CENTRAL GIPPSLAND HEALTH

Annual Report 2018

CENTRAL GIPPSLAND HEALTH

Our Vision:

A safe and healthy community where everyone feels they are valued, supported and have the opportunity to participate.

Our Mission:

To provide health and community services that will best meet the current and future needs of our community.

In doing so we will focus on:

- supporting community identified need and genuine community participation;
- placing our clients/patients and community at the centre of our work;
- supporting individuals, groups and communities to maintain and improve their health and wellbeing and minimise the negative impact of chronic disease and injury;
- integrating and coordinating our services within an interdisciplinary service delivery model;
- allocating and using our resources effectively and efficiently;
- achieving through collaboration and partnerships;
- being creative, innovative and open to discovery.

Our Values:

In achieving our goals and objectives we will develop an organisational culture that supports:

Social Justice - Equity of outcome.

To do this we will:

- focus on achieving equality of outcome for individuals and groups;
- understand the impact of poverty and disadvantage on behaviour and health status;
- support affirmative action for the disadvantaged and marginalised amongst us;
- ensure our fees policy takes into account ability to pay;
- support harm minimisation and targeted community support programs; and
- be compassionate, tolerant and embrace diversity.

Honesty, transparency and integrity.

To do this we will:

- set and model standards of behaviour consistent with the Victorian Public Sector Code of Conduct;
- embrace open disclosure and provide meaningful and clear information to our stakeholders; and
- support ethical leadership development at all levels of the organisation.

Quality - Excellence with the client at the centre.

To do this we will:

- embed a quality culture of continuous improvement across the organisation such that our clients' experience with Central Gippsland Health (CGH) is characterised by the following:
  - seamless, coordinated, integrated and timely provision of person centred care;
  - capable individuals and teams working within structures and processes that support quality outcomes and continuous improvement;
  - facilities and equipment that enable the provision of efficient, effective and sustainable service delivery; and
  - a workforce that places a very high value on excellent customer service and client/patient advocacy.

Caring - Support, compassion and tolerance.

To do this we will:

- be welcoming, caring, supportive, share knowledge freely and support learning in every setting;
- relate to our community with tolerance and compassion;
- assist our community to understand their rights and responsibilities and have access to genuine complaints resolution processes;
- support our community to identify the need for and make decisions relating to the development, delivery and evaluation of services; and
- work within an intersectoral and collaborative framework to maximise benefits for our community; appreciate the positive impact on organisational and community capacity that comes from diversity.

People - Respect and support.

In doing so we will:

- strive to provide an environment that assists our staff to:
  - achieve their personal goals and objectives;
  - live ethically within their personal value system; and
  - enthusiastically support CGH to achieve our strategic and service delivery goals and objectives.
- develop a workplace where people are enabled to:
  - be efficient and effective;
  - put forward ideas and participate in decision making;
  - be creative and innovative; and
  - develop their learning and career in a manner consistent with their strengths and interests.
- foster very high levels of staff capability and satisfaction.

Cover, Central Gippsland Health Indigenous employees Jayda Green, Sharlene Edwards and Troy Balcombe with one of the totem poles erected in the garden quadrant of the Sale Hospital grounds which depict the five clans of the Gunai Kurnai peoples

Contents

Who we are

Central Gippsland Health (CGH) is the major provider of health and residential aged care services in the Wellington Shire.

It serves an immediate population of approximately 44,000 in Central Gippsland, while acute specialist services reach a wider community in East Gippsland and parts of South Gippsland.

Central Gippsland Health is the brand that Sale Hospital shares with independently governed organisations, Heyfield Hospital and Stretton Park.

At your service

CGH, being a sub-regional health service, works within a statewide rural and regional planning framework that takes into account local area and Gippsland regional planning. The focus is to provide access to services locally, where appropriate, and support people to access higher level services where required.

Within the Gippsland region, there is one Regional Health Service, Latrobe Regional Hospital, which is the key specialist service resource for the region and the four sub-regional health services.

As the major provider of health and aged care services in the Wellington Shire, CGH serves the immediate population of approximately 44,000 in Central Gippsland and reaches a wider community in East Gippsland and parts of South Gippsland in terms of more specialized services such as perinatal services, critical care, obstetrics and surgery.

CGH is a sub-regional and integrated health service, providing a broad range of primary, secondary and tertiary services, including a near comprehensive range of Home and Community Care (HACC) services, through to adult intensive, coronary care and level 2 neonatal care.

Acute services include a full time emergency department, critical care unit, neonatal special care unit, operating theatres, day procedure unit, and oncology and dialysis services, in addition to general medical and surgical services and sub-acute services including rehabilitation.

CGH has acute services at Sale and Maffra; community and home support services are provided throughout the Shire of Wellington (with the exception of Yarram and district) with centres in Maffra, Sale, Heyfield, Rosedale and Loch Sport. Residential aged care services are provided at Sale and Maffra.

The current focus of the service is to use its integration to break down the traditional program barriers and service delivery silos that have flourished in the past. Our aim is to develop a highly efficient system that responds to people's needs by placing them at the centre of a service delivery system focused on supporting our clients to achieve their goals and aspirations. To achieve these ends, a number of 'redesigning' projects have been in progress for a number of years. In addition, most of our wards have embraced the Productive Ward Program, a program designed to improve efficiency and make more time for direct patient care.

We have been working to implement our 10 Year Health Plan. The CGHS Health Plan 2012–2022 describes how we will support an area-based planning approach to develop a system that is responsive to people's needs.

Our services

Population served (approximately)	44,000
Emergency attendances	16,745
Inpatient services	12,564
Mothers delivered	411
Community Services hours of service	123,923
Non-admitted Subacute and Specialist Outpatient Clinic Service Events	24,596

People

695 Full Time Equivalent employees

1020 people employed, including casual, part-time and full-time active employees at 30 June, 2018.

Assets and Revenue

$43,387m in net assets

$37,141m in buildings

$6,159m in plant and equipment

$98,165m in revenue

Report by the Chair, Board of Management

In my first annual report as Chair of the Board of Management, I would like to begin by acknowledging the efforts of all of my fellow Board members and particularly Glenn Stagg who retired from the Board at the close of the 2017–18 financial year.

The implementation of the Health Legislation Amendment (Quality and Safety) Act 2017 in response to the recommendations from Dr Stephen Duckett's 'Targeting Zero' review saw the implementation of several new initiatives in health service governance, including one of Board tenure restrictions. Glenn's long and distinguished service to the CGHS Board of Management over ten years ruled him ineligible for reappointment for a further term.

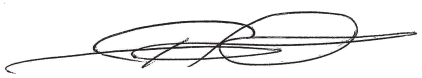
The 2017–18 year saw us welcome Faith Page, Glenys Butler and Jenny Dempster to the Board of Management. These three new members have brought specific skills which complement those of the existing members, helping us to complete our duties in governance, leadership, strategic thinking and decision making.

This year has not been without its challenges. Whilst a financial surplus has been generated, the continued reduction in hospital activity remains a significant concern.

Early in the coming financial year, the Board and Executive team will engage in a fresh round of strategic planning to look for opportunities to turn this situation around. One such exciting measure is the establishment of an additional operating theatre to accommodate a range of orthopaedic surgery at the Sale Hospital. Our team of surgeons, led by Mr Francis Asomah, look forward to commencing sessions in this theatre early in 2019.

As we move into the 2018–19 year, we are excited to be engaging with the Maffra community to form a project group to commence work on the Maffra Hospital redevelopment Master Plan. Central Gippsland Health Service has been seeking funding to facilitate this Master Plan for many years and the Department of Health and Human Services decision to support this initiative is a huge vote of confidence in the Maffra community.

On behalf of the Board of Management, I would like to thank our Chief Executive Officer, Dr Frank Evans, his Executive and all of the CGHS team for the ongoing, high quality care that they provide to our local community.



Tony Anderson
Board Chair

Chief Executive Officer's Report

We are Better Together. These four words have defined the last 12 months at Central Gippsland Health Service.

Through some challenging times and with this goal at the forefront of everything we do, we have continued building on the many initiatives we have put in place to focus on patient and staff health and wellbeing.

We are proud to have continued the focus on our mission to provide the best health services for our community and staff.

This commitment is the very reason CGHS was recently named runner-up for the "Most Outstanding Regional Hospital in Australia". Hosted by the Australian Patients Association, the award was given because CGHS has consistently demonstrated its commitment to listening to our patients and being transparent in our responses. Importantly, this is an award based on feedback from our patients.

We have introduced a range of initiatives across all campuses to ensure patients and clients are always at the centre of their care. I want to thank all staff across our four campuses who have embraced our Patient Opinion initiative.

We are proud of our continuous improvement approach to managing feedback, putting a high value on excellent customer service and patient advocacy and ensuring that our patients' experience of CGHS is the best person-centred care we can provide.

We are proud that everyone in our community can come to CGHS and feel valued. Our Aboriginal and Torres Strait Island Advisory Committee has continued to make a strong contribution throughout the year to assist us in meeting the needs of our local Indigenous community.

This year, we reached out to members of the local Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) community who are now working to help us become more LGBTI inclusive.

Every organisation can always improve and we must continue to build on these strong foundations.

Our people

I am very proud of our response to an independent review of our culture commisioned by DHHS.

Despite the Review not upholding the negative claims levelled against us, we have not "rested on our laurels". Nor have we presumed that we cannot make additional significant improvements.

We have not only embraced and implemented the recommendations of the Review, we have stepped up once again to implement an internationally leading practice Leadership Capability Framework. We are also in the process of implementing a comprehensive Leadership Development Framework to embed the related staff development processes and ensure that staff development is core business; based on an understanding that it is critical to achieving our mission and strategic objectives.

Continued on page 4

Our people (continued)

We have such a talented and committed workforce and it has given me a great deal of pleasure to see the work being done to ensure our people will be even better supported in the future and that through this investment in our people, the future success of the health service will be assured.

Building for the future

We have continued to invest in buildings, infrastructure and equipment. A few of the highlights are listed below:

- Replacing our cardiac monitoring /telemetry system ($280,000)
- Replacing our endoscopy system and purchasing an additional suite of endoscopy equipment ($500,000)
- Introducing solar power through a major installation and with a second stage to follow ($225,000)
- Completing the medical ward redevelopment to include a rehabilitation room ($170,000)
- Maffra aged care significant refurbishment ($350,000)
- Replacing of our emergency generator and electrical switchboards ($600,000)
- Commencing the capital works project to build a fourth operating theatre (total budget >$4M)
- Replacing our air-cooling chillers ($540,000)
- Major upgrade of the staff cafeteria to support healthy eating ($160,000)

We are also in the early stages of:

- A comprehensive redevelopment of our critical care nursery ($750,000)
- A significant refurbishment of Wilson Lodge residential care facility ($500,000)

We are also very excited to be preparing for the commencement of Master Planning at Maffra District Hospital.

Very special mention

The end of this financial year coincided with the compulsory retirement of Glenn Stagg from our Board. Glenn has worked diligently and without financial remuneration to ensure the success of our health service since 1992 when he was appointed to the Gippsland Base Hospital Board of Management.

In 1993/94, he was appointed Treasurer for the Board and held this position until 1998, during which time Gippsland Base Hospital became Central Wellington Health Service.

When Central Wellington Health Service became Central Gippsland Health Service in 1998/99, Glenn stepped down from the Board until his appointment to the CGHS Community Advisory Committee in April 2005.

The appointment of a new Board of Management was announced in May 2006 with a number of the members of the Community Advisory Committee joining the Board, including Glenn.

In 2006/07, Glenn served as Board President for twelve months, continuing as a Board member after handing the role of President to John Sullivan the following year. At that time, a special note of congratulations was extended to Glenn for taking on the role of Board President from the inauguration of the new Board. Glenn played a pivotal role in lifting community confidence in the future of the service.

During the ensuing years, Glenn also supported Catherine Greaves in her role as President of the Board (2011) until he was appointed Chairman again in 2015, a role he continued in until handing over to Tony Anderson in December last year.

On a personal note, I would like to thank Glenn for the exceptional leadership, guidance and mentorship he has provided for me as he has for the Board and Health Service. Glenn's contribution will be greatly missed by all of us.

We are very fortunate to have Tony Anderson in the role of Board Chairperson. Tony joined the Board in 2013 and has been a very capable deputy to Glenn for a number of years before taking over the reins from Glenn in December 2017. The Board and Health Service are fortunate to have someone of Tony's capability and values to take on this extremely important and challenging role.

On behalf of the Executive team, I would like to acknowledge the significant contribution and achievement of the entire Board of Management in what has been a very interesting and challenging year.

Central Gippsland Health Service: Better Together

Central Gippsland Health Service is a network, comprising three independently governed health services, working together under one management structure. Stretton Park Incorporated, Heyfield Hospital Incorporated and Central Gippsland Health Service make up a fully integrated health service spanning hospital care, aged care and community services.

Core to our new brand is the knowledge that we are better together. Our Brand values are expressed as: Community and Aged Care – Life is Better Together; Collaboration – We are Better Together; and in hospital care – Getting you Better Together.

We understand that in an increasingly competitive environment and as a health service with a core social justice value, it is important that the community knows who we are and what we stand for.

We want our community to benefit from our working together with a commitment to draw on our collective capabilities, knowledge and experience. We want our community to grow stronger and healthier as a result of our being Better Together!

It is only through the dedication, considerable efforts and outstanding work of our Boards, staff and volunteers that we have achieved so much this year.

Thank you.

Frank Evans
Chief Executive Officer

Strategic Plan Summary

Key areas, goals (outcomes) and objectives

Key area 1	*Accountability and governance*
Goal (Outcome)	CGHS performs efficiently and effectively and responds strategically to changing demands
Objective	Develop and continuously improve transparent governance and accountability systems that are consistent with agreed values and support high performance

Key area 2	*People*
Goal (Outcome)	People are as healthy as they can be
Objective	Develop a system that is responsive to people's needs
Goal (Outcome)	People are managing their own health better
Objective	Improve everyone's health status and health experience
Goal (Outcome)	People have the best healthcare service options possible
Objective	Expand service capability
Objective	Expand workforce capability
Objective	Increase the system's financial sustainability and productivity

Key area 3	*Business processes*
Goal (Outcome)	People manage and use knowledge, ICT, facilities and equipment in accordance with documented practices
Objective	Documented practices support continuous improvement and enable business continuity

Key area 4	*Knowledge*
Goal (Outcome)	Care is appropriate and cost effective and delivered in the most appropriate, cost effective settings
Objective	Increase accountability and transparency
Objective	Develop a knowledge-based culture
Goal (Outcome)	CGHS is highly productive and sustainable
Objective	Implement continuous improvement and innovation

Key area 5	*Facilities and equipment*
Goal (Outcome)	Physical facilities and equipment enable CGHS service delivery
Target	Infrastructure upgrades and equipment replacement or acquisitions support agreed service delivery priorities
Objective	Investments in infrastructure and equipment match service delivery capability priorities

Key area 6	*Information and communication technologies*
Goal (Outcome)	Information and communication technologies facilitate CGHS service delivery
Objective	Increased and more effective utilisation in e-health and communication technology

Top honour for Sale Hospital

Central Gippsland Health Service has been named runner-up for the "Most Outstanding Regional Hospital in Australia".

Hosted by the Australian Patients Association, the award was given because CGHS has consistently demonstrated its commitment to public online feedback.

CGHS Chief Executive, Dr Frank Evans, said the service was honoured to receive an award based on feedback from patients.

"We have introduced a range of initiatives across all campuses to ensure patients and clients are always at the centre of care," Dr Evans said. "I want to thank all staff across our four campuses who have embraced our Patient Opinion initiative.

"We are proud of our continuous improvement approach to managing feedback, putting a high value on excellent customer service and patient advocacy and ensuring that our patient's experience of CGHS is the best person-centred care we can provide."

Dr Michael Greco from Patient Opinion, an Australia-wide online initiative to allow transparent feedback from patients, praised CGHS for its commitment to transparency and willingness to listen and learn from both the good and the bad.

The Patient Awards were created to acknowledge and reward outstanding medical professionals, representatives and institutions who are influential in providing the best healthcare experience for Australian patients.

Dr Catherine Crock from the Royal Children's Hospital presented the award to Dr Evans. A medical pioneer, producer of music and theatrics, humanitarian, mother and advocate for change, Dr Crock was the keynote speaker.

She has successfully implemented a raft of positive changes to healthcare in the areas of organisational culture, services and patient/family support.

She is also the Chair and Founder of The Hush Foundation, a registered charity organisation working to transform healthcare by improving partnerships, culture and the environment to support health and wellbeing.

Hush, in collaboration with some of Australia's finest musical talent, has commissioned 15 albums of music specifically for application within healthcare. Working in collaboration with renowned playwright Alan Hopgood, theatrical plays "Hear Me" and "Do You Know Me" have also been created.

These productions have been performed in hospitals and Aged Care settings across Australia more than 100 times, to raise awareness of patient centred care, communication and patient safety issues and to encourage a shift in the culture of healthcare.

- *Pictured above, Senior Executive Services Administrator, Rebecca Gunning, with the Award.*

Quality Improvement and Innovation Framework

CGHS is committed to quality, safety and excellence with the client/patient at the centre of our care.

In line with the CGHS Strategic Plan, the health service has developed a Quality Improvement and Innovation Framework. This framework details a comprehensive response from the Board of Management and senior management team to develop organisational structures and processes that support a capable, enabled and engaged workforce.

Central to this objective is the development of a high performing positive culture. The purpose of the Quality Improvement and Innovation Framework is to describe how CGHS is working to embed continuous improvement and innovation within our organisation and develop a high performing, positive culture.

As part of the CGHS Clinical Governance Framework, the Clinical Governance Group meets monthly to identify and monitor issues relating to patient/client/resident safety and quality of service.

The Quality Committee has bi-monthly meetings, with Board and consumer representation and reports directly to the Board of Management. It provides comprehensive reports relating to quality improvement and innovation which are presented to the Board of Management on a monthly basis.

Community and consumer participation groups work with CGHS to enable community and consumer perspectives to be at the centre of continuous improvement efforts.

As part of our Quality Improvement & Innovation Framework, we have been working to embed a quality culture of continuous improvement across the organisation. Throughout the organisation, staff are coming up with new and better ways to assist them in carrying out their duties to support a more efficient and smarter working environment.

These improvements are recognised through our quarterly Quality Improvement Showcases. Each area presents innovative ideas and improvements they have made in their area. This allows us all to see what other departments are doing, and offers a chance to share knowledge and acknowledge efforts.

Current Accreditation Status

CGHS (including Dental Services) is currently accredited against the ten National Safety and Quality Health Service Standards. All core and developmental items were met at the organisation wide survey in September 2016. Our next organisation wide survey will be conducted in September 2019.

The Home and Community Service currently has full accreditation against the three Home Care Common Standards. An Accreditation contact visit was conducted in July 2018 and all six outcomes reviewed from the Standards were met.

Aged care facilities Laurina Lodge, Wilson Lodge, Stretton Park and J.H.F. McDonald Wing hold current Aged Care Accreditation, meeting all 44 outcomes when assessed against the Aged Care Accreditation standards in 2018.

