CENTRAL GIPPSLAND HEALTH

Annual Report 2017

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 Service (CGHS) 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;
- work within an intersectoral and collaborative framework to maximise benefits for our community; and
- 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 CGHS 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.

Contents

Who we are

Central Gippsland Health Service (CGHS) 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

CGHS, 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, CGHS 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.

CGHS 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.

CGHS 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, several 'redesigning' projects have been in progress for a number of years. In addition, most of our wards have embraced the Productive Ward 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	16,000
Inpatient services	12,600
Mothers delivered	450
Community Services hours of service	123,920
Non-admitted Subacute and Specialist Outpatient Clinic Service Events	21,873

People

719 Full Time Equivalent employees

1111 people employed, including casual, part-time and full-time active employees at 30 June, 2017.

Assets and Revenue

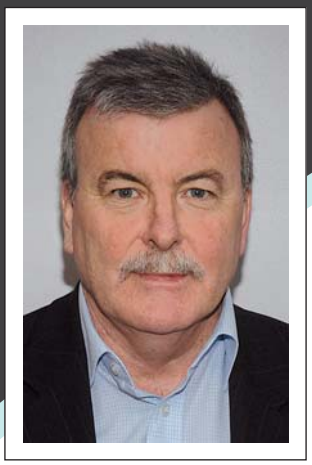
$43,221m in net assets

$39,608m in buildings

$6,279m in plant and equipment

$91,384m in revenue

Report by the Chair, Board of Management



As the 2017 financial year draws to a close for our Health Service, it is once again time for me to reflect on the year that has been and the highlights and challenges that it has presented to us. The challenges, for their part, will always keep coming, but as demanding as they always are, we simply have to face them, overcome them, and move on to being better prepared for the next one.

Perhaps one of the consistent issues that presents itself is our activity levels and WIES outcomes against expectation and the various financial challenges that follow from this. This has been a consistent (or perhaps I should say persistent) issue for us over the past few years and, notwithstanding implementation of various strategies to improve the results for the health service from an activity level perspective, there always seems to be a new challenge to make the task more difficult. I know Frank Evans, our CEO and his executive team have worked very hard on implementing new systems and practices to improve our outcomes and I congratulate them on their efforts, however, there is always more we can do and we must always be prepared to change to achieve our goals. Consequently, the challenge for the Board and the Executive team for the coming year is, I think, to be even more prepared to make major change where it is deemed appropriate, regardless of any disruption that comes with it.

So what of our highlights – there have been quite a few I must say. I will start with a mention of the finalisation of our Oncology unit and this has been a fantastic outcome for us. The process has involved many hours of hard work from a lot of people, including those who have contributed to fundraising activities and I thank everyone for their efforts. The generosity of people never ceases to amaze me and our Oncology unit is testimony to this fact.

In addition to the redevelopment of Oncology, we have also completed a reconfiguration of our Women's & Children's unit and made further improvements in a number of areas where we could, or where funding permitted. In more recent months we have received advice of successful funding applications or assistance with a number of major improvement projects, not the least of which include:

- Funding approval of $4,126,691 for the redevelopment of our theatre to enable us to provide orthopaedic surgical services to our local community and catchment area. This is a very exciting achievement as this development will enable us to provide better outcomes to our local community by reducing the need to travel out of our region for this type of surgery. It should also substantially increase our activity levels, not only in orthopaedics, but in our general surgical services as well and this can only be a good thing for our community. It is hoped that this development will be completed and become functional by early 2019.
- Financial assistance in the form of an interest free loan for the installation of a solar power system to be installed at the Sale campus and Wilson Lodge. This installation has already commenced and will enable the health service to improve our power efficiency and environmental footprint.
- Funding of $690,000 for the upgrade of our power generator to improve reliability and security in our power delivery.

These projects represent great outcomes for us and we will continue to make improvements wherever we can. We remain committed to the redevelopment of our Maffra campus although this will occur in stages, the first of which is likely to get underway in the coming months.

There are also a couple of other major highlights to mention, one of which is the culmination of something that has been a work in progress for some time; namely the emergence of Central Gippsland Health as the representation of the alliance between Central Gippsland Health Service, Stretton Park and Heyfield Hospital. This development is the result of a lot of hard work by those involved in the process, including the Boards of the respective institutions and I take this opportunity to thank everyone for their efforts in achieving this successful outcome.

The other major highlight was our award for being the Most Outstanding Regional Hospital in Australia. This award was presented by the Australian Patients Association and everyone within our health service should be very proud of this outcome.

Turning to the Board of Management and its membership, there have also been a number of changes that I should mention.

During the financial year, the Board received a Ministerial appointment to enhance its clinical governance capabilities with the appointment of Professor Kumar Visvanathan. Professor Visvanathan currently holds tenure as senior consultant in infectious diseases, Clinical Director of Medicine and Emergency Services and Professor of Medicine at St Vincent's Hospital and the University of Melbourne with an international reputation in immunology, hepatitis and infectious diseases. We welcomed Kumar to our board in October 2016 and look forward to his continued contributions to the health service.

The end of the 2017 financial year also saw the retirement of Mr David Willington as a board member. David has made a wonderful contribution to our board during his time with us and I thank him for this and wish him the very best with his future endeavours. While retiring from our board, David will continue an association with us by participating on our Community Liaison Group and will no doubt be a great contributor there.

In addition to Professor Visvanathan's appointment during the year, we have also had a number of appointment renewals, and have recently been advised of the appointment of a number of new board members from July 1, 2017. Our new members are Glenys Butler, Faith Page and Jenny Dempster and I look forward to seeing their smiling faces in our next annual report!

As I have been a member of the board of CGHS since July 2006, I have been advised that my renewal appointment as a board member will be for a 12 month duration only. Consequently, 2017/18 will be my last year as a board member with CGHS and this will be my last Board Chair's report to you. Our office bearer elections will occur in December this year and a new board chair will be elected to take over the reins.

I therefore take this opportunity to say that I have enjoyed immensely my time as a board member and as the board chair and thank everyone who has worked with me throughout my time with CGHS. A very big thank you to Dr Frank Evans and his Executive team for their support over the years and a further big thank you to Rebecca Gunning, Executive Secretary to the board, for all her hard work in making my job a lot easier for the effort.

And finally, thank you to each and every person who works within, or volunteers help to, Central Gippsland Health Service. Thank you for your continued efforts and I look forward to working with you throughout this, my final year.

Glenn Stagg
Board Chair

Chief Executive Officer's Report

A challenging and rewarding year

A sensational highlight for the year was to be named the Most Outstanding Regional Hospital in Australia, by the Australian Patient's Association.

The award reflects our commitment to receiving feedback from patients and being honest and transparent about our performance and our efforts to improve our services.

Central Gippsland Health Service was one of the first Victorian health services to subscribe to Patient Opinion Australia, which allows patients and their families to share healthcare stories and experiences on a moderated public online forum. Patient Opinion has enabled us to reflect on what is working well and where we can improve.

Another highlight and achievement was our success with our second National Standards Accreditation. The accreditation process was a positive one and reflected the hard work and commitment of our staff, volunteers, consumer representatives and Board.

It is also important to note that the high quality of our residential aged care and community health services continues to be recognised through aged care and home support services accreditation. We are very confident the hard work, dedication and high standards of our staff and volunteers will serve us well in what is becoming a highly competitive aged care environment.

