	4.2	(104)	(70)	(1,204)
Balance at 30 June 2020	4.1 (a)	**456**	**355**	**31,737**
Additions		78	58	745
Disposals		-	-	(10)
Revaluation increments/(decrements)		-	-	2,429
Depreciation	4.2	(111)	(20)	(1,208)
Balance at 30 June 2021	4.1 (a)	**423**	**393**	**33,693**

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

Land and Buildings and Leased Assets Carried at Valuation
The Valuer-General Victoria undertook to re-value all of Great Ocean Road Healths 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.

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by Great Ocean Road Health in the supply of goods or services, for rental to others, or for administration purposes, and are expected to be used during more than one financial year.

Initial recognition

Items of property, plant and equipment (excluding right-of-use assets) are initially measured at cost. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

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

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

Fair value is determined with reference to the asset’s highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Further information regarding fair value measurement is disclosed below.

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

Revaluation

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

Where an independent valuation has not been undertaken at balance date, Great Ocean Road Health perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, Great Ocean Road Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Great Ocean Road Health's property, plant and equipment was performed by the VGV on 30 June 2019. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The managerial assessment performed at 30 June 2021 indicated an overall:

- increase/decrease in fair value of land of 26.2% ($2,429,000)
- Buildings were deemed an immaterial movement by the Valuer General Victoria for health agencies in 2021.

As the cumulative movement was greater than 10% for land since the last revaluation a managerial revaluation adjustment was required as at 30 June 2021.

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

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

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

The revaluation reserve included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

Impairment

At the end of each financial year, Great Ocean Road Health assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, Great Ocean Road Health estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

Great Ocean Road Health has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

How we recognise right-of-use assets

Where Great Ocean Road Health enters a contract, which provides the health service with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. Great Ocean Road Health presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Right-of-use assets and their respective lease terms include:

Class of right-of-use asset	Lease term
Leased plant, equipment, furniture, fittings and vehicles	2 to 5 years

Presentation of right-of-use assets

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.

Initial recognition

When a contract is entered into, Great Ocean Road Health assesses if the contract contains or is a lease. If a lease is present, a right-of-use asset and corresponding lease liability is recognised. The definition and recognition criteria of a lease is disclosed at Note 6.1.

The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

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

Great Ocean Road Health's vehicle lease agreements contain purchase options which the health service is not reasonably certain to exercise at the completion of the lease.

Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset

Subsequent measurement

Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses where applicable. Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Impairment

At the end of each financial year, Great Ocean Road Health assesses if there is any indication that a right-of-use asset may be impaired by considering internal and external sources of information. If an indication exists, Great Ocean Road Health estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised.

Great Ocean Road Health performed an impairment assessment and noted there were no indications of its right-of-use assets being impaired at balance date.

Note 4.1 (c) Fair value measurement hierarchy for assets

	Note	Total carrying amount 30 June 2021 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Specialised land		11,700	-	-	11,700
Total land at fair value	4.1 (a)	**11,700**	**-**	**-**	**11,700**
Specialised buildings		19,970	-	-	19,970
Total buildings at fair value	4.1 (a)	**19,970**	**-**	**-**	**19,970**
Plant and equipment at fair value	4.1 (a)	401	-	-	401
Motor vehicles at fair value	4.1 (a)	129	-	129	-
Medical equipment at Fair Value	4.1 (a)	329	-	-	329
Computer equipment at fair value	4.1 (a)	33	-	-	33
Furniture and fittings at fair value	4.1 (a)	423	-	-	423
Total plant, equipment, furniture, fittings and vehicles at fair value		**1,315**	**-**	**129**	**1,186**
Total property, plant and equipment at fair value		**32,985**	**-**	**129**	**32,856**