Major boost for Maffra health services

Health and aged care services in Maffra are set to get a major boost with the State Government announcing approval for a Maffra Hospital Master Plan.

Central Gippsland Health Service Chief Executive, Dr Frank Evans, said this was a major step towards a proposed rebuilding of the hospital to keep pace with the changing needs of the community.

"The Maffra Hospital has served its community well but it needs to undergo significant redevelopment," Dr Evans said.

"We have been working on this process for some years and are thrilled we can now move to the planning stage.

"A Project Group will be set up comprising the Department of Health and Human Services, our staff and our consumers. We want the local community to be involved and have input."

Meanwhile in another significant development for the Maffra community, the Maffra Hospital will have its own allied health staff on site to work with the community and aged care residents.

A physiotherapist will be based at the hospital as well as an occupational therapist care coordinator.

Maffra Hospital Director of Nursing and Aged Care, Paul Head, said the area once used for operating theatres in the hospital would be refurbished to accommodate a physiotherapy gym and an occupational therapy room.

"This is a great initiative for the Maffra community as it means residents no longer have to travel to Sale for these allied health services," Mr Head said. "Local GPs can refer their patients here."

- *Pictured below, Maffra Hospital.*

Consumer, carer and community participation

CGHS Consumer, Carer and Community networks continue to assist CGHS to improve and provide services that best meet the needs of the community.

CGHS has four Consumer and Community Networks, the ***Community Liaison Group***; and the C***onsumer and Carer Chronic Disease and Disability Network***, which meet on a monthly basis. The ***Aboriginal and Torres Strait Islander Advisory Committee*** and ***Rosedale Community Health Centre Advisory Committe***e meet bi-monthly. CGHS Consumer, Carer and Community networks are chaired and vice-chaired by community members and receive secretariat support from the CGHS Consumer Network and Volunteer Support Officer. Consumer, Carer and Community Network meetings are attended by executive team members.

The ***Community Liaison Group (CLG)*** is the key community and consumer advisory group for Central Gippsland Health Service. The CLG is responsible to the Health Service Board and supports the Board and other consumer groups such as: the CGHS Chronic Disease and Disability Network; and Sale and District Cancer Support Group at CGHS. CLG members assist in the development and implementation of appropriate community and consumer participation strategies such as identifying and understanding community health needs; development and review of CGHS policies, procedures and programming; continuous quality improvement; and quality accreditation activities.

The ***Consumer and Carer Chronic Disease and Disability Network*** provides advice to CGHS as it reviews and improves care coordination practices and systems. With the introduction of My Aged Care and the National Disability Insurance Scheme, this network is providing assisting and guidance as CGHS transitions to these systems. This is achieved through members sharing their knowledge and experience of navigating the health care system. In addition, members are a conduit for sharing information between CGHS and the community.

The CGHS Aboriginal and Torres Strait Islander Advisory Committee has continued its work in making CGHS a safe and welcoming health environment for Aboriginal and Torres Strait Islander community members. This year five, totem poles have been erected in the garden quadrant of the hospital grounds which depict the five clans of the Gunai Kurnai peoples. The committee is overseeing the development of CGHS's inaugural Reconciliation Action Plan. This year, CGHS celebrated NAIDOC Week by conducting its ninth flag raising ceremony with two members of the committee raising the flags.

The Rosedale Community Health Centre Advisory Committee advocates on behalf of the Rosedale community on the appropriateness of community health activities. In addition the committee oversees budgetary measures to ensure the health centre remains viable, providing the supports and services needed in the Rosedale community.

The CGHS Consumer Opinion Register (COR) continues to provide input into the development and review of Consumer Information brochures. This additional consumer engagement strategy enables community members to contribute their opinion and perspective on a number of health related topics, targeting their specific topic of interest without the expectation to attend structured meetings. A member from the COR identified the Wellington Shire did not have a general Cancer Support Group and suggested a group could be formed and supported by CGHS. Members of the CLG endorsed this suggestion and have overseen the implementation of the ***Sale and District Cancer Support Group at CGHS***.

In the last twelve months, there has been the introduction of the CGHS Lesbian, Gay, Bi-Sexual, Transgender and Intersex Focus Group which comprises local members from the Lesbian, Gay, Bi-Sexual, Transgender and Intersex community. The focus group is overseeing an Action Plan which was developed after CGHS underwent a self-assessment against the Gay and Lesbian Health Victoria's Rainbow Tick Accreditation Standard which is funded by the Department of Health.

CGHS Consumer Advocate, Alan Murray, continues to play an active and important role in advocating for CGHS patients and clients. Alan is also a community representative on the CGHS Quality Committee which is a subcommittee of the Board of Management.

Carers Recognition

The Carers Recognition Act 2012 is embedded in CGHS's organisational policies and procedures and incorporated into staff position descriptions, staff orientation packs and consumer brochures.

Carers Luncheons occur on a monthly basis, enabling carers to come together, have fun and give support to others who take on a caring role. Carers may be identified in a number of ways, including through the care coordination process.

The Consumer and Carer Chronic Disease and Disability Network meets monthly, comprising consumers and/or carers with chronic disease or complex needs. The group provides advice and develops strategies to address the needs of carers and contributes to the oversight of the CGHS Health Plan 2012 – 2022 strategies.

Carer diversity has been addressed through the Care Coordination process and support from the multidisciplinary team. Each carer's individual needs are identified using a person centred approach focused on the individual.

Children get expert care via the internet

Children in the Wellington community are getting expert care, thanks to a partnership between Central Gippsland Health Service (CGHS) and Monash Children's Hospital...and the internet.

Telehealth is successfully delivering services to local patients and now, CGHS is expanding the link to Bairnsdale Regional Health Service.

The service delivers high calibre evidence-based paediatric care at CGHS with services fully bulk billed to Medicare with no cost to the patient.

CGHS consultant paediatrician and department head, Dr Saba Subiramanian, pictured right, has led the way in the development and expansion of the Paediatric Telehealth Service at CGHS. He heads a team of paediatricians who provide a range of specialist paediatric services including allergy management, development and behavioural issues, respiratory diseases and general paediatric medicine.

Dr Subiramanian said the newly established telelink service with Bairnsdale enabled the treating doctors at Bairnsdale Regional Health Service to refer by phone and undertake a video call consultation with the on-call paediatrician where clinically appropriate.

"This service aims to support GPs to provide care and management of paediatric patients, so they are able to remain at Bairnsdale in their local community and avoid unnecessary transfers," he said.

"Paediatric patients presenting to the Emergency Department or admitted to the hospital may at times require assessment and management from a paediatrician."

CGHS and Monash established the telehealth services link four years ago and since then, have further expanded and developed the close link.

Dr Subiramanian said as partners, CGHS could provide a high quality tertiary service for local children and families.

"The service has made wholistic 'patient centred care' a priority and helped to reduce the variation in care that is provided to our paediatric patients."

About Telehealth

Telehealth is the provision of healthcare services that are delivered using technology when some of the participants are separated by distance. For paediatric patients and their families, telehealth improves access to specialist and primary care services, and reduces the disruption caused when needing to travel to access specialist healthcare.

It can improve consumer outcomes through greater access to health services, bridging the geographical gap of medical access to people who reside in rural settings.

All the patient needs is a computer, laptop, iPad/ tablet or smart phone with good internet access. GP clinics can also support patients to utilise telehealth services at tertiary paediatric healthcare facilities in Melbourne.

To be eligible for paediatric telehealth services, the patient must live at least 15 kilometres away from the specialist clinic, or be Aboriginal. The patient must have a current GP referral to the paediatrician who will then determine if the patient is suitable for a telehealth consultation.

The patient must be present for the telehealth appointment, so the paediatrician can visualise and interact with the child, just as would happen if they were face-to-face in the consulting room.

Dr Subiramanian urged locals to get more information about the Paediatric Telehealth Service provided at CGHS by calling the Specialist Consulting Rooms on 5143 8944, or speak directly with the Telehealth Coordinator on 5143 8616.

Governance and Community Accountability

Consultation took place over the past year with the Community Liaison Group, seeking its input into this Annual Report.

The Governance Accountability Framework is continuously modified and improved to ensure that key performance indicators adequately report the performance of CGHS across the governance domains.

This framework enables accountability and transparency on a number of fronts, including to various funding bodies, local government and the community.

The framework responsibilities have been assigned to various committees within the organisation's Quality Structure, ultimately reporting to the Boards of Management.

Donation of new emergency equipment

The purchase of new equipment for Sale Hospital's Emergency Department has been made possible through a donation from Esso/BHP Billiton Gippsland Basin Joint Venture.

The donation of $9339 has secured equipment including a trauma stretcher, a Pulse Oximeter and spine board extrication device.

Central Gippsland Health Service Chief Executive Frank Evans said this latest donation brought Esso/BHP's total support to CGHS over many years to more than $400,000.

"This financial support means we can purchase additional, much needed equipment for our hospital," he said.

"The Esso/BHP joint venture has been a generous donor to CGHS for many years allowing us to purchase this equipment for the benefit of our community."

Esso Longford Plants Manager, David Anderson, visited Sale Hospital to see the new equipment in operation in the Emergency Department. He said the Esso/BHP joint venture contributions program had been supporting the Sale Hospital for 35 years.

"Esso has always had a strong focus on giving back to the communities where we operate so we are extremely proud of our long-standing partnership with the hospital," Mr Anderson said.

"This donation is another example of the significant investment Esso has been making to the Gippsland community during nearly five decades of operation."

The M9 trauma stretcher is designed in accordance with hospital bed standards and is fully electric to reduce manual handling, with a contouring radiolucent deck for full length X-ray imaging.

The Pulse Oximeter is a medical device that indirectly monitors the Pulse Oximeter oxygen saturation of a patient's blood and changes in blood volume in the skin.

The spine board extrication device is used for the immobilisation and transportation of patients, especially when trauma to the spine is suspected. It is designed to provide rigid support during movement of a person with suspected spinal or limb injuries and secures the head, neck and torso to reduce further injury after an incident.

- *Pictured below, Esso Longford Plants Manager, David Anderson (left) is pictured with Emergency Department staff (from left) Dr Nilanthi Kanapathipillai, Natasha Johnston (Associate Nurse Unit Manager), Kate Roberts (Nurse Unit Manager) and Dr Lysa Jenkins.*

Governance

Central Gippsland Health Service Service is a Body Corporate listed in the Victorian Health Services Act 1988 and operates under the provisions of this Act.

The Ministers responsible for the administration of the Victorian Health Services Act during the reporting period were:

The Honourable Jill Hennessy MP, Minister for Health, Minister for Ambulance Services.

The Honourable Martin Foley MP, Minister for Housing, Disability and Ageing, Minister for Mental Health.

The registered office of Central Gippsland Health Service Service is 155 Guthridge Parade, Sale, 3850. Telephone (03) 5143 8600.

Workforce Data: Central Gippsland Health Service Service Labour Category Details 2017–18

Labour Category	*June Current Month EFT*		*June YTD EFT*	
	2017	*2018*	*2017*	*2018*
Administration & Clerical	98	98	94	93
Ancillary Support Services	48	55	49	48
Hospital Medical Officers	24	26	27	25
Hotel & Allied Services	147	144	148	148
Medical Officers	16	16	17	15
Medical Support Services	49	41	49	47
Nursing Services	266	261	270	256
Total	***648***	***641***	***654***	***632***

Labour Category	*June Current Month EFT*		*June YTD EFT*	
	2017	*2018*	*2017*	*2018*
Central Gippsland Health Service Service	648	641	654	632
Heyfield	38	38	39	37
Stretton Park	26	27	25	26
Total EFT for the Whole Network	***712***	***706***	***719***	***695***

Central Gippsland Health Service Service is committed to the application of merit and equity principles when appointing staff. Selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

Occupational Violence

Occupational violence statistics	*2017 -2018*
1. WorkCover accepted claims with an occupational violence cause per 100 FTE	0.01
2. Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0.6944
3. Number of occupational violence incidents reported	33
4. Number of occupational violence incidents reported per 100 FTE	0.33
5. Percentage of occupational violence incidents resulting in a staff injury, illness or condition	6.06

Definitions

For the purposes of the above statistics the following definitions apply.

Occupational violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.

Incident – occupational health and safety incidents reported in the health service incident reporting system. Code Grey reporting is not included.

Accepted WorkCover claims – accepted WorkCover claims that were lodged in 2017–18.

Lost time – is defined as greater than one day.

Board of Management

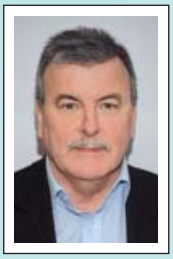
Tony Anderson (Chair):

Tony is the Branch Manager of Rabobank in Sale. He is a specialist in agribusiness finance and investment with over 20 years experience in rural lending, establishing Rabobank's first Gippsland office here in 2004. Prior to moving back to Sale, Tony spent 6 years with the NAB in various locations across Australia, finally working in its head office in the position of Manager of Sales & Marketing for the agribusiness Division. Tony holds a Bachelor of Business (Agribusiness) and a Graduate Diploma in Applied Finance & Investment.

Born and raised in Sale, Tony has a strong affinity with the local community and is driven by a desire for it to benefit from the best possible health services that can be provided.

Lesley Fairhall (Vice Chair):

Lesley recently retired from full-time employment as Finance Manager at Wellington Shire Council where she worked for 13 years. Prior to this, Lesley held positions at the Department of Defence (Resource Officer) and Gippsland & East Gippsland Aboriginal Co-operative Limited, Bairnsdale (Finance Manager). Lesley has worked in both small and large business and was the first Group Financial Controller for MYOB Ltd when it transitioned from a small, privately-owned entity to a publicly-listed, global entity. Lesley holds a Bachelor of Commerce, double major in both Accounting and Computing, is a Fellow of CPA Australia and a Graduate of the Australian Institute of Company Directors.



Glenn Stagg:

Glenn is a Certified Practicing Accountant (Fellow) and Chartered Tax Advisor with DMG Financial where he is also a Director. A former Board member of Gippsland Base Hospital with a Bachelor of Business, Glenn is a Justice of the Peace and has been a principal within his own accounting businesses since 1989.He also specialises in small business and farming management and is a former member of the Gippsland Agri-Business Forum.

Louise McMahon:

Louise has been a community pharmacist in Gippsland for more than 25 years and during this time she has also managed an opioid replacement program for drug dependent individuals. She is currently employed by Latrobe Regional Hospital as a grade 3 clinical pharmacist, supervising students and acting as a mentor to interns and is currently training in the aseptic suite for the provision of chemotherapy. In addition, as an accredited pharmacist, she also visits patients across Gippsland in their homes to perform Home Medicine Reviews. Louise is a former Secretary of the Traralgon Arts Council and holds a Bachelor of Pharmacy, is accredited by the AACP, and holds a Diploma of Management.

Jim Vivian:

Jim is currently employed as Executive Officer at Gippsland Sports Academy. Prior to this he worked as Executive Director of Academic Programs, General Manager of Industrial Operations at GippsTAFE. Jim holds a Diploma in Frontline Management, a Graduate Diploma in Educational Administration, an Advanced Certificate in Management Skills and a Diploma of Technical Teaching.

Abbas Khambati:

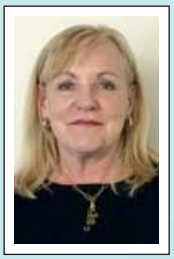
With over 15 years of senior and executive management experience within the public and private sectors, Abbas Khambati is a director providing and leading Business Support functions at Monash Health. He is also a Board director within not-for-profits and represents Regional Health Services as a Board Member with Victorian Healthcare Association. His experience and skill-set include leadership, governance, risk management and delivery of financial improvement initiatives. As a Graduate with the Institute of Company Directors, Chartered Accountant and with a Masters in Health Services Management, Abbas is renowned for his strategic and analytical thinking, business & negotiation skills and risk analysis & management. He is inspired by values of respect, excellence and integrity.

Glenys Butler:

Glenys recently retired from full time employment following a career spanning 18 years in Local Government.

All of this time has been spent with Wellington Shire Council where she has worked in the community sector as Manager Community Development, Manager Community Strengthening, Emergency Manager, General Manager Liveability and General Manager Community & Culture. Glenys originally trained as a nurse and has worked in the community health sector and leisure industry.

Glenys is a graduate of the Australian Institute of Company Directors, has a bachelor of Social Welfare degree and in 2008 completed a PhD with Monash University focussed on organisational response to community decision making.



Faith Page:

Faith is a graduate of the Australian Institute of Company Directors and is currently employed at South Gippsland Shire Council as Director of Corporate and Community Services. Prior to joining council, Faith had a long and successful career in consulting with global professional services firms IBM, Deloitte and Ernst & Young (EY). Her most recent role was Advisory Partner with EY after being admitted to the partnership in 2000. Faith has extensive experience in Executive Management, Cyber, Technology, Operational and Project Risk Management, Digital Strategy and Transformation, Governance, Assurance and Regulatory Compliance with bachelor's degrees in Economics and Computer Science.

Kumar Visvanathan:

Professor Kumar Visvanathan is a specialist in infectious diseases and the immunology of the innate immune system with a career spanning over three decades. He is currently the Deputy Chair of Medicine at the University of Melbourne (Eastern Hill Campus), Co-Director of the Immunology Research Centre at St. Vincent's Hospital (Melbourne) as well as a Senior Infectious Diseases Physician at St. Vincent's Hospital. Following his medical undergraduate degree in 1986, Kumar completed his PhD thesis at the University of NSW and undertook postgraduate work at Rockefeller University in New York. He came back to Australia in 2000 and started his laboratory in innate immunity at the Murdoch Children's Research Institute, moving to Monash University and Monash Medical Centre in 2005 before relocating more recently to the University of Melbourne and St. Vincent's Hospital in 2012.

Jenny Dempster:

Jenny is currently the Associate Program Director of the Acute & Aged Medicine Program, Box Hill Hospital and Director of Nursing, Acute Medicine, Eastern Health. She has a Masters in Public Health – Health Service Management and a Bachelor of Applied Science – Advanced Clinical Nursing. Jenny has extensive management experience in both the Public and Private Health Sectors. Jenny brings knowledge and skills related to asset management, clinical governance, executive management, human resources management, finance, risk management, information and communication technology.

Executive Staff as at 30 June 2018

Chief Executive Officer:	Dr Frank Evans
Director Medical Services:	Dr Suhan Baskar
Director of Nursing and Clinical Support Services:	Ms Denise McInnes
Chief Operating Officer:	Mr Jon Millar
Director Community Services:	Ms Mandy Pusmucans
Director of Residential Aged Care:	Mr Paul Head
Solicitors:	Ms Lucy Hunter, Latrobe Regional Hospital, Legal Counsel
Banker:	National Australia Bank Limited

Risk & Audit Committee (independent members)

Arthur Skipitaris (Independent Chair):

Arthur is a Senior Executive experienced in establishing, leading, managing and transforming Corporate and Business Shared Services Operations within highly transactional, multifunctional and diverse business environments in both private and public sector organisations. Arthur currently works at Wellington Shire Council where he holds the position of General Manager Corporate Services.