Building for the future

We have been fortunate in the past 12 months to complete two very important building projects. After three years of fundraising, we completed a full redevelopment of our Oncology Unit, totally funded from bequests and donations. We are extremely grateful to our community for the incredible support we received to enable us to build such a wonderful facility.

The structure of our Women's and Children's Ward has been transformed. It now has a very modern look but most importantly, it has improved the functionality of the unit.

Work has started on upgrading our rehabilitation area in the Medical Ward. This work will provide a large rehabilitation room with many of the features of a home where our rehabilitation team will work with patients, helping them regain their independence.

We have also invested in the replacement of major equipment including the replacement of our endoscopic surgical (keyhole surgery) equipment and replacement of our nuclear medicine scanning equipment with an upgrade to include CT capability.

We have continued to invest in our commercial laundry, which is now arguably the most modern laundry in Victoria. Our commercial laundry makes a very important financial contribution to the operations of the health service.

We recently commissioned and started the largest solar power generation project for a health service in Gippsland. With electricity costs increasing by 80 per cent in 2017/18, this project will pay for itself in less than five years.

Living within our means

During the past year, we have once again experienced huge financial challenges. We are a high capability health service, providing adult and neonatal critical care and level 4 maternity capability with comparatively low patient numbers. This means we have been unable to achieve our funded activity targets and as such, have earned less funding. We are working very hard to increase the number of patients we treat and particularly the amount of surgery we provide.

As such, winning a grant of $4.2 million to build a new theatre to provide major Orthopaedic surgery is great for our community and for the future of Central Gippsland Health Service. The new operating theatre will be operational late 2018 or early 2019.

Central Gippsland Health: Better Together

Central Gippsland Health is a network, comprising three independently governed health services, working together under one management structure. Stretton Park Inc., Heyfield Hospital Inc. 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 for 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 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!

Thank you

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, under very challenging circumstances. Thank you.

Frank Evans
Chief Executive Officer

Strategic Planning 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

Campaign to redevelop Stretton Park

A fundraising campaign for a $6 million redevelopment of Stretton Park in Maffra was launched late last year.

Federal Minister for Infrastructure and Transport, Darren Chester, launched the community campaign to raise part of those funds with members of the public in attendance.

Stretton Park will meet some of the cost however has also made application for Federal Government funding.

Stretton Park Chair, Phillip Clifford, said the facility had an "excellent reputation" of providing aged care service to the residents of Maffra and surrounding districts.

"However the purpose for which the facility was designed has changed significantly over the years from hostel type care to nursing home care," Mr Clifford said. "Initially residents had to be self–reliant, independent and require little or no nursing care. Today, most residents require high levels of personal care."

Mr Clifford said to maintain the hostel's high standard of care, it needed a major refurbishment. "This will meet the needs of the current and future community," he said.

• *Above, proposed Stage 1 floor plan.*

Partnership provides pathways for employment

A pre-employment program in Sale will hopefully provide pathways for long term unemployed to work in the health sector.

Central Gippsland Health Service (CGHS) partnered with the Gippsland East Learn Local Alliance (GELLA) to run an eight-week program with CGHS the first health service in the region to offer the program.

The program provided long term unemployed with entry level skills for working in the health sector and gave them a range of other job ready skills.

After the eight-week course, participants had one week of practical experience at Sale Hospital, gaining first-hand experience in a role which matched their skill set and interests.

The Victorian Government is funding 26 Learn Locals across Gippsland to provide education and skills to people experiencing barriers to participating in education.

The programs are referred to as 'pre-accredited" to distinguish them from certificate and diploma accredited programs. Many are designed to address current and emerging business and industry training needs in sectors such as health, retail, hospitality, agribusiness, food processing and digital. These programs pathway students into further education and employment.

The topics covered in the program included: how to use digital technology for basic workplace tasks; employment preparation including mock interviews and resume writing; overcoming barriers to work and making a good first impression; financial literacy skills; developing critical thinking and problem-solving skills; cultural awareness and employability skills; and language and literacy skills related to working in the health industry.

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, has Board and consumer representation and reports directly to the Boards of Management. It provides comprehensive reports relating to quality improvement and innovation which are presented to the Boards 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 10 National Safety and Quality Health Service Standards. All core and developmental items were met at the organisation wide survey in September 2016.

The Home and Community Service currently has full accreditation against the three Home Care Standards. An Accreditation contact visit was conducted in 2016; the 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.

Governance

Central Gippsland Health 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 MLA, Minister for Health, Minister for Ambulance Services
- The Honourable Martin Foley MP, Minister for Housing, Disability and Ageing

The registered office of Central Gippsland Health Service is:

155 Guthridge Parade, Sale, 3850. Telephone (03) 5143 8600.

Consumer, carer and community participation

Consumer, carer and community networks with the support of the Consumer Advocate, continue to assist CGHS to improve and provide services that best meet the needs of the community.

There are four CGHS Community Networks, the Community Liaison Group; and Consumer and Carer Chronic Disease and Disability Network, which meet on a monthly basis. The Aboriginal and Torres Strait Islander (CGHS ATSI) Advisory Committee; and Rosedale Community Health Centre Advisory Committee which meet on a bi-monthly basis. All consumer networks are chaired and vice-chaired by community members and meetings are attended by executive team members.

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

The CGHS Consumer Opinion Register (COR) is also operational. 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.

During the last 12 months, members of the COR have provided input on the development of over 21 Consumer Information Sheets. Additionally, a COR member has also contributed and participated in the development of the CGHS Person Centred Care training platform which is targeted at all staff.

This training stresses the importance of placing clients/patients at the centre of their care by listening to and valuing their (and significant others) contribution to their own health and wellbeing.

Over the past year, network members have continued to support our endeavours to create a welcoming environment for Aboriginal and Torres Strait Islanders. The Australian and Aboriginal flags are now on permanent display across all CGHS sites.

An Aboriginal garden has been constructed in the hospital quadrant which provides a welcoming environment for Aboriginal community members to gather. This work was made possible due to the successful submission of a small grant application and was overseen by the CGHS Aboriginal and Torres Strait Islander Advisory Committee.

In January 2017, the Dental Department achieved 'Communication Accessible Accreditation'. This ongoing work is overseen by the Community Liaison Group and Chronic Disease and Disability Network. The Dental Department is the second CGHS area to achieve accreditation.

The first area to achieve accreditation, the Community Rehabilitation Centre has been reissued a further 12-month accreditation.

The Consumer and Carer Chronic Disease and Disability Network continues to support and provide advice to the Care Coordination Project which assists direct service delivery to clients and patients in a timely, effective and efficient manner.

The Rosedale Community Health Centre Advisory Committee provides links between the Rosedale community and the health service. Tom Wallace has been reinstated as Chair to this committee, which has assisted in addressing the strategies within the CGH Health Plan, as well as advocating on behalf of its community on a variety of issues.

CGHS also has many less formal, but equally important links to other community based groups. CGHS acknowledges the tremendous work and dedication from all community and consumer groups, whether formal or informal.

Carers Recognition

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

During the 2016-17 year, CGHS held a Carers Workshop which was promoted widely through local media outlets, client letters, community services newsletters and planned activity groups.

Workshop participants provided feedback on what would best assist them in their carer's role, including a forum for carers to form friendships and gain support in social situations across the service delivery area. In response to this feedback, CGHS established a monthly carer's luncheon and a fortnightly coffee morning.

The Consumer and Carer Chronic Disease and Disability Network meet monthly, comprised of 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.