		Total carrying amount 30 June 2020 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Specialised land					
Total land at fair value	4.1 (a)	9,271	-	-	9,271
		9,271	**-**	**-**	**9,271**
Specialised buildings		20,674	-	-	20,674
Total buildings 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
Computer equipment at fair value	4.1 (a)	23	-	-	23
Furniture and fittings at fair value	4.1 (a)	455	-	-	455
Total plant, equipment, furniture, fittings and vehicles at fair value		**1,417**	**-**	**196**	**1,221**
Total Property, Plant and Equipment		**31,362**	**-**	**196**	**31,166**

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

4.1 (d): Reconciliation of level 3 fair value measurement

Total	Note	Land $'000	Buildings $'000	Plant and equipment $'000	Medical equipment $'000	Computer equipment $'000	Furniture & fittings $'000
Balance at 1 July 2019	4.1 (b)	**9,509**	**21,600**	**530**	**193**	**26**	**401**
Additions/(Disposals)	4.1 (b)	(238)	(143)	179	216	11	159
Assets provided free of charge		-	-	-	-	-	-
Net Transfers between classes	4.1 (b)	-	-	(215)	-	-	-
Gains/(Losses) recognised in net result		-	-	-	-	-	-
- Depreciation and amortisation	4.2	-	(783)	(79)	(81)	(14)	(104)
- Impairment loss		-	-	-	-	-	-
Items recognised in other comprehensive income		-	-	-	-	-	-
- Revaluation		-	-	-	-	-	-
Balance at 30 June 2020	4.1 (c)	**9,271**	**20,674**	**415**	**328**	**23**	**456**
Additions/(Disposals)	4.1 (b)	-	89	65	79	81	78
Assets provided free of charge		-	-	-	-	-	-
Net Transfers between classes	4.1 (b)	-	-	-	-	-	-
Gains/(Losses) recognised in net result		-	-	-	-	-	-
- Depreciation and Amortisation	4.2	-	(793)	(79)	(78)	(71)	(111)
- Impairment loss		-	-	-	-	-	-
Items recognised in other comprehensive income		-	-	-	-	-	-
- Revaluation		2,429	-	-	-	-	-
Balance at 30 June 2021	4.1 (c)	**11,700**	**19,970**	**401**	**329**	**33**	**423**

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

Note 4.1 (e) Property, plant and equipment (fair value determination)

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised land (Crown/freehold)	Market approach	Community Service Obligations Adjustments [(i)]
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

(i) A community service obligation (CSO) of 20% was applied to Great Ocean Road Health's specialised land.

How we measure fair value

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

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.

Note 4.1 (e) Property, plant and equipment (fair value determination)

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.

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.

Note 4.1 (e) Property, plant and equipment (fair value determination)

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 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.

An independent valuation of Great Ocean Road Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2019.

Vehicles

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).

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2021.

Note 4.1 (f) Property, plant and equipment revaluation reserve

	Note	Total 2021 $'000	Total 2020 $'000
Balance at the beginning of the reporting period		-	-
Revaluation increment			
- Land	4.1 (b)	2,429	-
Balance at the end of the Reporting Period*		**2,429**	**-**
*** Represented by:**			
- Land		2,429	-
- Buildings		-	-
		2,429	**-**

Note 4.2 Depreciation and amortisation

	Total 2021 $'000	Total 2020 $'000
Depreciation		
Buildings	793	783
Plant and equipment	79	79
Motor vehicles	56	73
Medical equipment	78	81
Computer equipment	71	14
Furniture and fittings	111	104
Right of use - plant, equipment, furniture, fittings and motor vehicles	20	70
Total depreciation	**1,208**	**1,204**

How we recognise depreciation

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the health service anticipates to exercise a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

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

	2021	2020
Buildings		
- Structure shell building fabric	45 to 60 years	45 to 60 years
- Site engineering services and central plant	20 to 30 years	20 to 30 years
Central Plant		
- Fit Out	20 to 30 years	20 to 30 years
- Trunk reticulated building system	30 to 40 years	30 to 40 years
Plant and equipment	5 to 20 years	5 to 20 years
Medical equipment	5 to 10 years	5 to 10 years
Computers and communication	3 to 9 years	3 to 9 years
Furniture and fitting	10 to 15 years	10 to 15 years
Motor Vehicles	5 to 8 years	5 to 8 years