Sally Sibley (Independent Member):

Sally is the Quality Manager at Ramahyuck District Aboriginal Corporation, working with internal stakeholders to implement continuous quality improvement processes across all areas of the organisation. Sally has extensive experience in facilitating and conducting internal audits and improvement processes and is an assessor with the independent international review body Quality Innovation Performance (QIP).

Graham Manson (Independent Member):

Graham is a Director at International Resilience Group, an independent consultancy company providing a range of resilience services within the public, private and not-for-profit sectors. Prior to establishing IRG, he was employed in a national role by Australian Energy Market Operator where he focused on Business Security, Crisis and Contingency Planning and Emergency Planning and Response. Graham is an accomplished security, safety and emergency professional having presented to a number of organisations and businesses on Crisis, Security, Emergency, Brand Protection and Risk Management throughout Asia and Australia.

Non-independent members of the Risk & Audit Committee include: Tony Anderson (Board Chair), Sue Askew (General Manager Education, Quality & Risk), John Leehane (General Manager Business Services), Frank Evans (Chief Executive Officer), Jon Millar (Chief Operating Officer), Lesley Fairhall (Board Deputy Chair), Faith Page (Board member).

Overview of Services

Acute Care

Clinical
Cardiology
Critical Care
Day Procedure
Dialysis
Emergency
Rehabilitation
Hospital in the Home
Obstetrics and Gynaecology
Special Care Nursery
Paediatrics
Oncology
General Medicine
General Surgery
Operating Suite
Pre Admission

Visiting Specialist Services
General Surgery
Genetics
Medical Oncology
Radiation Oncology
Ophthalmology
Paediatric Surgery
Paediatric Endocrinology
Paediatric Rehabilitation
Colorectal Surgery
Ear, Nose and Throat
Dermatology
Gastroenterology
Urology
Orthopaedics
Renal
IVF
Vascular Surgery
Upper Gastro Intestinal Surgery

Support Services – Acute
Infection Control
Wound Management
Education & Training
Pharmacy
Environmental
Care Coordination
Clinical Trials
Alcohol & Other Drugs

Outpatient Services
Antenatal
Cardiology
Cardiac and Pulmonary Rehabilitation
Domiciliary Support
Falls Clinic
Haematology
Oncology
Paediatric
Physical Rehabilitation
Pre-Admission
Stomal and Wound Therapy
Women's Health & Integrated Maternity Services

Aged Care Services

Residential Care
Maffra – McDonald Wing
Sale – Wilson Lodge Nursing Home
Heyfield – Laurina Lodge
Maffra – Stretton Park

Respite Care
Heyfield – Laurina Lodge
Maffra – Stretton Park Hostel

Independent Living Units
Maffra – Stretton Park

Community Services

Allied Health to Acute and Community Settings
Physiotherapy
Occupational Therapy
Exercise Physiology
Podiatry and foot care
Dietetics
Speech Therapy
Social Health
Koori Liaison

Community Health
Community Health Nursing
Respiratory Educator
Diabetes Educator
Maternal and Child Health
Volunteer Program (CAVA)
Community Dental Program
Health Promotion

Home Support and Service Coordination
Personal Care
Respite Care
Delivered Meals
Property Maintenance
Planned Activity Groups
Community Transport
Care Coordination
Carer Respite
Centralised Information and Intake

Home Nursing
District Nursing
Palliative Care
Continence Nurse Consultancy

Partnerships
Wellington Primary Care Partnership
Wellington Shire
Gippsland Region Palliative Care Consortium
Gippsland Sustainable Health Services
Gippsland Health Services Partnership
Gippsland Closing the Gap
Gippsland Regional Cancer Services

Community Support Groups
Childbirth Education Classes
Parkinson's Support Group
Carers' Support Groups
New Mothers' Group

Co-located Visiting Services
Community Mental Health
Family Court Counselling
Family Mediation
Primary Mental Health
Disability Services

Support Services

Finance
Financial and Management Reporting
Accounts Payable
Accounts Receivable
Fleet Management

Payroll
Payroll
Salary Packaging

Human Resources
Occupational Health & Safety
Risk Management
WorkSafe/Return to Work

Engineering
Building Maintenance & Development

Supply Services
Supply
Accommodation Management

Food Services
Catering

Information Technology

Education

Information Services

Medical Records
Freedom of Information/Privacy
Library

Administration

Strategic Planning
Fundraising
Quality & Risk Management

Business Units

Medical Imaging
Linen Service
Consulting Suites

LGBTI community assists with CGHS plan

Members of the local Lesbian, Gay, Bisexual, Transgender and Intersex community are working to assist Central Gippsland Health Service become more LGBTI inclusive.

CGHS put out a call to the community to be part of a focus group to help roll out an LGBTI Action Plan. This plan will assist and support patients, clients, staff and volunteers to feel welcomed and safe at CGHS, and in turn have a positive effect on health and wellbeing outcomes.

Focus group member, Fiona, welcomed the move and encouraged other members of the LGBTI community to have input.

"If I can help the health service learn from my experience then it will hopefully make it easier for others in our community," she said. "One negative experience can completely outweigh any positives. It is often not easy in a small country town where people are not comfortable being as open as they might be in a large city. If this makes their path easier, then it is worth it."

CGHS Director of Community Services, Mandy Pusmucans, said CGHS undertook a self-assessment of its standards and the Action Plan was developed as a result.

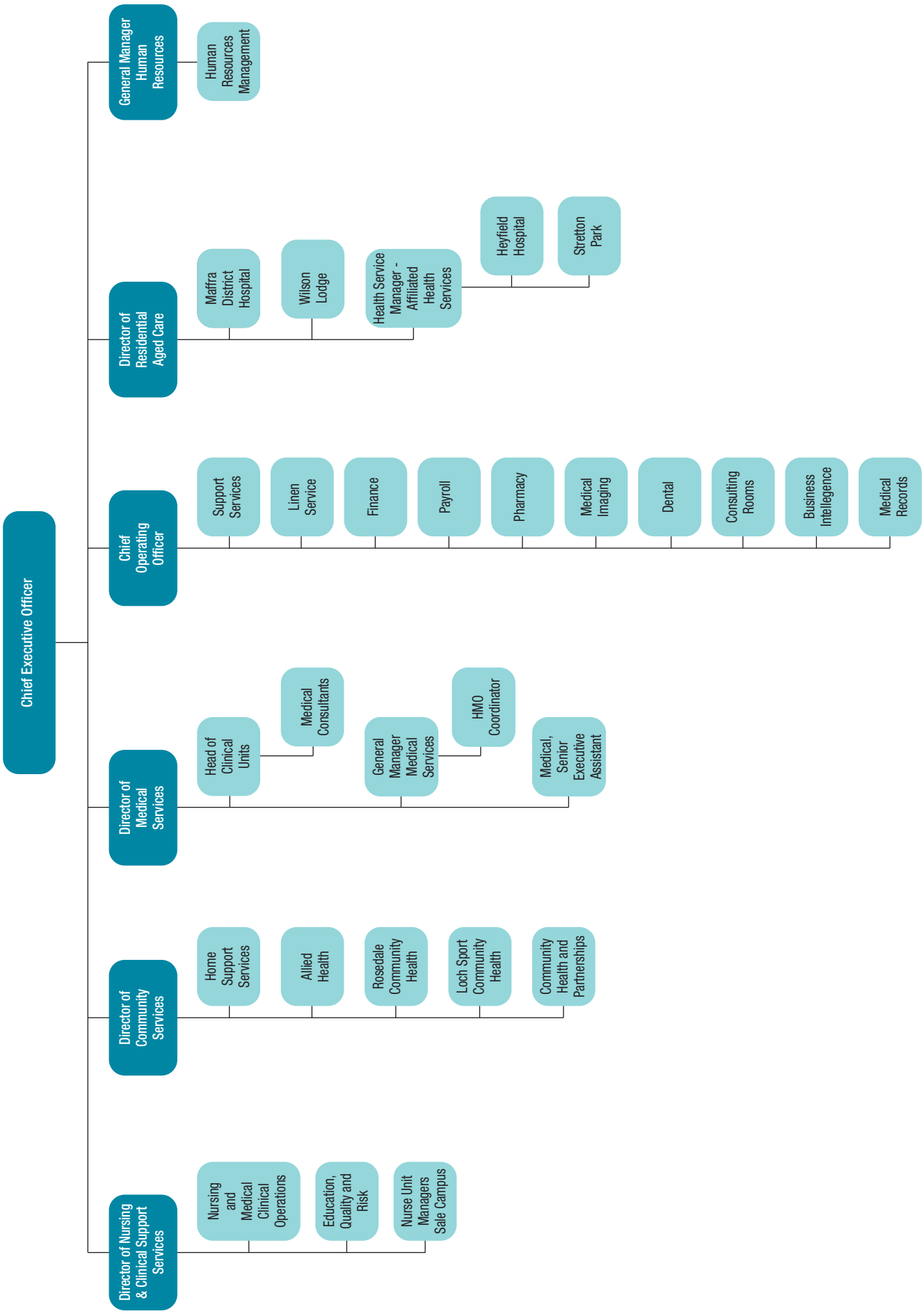
"We assessed ourselves against the Victorian Government's LGBTI Inclusive Practice Standards," she said. "We believe it is important that members of the local LGBTI community are part of the development process.

"We called for interest from CGHS staff and from the community to form a focus group to help us with this and we are very pleased that so far, a group of five people have come forward to work with us.

"We have met twice and have committed to meeting every two weeks for a while to get the Action Plan finalised. Then the group will re-assess the frequency of meetings."

If anyone is interested in supporting this process, contact Community Network and Volunteer Support Officer, Jude Deedman, on 5143 8833 or email jude.deedman@cghss.com.au

Organisational Structure



CGHS initiatives outlined at Patient Experience forum

Central Gippsland Health Service's initiatives in building a strong culture around caring and kindness were outlined at the Patient Experience Forum in Melbourne in November 2017.

CGHS Chief Executive Officer, Dr Frank Evans, was one of a panel of three hospital leaders invited to be part of the inaugural forum organised by Safer Care Victoria around transforming organisational culture in the health industry.

Dr Evans was joined by Eastern Health CEO, Adj Prof David Plunkett and CEO of the Royal Women's Hospital, Dr Sue Matthews. All three spoke about their organisation's journey to bring a heightened focus of caring and kindness into their work and health service.

"We have done a great deal in this area over the last five years and the invitation to speak at this forum of eminent health industry experts was an acknowledgement of what we are trying to do at CGHS," Dr Evans said.

Dr Evans highlighted many initiatives at CGHS including the transformation care coordination project which started five years ago.

"CGHS has also launched a major project to build a learning program about people-centred care –'people' being patients, the community and staff," he told the gathering.

Another initiative last year was to give all staff a copy of the book written by guest speaker at the 2016 annual general meeting, Dr Ranjana Srivastava. An oncologist and author, Dr Srivastava's special interest is in improving doctor-patient communication.

"We need to break down the professional boundaries we were taught to put up and develop genuine relationships with our patients and staff, based on genuine and deep listening," Dr Evans said.

CGHS celebrated a Gathering of Kindness, organised by the Hush Foundation, founded by Dr Catherine Crock. CGHS first brought the Hush Plan into its workplace three years ago.

"We acknowledge we have been through difficult times with this year's independent review (into workplace culture) and we appreciate the kindness shown to us by Dr Crock and the Hush Foundation in acknowledging what we are trying to do at CGHS," Dr Evans told the forum participants.

He outlined CGHS's decision last year to join Patient Opinion, only the second Victorian regional hospital at that time to be part of the national initiative which allows patients and their families to provide open and transparent comments on their experiences. In doing so, CGHS made a commitment to respond quickly to any comments, positive and negative. The process, including eventual resolution, is transparent for all to see.

"What has become so obvious to me in hearing our patients' stories is that a genuine conversation starts with listening. Genuine deep listening," Dr Evans said.

"At the moment we are talking to all our staff about our current project – 'Hello My Name Is....'. At the heart of this project is listening and believing our patients know best.

"We have stated in Our People Values that we want our staff coming to work to add value to all our lives. Kindness and caring are the essential ingredients!"

Support Groups

Friends of Central Gippsland Health Service

Once again it is my pleasure to report on the last 12 months.

We have received wonderful support from the following community groups during the year: Wellington Craft $500, Carols by Candlelight $710.10 and Richies IGA who send regular amounts in support of our important work.

Equipment to the value of $20,000 has been purchased for Central Gippsland Health Service this year, with funds raised by our hardworking auxiliary.

We held our usual Christmas gift wrapping stall in December, and our popular Mother's Day and Easter raffles, in relation to which, we thank the Gippsland Centre for their support in allowing us to use their space for these fundraising efforts.

In closing, I'd like to thank all the members of our auxiliary, the staff of the hospital for their essential service to our community and the members of the general public who have supported our fundraising efforts throughout the year.

Elva Doolan-Jones, President

Our Volunteers

Our work would not be possible without the dedication and commitment of our volunteers who assist our staff, patients, clients and residents in many ways on a daily basis.

The Chief Executive Officer and team at CGHS acknowledge the invaluable contribution of each volunteer in providing the community with a quality health service.

Our volunteers are an essential part of our successes and we appreciate all their efforts.

Donations	
Clyne Estate:	$83,894
Fundraising:	$54,423
General Donations:	$21,043
Total:	***$159,360***

Maffra Hospital Auxiliary

I have much pleasure in reporting on another successful year for the Maffra Hospital Auxiliary. We currently have 21 members who have worked together over the past twelve months to raise in excess of $4,500 with our Morning Coffees, Raffles, Oaks Day Luncheon, Sausage Sizzles and Devonshire Teas. This year we also introduced a new fundraiser in potted succulent gardens which alone netted over $700 in sales.

The Auxiliary was fortunate to receive donations from IGA and families of past residents of McDonald Wing. Raffle prizes were donated by Auxiliary members as well as community members and local businesses.

During the year, the Auxiliary purchased a number of large bamboo plants which were potted and placed at the hospital entrance to enhance the general appearance of the building. Two large outdoor settings were purchased and shade sails will be installed above the outdoor Tuscany area.

The Auxiliary funded, or contributed to, the purchase of an exercise bike for the Rehabilitation ward and a Carendo shower chair during the course of the year, as well as assisting with taxi fares and incidental expenses for the residents of McDonald Wing.

At the annual Christmas break-up, four long standing members of the Auxiliary (Jean Mumford, Edna Oglivie, Jean Heasley and Lennie Stammers) were acknowledged for more than 100 years of combined service to the Auxiliary, the hospital and the community.

Due to the winter exodus of many members, it was decided that the Auxiliary would go into recess during June and July. Meetings will recommence in August.

I would like to thank our members and the community for their support and generosity which has contributed to a very successful and enjoyable year. We look forward to the year ahead as we continue to fund projects to improve the quality of service and comfort to our community at the Maffra Hospital.

For and on behalf of Artie Gray,
President, Maffra Hospital Auxiliary

Focus on the simple act of kindness

Local communities joined Central Gippsland Health Service staff across all campuses in November 2017 to mark the simple act of kindness.

CGHS held its first 'Gathering of Kindness' with a range of activities including an open forum discussing kindness in the healthcare industry. The day was created by the Hush Foundation out of recognition that there is a clear and direct link between staff wellbeing and patient wellbeing.

CGHS Chief Executive Dr Frank Evans joined panel members Sharee Johnson, John Martin, Sharon Schofield and Rob Ziffer, who spoke about the experiences from both a patient and professional point of view. The event was hosted by Cr Darren McCubbin with discussion around ideas on incorporating more kindness into daily activities.

Two short videos were viewed, inviting people to take a moment to stand in someone else's shoes to help understand what they may be going through.

Throughout the day staff, patients and community members made kindness badges, contributed acts of kindness which were acknowledged on the kindness board, enjoyed a healthy lunch and shared each other's company on a walk around Sale's lakes.

A play titled 'What matters' was presented on Friday 10 November facilitated by Dr Catherine Crock of the Hush Foundation.

Pictured at the Gathering of Kindness forum at CGHS were (from left) CGHS patient and community member John Martin, Victorian Coordinator for Youth in Search & Volunteer /Supporter of Make a Wish Foundation, Sharon Schofield, Cr Darren McCubbin, CGHS Chief Executive Dr Frank Evans, CGHS physician Dr Rob Ziffer and Sharee Johnson from Psychologist SKJ Consulting.

CGHS in campaign to stop violence against women

Three Central Gippsland Health Service Service employees had their long beards shaved in November 2017 in support of a campaign to raise awareness of violence against women.

Paul Head, Scott Ault and David Brennan wrote statements about what they will do to continue to drive change, utilising the hashtag #HowIWillChange.

The social media trend was developed by Australian journalist and Screenwriter Benjamin Law, #HowIWillChange. He launched the campaign via twitter in response to the #MeToo campaign, started to promote awareness of the number of women who have been victims of sexual harassment or abuse.

Team Leader of Environmental Services, David Brennan had been growing his beard since July and Scott Ault from Engineering Services since February. Director of Residential Aged Care, Paul Head, started growing his beard last November after taking part in the first CGHS "shave".

Staff from Zienna Hair donated their time to perform the beard clipping.

Organiser of the CGHS event, Social Health Manager, Kristen Millar, said the men's statements had been used as a part of a video and poster display around the hospital during WELLvember.

"They sent out a new message and information around gender equality and how individuals can stand up against men's violence towards women each week via staff email," she said.

At the "shave" event held in the CGHS Cafeteria, a message was read out from CEO of Gippsland Women's Health, Fiona Owen, who couldn't attend. Leading Senior Constable Michael Cook from the Police Family Violence Unit also spoke, urging everyone to "call out" domestic violence.

"Domestic violence is one of the worst scourges in our society," he said. "Already today there have been 352 incidents which police have responded to Australia wide. Later today, that will reach 1000. This is what our kids are seeing. Challenge it but make sure you're safe and those around you safe."

Snr Const Cook urged people at the forum to "shut down" sexist comments and behaviour.

"Violence against women is a men's issue," he said. "We need more men to stand up and say this is not okay. We need more men with guts and strength to challenge domestic violence."

The forum finished with everyone pledging their own statements on #HowIWillChange which were placed on a window in the CGHS cafeteria.

- *Pictured top, Team Leader of CGHS Environmental Services, David Brennan, gets his beard removed by Zienna Hair.*
- *Pictured centre, Scott Ault from CGHS's Engineering Services goes under the clippers, courtesy of Zienna Hair.*
- *Pictured left, clean shaven Paul Head (CGHS Director of Residential Aged Care) after getting his long beard removed by Zienna Hair.*

CGHS flu vaccination campaign

Central Gippsland Health Service urged its staff to have the flu vaccination this year to reduce any risk of spreading the virus to patients and clients.

Director of Nursing and Clinical Support Services, Denise McInnes, said CGHS was pleased with the early response to its annual campaign.

"CGHS is asking all its employees to have the vaccination this year, if not for themselves, for their patients, their families and the wider community," Ms McInnes said.

Following last year's devastating flu epidemic where there were around 1500 deaths Australia-wide and 18,000 hospitalisations, CGHS is hoping for a good response from staff.