Governance and Community Accountability

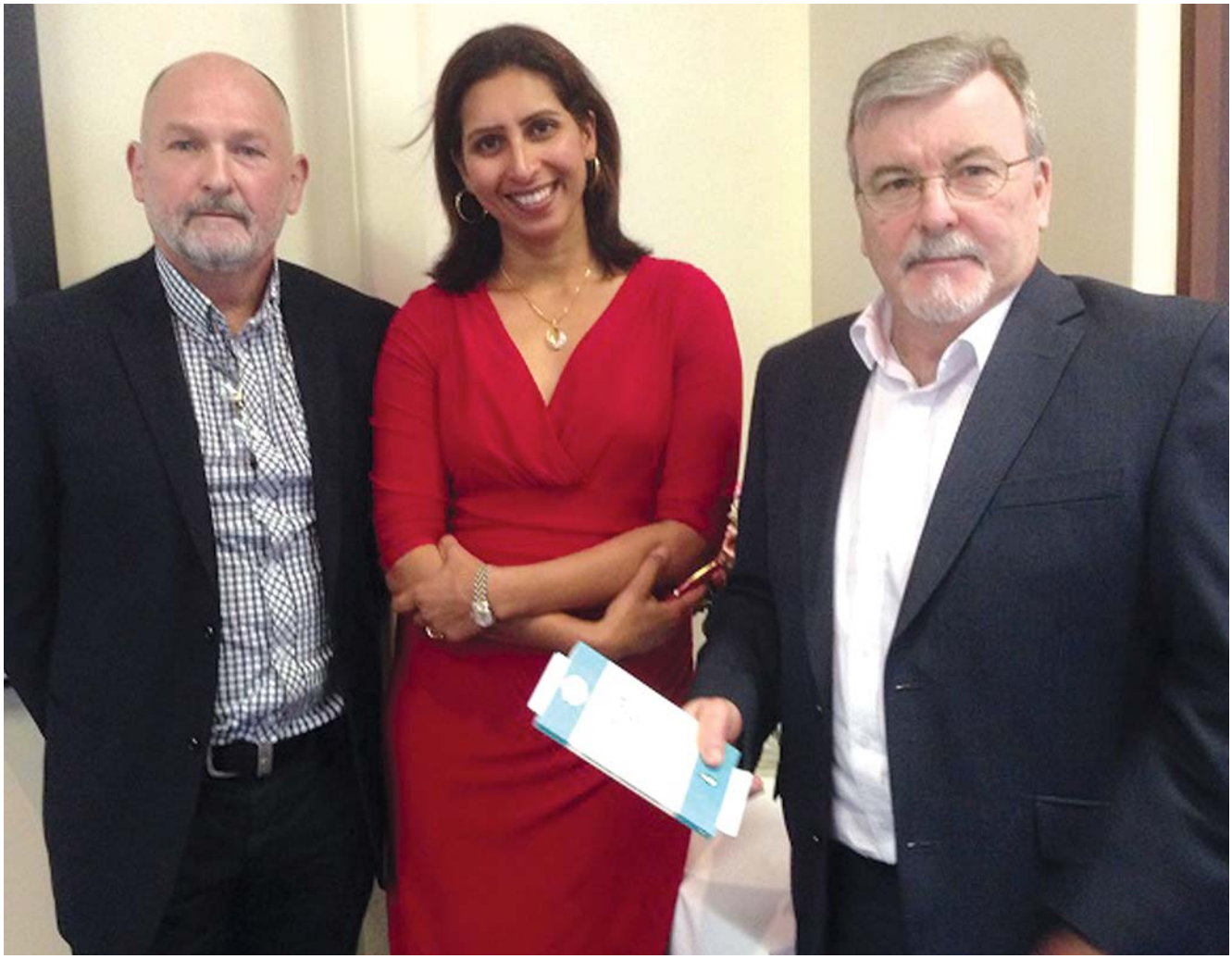
Consultation took place over the past year with the Community Liaison Group, seeking its input into this Annual Report.

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.

Commitment to better communication



Central Gippsland Health Service has made a commitment to the community to keep improving communication between medical staff and patients.

CGHS Chief Executive Officer Dr Frank Evans, gave this assurance to guests at the 2015–16 annual meeting of the service which featured guest speaker, Dr Ranjana Srivastava, whose special interest is improving doctor–patient communication.

An oncologist, Dr Srivastava is the author of four books including 'Dying for a Chat – The Communication Breakdown Between Doctors and Patients'.

"It's about doctors communicating what's in a patient's best interest, explaining it and doing it compassionately," Dr Srivastava said. "These conversations are not happening as often as they should.

"Part of being a good doctor is to be a good gatekeeper and realising we all play important roles. Gatekeeping is becoming increasingly important and we need to explain to patients why we are gatekeeping."

Dr Srivastava was critical of a medical system which she believes doesn't adequately train young doctors to have difficult conversations with patients and their families.

"We don't teach them or train junior doctors in emergency for when they need to have difficult conversations about resuscitation," she said. "We must introduce a doctor to the notion that better communication can be learnt.

"We must provide patients with the best possible opportunity to hear and digest bad news. These conversations about prognosis and end of life care are the most important conversations you will have with a patient in their life time and you have to do it.

"A good conversation about withdrawal of care or drawing the boundaries of care makes everything easier for both the patient and medical staff."

Dr Srivastava said health professionals had a duty to introduce people to the concept of mortality

"People do appreciate honesty…if you tell people 'this may not work', people do listen."

"People equate death with suffering and pain. In Australia, we are lucky to have good palliative care and effective drugs. Personalised medicine means the right care."

- *Pictured above, Dr Ranjana Srivastava with CGHS chief executive Frank Evans (left) and board chair Glenn Stagg at last year's annual meeting.*

Red Knights happy to help

The Red Knights Motorcycle Club donated a urinalysis machine to Sale Hospital.

The world-wide club comprises current and former fire fighters and their families with president of the Australian Six Chapter, Andy Young, a volunteer with the Sale CFA.

Mr Young said the local organisation had raised more than $70,000 for charities and events over the last six years including support for the Salvation Army in Sale, Bairnsdale and Traralgon and the annual Christmas Motorcycle Toy Run.

"We have supported a Gippsland family to purchase medical equipment for their sick son and now we are pleased to help Sale Hospital," Mr Young said.

"The CGHS Auxiliary gave us a wish list of equipment needed at the hospital so we will help purchase some items on the list."

Meanwhile Mr Young said the club planned to make further donations to the hospital as part of its ongoing fundraising.

- *Pictured above, (from left) are Neville McKenzie (Vice President Australia 6), Kate Roberts (Nurse Unit Manager of the Emergency Department), Jade Beechey (ANUM), Andrew Young (Red Knights International Firefighters Motorcycle Club President of Australia 6) and Jason Collins (Region 8 Director South Pacific).*

Board of Management

Glenn Stagg, Board Chair:
Accountant, director of DMG Financial and former board member of the Gippsland Base Hospital.

Tony Anderson:
Rabobank Branch Manager, former manager, Sales and Marketing – Agribusiness – National Australia Bank.

Lesley Fairhall:
Former finance manager at the Wellington Shire Council and resource officer at the Department of Defence.

Louise McMahon:
Manager of Rosedale Pharmacy, Pharmacist at Latrobe Regional Hospital and former secretary of Traralgon Arts Council.

Jim Vivian:
Executive Officer of Gippsland Sports Academy.

Abbas Khambati:
Business Director with Monash Health.