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

Note 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 and contract assets
5.2 Payables and contract liabilities
5.3 Other liabilities

Telling the COVID-19 story

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Great Ocean Road Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	Where Great Ocean Road Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Great Ocean Road Health applies significant judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	Great Ocean Road Health applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Note 5.1 Receivables and contract assets

	Notes	Total 2021 $'000	Total 2020 $'000
Current receivables and contract assets			
Contractual			
Trade debtors		306	406
Patient fees		172	162
Provision for impairment		(25)	(16)
Accrued revenue		284	93
Amounts receivable from governments and agencies		110	38
Total contractual receivables		**847**	**683**
Statutory			
GST receivable		110	179
Total statutory receivables		**110**	**179**
Total current receivables and contract assets		**957**	**862**
Total receivables and contract assets		**957**	**862**
(i) Financial assets classified as receivables and contract assets (Note 7.1(a))			
Total receivables and contract assets		957	862
Provision for impairment		25	16
GST receivable		(110)	(179)
Total financial assets	7.1(a)	**872**	**699**

Note 5.1 Receivables and contract assets (continued)

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

	Total 2021 $'000	Total 2020 $'000
Balance at the beginning of the year	16	5
Increase in allowance	9	31
Amounts written off during the year	-	(20)
Reversal of allowance written off during the year as uncollectable	-	-
Balance at the end of the year	**25**	**16**

How we recognise receivables
Receivables consist of:

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

- **Statutory receivables**, which mostly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

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.

Impairment losses of contractual receivables
Refer to Note 7.1 (a) for Great Ocean Road Health's contractual impairment losses.

Note 5.2 Payables and contract liabilities

	Note	Total 2021 $'000	Total 2020 $'000
Current payables and contract liabilities			
Contractual			
Trade creditors		346	189
Accrued salaries and wages		336	297
Accrued expenses		321	355
Contract liabilities	5.2(a)	67	196
Inter hospital creditors		166	150
Amounts payable to governments and agencies		36	32
Deposits		11	6
Total contractual payables		**1,283**	**1,225**
Total current payables and contract liabilities		**1,283**	**1,225**
Total payables and contract liabilities		**1,283**	**1,225**
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))			
Total payables and contract liabilities		1,283	1,225
Contract liabilities		(67)	(196)
Deposits		(11)	(6)
Total financial liabilties	7.1(a)	**1,205**	**1,023**

How we recognise payables and contract liabilities
Payables consist of:

- Contractual payables, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to Great Ocean Road Health prior to the end of the financial year that are unpaid.

- **Statutory payables**, which most includes amount payable to the Victorian Government and Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.2 (a) Contract liabilities

	Total 2021 $'000	Total 2020 $'000
Opening balance of contract liabilities	196	39
Adjustment for initial adoption of AASB 15	-	-
Payments received for performance obligations not yet fulfilled	-	157
Revenue recognised for the completion of a performance obligation	(129)	-
Total contract liabilities	**67**	**196**
*** Represented by:**		
- Current contract liabilities	67	196
	67	**196**

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

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

Note 5.3 Other liabilities

	Notes	Total 2021 $'000	Total 2020 $'000
Current monies held it trust			
Refundable accommodation deposits		5,475	6,881
Other monies		445	326
Total current monies held in trust		**5,920**	**7,207**
Total other liabilities		**5,920**	**7,207**
*** Represented by:**			
- Cash assets	6.2	5,920	7,207
		5,920	**7,207**

How we recognise other liabilities

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to Great Ocean Road Health 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

Telling the COVID-19 story

Our finance and borrowing arrangements were not materially impacted by the COVID-19 Coronavirus pandemic because the health service's response was funded by Government.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Great Ocean Road Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service: • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Great Ocean Road Health applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Great Ocean Road Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Great Ocean Road Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Great Ocean Road Health is reasonably certain to exercise such options. Great Ocean Road Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Note	Total 2021 $'000	Total 2020 $'000
Current borrowings			
Lease liability [(i)]	6.1 (a)	59	90
Advances from government (ii)		21	21
Total current borrowings		**80**	**111**
Non-current borrowings			
Lease liability [(i)]	6.1 (a)	164	127
Advances from government (ii)		26	47
Total non-current borrowings		**190**	**174**
Total borrowings		**270**	**285**

[i] Secured by the assets leased.
[ii] These are secured loans which bear no interest.