"Although young and old are considered the most vulnerable, last year the group most affected by influence was the 18-49 year age group which was significantly over represented in all three strains," Ms McInnes said. "That's the age of most of our employees.

- *Pictured above, Infection Control Nurse, Cathy Mowat, vaccinating the Nurse Unit Manager at Maffra Hospital, Leah Adams.*

"The flu is passed on during the incubation period well before a person experiences the symptoms. We need our staff to understand that vaccination is not only to protect them but also their patients, co-workers and their families. If people don't want to do it for themselves, please think of others.

"This is our key message in our campaign this year...if you don't want to do it for you, do it for your patients and families. Do it for our community."

CGHS infection control nurses ran immunisations session at all CGH campuses.

Sale Hospital's 150th Anniversary

In August 2017, the Sale Hospital celebrated its 150th anniversary in style.

The day commenced with a Welcome to Country and Smoking Ceremony, featuring local Gunai Kurnai community member, Jodie Douthat.

Darren McCubbin was appointed Master of Ceremonies and guided attendees through the official opening, followed by a tour of the history collection, a performance by the Sale College Band, a tour of the Community Services Building (former Nurses' Home), a tour of the old and new Linen Service, a tour of Medical Imaging, a Sale City Band performance, and tours of the Medical Ward, Cardiology, Critical Care and the Community Rehabilitation Centre.

Displays were presented by Ambulance Victoria, the CGHS Bike Ride, Friends of CGHS, hospital departments and the Royal Flying Doctor Service. A collection of memorabilia and stories was displayed, including Oral History listening posts.

The Lions Club held a sausage sizzle and refreshments and merchandise were available to mark the milestone.

Later that day, a Gala Ball was held in Garnsey Hall at the Gippsland Grammar where the Police Band 'Code One' performed live and a three-course meal was enjoyed.

- *Pictured above, Medical Imaging Department staff (from left) Megan Stewart, Felicity Lafferty, Catherine Walsh and Sue Heath are pictured among the guests at the Gala Ball to mark the Sale Hospital anniversary.*

Dental advice for kinder kids

It was all smiles from children from Sale's Glassford Kindergarten when they visited the Dental Service at Central Gippsland Health Service Service as part of the Smiles 4 Miles program.

The program is an initiative of Dental Health Services Victoria in partnership with CGHS to improve the oral health of Wellington Shire's preschool aged children and their families. In Wellington Shire, 19 early childhood services with more than 1000 children take part.

Eight kindergartens visited CGHS throughout 2017.

CGHS Health Promotion Officer, Jessica Harkness, said the program encouraged healthy eating, healthy drinking and good oral hygiene.

"We know that good oral health is essential to your overall health and wellbeing, and we also know that good habits are learned early in life," Ms Harkness said.

Glassford Kindergarten teacher, Lisa Stewart, said the program assisted in teaching the children about the importance of dental care and the CGHS visit helped familiarise them with the dental environment.

"We are teaching our children and their families the importance of oral health including brushing their teeth twice a day and visiting the dentist regularly before a problem occurs," she said.

Ms Harkness said the CGHS Dental Service offered free general dental care for all children aged 12 years and under. No concession cards are needed and emergency appointments are available.

- *Pictured below, CGHS dental staff, Andrea Bradley and Viv Boyle, welcoming visitors from the Glassford Kindergarten.*

Our People

Senior Management Team as at 30 June 2018

Chief Executive Officer: Dr Frank Evans
Chief Operating Officer: Mr Jon Millar
Director of Nursing & Clinical Support Services: Ms Denise McInnes
Director Medical Services: Dr Suhan Baskar
Director Community Services: Ms Mandy Pusmucans
Director Residential Aged Care: Mr Paul Head
Director of Pharmacy: Ms Michelle Garner
General Manager Medical Services: Ms Lisa Neuchew
General Manager Human Resources: Mr Kevin Gray
General Manager Nursing & Medical Clinical Operations: Ms Tracy McConnell-Henry
General Manager Education, Quality & Risk: Ms Suzanne Askew
General Manager Allied Health: Ms Keren Fuhrmeister
General Manager Business Performance: Mr Craig Kingham
General Manager Quality Improvement & Innovation: Ms Kelli Mitchener
General Manager Business Services: Mr John Leehane

Senior Medical and Dental Staff 2017/2018

Anaesthetist Consultants
Dr A Dell, Head of Unit
Dr A Green
Dr A Hindle

Anaesthetists GPs
Dr N Atherstone
Dr E Christie (Honorary)
Dr P Marosszeky
Dr R Nandha
Dr N Fuessel (short-term contract)
Dr C O'Kane
Dr S Wilmot
Dr A Wong
Dr J Braga
Dr Nicola Fenner

Cardiologist
Dr A Wilson
Dr S Palmer

Dentists
Dr O Husodo
Dr C Law
Dr L Martin (resigned)
Dr B Pedrotti
Dr T Ranten
Dr J Roberts
Dr L Thavarajah

Dermatologists
Dr C Baker *(resigned November 2017)*
Dr F Bhabha
Dr D Gin
Dr J Horton
Dr J Kern
Dr A Mar
Dr D Orchard
Dr A Kern

Director Medical Services
Dr S Baskar

Echo Cardiologist
Dr J Gutman

Emergency Medicine Senior Medical Officers
Dr S Dobber
Dr K Gilbert *(Resigned June 2018)*
Dr A Richards *(Resigned September 2017)*
Dr F Sundermann
Dr E Wilson *(Resigned December 2017)*

Field Emergency Medical Officer
Dr G Ivanoff

Forensic Medical Officer (Affiliated)
Dr R Hides

Gastroenterologists
Dr A Kalade
Dr M Ryann

General Practitioners
Dr Y Ahmad
Dr S Anderson
Dr M T Baker *(Resigned February 2018)*
Dr JM Bergin
Dr A Burk
Dr O Chan
Dr S Christian
Dr S L Choy
Dr P Dandy
Dr S Dobber
Dr RJ Hides
Dr Y Jiang
Dr B Johnston
Dr C Lau *(Resigned November 2017)*
Dr P Marosszeky
Dr DA Monash
Dr D Mudunna
Dr IC Nicolson, Head of Unit
Dr R Nandha
Dr C O'Kane
Dr G Pathania
Dr A Roberts
Dr K Seach
Dr H Stanley
Dr E Stathakopoulos
Dr P Stevens
Dr F Sundermann
Dr T Walsh
Dr LA Waters
Dr AJ Watt
Dr AJ Wright

General Practitioner Consultants (Rosedale)
Dr M Gan *(Resigned)*
Dr A Hughes
Dr S Syed

Haematology
Dr A Ormerod
Dr T Wright

IVF/Gynaecology
Dr G Weston

Nephrologists
Prof D Power
Dr V Roberts

Nuclear Medicine Physician
Prof D Power
Dr V Robert

Obstetricians and Gynaecologists
Dr C Black
Dr T Chong *(locum)*
Dr R Guirguis, Head of Unit
Dr Y Hana
Dr A Sarkarr

Obstetricians GPs
Dr C O'Kane
Dr AJ Wright

Oncologist (Medical)
Dr S Joshi

Oncologists (Radiation)
Dr R Hegde

Ophthalmologist
Mr A Amini
Dr T Edwards

Orthopaedic Surgeon
Mr P Rehfisch

Otorhinolaryngologists (ENT)
Dr V Mahanta
Dr M Wilson *(Indigenous Outreach)*

Our People continued

Senior Medical and Dental Staff 2017/2018 continued

Pain Physician
Dr G Aravinthan

Paediatricians
Dr A Erasmus *(locum)*
Dr L Jindal
Dr M Rana
Dr S Subiramanian, Head of Unit
Dr O Welgemoed *(Resigned June 2018)*

Paediatric Endocrinologist (Consulting)
Dr J Brown

Paediatric Surgeons
Mr C Kimber
Mr P Ferguson

Palliative Care Practitioners
Dr H Atkinson *(Resigned)*
Dr K Hogan *(Resigned)*

Pathologists
Dr A Haddad
Dr G Imhagwe

Physicians
DDr M Cheah
Dr H Connor
Dr K Mandaleson, Head of Unit
Dr N Uddin
Dr M Van der Heiden *(Resigned)*
Dr RW Ziffer

Physician (Infectious Diseases)
Dr E Paige

Radiologists
Dr M Gupta
Dr S Kapur
Dr T Kulatunge
Dr H Patel
Dr K Stribley
Dr S P Tan
Dr A Tripathi
Dr R Wijeratne
Dr H Yeang

Respiratory (Paediatric) Physician
Dr D Armstrong

Surgeons General
Dr F Asomah, Head of Unit
Mr P Strauss
Mr S Syed
Mr R Xu

Surgeon Upper GI
Mr S Banting

Surgeon Vascular (Consulting)
Mr N Roberts

Urologists
Assoc Prof M Frydenberg
Mr P McCahy

Acute Services

Director Critical Care and Emergency Services – Dr Howard Connor (until April 2018), Dr Krishna Mandaleson (from April 2018)
Head of Anaesthetics – Dr Arthur Dell
Director of Aged Care – Dr Krishna Mandaleson
Director of Pharmacy – Michelle Garner
General Manager Medical & Nursing Clinical Operations – Tracy McConnell-Henry
Hospital Coordinators – Therese Smyth, Janny Steed, Dianne Matcott, Caroline Rossetti, Tanya Stiles, Leanne Backman

Surgical Services
Nursing Unit Manager, Surgical – Gary McMillan
Nursing Unit Manager, Perioperative Services – Mauricio Yanez

Obstetric/Paediatric Unit
Nursing Unit Manager, Obstetrics and Paediatrics – Kim Costin and Linda Glover

Medical Services
Nursing Unit Manager, Critical Care – Jenny Dennett (until February 2018), Courtney Redaelli (from February 2018)
Nursing Unit Manager Dialysis, Cardiology, Oncology – Jenny Dennett
Nursing Unit Manager, Medical – Sue Roberts
Nursing Unit Manager, Emergency – Kate Roberts

Clinical Support Services
Infection Control Officers – Cathy Mowat and Andrea Page
Wound/Stomal Therapy – Ann Payne

Maffra Campus
Director of Nursing – Paul Head
Nursing Unit Manager, Maffra – Leah Adams

Affiliated Health Services
Director of Residential Aged Care – Paul Head
Health Services Manager – Affiliated Services – Brent Causon
Nursing Unit Manager, Heyfield – Ruth O'Brien

Stretton Park Hostel and Independent Living Units
Stretton Park Nursing Unit Manager: Ann Gibbs

Residential Aged Care
Nursing Unit Manager Wilson Lodge: Matt Gray

Community Services
Director of Community Services – Mandy Pusmucans
Nursing Unit Manager, District Nursing – John Curran
General Manager Allied Health – Keren Fuhrmeister
Manager, Dietetics – Andrea Schofield
Manager, Speech Pathology – Kath Cook
Manager, Social Work – Kristen Millar
Clinical Lead, Occupational Therapy – Jessie Duncan

Community Services continued
Clinical Lead, Physiotherapy & Exercise Physiology – Jenny McGuinness
Community Health and Partnerships Manager – Ruth Churchill
Palliative Care Clinical Care Consultant – Jenna Beams

Support Services
Chief Operating Officer – Jon Millar
Director of Finance – Daryl Cooper *(until February 2018)*, John Leehane *(from June 2018)*
Engineering Services Supervisor – David Martin
Hotel Services Manager – David Askew
General Manager Business Performance – Craig Kingham
Hospital Medical Officer (HMO) Manager – Jennifer Harrington
Payroll Manager – Raquel King
Supply Manager – Matt McQuillen *(until October 2017)*, Leon Schoenmaekers *(from October 2017)*

Workforce Capability and Learning
General Manager Education, Quality & Risk – Suzanne Askew
Librarian – Helen Ried
General Manager Human Resources – Kevin Gray

Business Units
Medical Imaging Practice Manager – Simon Waixel
Sale Central Linen Service Manager – Adam Crotty
Dental Clinic – Ruth Churchill

Statutory Information

Statutory Compliance

Central Gippsland Health Service Service is a public hospital listed in Schedule 1 to the Health Services Act 1988 (the Act). Central Gippsland Health Service is an incorporated body regulated by the Act. The Victorian Ministers for Health during 2017/18 were:

The Honourable Jill Hennessy MP, Minister for Health, Minister for Ambulance Services.

The Honourable Martin Foley MP, Minister for Housing, Disability and Ageing, Minister for Mental Health.

Reporting Requirements

The information requirements listed in the Financial Management Act 1994 (the Act), the Standing Directions of the Minister for Finance under the Act (Section 4 Financial Management Reporting); and Financial Reporting Directions have been prepared and are available to the relevant Minister, Members of Parliament and the public on request.

Objectives, Functions, Powers and Duties of Central Gippsland Health Service

The principal objective of Central Gippsland Health Service Service is to provide public hospital services in accordance with the Australian Health Care Agreement (Medicare) principles. In addition to these, Central Gippsland Health Service Service has set other objectives which encompass the shared vision, core values and strategic directions of the

Consultancies engaged during 2017/18

In 2017–18, there was one (1) consultancy where the total fee payable to the consultant was $10,000 or greater. The total expenditure incurred during 2017–18 in relation to this consultancy is $30,598 (excl. GST). Details of individual consultancies can be viewed at www.CGHS.com.au

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

Consultant	*Purpose of consultancy*	*Start Date*	*End Date*	*Total approved project fee (excl GST) ($'000)*	*Expenditure 2017–18 (excl GST) ($'000)*	*Future expenditure (excl GST) ($'000)*
The Trustee for Coach Trust	Roll out of Class Act training to all CGH employees	Oct–17	Dec–17	30,598	30,598	0

Central Gippsland Health Service had no consultancies individually valued at less than $10,000 during the reporting period.

Victorian Industry Participation Policy (VIPP) Act 2003

During 2017–18, Central Gippsland Health Service Service did not enter into any contracts under the criteria specified in the Victorian Industry Participation Policy (VIPP) Act 2003.

Statement of occupational health and safety matters

The Health Service has twenty two (22) Health and Safety Representatives (HSRs)appointed, representing 91% of vacant roles. All HSRs are formally trained for the role and assist with hazard identification and incident investigations.

In addition, Central Gippsland Health Service Service has appointed seven (7) Harassment Contact Officers who are available to support staff with information concerning bullying or harassment.

During 2017/18, six (6) Occupational Health and Safety Committee meetings were held, in line with the Terms of Reference for this committee.

Competitive Neutrality

Central Gippsland Health Service Service supports the Victorian Government's policy statements as outlined in Competitive Neutrality; a statement of Victorian Government policy. Competitive Neutrality is seen as a complementary mechanism to the ongoing quest to increase operating efficiencies by way of benchmarking and embracing better work practices.

Building Act 1993 Compliance

Central Gippsland Health Service Service complies with the Standards for Publicly Owned Buildings (the guideline). Central Gippsland Health Service controls nine (9) properties, six (6) residential care and three (3) non–residential care.

Statutory Information continued

	Non residential	Residential
Loch Sport CHC	1	
Community Care	1	
Community Rehab Centre	1	
Heyfield Hospital		1
Laurina Lodge		1
Maffra Hospital		1
Stretton Park		1
Sale Acute		1
Wilson Lodge		1

All new work and redevelopment of existing properties is carried out to conform to the 2006 Building Regulations and the provisions of the Building Act 1993. The local authority or a building surveyor issues either a Certificate of Final Inspection or an Occupancy Permit for all new works or upgrades to existing facilities.

Five yearly fire risk audits were conducted, within the 2017/18 financial year. Reports will be received in the first quarter of 2018/19.

Central Gippsland Health Service Service installs and maintains fire safety equipment in accordance with building regulations and regularly conducts audits. The upgrading of fire prevention equipment in buildings is also undertaken as part of any general upgrade of properties where necessary and is identified in maintenance inspections.

Central Gippsland Health Service Service requires building practitioners engaged on building works to be registered and to maintain registration throughout the course of the building works.

National Competition Policy

Central Gippsland Health Service Service complies with all government policies regarding competitive neutrality with respect to all tender applications.

Safe Patient Care Act 2015

Central Gippsland Health Service Service complies with this Act. There were no instances to report in the year 2017–18.

Freedom of Information

A total of 100 requests under the Freedom of Information Act were processed during the 2017/18 financial year.

Requests for documents in the possession of Central Gippsland Health Service Service are directed to the Freedom of Information Manager and all requests are processed in accordance with the Freedom of Information Act 1982.

A fee is levied for this service based on the time involved in retrieving and copying the requested documents. Central Gippsland Health Service Service nominated officers under the Freedom of Information Act are:

Principal Officer
Dr Frank Evans, Chief Executive Officer

Freedom of Information Manager
Mr Craig Kingham, General Manager Business Performance

Privacy

Central Gippsland Health Service Service has embraced the privacy legislation and is committed to ensuring that consumer and staff rights to privacy are upheld at all times. The organisation has proper processes and policies in place to ensure compliance with privacy legislation and to provide information to staff and consumers regarding privacy rights and responsibilities.

All Central Gippsland Health Service Service consumers have the right to have personal information stored in a secure location and to be assured that only that information that is necessary to ensure high quality health care is to be collected. Central Gippsland Health Service Service has implemented a privacy complaints procedure that can be accessed by both staff and consumers that monitors and enforces privacy issues.

The Protected Disclosure Act

Central Gippsland Health Service Service complies with the regulations in the Protected Disclosure Act which came into operation on 10 February 2013. The purposes of the Act are to:

- encourage and facilitate disclosures of
  - (i) improper conduct by public officers, public bodies and other persons, and
  - (ii) detrimental action taken in reprisal for a person making a disclosure under the Protected Disclosure Act.
- provide protection for
  - (i) persons who make those disclosures and
  - (ii) persons who may suffer detrimental action in reprisal for those disclosures.
- provide for the confidentiality of the content of those disclosures and the identity of persons who make those disclosures.

The Protected Disclosure Act, subject to some specific exceptions, only applies to Victorian public bodies and public officers.

Working together for the community

Central Gippsland Health Service manages Stretton Park Incorporated (SPI) and Heyfield Hospital Incorporated (HHI) on behalf of the respective boards under a Management Agreement.

The parties have worked together under this agreement, putting in place various strategies to improve performance and sustainability.

The agreement recognises the role of CGHS in providing operational management support to SPI and HHI; and in the boards of SPI and HHI retaining their governance role and responsibilities.

The desire to update the Memorandum of Understanding (MOU) was reaffirmed by all three Boards at a review workshop held in March 2018.

Stretton Park

Stretton Park, pictured below, is a community operated not-for-profit residential aged care facility that offers both respite and permanent care for Maffra and its surrounding community.

Stretton Park has provided aged care services to the Maffra and district community for more than thirty years.

It is currently fundraising to undertake a major redevelopment of the facility.

Heyfield Hospital

Heyfield Hospital, pictured above, was built in 1934 to service the needs of Heyfield and surrounding communities.

The private hospital provides a mix of private beds, public beds (funded by Central Gippsland Health) and three Transitional Care Beds (through the Transitional Care Program) that are subcontracted from Latrobe Regional Hospital.