David Willington:
20 years' experience working for the state's natural resources agencies, including the Department of Sustainability and Environment. Non-indigenous member of the Gunai/Kurnai Traditional Owners Land Management Board.

Kumar Visvanathan:
Specialist in infectious diseases and the immunology of the innate immune system. Currently Clinical Director of Medicine & Emergency Services and Co-Director of the Immunology Research Centre at St. Vincent's Hospital (Melbourne).

Executive Staff as at 30 June 2017

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

Workforce data: Central Gippsland Health Service Labour Category details

Labour Category	June Current Month EFT		June YTD EFT	
	2016	2017	2016	2017
Administration & Clerical	88	98	86	94
Ancillary Support Services	51	48	48	49
Hospital Medical Officers	28	24	27	27
Hotel & Allied Services	148	147	150	148
Medical Officers	18	16	18	17
Medical Support Services	52	49	48	49
Nursing Services	259	266	262	270
Total	**644**	**648**	**639**	**654**
Central Gippsland Health Service	644	648	639	654
Heyfield	42	38	39	39
Stretton Park	25	26	26	25
Total EFT for the Whole Network	**711**	**712**	**704**	**719**

Central Gippsland Health 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	2016 -2017
Workcover accepted claims with an occupational violence cause per 100 FTE	Nil
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	Nil
Number of occupational violence incidents reported	14
Number of occupational violence incidents reported per 100 FTE	1.95
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	Nil

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 2016–17.

Lost time – is defined as greater than one day.

Multipurpose chair makes a difference

Maffra Hospital patients will benefit from a new multipurpose chair, thanks to the generous support of the community.

A combined donation from the Maffra District Hospital Auxiliary and the CGHS Bike Relay has seen the purchase of the $11,000 Carendo shower chair.

Nurse Unit Manager at CGHS Maffra, Matt Gray, said the Carendo was "a truly ergonomic multipurpose hygiene chair".

"It can improve quality of life by making assisted showering and other hygiene routines not only safer and more comfortable, but also a more dignified experience," Matt said.

"Ergonomic design and the care-raiser function, remove the stresses and strains from showering and other everyday hygiene routines, allowing the nursing staff to work in a safe and ergonomically sound manner.

"The Carendo also improves efficiency of the care, as it enables the nurse to perform the entire showering procedure, as well as a wide range of other everyday hygiene tasks."

Matt thanked both organisations for their ongoing support of CGHS.

- *Pictured above, Maffra Hospital Nurse Unit Manager, Matt Gray, with auxiliary members (from left) Doreen Lawless, Joan Ray and Stella, Jess Adams, Jean Heasley, Teresa Barclay, Artie Gray (in chair), Barbara Pitman, Bobbie Dennis, Kath Hamilton and Carol Whelan.*

Overview of Services

Acute Care

Clinical
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
Continence
Podiatry
Cystic Fibrosis
Audiology
Antenatal
Stomal Therapy
Women's Health & Integrated Maternity Services

Aged Care Services

Residential Care
Maffra – J.H.F. McDonald Wing
Sale – Wilson Lodge
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

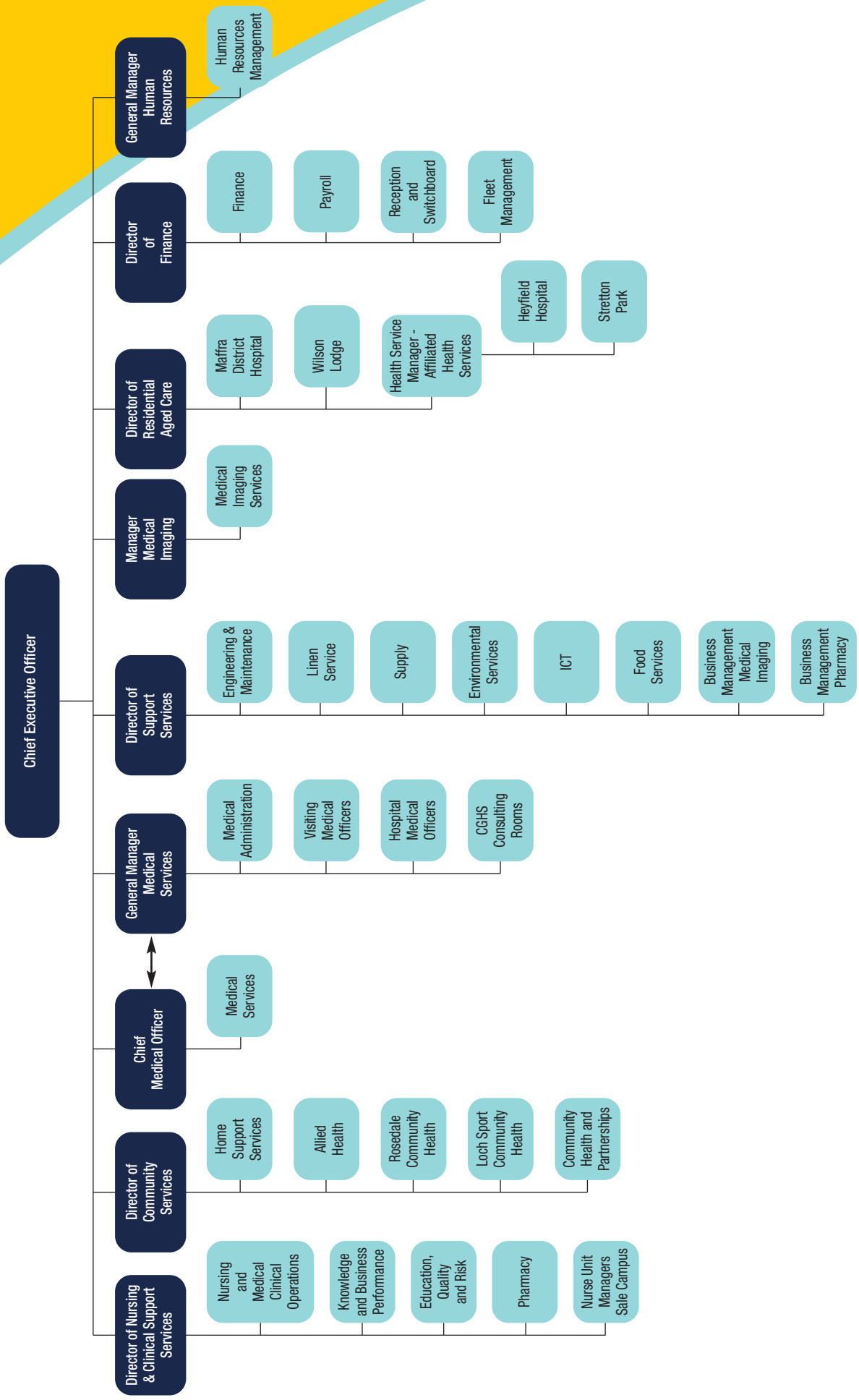
Business Units

Medical Imaging

Linen Service

Consulting Suites

Organisational Structure



Putting our patients first

For most people, death is unfamiliar.

There is no text book that tells you what to do when confronted by a loved one's death, what decisions to make or how you should feel.

So when Claire Watts was confronted by a medical team of eight people at Sale Hospital in 2014, who asked her to make decisions about her elderly father's deteriorating health, she was bewildered. Her emotions were mixed – shock, anger, sadness and frustration of what she later said was a lack of support and empathy for her family.