How we recognise borrowings

Borrowings refer to interesting bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities, service concession arrangements and other interest-bearing arrangements.

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether 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 measurement

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

Maturity analysis
Please refer to Note 7.2(b) for the maturity analysis of borrowings.
Defaults and breaches
During the current and prior year, there were no defaults and breaches of any of the loans.

Note 6.1 (a) Lease liabilities

Great Ocean Road Health's lease liabilities are summarised below:

	Total 2021 $'000	Total 2020 $'000
Total undiscounted lease liabilities	233	243
Less unexpired finance expenses	(10)	(26)
Net lease liabilities	**223**	**217**

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

	Total 2021 $'000	Total 2020 $'000
Not longer than one year	67	95
Longer than one year but not longer than five years	166	148
Longer than five years	-	-
Minimum future lease liability	**233**	**243**
Less unexpired finance expenses	(10)	(26)
Present value of lease liability	**223**	**217**
*** Represented by:**		
- Current liabilities	59	90
- Non-current liabilities	164	127
	223	**217**

How we recognise lease liabilities
A lease is defined as a contract, or part of a contract, that conveys the right for Great Ocean Road Health to use an asset for a period of time in exchange for payment.

To apply this definition, Great Ocean Road Health ensures the contract meets the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to 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.

Great Ocean Road Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased plant, equipment, furniture, fittings and vehicles	2 to 3 years

Note 6.1 (a) Lease liabilities

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

Initial measurement
The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Great Ocean Road Healths incremental borrowing rate. Our lease liability has been discounted by rates of between 3% to 5%.

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.

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

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

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

Note 6.2 Cash and Cash Equivalents

	Note	Total 2021 $'000	Total 2020 $'000
Cash on hand (excluding monies held in trust)		326	298
Cash at bank (excluding monies held in trust)		1,057	1,143
Cash at bank – Westpac (excluding monies held in trust)		4,820	4,146
Total cash held for operations		**6,203**	**5,587**
Cash at bank - Westpac (monies held in trust)		5,478	7,207
Total cash held as monies in trust		**5,478**	**7,207**
Total cash and cash equivalents	7.1 (a)	**11,681**	**12,794**

How we recognise cash and cash equivalents

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

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

Note 6.3 Commitments for expenditure

There are no capital or operating requirements at 30 June 2021 (2020 $Nil)

Note 6.4 Non-cash financing and investing activities

	Total 2021 $'000	Total 2020 $'000
Acquisition of plant and equipment by means of 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 Financial risk management objectives and policies
7.3 Contingent assets and contingent liabilities

Note 7.1: Financial instruments

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

Note 7.1 (a) Categorisation of financial instruments

Total 30 June 2021	**Note**	**Financial Assets at Amortised Cost $'000**	**Financial Liabilities at Amortised Cost $'000**	**Total $'000**
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	11,681	-	11,681
Receivables and contract assets	5.1	872	-	872
Total Financial Assets [i]		**12,553**	**-**	**12,553**
Financial Liabilities				
Payables	5.2	-	1,205	1,205
Borrowings	6.1	-	270	270
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	5,475	5,475
Total Financial Liabilities [i]		**-**	**6,950**	**6,950**

Note 7.1 (a) Categorisation of financial instruments

Total 30 June 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 and contract assets	5.1	699	-	699
Total Financial Assets [i]		**13,493**	**-**	**13,493**
Financial Liabilities				
Payables	5.2	-	1,023	1,023
Borrowings	6.1	-	285	285
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	6,881	6,881
Total Financial Liabilities [i]		**-**	**8,189**	**8,189**

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

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when Great Ocean Road Health becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Great Ocean Road Health commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15 para 63.