Heyfield Hospital provides medical services and a 24-hour, seven-day a week oncall urgent care service staffed by local general practitioners, who have a co-located, private medical practice on the Heyfield Hospital site.

Heyfield Hospital services a local area catchment that includes the towns of Glenmaggie, Coongulla, Nambrok, Cowwarr and surrounds.

Previously classified as a Bush Nursing Hospital, the hospital has both acute and sub-acute beds and is staffed by highly experienced Registered and Enrolled Nurses.

Laurina Lodge is co-located with Heyfield Hospital to provide aged care services. Built in 1994 and 2006, the facility offers transitional care, respite and permanent care.

In addition to all aged care services, Residents have access to Heyfield Medical Centre located on-site.

Health and wellbeing a priority

Central Gippsland Health Service's Health and Wellbeing Group has overseen and is the approval mechanism for activities of the four smaller working groups.

These groups are the Healthy Eating Working Group, the Physical Activity Working Group, the Smoking Working Group and the Mental Health and Wellbeing Working Group.

The Healthy Eating Working Group has continued progress towards meeting the Healthy Choices Food Guidelines for Victorian Hospitals.

The function catering menu has been in place for over 12 months and enables ordering of food for catering which meets the guidelines. Vending machines, contracted to CGHS, have also been changed to come as close to the guidelines as possible.

The menu review, funded through Wellington Primary Care Partnerships, was undertaken from October-December 2017 and has been put in place for the cafeteria refurbishment which has been welcomed by staff, patients and visitors.

The Alfred Health has provided training/information sessions, shared its learnings and resources, and provided marketing resources.

The Physical Activity Working Group has completed guidelines for sit/stand desks as well as taking on a project to look for and develop outside meeting spaces at each CGHS site.

The Smoking Working Group is involved with a regional smoking cessation project which was started to support all agencies across Gippsland. The CGHS group's aim is to fully implement the ABCD method for supporting smoking cessation.

The working group had previously achieved the Smoking Cessation benchmark from an achievement program perspective. Alfred Health has provided training sessions and information to assist.

The Mental Health and Wellbeing Working Group is now mainly focused on prevention of family violence with training started for all managers and some non-clinical staff. The aim is to train all CGHS staff to increase awareness of family violence, how to recognise it and how to respond supportively.

The group also organises WELLvember each year with the 2017 activities including the Gathering of Kindness launch, a play, massages and lots more.

Additional Information

In compliance with the requirements of FRD 22H Standard Disclosures in the Report of Operations, details in respect of the items listed below have been retained by Central Gippsland Health Service Service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

(a) A statement of pecuniary interest has been completed;

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

(c) Details of publications produced by the Department about the activities of the Health Service and where they 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.

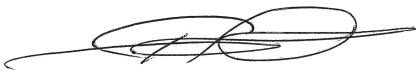
Report of Operations

Key Performance Indicators Activity Data

Admitted Services	
Separations	
Same Day	7,377
Multi Day	4,829
Sub- Acute	358
Total Separations	*12,564*
Theatre Services	
Emergency Surgery	384
Elective Surgery	3,000
Total Surgical Occasions	3,384
Total WIES	7,120
Bed Days	29,958
Emergency Department Attendances	16,745
Mothers Delivered	411
Community Services	
Hours delivered by Community Services	121,926
Meals Delivered	9,862
Hours delivered to externally funded community, aged care package clients	12,480
Palliative Care Contacts	5,311
Non-admitted Subacute and Specialist Outpatient Clinic Service Events	24,596

Responsible Bodies Declaration as at 30 June 2018

In accordance with the ***Financial Management Act 1994,*** I am pleased to present the Report of Operations for ***Central Gippsland Health Service Service*** for the year ending 30 June 2018.



Tony Anderson, Board Chair
Sale Victoria
30 August 2018

Summary of Operational and Budgetary Objectives

The service recorded a net profit from continuing operations before capital & specific items of $1,861 (2016/17 $762K loss). After taking into account capital & specific items the net result was a loss of $281 (2016/17 $3,317K loss).

The Health Service budgeted for a net surplus before capital and specific items of $373K and a Net Result loss for the year of $1,063K.

Summary of factors that have affected the Operations for the Year

The results of the service during the reporting period have been affected by the following factors:

- Recognition of WIES to budget.

Events subsequent to Balance Date

Nil.

Environmental Performance

Central Gippsland Health Service Service has continued to improve its environmental impact this year by completing the following works:

- Continuing the replacement rollout of all fluorescent tube lighting with efficient LED fittings at both the Sale and Maffra campuses.
- Installation of a 330kW of Solar PV panel onto the Sale Acute building, Linen Service and Wilson Lodge roofs, with a projected output of 386,000 kWh per annum.

CGHS is in the process of installing a new emergency generator and upgrading the existing electrical switchboard to support the new generator.

Additionally in 2018/19, two significant projects will be commenced, including:

- The procurement of new chiller infrastructure and replacement of heating boilers with efficient condensing units. These changes will provide increased capacity of our heating and cooling, whilst reducing the utility usage of the organisation.
- Expansion of the solar PV installation with an additional 460kWp installation at the Sale campus and a 99kWp installation at the Maffra campus.

Summary of Financial Results

	2017/2018	***2016/2017***	***2015/16***	***2014/15***	***2013/14***
Total Expenses	98,369	95,198	90,903	85,865	84,191
Total Revenue	98,088	91,831	86,938	83,729	78,968
Operating Surplus/(Deficit)	- 281	- 3,317	- 3,965	- 2,136	- 5,223
Accumulated Surplus (Deficit)	- 36,,053	- 32,455	- 29,285	- 29,236	- 25536
Total Assets	70,920	68,006	70,038	72,316	71,547
Total Liabilities	27,533	24,338	23,053	21,366	18,461
Net Assets	43,387	43,668	46,985	50,950	53,086
Total Equity	43,387	43,668	46,985	50,950	53,086

Report of Operations continued

Revenue Indicators

	Average Collection Days	
	2017/18	2016/17
Private Inpatients	40	38
Victorian Workcover Inpatients	-	-
Other Compensable Inpatients	-	-
Nursing Home	36	3
Community Services	39	33

Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies

I, Frank Evans, certify that Central Gippsland Health Service Service 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.

Dr Frank Evans, Accountable Officer
Sale Victoria
30 August 2018

Data Integrity

I, Frank Evans, certify that Central Gippsland Health Service Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Central Gippsland Health Service has critically reviewed these controls and processes during the year.

Dr Frank Evans, Accountable Officer
Sale Victoria
30 August 2018

Conflict of Interest

I, Frank Evans, certify that Central Gippsland Health Service Service 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 Central Gippsland Health Service Service 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 Board meeting.

Dr Frank Evans, Accountable Officer
Sale Victoria
30 August 2018

Financial Management Compliance

I, Tony Anderson, on behalf of the Responsible Body, certify that Central Gippsland Health Service Service has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.

Tony Anderson, Board Chair
Sale Victoria
30 August 2018

Information and Communication Technology (ICT) Disclosure

Business as Usual (BAU) ICT Expenditure	Average Collection Days Non-Business 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) (b)
$1,682,567	$1,682,567	$1,682,567	0

Patient Debtors Outstanding as at 30 June 2017

	Under 30 Days ($'000)	30-60 Days ($'000)	61-90 Days ($'000)	Over 90 Days ($'000)	Total 30/06/17 ($'000)	Total 30/06/16 ($'000)
Private Inpatients	25	13	38	16	92	130
Victorian Workcover Inpatients	0	0	0	0	0	0
Nursing Home	35	11	14	127	187	15
Community Services	81	0	16	56	153	121
Total	141	24	68	199	432	266

Statement of Priorities

Part A:

Goals	*Strategies*	*Health Service Deliverables*	*Outcome*
Better Health			
A system geared to prevention as much as treatment.	Reduce Statewide risks. Build healthy neighbourhoods.	Evidence of continued participation in the 2017–2021 Municipal Public Health and Wellbeing (and Integrated Health Promotion) Plan. Evidence of participation at multiple levels including Chief Executive Officer and executive level.	CEO and Director of Community Services were directly involved through the Municipal Public Health & Wellbeing Plan Management Committee.
Everyone understands their own health and risks.	Help people to stay healthy.	Full implementation of Healthy Choices Guidelines across inpatient, catering and cafeteria areas.	We have progressed well with implementation of the Healthy Choices Guidelines with full implementation now expected in August 2018.
Illness is detected and managed early.	Target health gaps.	Completed renovation of cafeteria to facilitate compliance with Healthy Choices guidelines.	Building works commenced. Anticipated completion date is now 20 July 2018. New cafeteria menu will commence in July 2018.
Healthy neighbourhoods and communities encourage healthy lifestyles		Evidence of executive level participation in the Marley Street (social housing) Project. Smoking cessation program commenced across the organisation utilising the ABCD approach to supporting people who smoke: a guide for health services.	Smoking cessation program has commenced utilising the ABCD approach with full implementation expected by June 2019.
Better Access			
Care is always there when people need it.	Plan and invest.	Care coordination/Transition of Care Project progressed and Transition Care Index score of equal or greater than 80 achieved in all quarters.	The Transition Care Working group will continue to oversight rapid cycle improvements until high level performance is sustained. A score of 79 was achieved for Jan – Mar 2018.
More access to care in the home and community.	Unlock innovation. Provide easier access.	Improved access to public antenatal care with the provision of at least one additional clinic per fortnight.	An additional clinic is now being provided and will be ongoing.
People are connected to the full range of care and support they need.	Ensure fair access.	Evidence that regular outreach obstetrics and gynaecology clinics to East Gippsland have been re-established.	Due to unforeseen circumstances this clinic has not been re-established. It is expected to re-establish by December 2018.

Statement of Priorities continued

Goals	Strategies	Health Service Deliverables	Outcome
Better Access continued			
There is equal access to care.		Stage 2 Wellness and Reablement pilot targeting clients with complex needs who have been hospitalised to be completed.	Reablement working group has been re-established with a focus on Maffra District. Outcomes to date are: increased Allied Health staff at Maffra; refurbishment and relocation of therapy areas; and increased outpatient capability at Maffra. A number of clients are now enrolled in the Reablement program.
		Project to build a fourth operating theatre and introduce major orthopaedic surgery at Sale campus is on track and on budget.	Currently finalising with primary consultants the tender documentation and specification for the building works. We are expected to go to tender in July. Project working groups are progressing to plan.
		Centralise residential aged care intake point to provide choice of facility to the consumer to all the available places across our network.	Centralised residential aged care intake has been established.
Better Care			
Target zero avoidable harm. *Healthcare that focusses on outcomes.*	Put quality first. Join up care. Partner with patients.	Current score card traffic light reports for the Board and governance committees and working groups replaced with new comprehensive reporting format including trend graphs.	New board agenda and performance reporting has been implemented, including trend graphs.
Patients and carers are active partners in care. *Care fits together around people's needs.*	Strengthen the workforce. Embed evidence. Ensure equal care.	Localised "Inspire" reports developed and provided regularly to all wards and clinical units.	Reports are currently in development and will be completed by the end of the calendar year.
Mandatory actions against the 'Target zero avoidable harm' goal			
	Develop and implement a plan to educate staff about obligations to report patient safety concerns.	A plan developed and implemented to educate staff about obligations to report patient and safety concerns.	Education program developed and accessible for all staff. Progressing this initiative will form part of the 2018/19 Statement of Priorities.

Statement of Priorities continued

Goals	Strategies	Health Service Deliverables	Outcome
Mandatory actions against the 'Target zero avoidable harm' goal continued			
	Establish agreements to involve with external specialists in clinical governance processes for each major area of activity (including mortality and morbidity review).	Continue to actively participate in regional clinical review processes (for example Gippsland Perinatal Morbidity and Mortality Committee). Continue to involve external clinicians in clinical case reviews and root cause analysis.	CGHS is an active participant in the Regional Perinatal Morbidity and Mortality Committee. External Clinicians are involved with clinical reviews and root cause analysis.

Statement of Priorities continued

Part B: Performance Priorities

High Quality and Safe Care

Key Performance Indicator	*Target*	*Actual*
Accreditation		
Accreditation against the National Safety and Quality Health Service Standards	Full compliance	Full compliance
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full compliance	Full compliance
Infection Prevention and Control		
Compliance with the Hand Hygiene Australia program	80%	88.6%
Percentage of healthcare workers immunised for influenza	75%	79.49%

Key Performance Indicator	*Target*	*Actual*
Patient Experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95% positive experience	95%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95% positive experience	96%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95% positive experience	97%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 1	75% positive experience	79%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 2	75% positive experience	76%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care – Quarter 3	75% positive experience	80%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 1	70%	81%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 2	70%	78%
Victorian Healthcare Experience Survey – patients perception of cleanliness – Quarter 3	70%	81%
Healthcare Associated Infections (HAIs)		
Number of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	Nil
Adverse Events		
Number of sentinel events	Nil	Nil
Mortality – number of deaths in low mortality DRGs[1]	Nil	N/A
Maternity and Newborn		
Rate of singleton term infants without birth anomalies with Apgar score <7 at 5 minutes	≤ 1.6%	1.69%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤ 28.6%	8.3%
Continuing Care		
Functional independence gain from an episode of GEM[2] admission to discharge relative to length of stay	≥ 0.39	1.09
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	1.009

[1] DRG is Diagnosis Related Group. This indicator was withdrawn during 2017–18 and is current under review by the Victorian Agency for Health Information.

[2] GEM is Geriatric Evaluation and Management

Statement of Priorities continued

Part B: Performance Priorities continued

Strong Governance, Leadership and Culture

Key Performance Indicator	*Target*	*Actual*
Organisational Culture		
People matter survey – percentage of staff with an overall positive response to safety and culture questions	80%	88%
People matter survey – percentage of staff with a positive response to the question "I am encouraged by my colleagues to report any patient safety concerns I may have"	80%	94%
People matter survey – percentage of staff with a positive response to the question, "Patient care errors are handled appropriately in my work area"	80%	92%
People matter survey – percentage of staff with a positive response to the question, "My suggestions about patient safety would be acted upon if I expressed them to my manager"	80%	89%
People matter survey – percentage of staff with a positive response to the question, "The culture in my work area makes it easy to learn from the errors of others"	80%	88%
People matter survey – percentage of staff with a positive response to the question, "Management is driving us to be a safety-centred organisation"	80%	88%
People matter survey – percentage of staff with a positive response to the question, "This health service does a good job of training new and existing staff"	80%	77%
People matter survey – percentage of staff with a positive response to the question, "Trainees in my discipline are adequately supervised"	80%	82%
People matter survey – percentage of staff with a positive response to the question, "I would recommend a friend or relative to be treated as a patient here"	80%	90%

Timely Access to Care

Key Performance Indicator	*Target*	*Actual*
Emergency Care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	93%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	73%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	78%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	0
Specialist Clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	100%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	87%

Statement of Priorities continued

Part B: Performance Priorities continued

Effective Financial Management

Key Performance Indicator	*Target*	*Actual*
Finance		
Operating result ($m)	0.00	1.85
Average number of days to paying trade creditors	60 days	29
Average number of days to receiving patient fee debtors	60 days	17
Public and Private WIES[3] activity performance to target	100%	86%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.023
Number of days of available cash	14 days	56

[3] WIES is a Weighted Inlier Equivalent Separation

The changes arising in the WIES funding model following the introduction of AR-DRG version 8 in 2016-17 have impacted Central Gippsland Health Service's ability to recognise WIES activity in 2017-18.

The department has acknowledged these issues at a system level and provided assurances around minimum funding levels throughput 2017-18.

Part C: Activity and Funding

Funding Type	*2017/18 Activity Achievement*
Admitted	
WIES Public	6,289
WIES Private	591
WIES DVA	111
WIES TAC	41
Acute Non-Admitted	
Home Enteral Nutrition	125
Specialist Clinics – Private	
Specialist Clinics – Public	11,649
Subacute & Non-Acute Admitted	
Subacute WIES – Rehabilitation Public	62
Subacute WIES – Rehabilitation Private	15
Subacute WIES – GEM Public	105
Subacute WIES – GEM Private	5
Subacute WIES – Palliative Care Public	59
Subacute WIES – Palliative Care Private	1
Subacute WIES – DVA	10
Aged Care	
Residential Aged Care	26,067
HACC	19,919
Primary Health	
Community Health / Primary Care Programs	7,951
Other	
Health Workforce	38

Disclosure Index

The annual report of the Central Gippsland Health Service Service 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.