"During this whole process, no-one was deliberately unkind," Claire said. "(But) what still distresses us as a family is that we were utterly left on our own, amidst all the hospital busy-ness, to try to understand and manage the dying of our much loved dad and husband.

"We need hospital staff to communicate, to take the initiative to offer some guidance, services or resources to help family through the process. To take the time to personally talk with us and tell us that our loved one is dying."

So 14 months later, when Claire and her elderly mother, Barb Pritchard of Sale, were still struggling with what happened, she did something about it.

She wrote her story on a website called 'Patient Opinion' – you can write anonymously about your experiences with hospitals and health services.

What she didn't realise at the time was that anonymous post, which has now had 1600 views, put in action a series of events that not only included an apology from CGHS but positive steps taken by the service to ensure no-one else ever has a similar experience.

In September last year, Claire travelled from Sydney, where she lives, to speak at the launch by CGHS of 'Patient Opinion'. The national platform has growing membership from hospitals and health services throughout Australia. While the platform is well used in Queensland and Western Australia, it is only now being picked up in Victoria.

CGHS is only one of a small number of Victorian health services to join and at the time, was only the second in regional Victoria.

By doing so, it makes a commitment to respond quickly to any comments, positive and negative. The process, including eventual resolution, is transparent for all to see.

Because at the time Claire wrote, CGHS was not a member of Patient Opinion, CGHS Chief Executive Frank Evans contacted Claire as soon as he learnt of her story and reiterated his response at the launch.

"I am so sorry. We let your father and your family down at such a sad and difficult time," Dr Evans said. "We have learnt from this and we will learn more.

"This (experience) has opened the door to us to receive a new level of feedback which is wholly determined by the patient, not by questions we think we need to ask. I am confident Patient Opinion will provide us with feedback to focus our efforts on what is important to our patients. It will put our patients at the centre of our care."

CGHS community network officer, Jude Deedman, said the platform was not about "naming and shaming".

"It's about ensuring something positive comes out of a story," said Ms Deedman who gave a presentation of how the new platform works to the large group of people who attended the launch, including staff and the service's many consumer advocates.

CGHS director of community, Mandy Pusmucans, assured Claire, her mother and those at the launch that the service's commitment to patients and their families was "not just talk".

"We're not always perfect but we are trying," Ms Pusmucans said of measures that have been introduced to ensure Claire's experiences won't happen again.

"We have excellent palliative care staff who are assisting all staff to design a ward plan for patients in these situations that best meets their needs," she said.

This involves medical staff, nurses, care coordinators, allied health staff and others.

The system is designed so it best meets the patient's needs and ensures there will be a smooth transition for palliative patients.

"This experience is a humbling reminder of our privileged position. With that privilege comes responsibility and it is no excuse to say you're busy. We need to provide solutions."

For Claire, the service's actions have "blown" her away. She said CGHS had responded "over and above" anything she could have expected.

"It's such a celebration of communication," she said. "People generally do the best they can and there are lots of good experiences.

"But when communication isn't built in, people fall through the cracks. And our family fell through the cracks."

- *Pictured above, Claire Watts from Sydney with CGHS community network officer Jude Deedman (left) and director of community, Mandy Pusmucans (right) at the launch of Patient Opinion.*

Pilot program helps with addiction recovery

Central Gippsland Health Service is running a six-month addiction recovery pilot program.

CGHS received a funding grant from the Gippsland Primary Healthcare Network (GPHN) for SMART Recovery, a program that helps people break the cycle of addiction.

AOD (Alcohol and Other Drug) Clinical Nurse Consultant, Teresa Strike, said addictive behaviours could come in many forms and some people within the community struggled to overcome these issues on a daily basis.

"The impact of an addictive behaviour can also be varied, and sometimes negative, ranging from relationship breakdowns, emotional and financial stress to social isolation stigma and career consequences," Ms Strike said.

"Despite these impacts, it is very hard to break an addictive behaviour once it has taken hold especially if it is hidden and there is no one to help you gain control over its influence in your life. "

This addiction recovery program is based on group support principles using SMART RECOVERY (Self-Management and Recovery Training). The focus is on helping individuals identify and manage their own recovery strategies via a solution focused Cognitive Behavioural Therapy approach with the support of their peers and the facilitators.

"It is recognised that 2 – 3 months of SMART Recovery can provide the motivation and strategies that will help them control their addiction," Ms Strike said.

"The addictive behaviour maybe smoking, gambling, social media, ebay, chocolate, alcohol, drugs to name just a few. Or you may be struggling to cope with a behaviour directed towards yourself."

• *Pictured above, Teresa Strike.*

Friends of Central Gippsland Health Service

I have much pleasure in presenting the Friends of Central Gippsland Health Service's 85th annual report.

Funds were raised during the year through our Easter raffle, Father's Day raffle, Christmas and Mother's Day gift wrapping.

Donations were received from IGA Supermarket, Wellington Craft Ladies, Lions Club sausage sizzle, Sale City Christmas Carols and Sale Greyhound Charity Bingo. Thank you to all for your generous donations to our health service.

With the funds raised, a pacemaker, defibrillator trolley, respiratory trolley and patient recliner have been ordered for the Critical Care Unit.

Thank you to the Gippsland Centre staff for their assistance with our fundraising events; the health service staff for their ongoing support; the members of our community who give generously for the success of our health service; and the office bearers and members of the Auxiliary for their contribution throughout the year.

Elva Doolan-Jones
President

Maffra Hospital Auxiliary

I have much pleasure in reporting on another successful year for the Maffra Hospital Auxiliary.

We currently have 19 members, including three new members who have all worked together over the past twelve months to raise almost $4,000 with our morning coffees, fashion parade, raffles and sausage sizzles.

In addition to the fundraising, the auxiliary received donations totalling approximately $7,000 from local organisations including the Maffra Lions Club, Maffra Lioness Club, St J's Opportunity Shop, IGA Community Funds and private donations.