Note 7.1 (a) Categorisation of financial instruments

Financial assets at amortised cost
Financial assets are measured at amortised cost if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by Great Ocean Road Health solely to collect the contractual cash flows and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

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

- cash and deposits
- receivables (excluding statutory receivables)

Note 7.1 (a) Categorisation of financial instruments

Categories of financial liabilities

Financial liabilities are recognised when Great Ocean Road Health becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

Financial liabilities at amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, where they are not held at fair value through net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in net result over the relevant period. The effective interest is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

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

- payables (excluding statutory payables and contract liabilities)
- borrowings and
- other liabilities (including monies held in trust).

Offsetting financial instruments

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

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

Note 7.1 (a) Categorisation of financial instruments

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

A financial asset is required to be reclassified between fair value between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Great Ocean Road Health's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

As a whole, Great Ocean Road Health's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, included the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed throughout the financial statements.

Great Ocean Road Health's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. Great Ocean Road Health manages these financial risks in accordance with its financial risk management policy.

Great Ocean Road Health uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2 (a) Credit risk

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

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

In addition, Great Ocean Road Health does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, Great Ocean Road Health's policy is to only deal with banks with high credit ratings.

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

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

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

There has been no material change to Great Ocean Road Health's credit risk profile in 2020-21.

Note 7.2 (a) Credit risk

Impairment of financial assets under AASB 9

Great Ocean Road Health records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes the health service's contractual receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9.

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

Contractual receivables at amortised cost

Great Ocean Road Health applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. 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, Great Ocean Road Health determines the closing loss allowance at the end of the financial year as follows:

Note 7.2 (a) Contractual receivables at amortised cost

30 June 2021		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%	13.0%	50.0%	
Gross carrying amount of contractual receivables	5.1	260	229	4	62	33	**588**
Loss allowance		-	-	-	**(8)**	**(17)**	**(25)**

30 June 2020	Note	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	253	278	15	60	0	**606**
Loss allowance		-	-	-	**(16)**	-	**(16)**

Note 7.2 (a) Contractual receivables at amortised cost

Statutory receivables and debt investments at amortised cost

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 requirements as if those receivables are financial instruments.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, no loss allowance has been recognised.

Note 7.2 (b) Liquidity risk

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

Great Ocean Road Health is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The health service manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding contractual financial assets that are readily tradeable in the financial markets and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

Great Ocean Road Health's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from other financial assets.

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.

Note 7.2 (b) Payables and borrowings maturity analysis

			Maturity Dates					
Total 30 June 2021	**Note**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1-3 Months $'000**	**3 months - 1 Year $'000**	**1-5 Years $'000**	**Over 5 years $'000**
Payables	**5.2**	1,205	1,205	1,205	-	-	-	-
Borrowings	**6.1**	270	270	4	12	36	218	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	5,475	5,475	-	-	5,475	-	-
Total Financial Liabilities		**6,950**	**6,950**	**1,209**	**12**	**5,511**	**218**	**-**

			Maturity Dates					
Total 30 June 2020	**Note**	**Carrying Amount $'000**	**Nominal Amount $'000**	**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**	1,023	1,225	1,225	-	-	-	-
Borrowings	**6.1**	285	285	-	-	47	238	-
Other Financial Liabilities - Refundable Accommodation Deposits	**5.3**	6,881	6,881	-	-	6,881	-	-
Total Financial Liabilities		**8,189**	**8,391**	**1,225**	**-**	**6,928**	**238**	**-**

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

Note 7.2 (c) Market risk

Great Ocean Road Health's exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions
Great Ocean Road Health's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Great Ocean Road Health's fund managers cannot be expected to predict movements in market rates and prices. The following movements are 'reasonably possible' over the next 12 months:

- a change in interest rates of 0.5% up or down

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Great Ocean Road Health does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Great Ocean Road Health has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

Foreign currency risk
All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

Great Ocean Road Health has minimal exposure to foreign currency risk.