Independent Auditor's Report

VAGO
Victorian Auditor-General's Office

To the Board of Central Gippsland Health Service

Opinion

I have audited the financial report of Central Gippsland Health Service (the health service) which comprises the:

- balance sheet as at 30 June 2018
- 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 2018 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.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

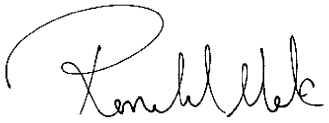
Auditor's responsibilities for the audit of the financial report

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
18 September 2018

Ron Mak
as delegate for the Auditor-General of Victoria

CENTRAL GIPPSLAND HEALTH SERVICE

COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $'000	2017 $'000
Revenue from Operating Activities	2.1	94,459	88,736
Revenue from Non-operating Activities	2.1	621	581
Employee Expenses	3.1	(64,041)	(63,480)
Non Salary Labour Costs	3.1	(3,647)	(3,418)
Supplies and Consumables	3.1	(11,251)	(10,507)
Other Expenses From Continuing Operations	3.1	(14,275)	(12,674)
Net Result before capital & specific Items		1,866	(762)
Capital Purpose Income	2.1	3,008	2,514
Depreciation	4.4	(5,150)	(5,066)
Net Result after capital & specific items		(276)	(3,314)
Other economic flows included in net result			
Revaluation of Long Service Leave		(5)	(3)
NET RESULT FOR THE YEAR		(281)	(3,317)
Other comprehensive income		-	-
COMPREHENSIVE RESULT FOR THE YEAR		(281)	(3,317)

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

CENTRAL GIPPSLAND HEALTH SERVICE

BALANCE SHEET AS AT 30 JUNE 2018

	Note	2018 $'000	2017 $'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	*6.2*	18,373	12,433
Receivables	*5.1*	2,368	1,663
Investments and other Financial Assets	*4.1*	7	1,238
Inventories		284	279
Other Assets		553	467
Total Current Assets		21,585	16,080
Non-Current Assets			
Other Assets		96	49
Receivables	*5.1*	1,538	1,493
Property, Plant & Equipment	*4.3*	47,701	50,384
Total Non-Current Assets		49,335	51,926
TOTAL ASSETS		70,920	68,006
LIABILITIES			
Current Liabilities			
Payables	*5.3*	4,421	3,015
Advance from Government	*6.1*	383	-
Provisions	*3.3*	14,694	13,690
Other Liabilities	*5.2*	4,642	5,360
Total Current Liabilities		24,140	22,065
Non-Current Liabilities			
Provisions	*3.3*	2,380	2,273
Advance from Government	*6.1*	1,013	-
Total Non-Current Liabilities		3,393	2,273
TOTAL LIABILITIES		27,533	24,338
NET ASSETS		43,387	43,668
EQUITY			
Property, Plant & Equipment Revaluation Surplus	*8.1 (a)*	43,825	43,825
Restricted Specific Purpose Surplus	*8.1 (a)*	1,361	1,361
Contributed Capital	*8.1 (b)*	34,254	34,254
Accumulated Deficits	*8.1 (c)*	(36,053)	(35,772)
TOTAL EQUITY		43,387	43,668
Commitments for Expenditure	*6.3*		
Contingent Assets and Liabilities	*7.2*		

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

CENTRAL GIPPSLAND HEALTH SERVICE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Note	Property, Plant & Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributions by Owners	Accumulated Surpluses/ (Deficits)	Total
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2016		**43,825**	**2,156**	**34,254**	**(33,250)**	**46,985**
Net result for the year		-	-	-	(3,317)	(3,317)
Transfer to accumulated deficit	8.1 (a) (c)	-	50	-	(50)	-
Transfer from accumulated deficit	8.1 (a) (c)		(845)	-	845	-
Balance at 30 June 2017		**43,825**	**1,361**	**34,254**	**(35,772)**	**43,668**
Net result for the year		-	-	-	(281)	(281)
Balance at 30 June 2018		**43,825**	**1,361**	**34,254**	**(36,053)**	**43,387**

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

CENTRAL GIPPSLAND HEALTH SERVICE

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 $'000	2017 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		75,581	70,75
Capital Grants from Government		3,126	1,95
Patient and Resident Fees Received		4,926	5,19
Private Practice Fees Received		5,253	5,01
Donations and Bequests Received		56	8
GST Received from / (paid to) ATO		(194)	4
Interest Received		344	33
Capital Donations and Bequests Received		49	11
Other Receipts		8,611	7,40
Total receipts		**97,752**	**90,85**
Employee Expenses Paid		(62,927)	(62,90
Fee for Service Medical Officers		(3,647)	(3,41
Payments for Supplies and Consumables		(10,976)	(10,33
Other Payments		(13,606)	(12,19
Total payments		**(91,156)**	**(88,85**
NET CASH FLOW FROM OPERATING ACTIVITIES	*8.2*	6,596	2,04
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		-	(1,22
Proceeds from sale of investments		1,229	-
Payments for Non-Financial Assets		(2,587)	(2,12
Proceeds from Sale of Non-Financial Assets		1	
NET CASH FLOW USED IN INVESTING ACTIVITIES		(1,357)	(3,34
CASH FLOWS FROM FINANCING ACTIVITIES			
Refundable Accommodation Bonds		(695)	56
Proceeds from Advance from Government		1,396	-
NET CASH FLOW FROM FINANCING ACTIVITIES		701	56
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		5,940	(74
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		12,433	13,17
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	*6.2*	18,373	12,43

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

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Basis of presentation

The financial statements are prepared in accordance with Australian Accounting Standards and relevant FRD's.
These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.
Consistent with the requirements of AASB 1004 Contributions (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 Department.
Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.
Transfers of net assets arising from administrative restructurings are treated as distributions to or contribution by owners. Transfer of net liabilities arising from administrative restructurings are treated as distribution to owners.
Revisions to accounting estimates are recognised in the period in which the estimate is revised and also future periods that are affected by the revision. Judgements and assumptions made by management in applying the application of AASB that have significant effect on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

Note 1: Summary of Significant Accounting Policies
These annual financial statements represent the audited general purpose financial statements for Central Gippsland Health Service for the period ending 30 June 2018. The purpose of the report is to provide users with information about Central Gippsland Health Services' stewardship of resources entrusted to it.

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

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SDs) authorised by the Minister for Finance.
Central Gippsland Health Service is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AASBs.
The annual financial statements were authorised for issue by the Board of Central Gippsland Health Service on xxth August 2018.

(b) Reporting Entity
The financial statements include all the controlled activities of the Central Gippsland Health Service.
Its principal address is:
155 Guthridge Parade
Sale Victoria 3850.

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

(c) Basis of Accounting Preparation and Measurement
Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.
The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018, and the comparative information presented in these financial statements for the year ended 30 June 2017.

The financial statements are prepared on a going concern basis (refer to Note 8.10 Economic Dependency).
These financial statements are presented in Australian dollars, the functional and presentation currency of Central Gippsland Health Service.
All amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.
The Central Gippsland Health Service operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. The health service's capital and specifice purpose funds include external funding, donations and bequests.
The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 1: Summary of Significant Accounting Policies (continued)

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

- The fair value of land, buildings and plant and equipment (refer to Note 4.3 Property, Plant and Equipment);
- Superannuation expense (refer to Note 3.4 Superannuation);
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.3 Employee Benefits in the Balance Sheet).

Goods and Services Tax (GST)

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

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

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

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

(d) Principles of Consolidation

Jointly Controlled Operation

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

In respect of any interest in joint operations, Central Gippsland Health Services recognises in the financial statements:

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

Central Gippsland Health Services is a Member of the Gippsland Health Alliance and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.9 Jointly Controlled Operations).

Note 2: Funding delivery of our services

Central Gippsland Health Service's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians.

Central Gippsland Health Services is predominantly funded by accrual based grant funding for the provision of outputs. The hospital also receives income from the supply of services.

Structure
2.1 Analysis of revenue by source

Note 2.1: Analysis of Revenue by Source

2018	Admitted Patients 2018 $'000	Non-Admitted Patients 2018 $'000	EDs 2018 $'000	RAC incl. Mental Health 2018 $'000	Aged Care 2018 $'000	Primary Health 2018 $'000	Other 2018 $'000	Total 2018 $'000
Government Grants	51,337	4,922	4,611	6,199	4,189	2,251	1,693	75,202
Indirect Contributions by Department of Health and Human Services	80	8	8	12	-	-	-	108
Patient and Resident Fees	1,184	577	126	1,899	887	24	258	4,955
Commercial Activities							8,886	8,886
Other Revenue from Operating Activities	4,050	354	321	242	232	93	16	5,308
Total Revenue from Operating Activities	56,651	5,861	5,066	8,352	5,308	2,368	10,853	94,459
Interest	-	-	-	-	-	-	344	344
Other Revenue from Non-Operating Activities	-	-	-	-	-	-	277	277
Total Revenue from Non-Operating Activities	-	-	-	-	-	-	621	621
Capital Purpose Income (excluding Interest)	-	-	-	-	-	-	3,008	3,008
Total Capital Purpose Income	-	-	-	-	-	-	3,008	3,008
Total Revenue	56,651	5,861	5,066	8,352	5,308	2,368	14,482	98,088

Department of Health and Human Services makes certain payments on behalf of the Service in respect of insurance and long service leave. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

Note 2.1: Analysis of Revenue by Source

2017	Admitted Patients 2017 $'000	Non-Admitted Patients 2017 $'000	EDs 2017 $'000	RAC incl. Mental Health 2017 $'000	Aged Care 2017 $'000	Primary Health 2017 $'000	Other 2017 $'000	Total 2017 $'000
Government Grants	47,090	4,592	4,386	6,542	4,473	2,237	1,625	70,945
Indirect Contributions by Department of Health and Human Services	96	10	10	14	11	-	-	141
Patient and Resident Fees	1,166	406	128	1,994	912	48	250	4,904
Commercial Activities	-	-	-	-	-	-	8,424	8,424
Other Revenue from Operating Activities	3,334	286	256	3	365	73	5	4,322
Total Revenue from Operating Activities	51,686	5,294	4,780	8,553	5,761	2,358	10,304	88,736
Interest	-	-	-	-	-	-	332	332
Other Revenue from Non-Operating Activities	-	-	-	-	-	-	249	249
Total Revenue from Non-Operating Activities	-	-	-	-	-	-	581	581
Capital Purpose Income (excluding Interest)	-	-	-	-	-	-	2,514	2,514
Total Capital Purpose Income	-	-	-	-	-	-	2,514	2,514
Total Revenue	51,686	5,294	4,780	8,553	5,761	2,358	13,399	91,831

Department of Health / Department of Health and Human Services makes certain payments on behalf of the Service in respect of insurance and long service leave. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

Revenue Recognition

Income is recognised in accordance with AASB 118 *Revenue* and is recognised as to the extent that it is probable that the economic benefits will flow to Central Gippsland Health Service and the income can be reliably measured at fair value. Unearned income at reporting date is reported as income received in advance.
Amounts disclosed as revenue are, where applicable, net of returns, allowances, duties and taxes.

Government Grants and other Transfers of Income (other than contributions by owners)

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

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

Indirect Contributions from the Department of Health and Human Services

• Insurance is recognised as revenue following advice from the Department of Health and Human Services.

• Long Service Leave (LSL) – Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Metropolitan Health and Aged Care Services Division Hospital Circular 04/2017.

Patient and Resident Fees

Patient fees are recognised as revenue at the time invoices are raised.

Revenue from commercial activities

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

Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a surplus, such as the restricted specific purpose surplus.

Interest Revenue

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

Other Income

Other income includes recoveries for salaries and wages and external services provided.

Category Groups

Central Gippsland Health Service has used the following category groups for reporting purposes for the current and previous financial years.

Admitted Patient Services (Admitted Patients) comprises all acute and subacute admitted patient services, where services are delivered in public hospitals.

Non Admitted Services comprises acute and subacute non admitted services, where services are delivered in public hospital clinics and provide models of integrated community care, which significantly reduces the demand for hospital beds and supports the transition from hospital to home in a safe and timely manner.

Emergency Department Services (EDS) comprises all emergency department services.

Aged Care comprises a range of in home, specialist geriatric, residential care and community based programs and support services, such as Home and Community Care (HACC) that are targeted to older people, people with a disability, and their carers.

Primary, Community and Dental Health comprises a range of home based, community based, community, primary health and dental services including health promotion and counselling, physiotherapy, speech therapy, podiatry and occupational therapy and a range of dental health services.

Residential Aged Care including Mental Health (RAC incl. Mental Health) referred to in the past as psychogeriatric residential services, comprises those Commonwealth-licensed residential aged care services in receipt of supplementary funding from the department under the mental health program. It excludes all other residential services funded under the mental health program, such as mental health-funded community care units and secure extended care units.

Other Services not reported elsewhere - (Other) comprises services not separately classified above, including: sexually transmitted infections clinical services, Koori liaison officers, immunisation and screening services, drugs services and community care programs including sexual assault support, early parenting services and parenting assessment and skills development.

Note 3: The cost of delivering our services

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

Structure

3.1 Analysis of expenses by source
3.2 Analysis of expense and revenue by internally managed and restricted specific purpose funds
3.3 Provisions
3.4 Superannuation

Note 3.1 : Analysis of Expenses by Source

2018	Admitted Patients 2018 $'000	Non-Admitted Patients 2018 $'000	EDs 2018 $'000	RAC incl Mental Health 2018 $'000	Aged Care 2018 $'000	Primary Health 2018 $'000	Other 2018 $'000	Total 2018 $'000
Employee Benefits	37,863	727	7,059	7,112	4,233	1,195	5,852	64,041
Other Operating Expenses								
Non Salary Labour Costs	2,652	80	835	-	-	13	67	3,647
Supplies & Consumables	5,870	78	1,226	602	83	148	3,244	11,251
Medical Indemnity Insurance	1,401	-	-	-	-	-	-	1,401
Fuel, Light, Power & Water	61	5	4	198	4	4	1,191	1,467
Repairs & Maintenance	587	36	96	5	2	-	508	1,234
Other Expenses	3,692	99	1,107	212	145	430	4,488	10,173
Total Other expenses from Continuing Operations	5,741	140	1,207	415	151	434	6,187	14,275
Total Expenditure from Operating Activities	52,126	1,025	10,327	8,129	4,467	1,790	15,350	93,214
Other Non-Operating Expenses								
Depreciation & Amortisation (refer note 4.5)	4,909	-	-	-	-	-	241	5,150
Total Other expenses	4,909	-	-	-	-	-	241	5,150
Total Expenses	**57,035**	**1,025**	**10,327**	**8,129**	**4,467**	**1,790**	**15,591**	**98,364**

Note 3.1 : Analysis of Expenses by Source (continued)

2017	Admitted Patients 2017 $'000	Non-Admitted Patients 2017 $'000	EDs 2017 $'000	RAC incl Mental Health 2017 $'000	Aged Care 2017 $'000	Primary Health 2017 $'000	Other 2017 $'000	Total 2017 $'000
Employee Benefits	38,636	596	5,711	7,178	4,251	1,322	5,786	63,480
Other Operating Expenses								
Non Salary Labour Costs	3,111	39	180	-	-	14	74	3,418
Supplies & Consumables	6,293	37	1,970	641	55	110	1,401	10,507
Medical Indemnity Insurance	1,363	-	-	-	-	-	-	1,363
Fuel, Light, Power & Water	49	3	2	153	4	4	863	1,078
Repairs & Maintenance	488	7	54	11	1	-	527	1,088
Other Expenses	6,711	118	1,201	214	197	333	371	9,145
Total Other expenses from Continuing Operations	8,611	128	1,257	378	202	337	1,761	12,674
Total Expenditure from Operating Activities	56,651	800	9,118	8,197	4,508	1,783	9,022	90,079
Other Non-Operating Expenses								
Expenditure for Capital Purposes								
Depreciation & Amortisation (refer note 4.5)	4,743	-	-	-	-	-	323	5,066
Total Other expenses	4,743	-	-	-	-	-	323	5,066
Total Expenses	**61,394**	**800**	**9,118**	**8,197**	**4,508**	**1,783**	**9,345**	**95,145**

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;
- fringe benefits tax;
- leave entitlements;
- termination payments;
- workcover premiums; and
- superannuation expenses.

Grants and Other Transfers

These include transactions such as: grants, subsidies and personal benefit payments made in cash to individuals.

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

Supplies and consumables

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

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

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

De-recognition of financial liabilites
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Note 3.2 Analysis of Expense and Revenue by Internally Managed and Restricted Specific Purpose Funds

	Expense		*Revenue*	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Commercial Activities				
Private Practice and Other Patient Activities	139	153	160	178
Diagnostic Imaging	4,849	4,489	5,475	5,278
Pharmacy Services	51	69	51	69
External Catering	202	123	217	132
Sale Linen Service	2,065	1,955	2,457	2,302
Regional Stores	438	346	447	356
Property Expense/Revenue	4	3	89	90
Other	9	6	21	19
TOTAL	7,757	7,144	8,917	8,424

Note 3.3 Employee Benefits in the Balance Sheet

	2018 $'000	**2017 $'000**
Current Provisions		
Employee Benefits (i)		
Annual Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	4,824	4,572
- unconditional and expected to be settled wholly after 12 months (ii)	-	-
Long service leave		
- unconditional and expected to be settled wholly within 12 months (ii)	878	850
- unconditional and expected to be settled wholly after 12 months (iii)	5,206	5,041
Other		
- Accrued Days Off	167	110
- Salary and Wages	2,212	1,766
	13,287	12,339
Provisions related to Employee Benefit On-Costs		
- unconditional and expected to be settled within 12 months (ii)	510	486
- unconditional and expected to be settled after 12 months (iii)	897	865
	1,407	1,351
Total Current Provisions	14,694	13,690
Non-Current Provisions		
Employee Benefits (i)	2,149	2,054
Provisions related to employee benefits on-costs	231	219
Total Non-Current Provisions	2,380	2,273
Total Provisions	17,074	15,963

Note 3.3 Employee Benefits in the Balance Sheet continued

(a) Employee Benefits and Related On-Costs

Current Employee Benefits and related on-costs

Unconditional LSL Entitlement	6,960	6,739
Annual Leave Entitlement	5,355	5,075
Accrued Wages and Salaries	2,212	1,766
Accrued Days Off	167	110
Non-Current Employee Benefits and related on-costs		
Conditional long service leave entitlements	2,380	2,273
Total Employee Benefits and Related On-Costs	17,074	15,963

(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.
(ii) The amounts disclosed are at nominal amounts.
(iii) The amounts disclosed are discounted to present values.

(b) Movements in provisions **Movement in Long Service Leave:**	**2018** **$'000**	**2017** **$'000**
Balance 1 July	9,012	8,590
Provision made during the year		
- Revaluations	(5)	(3)
- Expense recognising Employee Service	1,535	1,391
Settlement made during the year	(1,203)	(966)
Balance 30 June	9,339	9,012

The following assumptions were adopted in measuring present value:		
Wage Inflation Rate	3.88%	3.81%
On-Cost Factor	11.0%	11.0%

Employee Benefits Recognition

Provision is made for benefits accruing to employees in respect of wages and salaries, 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 Central Gippsland Health Service 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.

Employee Benefits

This provision arises for benefits accruing to employees in respect of salaries and wages, annual leave and long service leave for services rendered to the reporting date.

Note 3.3 Employee Benefits in the Balance Sheet continued

Salaries and Wages, Annual Leave and Accrued Days Off

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accrued days off are all recognised in the provision for employee benefits as 'current liabilities', because the health service does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages, salaries and annual leave are measured at:

• Nominal value – if the health service expects to wholly settle within 12 months; or

• Present value – if the health service does not expect to wholly settle within 12 months.

Long Service Leave (LSL)

The liability for LSL is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability, even where Central Gippsland Health Service does not expect to settle the liability with 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 Central Gippsland Health Service expects to wholly settle within 12 months; and

• Present value - where the entity does not expect to settle a component of this current liability within 12 months.
Conditional LSL is disclosed as a non-current liability. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

Termination Benefits

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

On-costs related to employee expense

Provisions for on-costs, such as workers compensation and superannuation are recognised seperately with provision for employee benefits.

Note 3.4: Superannuation

	Paid Contribution for the year 2018 $'000	2017 $'000
(i) Defined Benefit Plans:		
Health Super	127	148
Defined Contribution Plans:		
Health Super	4,798	4,794
Other	215	223
Total	5,140	5,165

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

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

Defined 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.

Defined benefit superannuation plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service 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.

Central Gippsland Health Service does not recognise any unfunded defined benefit liability in respect of the plans because the hospital has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

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

The names and details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by the Central Gippsland Health Services are disclosed above.

Note 4: Key Assets to support service delivery

The hospital controls infrastructure and other investments that are utilised in fulfilling its objectives and constructing its activities. They represent the key resources that have been entrusted to the hospital to be utilised for delivery of those outputs.

Structure
4.1 Investments and other financial assets
4.2 Investment recognition
4.3 Property, plant & equipment
4.4 Depreciation

Note 4.1: Investments and Other Financial Assets

	Operating Fund		Consolidated	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
CURRENT				
Loans and Receivables				
Cash Deposits	7	9	7	9
Term deposits > 3 months	-	1,229	-	1,229
TOTAL CURRENT	**7**	**1,238**	**7**	**1,238**
TOTAL INVESTMENTS & OTHER FINANCIAL ASSETS	**7**	**1,238**	**7**	**1,238**
Represented by:				
Patient Monies held in trust	7	9	7	9
Health Service Investments	-	1,229	-	1,229
TOTAL INVESTMENTS & OTHER FINANCIAL ASSETS	**7**	**1,238**	**7**	**1,238**

(a) Nature and extent of risk arising from other financial assets
Please refer to note 7(b) for the nature and extent of risk arising from investments and other financial assets

Note 4.2 Investment Recognition

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Central Gippsland Health Service classifies its other financial assets between current and non-current assets based on the Board of Management's intention at balance sheet date with respect to the timing of disposal of each asset. The Central Gippsland Health Services assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Central Gippsland Health Service's investments must comply with Standing Direction 3.7.2 - Treasury and Investment Risk Management. The investment portfolio of Central Gippsland Health Services is managed by Victorian Funds Management Corporation through specialist fund managers and a Master Custodian. The Master Custodian holds the investments and conducts settlements pursuant to instructions from the specialist fund managers.