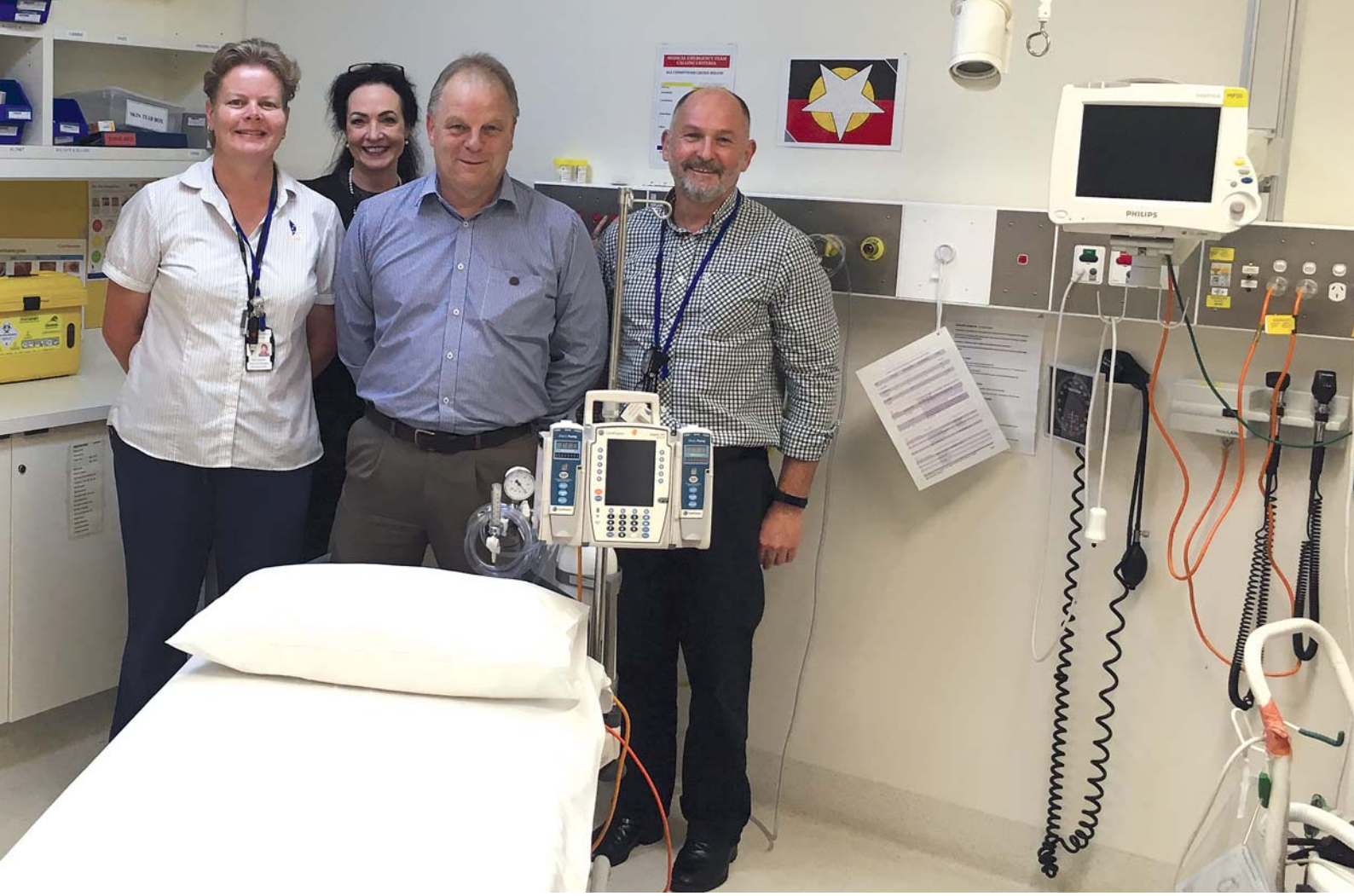
This enabled us to contribute an amount of $7,023 for the purchase of a multi-touch screen for the benefit of the residents of McDonald Wing, plus $750 for Christmas presents and decorations for the residents.

We also have current plans to purchase garden furniture for the outdoor areas and bright pots and plants to enhance the front entrance of the hospital.

The funds raised by the hospital entrants in last year's Mardi Gras have been utilised to purchase brightly coloured furniture to update and beautify the residents' dining room area.

I would like to thank our members and the community for their support throughout the year and look forward to the year ahead as we continue to fund projects to improve the quality of service to our community at the Maffra Hospital.

Artie Gray
President, Maffra Auxiliary



Support spans many years

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 $15,000 has secured equipment including two new M9 trauma trolleys with high/low function, two oxygen cylinders and IV (intravenous) poles.

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

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

Dr Evans said the M9 trauma trolleys featured fully electric functions for fast, safe and effortless trauma care. These trolleys not only ensure the safety of both patients and caregivers by reducing manual handling but have features such as a contouring radiolucent deck for full length X-ray imaging.

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

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 Billiton joint venture contributions program had been supporting the Sale Hospital for 35 years.

"We're proud of our partnership with the hospital which provides a vital service to the community," Mr Anderson said. "It is another example of the significant investment Esso has been making to the Gippsland community for nearly five decades of operation."

- *Pictured above, Esso Longford Plants Manager, David Anderson, (front) inspecting one of the new trauma trolleys purchased by Sale Hospital through a donation from Esso/BHP Billiton Gippsland Basin Joint Venture. Also pictured are (from left) Emergency Department Nurse Unit Manager, Kate Roberts, Director of Nursing and Clinical Support Services CGHS, Denise McInnes and CGHS Chief Executive Officer, Frank Evans.*

Donations

Fundraising:	**$34,904.54**
General donations:	**$59,518.63**
Oncology:	**$45,358.14**
Clyne Estate:	**$60,904.46**
Total:	***$200,685.77***

Our People

Senior Management Team as at 30 June 2017

Chief Executive Officer: Dr Frank Evans
Director of Nursing & Clinical Support Services: Ms Denise McInnes
Director Community Services: Ms Mandy Pusmucans
Chief Medical Officer: Dr Howard Connor
Director Residential Aged Care: Mr Paul Head
Director of Finance: Mr Daryl Cooper
Director of Support Services: Mr Jon Millar
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
Knowledge & Business Performance Manager: Mr Craig Kingham

Senior Medical and Dental Staff 2016/2017

Anaesthetist Consultants
Dr A Dell
Dr W Gomez (locum)
Dr A Green
Dr A Hindle

Anaesthetists GPs
Dr N Atherstone
Dr J Lancaster
Dr P Marosszeky
Dr R Nandha
Dr N Fuessel
Dr C O'Kane
Dr A Wilmot
Dr A Wong

Cardiologist
Dr A Wilson

Cardiologist (Interventional)
Dr S Palmer

Dentists
Dr O Husodo
Dr C Law
Dr B Pedrotti
Dr T Ranten
Dr J Roberts
Dr L Thavarajah

Dermatologists
Dr C Baker
Dr D Gin
Dr J Horton
Dr J Kern
Dr A Mar
Dr R L Nixon (resigned Nov 2016)
Dr D Orchard

Echo Cardiologist
Dr J Gutman

Emergency Medicine Senior Medical Officers
Dr S Dobber
Dr K Gilbert
Dr A Richards
Dr F Sundermann
Dr E Wilson

Forensic Medical Officer (Affiliated)
Dr R Hides

Gastroenterologists
Dr A Kalades
Dr M Ryan

General Practitioners
Dr Y Ahmad
Dr B Ahosseini
Dr S Anderson
Dr M T Baker
Dr JM Bergin
Dr A Burk
Dr S Christian
Dr P Dandy
Dr S Dobber
Dr RJ Hides
Dr G Ivanoff
Dr Y Jiang
Dr B Johnston
Dr C Lau
Dr RH Melville
Dr DA Monash
Dr D Mudunna
Dr IC Nicolson
Dr R Nandha
Dr C O'Kane
Dr G Pathania
Dr A Richards
Dr A Roberts
Dr K Seach
Dr H Stanley
Dr E Stathakopoulos
Dr P Stevens
Dr F Sundermann
Dr LA Waters
Dr AJ Watt
Dr AJ Wright

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

IVF/Gynaecology
Dr G Weston

Nephrologists
Prof D Power
Dr V Roberts

Nuclear Medicine Physician
Dr Y Jenkin

Obstetricians and Gynaecologists
Dr C Black
Dr T Chong (locum)
Dr R Guirguis
Dr Y Hana
Dr A Sarkar

Obstetricians GPs
Dr S Dobber (until Mar 2017)
Dr C O'Kane
Dr AJ Wright

Oncologist (Medical)
Dr S Joshi

Oncologists (Radiation)
Dr R Hegde
Dr A Kuyumcian

Ophthalmologist
Mr A Amini

Orthopaedic Surgeon
Mr P Rehfisch

Otorhinolaryngologists (ENT)
Mr PJ Guiney (resigned Dec 2016)
Dr S Flatman
Dr V Mahanta
Dr M Wilson (Indigenous Outreach)