Note 7.3: Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 8: Other disclosures

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

Structure

8.1 Reconciliation of net result for the year to net cash flow from operating activities
8.2 Responsible persons disclosure
8.3 Remuneration of executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Events occurring after the balance sheet date
8.7 Jointly controlled operations
8.8 Equity
8.9 Economic dependency

Telling the COVID-19 story

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

Note 8.1 Reconciliation of net result for the year to net cash flows from operating activities

	Note	Total 2021 $'000	Total 2020 $'000
Net result for the year		(583)	(652)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.4	(55)	(94)
Depreciation and amortisation of non-current assets	4.2	1,208	1,204
Assets and services received free of charge	2.2	(25)	-
Bad and doubtful debt expense	3.1	9	11
Discount (interest) / expense on loan		-	2
Other non-cash movements		(52)	(309)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(104)	(18)
(Increase)/Decrease in inventories		-	1
(Increase)/Decrease in prepaid expenses		76	(107)
Increase/(Decrease) in payables and contract liabilities		58	108
Increase/(Decrease) in employee benefits		260	159
Increase/(Decrease) in other liabilities		119	326
Net cash inflow from operating activities		**911**	**631**

Note 8.2 Responsible persons

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

	Period
The Honourable Martin Foley:	
Minister for Mental Health	1 Jul 2020 - 29 Sep 2020
Minister for Health	26 Sep 2020 - 30 Jun 2021
Minister for Ambulance Services	26 Sep 2020 - 30 Jun 2021
Minister for the Coordination of Health and Human Services: COVID-19	26 Sep 2020 - 9 Nov 2020
The Honourable Jenny Mikakos:	
Minister for Health	1 Jul 2020 - 26 Sep 2020
Minister for Ambulance Services	1 Jul 2020 - 26 Sep 2020
Minister for the Coordination of Health and Human Services: COVID-19	1 Jul 2020 - 26 Sep 2020
The Honourable Luke Donnellan:	
Minister for Child Protection	1 Jul 2020 - 30 Jun 2021
Minister for Disability, Ageing and Carers	1 Jul 2020 - 30 Jun 2021
The Honourable James Merlino:	
Minister for Mental Health	29 Sep 2020 - 30 Jun 2021
Governing Board	
Joy Humphreys	1 Jul 2020 - 30 Jun 2021
Nick Salkeld	1 Jul 2020 - 30 Jun 2021
Rob Knowles	1 Jul 2020 - 30 Jun 2021
Sue Guinness	1 Jul 2020 - 30 Jun 2021
Tiffany Symes	1 Jul 2020 - 30 Jun 2021
Kelli Nicola-Richmond	1 Jul 2020 - 30 Jun 2021
Paul Shannon	1 Jul 2020 - 30 Jun 2021
Ray Jacobson	1 Jul 2020 - 30 Jun 2021
Vicki Hammond	1 Jul 2020 - 30 Jun 2021
Fiona Williams	1 Jul 2020 - 30 Jun 2021
Accountable Officers	
Sandy Chamberlin (Chief Executive Officer)	1 Jul 2020 - 30 Jun 2021

Note 8.2 Responsible persons (continued)

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

Income Band	Total 2021 No	Total 2020 No
$0 - $9,999	10	12
$40,000 - $49,999	-	1
$70,000 - $79,999	-	1
$150,000 - $159,999	-	1
$240,000 - $249,999	1	-
Total Numbers	**11**	**15**

	Total 2021 $'000	Total 2020 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$287**	**$325**

Note 8.3 Remuneration of executives

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration	
	2021 $'000	2020 $'000
Short-term benefits	520	541
Post-employment benefits	45	42
Other long-term benefits	10	21
Termination benefits	-	-
Total remuneration [i]	**575**	**604**
Total number of executives	5	4
Total annualised employee equivalent [ii]	3.8	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.