Central Gippsland Health Service's controlled entities manage their investments in accordance with their own investment policy as approved by their Board and their investments are consolidated into Central Gippsland Health Services for reporting purposes.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

Derecognition of Financial Assets

A financial assets (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 cashflows from the asset have expired; or
- Central Gippsland Health Service 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
- the Health Service has transferred its rights to receive cash flows from the asset and either:

(a) has transferred substantially all the risks and rewards of the asset; or

(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of Financial Assets

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

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2018 for its portfolio of financial assets, Central Gippsland Health Services and its controlled entities used the market value of investments held provided by the portfolio managers.

The above valuation process was used to quantify the level of impairment (if any) on the portfolio of financial assets as at year end.

Doubtful debts

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful debts are classified as other economic flows in the net result.

Note 4.3: Property, Plant & Equipment

(a) Gross carrying amount and accumulated depreciation	**2018 $'000**	**2017 $'000**
Land		
Crown Land at Fair Value	2,360	2,360
Freehold Land at Fair Value	1,635	1,635
Total Land	3,995	3,995
Buildings		
Buildings Under Construction at Cost	946	292
Buildings at Fair Value	52,226	51,424
Less Accumulated Depreciation	(16,031)	(12,108)
Total Buildings	37,141	39,608
Plant and Equipment		
-Plant at Fair Value	2,756	2,677
Less Accumulated Depreciation	(924)	(793)
-Motor Vehicles at Fair Value	1,213	1,208
Less Accumulated Depreciation	(738)	(625)
-Major Medical at Fair Value	8,842	8,380
Less Accumulated Depreciation	(6,101)	(5,593)
-Computers & Communications at Fair Value	755	705
Less Accumulated Depreciation	(665)	(604)
-Other Equipment at Fair Value	2,575	2,363
Less Accumulated Depreciation	(1,554)	(1,439)
Total Plant and Equipment	6,159	6,279
Furniture & Fittings at Fair Value	1,260	1,255
Less Accumulated Depreciation	(1,130)	(1,100)
Total Furniture and Fittings	130	155
Other at Fair Value		
Linen	723	612
Less Accumulated Depreciation	(447)	(265)
Total Other	276	347
Total Property, Plant & Equipment	**47,701**	**50,384**

Note 4.3: Property, Plant & Equipment (continued)

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

	Land	Buildings	Plant & Equipment	Furniture & Fittings	Linen	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 July 2016	3,995	42,391	6,525	145	276	53,332
Additions	-	1,121	717	38	247	2,123
Disposals	-	-	(5)	-	-	(5)
Depreciation *(refer Note 4.4)*	-	(3,904)	(958)	(28)	(176)	(5,066)
Balance as at 1 July 2017	3,995	39,608	6,279	155	347	50,384
Additions		1,457	833	7	289	2,586
Disposals					(119)	(119)
Depreciation *(refer Note 4.4)*	-	(3,924)	(953)	(32)	(241)	(5,150)
Balance as at 30 June 2018	3,995	37,141	6,159	130	276	47,701

Land and buildings and Leased Assets carried at valuation

The Valuer-General Victoria undertook to re-value all of Central Gippsland Health Service's owned and leased land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of this valuation was 30 June 2014.

In compliance with FRD 103F, in the year ended 30 June 2018, Central Gippsland Health Service's management conducted an annual assessment of the fair value of land and buildings. To facilitate this, management obtained from the Department of Treasury and Finance the Valuer General Victoria indicies for the financial year ended 30 June 2018.

There was no material financial impact on change in fair value of buildings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 4.3: Property, Plant & Equipment (continued)

(c) Fair Value measurement hierarchy for assets

	Carrying Amount as at	Fair value measurement at end of reporting period using:		
	30 June 2018	**Level 1**	**Level 2**	**Level 3**
Land at fair value				
Non-specialised	1,635	-	1,635	-
Specialised land -				
- 155 Guthridge Pd, Sale	2,132	-	-	2,132
- 48 Kent St, Maffra	228	-	-	228
Total Land at fair value	**3,995**	**-**	**1,635**	**2,360**
Buildings at fair value				
Non-specialised buildings	859	-	859	-
Specialised buildings -				
- 155 Guthridge Pd, Sale	34,638	-	-	34,638
- 48 Kent St, Maffra	561	-	-	561
- Loch Sport	137	-	-	137
- Assets under construction at fair value	946	-	-	946
Total of buildings at fair value	**37,141**	**-**	**859**	**36,282**
Plant and equipment at fair value				
Plant and equipment at fair value				
- Vehicles (ii)	475	-	-	475
- Plant and equipment	2,943	-	-	2,943
- Medical equipment	2,741	-	-	2,741
Total of plant, equipment and vehicles at fair value	**6,159**	**-**	**-**	**6,159**
Furniture & Fittings at fair value				
Furniture & Fittings at fair value	130	-	-	130
Total medical equipment at fair value	**130**	**-**	**-**	**130**
Linen at fair value				
Linen at fair value	276	-	-	276
Total linen at fair value	**276**	**-**	**-**	**276**
Total Assets at fair value	**47,701**	**-**	**2,494**	**45,207**

(i) Classified in accordance with fair value hierarchy
(ii) Vehicles are categorised to Level 3 assets if the depreciated replacement cost is used in estimating the fair value.

There have been no transfers between levels during the period.

Note 4.3: Property, Plant & Equipment (continued)

	Carrying Amount as at	Fair value measurement at end of reporting period using:		
	30 June 2017	Level 1	Level 2	Level 3
Land at fair value				
Non-specialised	1,635	-	1,635	-
Specialised land -				
- 155 Guthridge Pd, Sale	2,132	-	-	2,132
- 48 Kent St, Maffra	228	-	-	228
Total Land at fair value	**3,995**	**-**	**1,635**	**2,360**
Buildings at fair value				
Non-specialised buildings	874	-	874	-
Specialised buildings -				
- 155 Guthridge Pd, Sale	37,526	-	-	37,526
- 48 Kent St, Maffra	766	-	-	766
- Loch Sport	150	-	-	150
- Assets under construction at fair value	292	-	-	292
Total of buildings at fair value	**39,608**	**-**	**874**	**38,734**
Plant and equipment at fair value				
Plant and equipment at fair value				
- Vehicles (ii)	583	-	-	583
- Plant and equipment	2,909	-	-	2,909
- Medical Equipment	2,787	-	-	2,787
Total of plant, equipment and vehicles at fair value	**6,279**	**-**	**-**	**6,279**
Furniture & Fittings at fair value				
Furniture & Fittings at fair value	155	-	-	155
Total medical equipment at fair value	**155**	**-**	**-**	**155**
Linen at fair value				
Linen at fair value	347	-	-	347
Total linen at fair value	**347**	**-**	**-**	**347**
Total Assets at fair value	**50,384**	**-**	**2,509**	**47,875**

(i) Classified in accordance with fair value hierarchy, see Note 1.
(ii) Vehicles are categorised to Level 3 assets if the depreciated replacement cost is used in estimating the fair value.

Note 4.3: Property, Plant & Equipment (continued)

(d) Reconciliation of Level 3 fair value

30 June 2018	Land	Building	Plant & Equipment	Furniture & Fittings	Linen
Opening Balance	2,360	38,734	6,279	155	347
Additions/(Disposals)	-	1,457	833	7	170
Gains or Losses recognised in net result					
- Depreciation	-	(3,909)	(953)	(32)	(241)
Subtotal	**2,360**	**36,282**	**6,159**	**130**	**276**
Closing Balance	**2,360**	**36,282**	**6,159**	**130**	**276**

There have been no transfers between levels during the period.

30 June 2017	Land	Building	Plant & Equipment	Furniture & Fittings	Linen
Opening Balance	2,360	41,502	6,525	145	276
Additions/(Disposals)	-	1,121	712	38	247
Gains or Losses recognised in net result					
- Depreciation	-	(3,889)	(958)	(28)	(176)
Subtotal	**2,360**	**38,734**	**6,279**	**155**	**347**
Closing Balance	**2,360**	**38,734**	**6,279**	**155**	**347**

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 4.3: Property, Plant & Equipment (continued)

(e) Fair Value Determination

Asset Class	Examples of Types of Assets	Expected Fair Value Level	Likely Valuation Apporach	Significant Inputs (Level 3 only)
Non-specialised land	In areas where there is an active market: - vacant land - Land not subject to restrictions as to use or sale	Level 2	Market Approach	n.a
Specialised land	- Land subject to restriction as to use and /or sale - Land in areas where ther is not an active market.	Level 3	Market Approach	Community Service Obligations Adjustments (c)
Non- specialised buildings	For general/commercial buildings that are just built	Level 2	Market approach	n.a
Specialised buildings	Specialised buildings with limited alternative uses and/or substantial customisation e.g. prisons, hospitals.	Level 3	Depreciated replacement cost approach	-Cost per unit - Useful life
Plant and equipment	Specialised items with limited alternative uses and/or substantial customisation.	Level 3	Depreciated replacement cost approach	-Cost per unit - Useful life
Vehicles	If there is an active resale market available	Level 2	Depreciated replacement cost approach	-Cost per square metre - Useful life

(a) AASB 13 Fair Value Measurement provides an exemption for not for profil public sector entities from disclosing the sensitivity analysis relating to 'unrealised gains/(losses) on non-financial assets' if the assets are held primarily for their current service potential rather than to generate net cash inflows.

(b) CSO adjustment of 20% was applied to reduce the market approach value for the Central Gippsland Health Service's specialised land. There were no changes in valuation techniques throughout the period to 30 June 2018.

Note 4.3: Property, Plant & Equipment (continued)

Initial Recognition

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

Crown Land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive 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 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 assets will be their highest and best use.

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

Subsequent Measurement

Consistent with AASB 13 *Fair Value Measurement*, the Central Gippsland Health Service determines the policies and procedures for both recurring property, plant and equipment fair value measurements, in accordance with the requirements of AASB 13 and the relevant FRDs.

All property, plant and equipment for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

For the purpose of fair value disclosures, Central Gippsland Health Service 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, Central Gippsland Health Service determines whether transfers have occurred between levels in the hierarchy by re-assessing 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 Central Gippsland Health Service's independent valuation agency.
The estimates and underlying assumptions are reviewed on an ongoing basis.

Note 4.3: Property, Plant & Equipment (continued)

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

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

In accordance with paragraph AASB 13.29, Health Services can assume 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.

Therefore, an assessment of the HBU will be required when the indicators are triggered within a reporting period, which suggest the market participants would have perceived an alternative use of an asset that can generate maximum value. Once identified, Health Services are required to engage with VGV or other independent valuers for formal HBU assessment.

These indicators, as a minimum, include:
External factors:

- Changed acts, regulations, local law or such instrument which affects or may affect the use or development of the asset;
- Changes in planning scheme, including zones, reservations, overlays that would affect or remove the restrictions imposed on the asset's use from its past use;
- Evidence that suggest the current use of an asset is no longer core to requirements to deliver a Health Service's service obligation;
- Evidence that suggests that the asset might be sold or demolished at reaching the late stage of an asset's life cycle.

Valuation hierarchy

Health Services need to use valuation techniques that are appropriate for the circumstances and where there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

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

Note 4.3: Property, Plant & Equipment (continued)

Assumptions about risk include the inherent risk in a particular valuation technique used to measure fair value (such as a pricing risk model) and the risk inherent in the inputs to the valuation technique. A measurement that does not include an adjustment for risk would not represent a fair value measurement if market participants would include one when pricing the asset or liability i.e., it might be necessary to include a risk adjustment when there is significant measurement uncertainty. For example, when there has been a significant decrease in the volume or level of activity when compared with normal market activity for the asset or liability or similar assets or liabilities, and the Health Service has determined that the transaction price or quoted price does not represent fair value.

A Health Service shall develop unobservable inputs using the best information available in the circumstances, which might include the Health Service's own data. In developing unobservable inputs, a Health Service may begin with its own data, but it shall adjust this data if reasonably available information indicates that other market participants would use different data or there is something particular to the Health Service that is not available to other market participants. A Health Service need not undertake exhaustive efforts to obtain information about other market participant assumptions. However, a Health Service shall take into account all information about market participant assumptions that is reasonably available. Unobservable inputs developed in the manner described above are considered market participant assumptions and meet the object of a fair value measurement.

Non-specialised land, non-specialised buildings

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by Valuer- General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

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 constructive 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 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 assets will be their highest and best use.

During the reporting period, Central Gippsland Health Service held Crown Land. The nature of this asset means that there are certain limitation and restrictions imposed on its use and/or disposal that may impact their fair value.

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

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

For the health service, 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 the Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2014.

Vehicles

The health service 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 value (depreciated cost)

Plant and equipment.

Plant and equipment (including meidcal equipment, computers and communication equipment and furniture and fittings) are held at carrying value (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 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 value.

There were no changes in valuation techniques throughout the period to 30 June 2018.

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

Note 4.3: Property, Plant & Equipment (continued)

Revaluations of non-current physical assets

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

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

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

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

Revaluation surplus is not normally transferred to accumulated funds on derecognition of the relevant asset.

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

Note 4.4: Depreciation	**2018 $'000**	**2017 $'000**
Depreciation		
Buildings	3,924	3,904
Plant & Equipment:		
-Plant	131	121
-Transport	113	113
-Major Medical	509	498
-Computers and Communications	62	96
-Other Equipment	138	130
Furniture & Fittings	32	28
Linen	241	176
Total Depreciation	5,150	5,066

Depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, land and investment properties) that have finite useful lives are depreciated.

Depreciation is generally calculated on a straight line basis, at rates that allocates the asset value, less any estimated residual value over its estimated useful life.

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

	2018	**2017**
Buildings		
- Structure Shell Building Fabric	1 - 50 years	1 - 50 years
- Site Engineering and Central Plant	1 - 36 years	1 - 36 years
Central Plant		
- Fit Out	1 - 20 years	1 - 20 years
- Trunk Reticulated Building Systems	1 - 22 years	1 - 22 years
Plant & Equipment	5 - 20 years	5 - 20 years
Furniture & Fittings	5 -20 years	5 -20 years
Leased Assets	5 - 10 years	5 - 10 years
Computers & Communication	3 - 5 years	3 - 5 years
Linen	1 - 5 years	1 - 5 years

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

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from the hospital's operations.

Structure
5.1 Receivables
5.2 Other liabilities
5.3 Payables

Note 5.1: Receivables	2018 $'000	2017 $'000
Current		
Contractual		
Trade Debtors	1,432	1,178
Patient Fees	670	431
Less Allowance for Doubtful Debts		
Patient Fees	(60)	(80)
Trade Debtors	(10)	(8)
	2,032	1,521
Statutory		
GST Receivable	336	142
	336	142
Total Current Receivables	2,368	1,663
Non Current		
Statutory		
Long Service Leave - Department of Health and Human Services.	1,538	1,493
Total Non-Current Receivables	1,538	1,493
Total Receivables	3,906	3,156
(a) Movement in the Allowance for doubtful debts		
Balance at beginning of year	88	63
Amounts written off during the year	(49)	(56)
Increase in allowance recognised in net result	31	81
Balance at end of year	70	88

Receivables

Receivables consist of:

- Contractual receivables, which include mainly debtors in relation to goods and services, loans to third parties, accrued investment income, and finance lease receivables; and

- Statutory receivables, which include predominantly amounts owing from the Victorian Government and Goods and Services Tax ("GST') input tax credits recoverable.

Receivables that are contractual are classified as financial instruments and categorised as loans and receivables. Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they did not arise from a contract.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less any accumulated impairment.

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

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition. Collectability of debts is reviewed on an ongoing basis, and debts which are known to be uncollectible are written off. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Note 5.2: Other Liabilities	**2018 $'000**	**2017 $'000**
Current		
Monies Held in Trust		
- Patient monies held in trust	7	9
- Accommodation Bonds (Refundable entrance fees)	4,608	5,304
Other - Gippsland Health Alliance	27	47
Total Current	4,642	5,360
Total Other Liabilities	4,642	5,360
* Total monies held in trust represented by the following as:		
Cash Assets (refer note 4.1)	7	9
Investments and other financial assets (refer note 4.1)	4,608	5,304
	4,615	5,313

Note 5.3: Payables

	2018 $'000	2017 $'000
Current		
Contractual		
Trade Creditors	2,051	1,072
Accrued Expenses	1,076	1,353
Amounts payable to governments and agencies	401	590
	3,528	3,015
Statutory		
Department of Health and Human Services	203	-
Other	690	-
TOTAL CURRENT PAYABLES	893	-
TOTAL PAYABLES	4,421	3,015

Payables consist of:

• contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Health Service prior to the end of the financial year that are unpaid; and

• statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Maturity analysis of financial liabilities as at 30 June

			Maturity Dates					
2018	Carrying Amount $'000	Contractual Cash Flow $'000	Less than 1 Month $'000	1-3 Months $'000	3 Months - 1 Year $'000	1-5 Years $'000	Over 5 Years $'000	Impaired Financial Assets $'000
Finacial Liabilities								
Payables	4,421	4,421	3,972	385	64	-	-	-
Borrowings	1,396	1,396	-	-	383	1,013	-	-
Other Financial Liabilities								
- Patient Trust	7	7	7	-	-	-	-	-
- Accommodation Bonds	4,608	4,608	4,608	-	-	-	-	-
- Other Gippsland Health Alliance	27	27	27	-	-	-	-	-
Total Financial Liabilities	**10,459**	**10,459**	**8,614**	**385**	**447**	**1,013**	-	-
2017								
Finacial Liabilities								
Payables	3,015	3,015	3,015	-	-	-	-	-
Borrowings	-	-						
Other Financial Liabilities								
- Patient Trust	9	9	9	-	-	-	-	-
- Accommodation Bonds	5,304	5,304	5,304	-	-	-	-	-
- Other Gippsland Health Alliance	47	47	47	-	-	-	-	-
Total Financial Liabilities	**8,375**	**8,375**	**8,375**	-	-	-	-	-

Note 6: How we finance our operations

This section sets out those assets and liabilities that arose from the hospital's operations.

Structure
6.1 Borrowings
6.2 Cash & Cash equivalents
6.3 Commitments for expenditure

Note 6.1 Borrowings

	2018 $'000	2017 $'000
Current		
- Advances from Government (i)	383	-
Total Current	383	-
Non-Current		
- Advances from Government (i)	1,013	-
Total Non-Current	1,013	-
Total Borrowings	1,396	-

(i) They are unsecured loans which bear no interest
(a) Please refer to Note 5.3 for the ageing analysis of borrowings.