Senior Medical and Dental Staff 2016/2017 continued

Paediatricians
Dr A Erasmus (locum)
Dr S Greeff (resigned Jan 2017)
Dr L Jindal
Dr S Subiramanian
Dr O Welgemoed

Paediatric Endocrinologist (Consulting)
Dr J Brown

Paediatric Surgeons
Mr C Kimber
Mr P Ferguson

Palliative Care Practitioners
Dr H Atkinson
Dr K Hogan

Pathologists
Dr A Haddad
Dr G Imhagwe

Physicians
Dr H Connor
Dr K Mandaleson
Dr N Uddin
Dr M Van der Heiden (locum)
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

Radiologists continued
Dr R Wijeratne
Dr H Yeang

Respiratory (Paediatric) Physician
Dr D Armstrong

Surgeons General
Mr M Jordaan (resigned Aug 2016)
Mr S Karunaratne (resigned Mar 2017)
Mr A Sarkar
Mr P Strauss
Mr S Syed

Surgeon Upper GI
Mr S Banting

Surgeon Vascular (Consulting)
Mr N Roberts

Surgeon Colorectal (Consulting)
Assoc/Prof John Mackay (RIP Oct 2016)

Urologists
Assoc Prof M Frydenberg
Mr P McCahy

Acute Services

Director Critical Care and Emergency Services: Dr Howard Connor

Head of Anaesthetics: Dr Arthur Dell

Director of Aged Care: Dr Krishna Mandaleson

Director of Pharmacy: Michelle Garner

General Manager Medical and Nursing Clinical Operations: Tracy McConnell–Henry

Hospital Coordinators: Therese Smyth, Janny Steed, Sue Shadbolt, Dianne Matcott, Caroline Rossetti, Tanya Stiles, Leanne Backman

Surgical Services

Nursing Unit Manager, Surgical: Gary McMillan

Nursing Unit Manager, Perioperative Services: David Curtin (until August 2016), Heather Wilson (acting until November 2016), Mauricio Yanez (commenced November 2016)

Obstetric/Paediatric Unit

Nursing Unit Manager, Obstetrics and Paediatric: Kim Costin and Linda Glover

Medical Services

Nursing Unit Manager, Critical Care, Dialysis, Cardiology, Oncology: Jenny Dennett

Nursing Unit Manager, Medical: Sue Roberts

Nursing Unit Manager, Emergency: Courtney Redaelli (until February 2017), Kate Roberts (commenced February 2017)

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: Ann Gibbs (acting from December 2016), Ruth O'Brien (acting from March 2017), Leah Adams (commenced May 2017)

Affiliated Health Services

Director of Residential Aged Care: Paul Head

Health Services Manager – Affiliated Services: Brent Causon

Nursing Unit Manager, Heyfield: Donna Taylor (until May 2017), Ruth O'Brien (acting from May 2017)

Stretton Park Hostel and Independent Living Units

Stretton Park Clinical Care Coordinator: Vino Mahilall and Sally Weatherly (until March 2017)

Stretton Park Nursing Unit Manager: Ann Gibbs

Residential Aged Care

Nursing Unit Manager Wilson Lodge: Melissa Hogan (December 2016), Matt Gray (commenced December 2016)

Community Services

Nursing Unit Manager, District Nursing: Mandy Pusmucans (until November 2016), John Curran (commenced November 2016)

Community Services continued

General Manager Allied Health: Mandy Pusmucans (until November 2016), Keren Fuhrmeister (commenced November 2016)

Allied Health Managers: Keren Furhmeister, Kathy Cook, Kristen Millar, Andrea Schofield

Community Health and Partnerships Manager: Ruth Churchill

Palliative Care Clinical Care Consultant: Jenna Beams

Support Services

Director of Finance: Daryl Cooper

Director of Support Services: Jon Millar

Engineering Services Supervisor: David Martin

Hotel Services Manager: David Askew

Knowledge & Business Performance Manager: Craig Kingham

Hospital Medical Officer (HMO) Manager: Jennifer Harrington

Payroll Manager: Raquel King

Supply Manager: Matt McQuillen

Workforce Capability and Learning

General Manager Education, Quality & Risk: Suzanne Askew

Librarian: Helen Ried

General Manager Human Resources: Kevin Gray

Business Units

Business Units General Manager: Jon Millar

Medical Imaging Practice Manager: Simon Waixel

Sale Central Linen Service Manager: Adam Crotty

Stand against family violence

Four men at CGHS became the major focus of a White Ribbon campaign to end violence against women and girls.

The four male staff members, Jon Millar (Director Support Services), Brendan Haran (Return to Work Coordinator), Paul Head (Director Residential Aged Care), and Brent Causon (Health Services Manager Affiliated Health Services), became White Ribbon Ambassadors.

White Ribbon was a major focus of this year's WELLvember at CGHS.

White Ribbon is the world's largest movement of men and boys working to end men's violence against women and girls, promote gender equality, healthy relationships and a new vision of masculinity.

The four grew beards to encourage people to ask about their changed appearance, initiating conversation about standing up against violence towards women.

The campaign ran across the service and according to CGHS Social Health Manager and Women's and Children's Care Coordinator, Kristen Millar, it really "took off".

It culminated with an event in the Sale campus cafeteria on 29 November where four previously clean shaven staff members had their beards cut.

"Each week, updated photos are sent to all staff, along with information, statistics and myth busters on violence against women," Kristen said.

Sarah Corbell from Gippsland Women's Health Service provided education and information to the four participants around family violence, explaining what questions to expect from curious people and how to respond appropriately.

Kristen said everyone was overwhelmed at how powerful this event had been in creating opportunities to talk about family violence and dispel some of the myths that surround it.

White Ribbon Ambassador, Eamon Leahy, was guest at the event while local barber Leigh Nation volunteered his time to shave the CGHS staff members.

A dollar from every healthy lunch sold was donated to the White Ribbon Foundation.

Holders for STOP family violence cards appear in all CGHS public toilets across CGHS. The aim is for the cards to be available in a place where people experiencing family violence are likely to be alone.

CGHS also took part in the Wellington Champions of Change Breakfast. This is where female and male leaders and participants in business, education, sport, the arts and community life came together on 25 November, the International Day for the Elimination of Violence Against Women and White Ribbon Day, to discover and support the work being done locally to promote gender equality and prevent family violence.

The four CGHS White Ribbon Ambassadors attended the event.

- *Pictured above, CGHS Director of Support Services Jon Millar (right) and Return to Work Coordinator, Brendan Haran, before having their beards shaved off for a good cause.*

Boost for Oncology services

Oncology services at Central Gippsland Health Service received a $15,000 boost from 'The Bushy Park Tractor Pull'.

The event, run by 20 committee members and volunteers, started with a trial run in 2013 and since then has grown each year, now featuring super modified tractors.

Treasurer Bill Pleydell said the event's committee had decided that any funds raised would be put back into local charities or help local people and families under stress.

"The tractor pull is held on part of a property in Missens Road, Bushy Park, owned by Jack and Jenny Elliott," Bill said. "They have generously allowed approximately 20 acres to be developed into a venue, with a pavilion, that lends itself to events such as a tractor pull.

"In fact our committee is currently considering development of additional family friendly activities to suit the wider community, such as lawn mower racing and the like, rather than just tractor pull enthusiasts."