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

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 health service include:

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members
- jointly controlled operations – A member of the South West Alliance of Rural Health Joint Venture and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

Key management personnel

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

Entity	KMPs	Position Title
Great Ocean Road Health	Joy Humphreys	Board Chair
Great Ocean Road Health	Nick Salkeld	Board Member
Great Ocean Road Health	Rob Knowles	Board Member
Great Ocean Road Health	Sue Guinness	Board Member
Great Ocean Road Health	Tiffany Symes	Board Member
Great Ocean Road Health	Kelli Nicola-Richmond	Board Member
Great Ocean Road Health	Paul Shannon	Board Member
Great Ocean Road Health	Ray Jacobson	Board Member
Great Ocean Road Health	Vicki Hammond	Board Member
Great Ocean Road Health	Fiona Williams	Board Member
Great Ocean Road Health	Sandy Chamberlin	Chief Executive Officer
Great Ocean Road Health	Andrea Russell	Director Clinical Services
Great Ocean Road Health	Jon Laughlin	Director of Corporate Services and Chief Procurement Officer
Great Ocean Road Health	Carissa Brock	Director of Corporate Services
Great Ocean Road Health	Michael Markham	Chief Finance Officer
Great Ocean Road Health	Anne Rout	Director of Community Services

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 2021 $'000	Total 2020 $'000
Compensation - KMPs		
Short-term Employee Benefits [i]	779	842
Post-employment Benefits	66	60
Other Long-term Benefits	17	27
Termination Benefits	-	-
Total [ii]	**862**	**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

Great Ocean Road Health received funding from the Department of Health of $8.86 m (2020: $8 m) and indirect contributions of $0.037 m (2020: $0.003 m).

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

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

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with Great Ocean Road Health, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2021 (2020: none).

There were no related party transactions required to be disclosed for Great Ocean Road Health Board of Directors, Chief Executive Officer and Executive Directors in 2021 (2020: none).

Note 8.5: Remuneration of Auditors

	Total 2021 $'000	Total 2020 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	18	21
Total remuneration of auditors	**18**	**21**

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest 2021 %	Ownership Interest 2020 %
South West Alliance of Rural Health (SWARH)	Information Technology Services	3.16	3.39

Great Ocean Road Healths interest in the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2021 $'000	2020 $'000
Current assets		
Cash and cash equivalents	323	295
Receivables	97	237
Inventories	1	2
Prepaid expenses	21	-
Total current assets	**442**	**534**
Non-current assets		
Receivables	16	19
Property, plant and equipment	259	196
Total non-current assets	**275**	**215**
Total assets	**717**	**749**
Current liabilities		
Payables	307	482
Other Liabilities	67	-
Lease Liability	37	33
Employee Provisions	55	58
Total current liabilities	**466**	**573**
Non-current liabilities		
Lease Liability	67	44
Employee Provisions	11	11
Total non-current liabilities	**78**	**55**
Total liabilities	**544**	**628**
Net assets	**173**	**121**
Equity		
Accumulated surplus	173	121
Total equity	**173**	**121**

Note 8.7 Joint arrangements

Great Ocean Road Healths interest in revenues and expenses resulting from joint arrangements are detailed below:

	2021 $'000	2020 $'000
Revenue		
Operating Activities	564	661
Capital Purpose Income	74	33
Total revenue	**638**	**694**
Expenses		
Employee Benefits	247	296
Other Expenses from Continuing Operations	281	322
Finance Lease Charges	2	-
Depreciation	60	65
Total expenses	**590**	**683**
Revaluation of Long Service Leave	**3**	(5)
Net result	**51**	**6**

Contingent liabilities and capital commitments
There are no known contingent liabilities or capital commitments held by the joint arrangements at balance date.

Note 8.8: Equity

Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the 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 reserves

The specific restricted purpose reserve 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.

Note 8.9: Economic dependency

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