Note 6.2: Cash and cash equivalents

	2018 $'000	2017 $'000
Cash on Hand	35	35
Cash at Bank	2,497	3,195
Deposits at call	4,501	1,809
Short Term Deposits	11,340	7,394
Total cash and cash equivalents	**18,373**	**12,433**
Represented by:		
Cash as per Cash Flow Statement	18,373	12,433
	18,373	**12,433**

Cash and cash equivalents recognised on the Balance Sheet comprise cash on hand and cash at bank, deposits at call and highly liquid investments (with an original maturity 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 with an 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.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 6.3: Commitments for Expenditure

	2018 $'000	2017 $'000
Capital Expenditure Commitments		
Less than 1 year	279	988
Total Capital Commitments	279	988
Operating Leases		
Cancellable		
Less than 1 year	582	853
Longer than 1 year but not longer than 5 years	996	1,213
Total Operating Leases	1,578	2,066
TOTAL COMMITMENTS (inclusive of GST)	1,857	3,054
Less GST recoverable from the Australian Tax Office	(186)	(305)
TOTAL COMMITMENTS (inclusive of GST)	1,671	2,748

All amounts shown in the commitments note are nominal amounts inclusive of GST

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed by way of a note at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Note 7:Risks, contingencies & valuation uncertainties

The hospital 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 hospital is related mainly to fair value determination.

Structure
7.1 Financial instruments
7.2 Contingent assets and contingent liabilities

Note 7.1: Financial Instruments

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

(a) Categorisation of financial instruments

2018	Contractual Financial assets - Loans and Receivables $'000	Contractual Financial Liabilities at Amortise Costs $'000	Total $'000
Contractual Financial Assets			
Cash and cash equivalents	18,373	-	**18,373**
Receivables			-
- Trade Debtors	1,432	-	**1,432**
- Other Receivables	730	-	**730**
Other Financial Assets			
- Term Deposit	7	-	**7**
Total Financial Assets [1]	**20,542**	-	**20,542**
Financial Liabilities			
Payables	3,528	-	**3,528**
Other Financial Liabilities			
- Accommodation bonds	4,615	-	**4,615**
- Other	27	-	**27**
Advance from DHHS		1,396	**1,396**
Total Financial Liabilities [1]	**8,170**	**1,396**	**9,566**

2017	Contractual Financial assets - Loans and Receivables $'000	Contractual Financial Liabilities at Amortise Costs $'000	Total $'000
Contractual Financial Assets			
Cash and cash equivalents	12,433	-	**12,433**
Receivables			-
- Trade Debtors	1,178	-	**1,178**
- Other Receivables	431	-	**431**
Other Financial Assets			
- Term Deposit	1,238	-	**1,238**
- Shares in Other Entities	-		-
Total Financial Assets [i]	**15,280**	-	**15,280**
Financial Liabilities			
Payables	3,015	-	**3,015**
Other Financial Liabilities			
- Accommodation bonds	5,313	-	**5,313**
- Other	47	-	**47**
Total Financial Liabilities [i]	**8,375**	-	**8,375**

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

(b) Net holding gain/(loss) on financial instruments by category

	Total interest income / (expense) $'000	Impairment loss $'000	Total $'000
2018			
Financial Assets			
Cash and Cash Equivalents [i]	344	-	344
Loans and Receivables [i]	-	(70)	(70)
Available for Sale [i]	-	-	-
Total Financial Assets	**344**	**(70)**	**274**
Financial Liabilities			
Financial Liabilities at Amortised Cost [i]	(64)	-	(64)
Total Financial Liabilities	(64)	-	(64)
2017			
Financial Assets			
Cash and Cash Equivalents [i]	332	-	332
Loans and Receivables [i]	-	(88)	(88)
Available for Sale [i]	-	-	-
Total Financial Assets	**332**	**(88)**	**244**
Financial Liabilities			
Financial Liabilities at Amortised Cost [i]	-	-	-
Total Financial Liabilities	**-**	**-**	**-**

i For cash and cash equivalents, loans or receivables and financial assets available-for-sale, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest revenue, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.

Categories of Financial Instruments

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

The Health Service recognises the following assets in this category:
- cash and deposits
- receivables (excluding statutory receivables)
- term deposits

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the Comprehensive Operating Statement over the period of the interest-bearing liability, using the effective interest rate method.

The Health Service recognises the following liabilities in this category:
• payables (excluding statutory payables); and
• borrowings (including finance lease liabilities).

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

• the rights to receive cash flows from the asset have expired; or
• the Health Service 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
• the Health Service 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 the Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Central Gippsland Health Service's continuing involvement in the asset.

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

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

Reclassification of financial instruments: Subsequent to initial recognition and under rare circumstances, non-derivative financial instruments assets that have not been designated at fair value through profit or loss upon recognition, may be reclassified out of the fair value through profit or loss category, if they are no longer held for the purpose of selling or repurchasing in the near term.

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

Available-for-sale financial instrument assets that meet the definition of loans and receivables may be reclassified into the loans and receivables category if there is the intention and ability to hold them for the foreseeable future or until maturity.

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

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

Note 7.2: Contingent Liabilities & Contingent Assets

Recallable Capital Grant

During 2012-13 the Department of Health provided the Central Gippsland Health Service with a recallable capital grant of $1,200,000 to fund the replacement of Sale Linen Service equipment. This grant is recallable at the Departments discretion and $200,000 was recalled in 2017-18 (2016-17: $200,000). At this point in time, the total amount which may be recalled is $200,000,but there is no obligation to repay the balance of the recallable grant.

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 Equity

	2018 $'000	2017 $'000
(a) Surpluses		
Property, Plant & Equipment Revaluation Surplus		
Land		
Balance at the beginning of the reporting period	2,936	2,936
Revaluation Increments	-	-
Balance at the end of the reporting period	2,936	2,936
Buildings		
Balance at the beginning of the reporting period	40,889	40,889
Revaluation Increments	-	-
Balance at the end of the reporting period	40,889	40,889
Balance Property, Plant & Equipment Revaluation Surplus at the end of the reporting period	43,825	43,825
Restricted Specific Purpose Surplus		
Balance at the beginning of the reporting period	1,361	2,156
Transfer from reserve	-	(845)
Transfer to reserve	-	50
Balance at the end of the reporting period	1,361	1,361
Total Surpluses	45,186	45,186
(b) Contributed Capital		
Balance at the beginning of the reporting period	34,254	34,254
Balance at the end of the reporting period	34,254	34,254
(c) Accumulated Deficit		
Balance at the beginning of the reporting period	(35,772)	(33,250)
Net Result for the Year	(281)	(3,317)
Transfer from Restricted Specific Purpose Reserve	-	845
Transfer to Restricted Specific Purpose Reserve	-	(50)
Balance at the end of the reporting period	(36,053)	(35,772)
Total Equity at end of financial year	43,387	43,668

Contributed capital

Consistent with Australian Accounting Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities and FRD 119A Contributions by Owners, appropriations for additions to the net asset base have been designated as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners that have been designated as contributed capital are also treated as contributed capital.

Transfers of net assets arising from administrative restructurings are treated as contributions by owners. Transfers of net liabilities arising from administrative restructures are to go through the comprehensive operating statement.

Property, plant & equipment revaluation surplus

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

Specific restricted purpose surplus

A specific restricted purpose surplus is established where the Health Service 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 8.2: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	2018 $'000	2017 $'000
Net Result for the Year	(281)	(3,317)
Depreciation	5,150	5,066
Provision for Doubtful Debts	31	81
Net (Profit) Loss from sale of Plant & Equipment	119	1
Change in Operating Assets & Liabilities		
Increase/(Decrease) in Payables	1,406	184
Increase/(Decrease) in Other Liabilities	(20)	(21)
Increase/(Decrease) in Employee Benefits	1,110	577
Decrease/(Increase) in Other Assets	(132)	(281)
Decrease/(Increase) in Inventories	(5)	6
Decrease/(Increase) in Receivables	(782)	(249)
Net Cash Inflow/(outflow) from Operating Activities	6,596	2,047

Note 8.3: Responsible Person Disclosures

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.

Responsible Ministers	Period	
The Honourable Jill Hennessy MLA, Minister for Health, Minister for Ambulance Services	1-Jul-17	30-Jun-18
The Honourable Martin Foley, Minister for Housing Disability and Ageing, Minister for Mental Health.	1-Jul-17	30-Jun-18
Governing Boards		
Glenn Stagg	1-Jul-17	30-Jun-18
Louise McMahon	1-Jul-17	30-Jun-18
Lesley Fairhall	1-Jul-17	30-Jun-18
Kumar Visvanathan	1-Jul-17	30-Jun-18
Tony Anderson	1-Jul-17	30-Jun-18
Jim Vivian	1-Jul-17	30-Jun-18
Abbas Khambati	1-Jul-17	30-Jun-18
Faith Page	1-Jul-17	30-Jun-18
Glenys Butler	1-Jul-17	30-Jun-18
Jenny Dempster	1-Jul-17	30-Jun-18
Accountable Officer		
Frank Evans (Chief Executive Officer)	1-Jul-17	30-Jun-18
Remuneration		

Remuneration received or receivable by responsible persons was in the range: $310,000 – $319,000 ($280,000 – $289,000 in 2016-17).

Note 8.4: Remuneration of Executives

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

Remuneration 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 include amounts such as wages, salaries, 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 include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long-service benefit or deferred compensation.

Remuneration of Executive Officers	**Total remuneration**	
(including Key Management Personnel disclosed in Note 8.6)	**2018**	**2017**
Short-Term Employee benefits	928,300	849,638
Post-Employment benefits	98,148	80,333
Other long-term benefits	105,034	-
Total Remuneration (i)	**1,131,482**	**929,971**
Total number of executives	**6**	**6**
Total annualised employee equivalent (AEE) (ii)	**5.4**	**6.0**

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within Note 8.6 Related Parties.

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

Note 8.5: Related parties

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

- All key management personnel (KMP) and their close family members;
- Cabinet ministers (where applicable) and their close family members;
- Jointly Controlled Operation - A member of the Victorian Comprehensive Cancer Centre Joint Venture; and
- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

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

KMPs	Position Title
Mr Frank Evans	Chief Executive Officer
Mr Jon Millar	Chief Operating Officer
Mr Daryl Cooper (resigned 28 Feb 2018)	Director of Financial Services
Mr Paul Head	Director of Residential Aged Care
Ms Denise McInnes	Director of Nursing & Clinical Support Services
Ms Amanda Pusmucans	Director of Community Care Services
Dr Suhan Baskar	Director of Medical Services
Glenn Stagg	Chair of the Board
Louise McMahon	Board Member
Lesley Fairhall	Board Member
Kumar Visvanathan	Board Member
Tony Anderson	Deputy Chair of the Board
Jim Vivian	Board Member
Abbas Khambati	Board Member
Faith Page	Board Member
Glenys Butler	Board Member
Jenny Dempster	Board Member

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.

Compensation- KMPs	**2018**	**2017**
Short-Term Employee benefits	1,213,661	1,098,098
Post-Employment benefits	118,647	99,949
Other long-term benefits	105,034	13,800
Termination benefits	-	-
Share based payments	-	-
Total	**1,437,342**	**1,211,847**

Significant Transactions with Government-Related Entities.

Central Gippsland Health Service received funding from the Department of Health and Human Services of $65.2M (2017: $61M.)

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

Professional medical indemnity insurance and other insurance products are obtained from a Victorian Public Financial Corporation.

Treasury Risk Management Directions require the Central Gippsland Health Service to hold cash (in excess of working capital) and investments, and source all borrowings from Victorian Public Financial Corporations.

During the year Central Gippsland Health Service had the following government-related entity transactions:

Entitiy	**2018**	**2017**	**2018**	**2017**
	Revenue		**Expenses**	
Latrobe Regional Health Service	2,004,706	1,635,714	564,816	382,511
Gippsland Health Alliance	-	-	1,287,596	1,220,039
Dental Health Services Victoria	821,323	899,245	44,373	44,147
Ambulance Victoria	70,104	65,033	1,073,151	649,515
Gippsland Southern Health Service	271,765	270,986	-	-
Bairnsdale Regional Health Service	475,007	439,581	4,416	6,751
Alfred Health	-	-	145,098	62,350
Total	**3,642,905**	**3,310,559**	**3,119,449**	**2,365,314**

Government-related entity transactions are net of revenue and expense transactions with government related entities. Transactions include supply of linen services, dental services, resource sharing, transfer of funding and patient transport.

Note 8.5: Related parties continued

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with the Department of Health and Human Services, there were no related party transactions that involved key management personnel and their close family members.Transactions are disclosed when they are considered material to the users of the financial report in making and evaluation decisions about the allocation of scare resources.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2018.

There were no related party transactions required to be disclosed for the Central Gippsland Health Service Board of Directors and Executive Directors in 2018.

Joint Venture Related Party Transactions

Frank Evans is the Chair of the Gippsland Health Alliance Steering Committee. He held this position for the full financial year.
Jon Millar has been seconded as the Chief Information Officer of the Gippsland Health Alliance. He held this position for the period February 2018 to June 2018, total $50,000 (2017: nil)

The transactions between the two entities relate to payments made by Central Gippsland Health Service to the Gippsland Health Alliance for goods and services and the transfer of funds by way of distributions made to the hospital. All dealings are in the mornal course of business and are on normal commercial terms and conditions.

Note 8.6: Remuneration of Auditors

	2018	2017
	$,000's	$,000's
Victorian Auditor-Generals Office		
Audit or review of financial statements	41	38
Other Providers		
Internal Audit	22	37
	63	75

Note 8.7: AASB's issues that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2018 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises the Health Service of their applicability and early adoption where applicable.

As at 30 June 2018, the following standards and interpretations had been issued by the AASB but were not yet effective. They become effective for the first financial statements for reporting periods commencing after the stated operative dates as detailed in the table below. Central Gippsland Health Service has not and does not intend to adopt these standards early.

Standard/ Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 9 Financial instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. While there will be no significant impact arising from AASB 9, there will be a change to the way financial instruments are disclosed.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on the balance sheet.	1 Jan 2019	The assessment has indicated that as most operating leases will come on the balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. No change for Lessors.

Standard/ Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
AASB 2014-1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.
AASB 1058 Income of Not-for-Profit Entities	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change.
AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018-19 reporting period in accordance with the transition requirements.
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.

Note 8.8: Events Occurring after Balance Sheet Date

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

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

No events have occurred subsequent to balance date.

Note 8.9: Jointly Controlled Operations

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest 2018 %	Ownership Interest 2017 %
Gippsland Health Alliance	Information Technology	Australia	13.1	13.1

The Central Gippsland Health Service interest in assets employed in the above jointly controlled operations and assets is detailed below.

	2018 $'000	2017 $'000
Current Assets		
Cash and Cash Equivalents	1,109	758
Receivables	176	168
Other Current Assets	333	301
Total Current Assets	1,618	1,227
Non-Current Assets		
Property, Plant and Equipment	28	20
Total Non-Current Assets	28	20
Share of Total Assets	1,646	1,247
Current Liabilities		
Other Current Liabilities	131	194
Total Current Liabilities	131	194
Share of Total Liabilities	131	194
Net Assets	1,515	1,053
Reconciliation of jointly controlled assets:		
Share of funds at beginning of the reporting period	-	-
Contributions made in current reporting period	1,042	1,000
Share of current year Surplus/(Deficit)	(498)	(508)
Share of funds at end of reporting period	544	492
Operating Revenue		
GHA Revenue	2,229	1,371
Total Operating Revenue	2,229	1,371
Operating Expenses		
GHA Expenses	1,685	1,326
Total Operating Expenses	1,685	1,326
Net Operating Result	544	45
Capital Income		447
Total Capital Income	-	447
Capital Expenditure		
Depreciation	-	-
Total Capital Expenditure	-	-
Net Result	544	492

Note 8.10: Economic Dependency

The Central Gippsland Service is dependent on the Department of Health and Human Services for the majority of its revenue used to operate the entity. At the date of this report, the Board of Directors has no reason to believe the Department will not continue to support Central Gippsland Health Service.

8.11 Alternative Presentation of Comprehensive Operating Statement

	2018 $'000	2017 $'000
Interest	344	332
Sales of goods and Services	8,886	8,424
Grants	75,202	70,945
Other Current Revenue	13,775	12,135
Total Revenue	**98,207**	**91,836**
Employee Expenses	67,688	66,898
Depreciation	5,150	5,066
Interest Expense	67	24
Other Operating Expenses	25,459	23,157
Total Expenses	**98,364**	**95,145**
Net Result from Transactions - Net Operating Balance	**(157)**	**(3,309)**
Net Gain/(Loss) on Sale of Non-Financial Assets	(119)	(5)
Other Gain/(Loss) from Other Economic Flows	(5)	(3)
Total Other Economic Flows Included in Net Result	**(124)**	**(8)**
NET RESULT	**(281)**	**(3,317)**

This alternative presentation reflects the format required for reporting to the Department of Treasury and Finance, which differs to the disclosures of certain transactions, in particular revenue and expenses, in the hospital's annual report.

CENTRAL GIPPSLAND HEALTH SERVICE

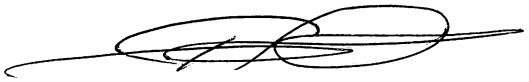
Board member's, accountable officer's and chief finance & accounting officer's declaration

The attached financial statements for the Central Gippsland Health Service have been prepared in accordance with Standing Direction 4.2 of 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 2017 and the financial position of Central Gippsland Health Service at 30 June 2018.

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 14th September 2018.



TONY ANDERSON, Board Chairperson
Sale, Victoria
14-Sep-18

FRANK EVANS, Accountable Officer & Chief Executive Officer
Sale, Victoria
14-Sep-18

JOHN LEEHANE, Chief Finance & Accounting Officer
Sale, Victoria
14-Sep-18

CENTRAL GIPPSLAND HEALTH

HOSPITALS

SALE HOSPITAL
Central Gippsland Health

Acute Care Services:
155 Guthridge Parade
Sale VIC 3850

Telephone:
03 5143 8600

Facsimile:
03 5143 8633

All Correspondence:

Chief Executive Officer
Central Gippsland Health
155 Guthridge Parade
Sale VIC 3850

Telephone:
03 5143 8319

Facsimile:
03 5143 8633

Email:
ceoexecsecretary@cghs.com.au

www.cghs.com.au

MAFFRA HOSPITAL
Central Gippsland Health

48 Kent Street
Maffra VIC 3860

Telephone:
03 5147 0100

Facsimile:
03 5147 0152

HEYFIELD HOSPITAL
Central Gippsland Health

14 Licola Road
Heyfield VIC
3858

Telephone:
03 5139 7979

Facsimile:
03 5139 7922

COMMUNITY SERVICES

Community Services:

Telephone:
03 5143 8800

Facsimile:
03 5143 8889

AGED CARE

STRETTON PARK
Central Gippsland Health

LAURINA LODGE
Central Gippsland Health

WILSON LODGE
Central Gippsland Health

McDONALD WING
Central Gippsland Health

Telephone: 03 5143 8540
Facsimile: 03 5143 8542