Mr Pleydell said the events couldn't happen without the "generous sponsorship" of local businesses.

"Apart from some funds being kept for development and maintenance of the site, we donate the rest," he said.

"With this donation for oncology services, we have now raised a total of $31,100 to date."

Additionally on event days, food and beverage stalls are run by local organisations such as Lions, schools, pony clubs and tennis clubs to raise funds for their organisations.

CGHS chief executive officer, Frank Evans, thanked the committee and its supporters for the donation.

He said the new Oncology Unit and its services meant that local people would not have to travel long distances for some procedures.

"We are always so appreciative of the work by community groups such as the Bushy Park Tractor Pull," Mr Evans said. "Their support allows us to continue to provide these much needed services."

- *Pictured below, Loretta Phelan from CGHS Oncology, giving members of the Bushy Park Tractor Pull Committee a tour of the new Oncology Unit. They are (from left) president Wayne Northway, volunteer Jake Cameron, treasurer Bill Pleydell and secretary Katie Cameron.*

Statutory Information

Statutory Compliance

Central Gippsland Health Service is a public hospital listed in Schedule 1 to the Health Services Act 1988 (the Act). Central Gippsland Health is an incorporated body and is regulated by the Act. The Victorian Ministers for Health during 2016/17 were:

The Honourable Jill Hennessy MLA, Minister for Health, Minister for Ambulance Services

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

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

Consultancies engaged during 2016/17

In 2016–17, there were two (2) consultancies where the total fees payable to the consultants were $10 000 or greater. The total expenditure incurred during 2016–17 in relation to these consultancies is $83,238(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) ($'000)*	*Expenditure 2015–16 (excl GST) ($'000)*	*Future expenditure (excl GST) ($'000)*
Karoo Consultancy Pty Ltd	Service configuration projects.	Jul–16	Jun–17	18	18	0
Grindstone Development	Website Development	Jan–17	Jun–17	41	41	0
Sharon Thompson Consulting	Wulgunggo Ngalu Withdrawal Options Project	Jul–16	Dec–16	25	25	0

Victorian Industry Participation Policy (VIPP) Act 2003

During 2016–17, Central Gippsland Health 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 employs a qualified Occupational Health and Safety Officer who also manages return to work programmes for injured workers.

The organisation has a number of health and safety representatives who are all trained. Five attended mandatory health and safety representative training in 2016/17.

Competitive Neutrality

Central Gippsland Health 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 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.

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 are conducted, with the next audit scheduled in 2018.

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

Safe Patient Care Act 2015

Central Gippsland Health Service complies with this Act. There were no instances to report in the year 2016-17.

Freedom of Information

A total of 93 requests under the Freedom of Information Act were processed during the 2016/17 financial year.

Requests for documents in the possession of Central Gippsland Health 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 nominated officers under the Freedom of Information Act are:

Principal Officer:
Dr Frank Evans, Chief Executive Officer

Freedom of Information Manager:
Mr Craig Kingham, Knowledge & Business Performance Manager

Privacy

Central Gippsland Health 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 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 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 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.

Additional Information

In compliance with the requirements of FRD 22D Standard Disclosures in the Report of Operations, details in respect of the items listed below have been retained by Central Gippsland Health 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

Responsible Bodies Declaration as at 30 June 2017

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for Central Gippsland Health Service for the year ending 30 June 2017.

Glenn Stagg
Board Chair
Sale Victoria
30 August 2017

Key Performance Indicators Activity Data

Admitted Services	
Separations	
Same Day	8,700
Multi Day	3,900
Sub- Acute	280
Total Separations	*12,600*
Theatre Services	
Emergency Surgery	380
Elective Surgery	3,450
Total Surgical Occasions	3,830
Total WIES	7,700
Bed Days	34,000
Emergency Department Attendances	16,000
Mothers Delivered	450
Community Services	
Hours delivered by Community Services	10,7997
Meals Delivered	9,075
Hours delivered to externally funded community, aged care package clients	15,924
Palliative Care Contacts	11,398
Non-admitted Subacute and Specialist Outpatient Clinic Service Events	21,873

Summary of Operational and Budgetary Objectives

The service recorded a net loss from continuing operations before capital & specific items of $762K (2015/16 $259K profit). After taking into account capital & specific items the net result was a loss of $3,317K (2016/16 $3,965K loss).

The Health Service budgeted for a net surplus before capital and specific items of $200K and a Net Result loss for the year of $3,360K.

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:

- Significant leave which resulted in higher salaries and wages than expected.
- Some EBA agreements greater than anticipated.
- Actual total WIES 2.13% under target.

Events subsequent to Balance Date

Nil.

Summary of Financial Results

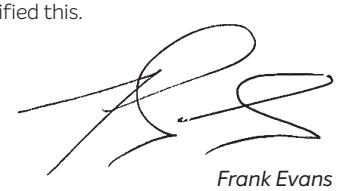
	2016/2017	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08
TTotal Expenses	95,148	90903	85,865	84,191	81,478	77,769	75,298	74,239	65,605	60,482
Total Revenue	91,831	86938	83,729	78,968	78,718	75,339	70,408	70,028	65,161	59,286
Operating Surplus/(Deficit)	(3,317)	(3,965)	(2,136)	(5,223)	(2,760)	(2,430)	(4,890)	(4,211)	(444)	(1,196)
Accumulated Surplus (Deficit)	(35,772)	(33,250)	(29,236)	(25,536)	(20,019)	(17,183)	(14,796)	(9,956)	(5,745)	(5,301)
Total Assets	68,005	70038	72,316	71,547	72,535	70,317	70,305	73,416	77,797	63,660
Total Liabilities	24,337	23053	21,366	18,461	16,744	16,836	14,394	13,082	13,252	12,579
Net Assets	43,668	46,985	50,950	53,086	55,791	53,481	55,911	60,334	64,545	51,081
Total Equity	43,668	46,985	50,950	53,086	55,791	53,481	55,911	60,334	64,545	51,081

Revenue Indicators

	Average Collection Days	
	2016/17	2015/16
Private Inpatients	48	38
Victorian Workcover Inpatients	0	0
Other Compensable Inpatients	0	0
Nursing Home	6	3
Community Services	32	33

Statutory Authority and Other Relevant Agency

I, Frank Evans, certify that Central Gippsland Health Service has complied with the Ministerial Direction 4.5.5 – Risk Management Framework and Processes. The Central Gippsland Health Service Risk & Audit Committee has verified this.



Frank Evans
Accountable Officer
Sale Victoria
30 August 2017

Attestation on Insurance

I, Frank Evans certify that Central Gippsland Health Service has complied with Ministerial Direction 4.5.5.1 – Insurance.

Frank Evans
Accountable Officer
Sale Victoria
30 August 2017

Environmental Performance

Central Gippsland Health 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 efficient fit for purpose capacity steam generating boilers

CGHS is in the process of installing 330kW of Solar PV panel onto the Sale Acute building, Linen Service and Wilson Lodge roofs.

Additionally in 2017/18 we will be procuring a new emergency generator and upgrading the existing electrical switchboard to support the new generator.

Updated level three energy efficiency audits will be conducted for all CGHS campuses with a deliverable to recommend efficient infrastructure upgrades with a five-year return on investment.

Attestation on Compliance with Health Purchasing Victoria (HPV)

I, Frank Evans, certify that Central Gippsland Health 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.

Frank Evans
Accountable Officer
Sale Victoria
30 August 2017

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	56	28	4	7	95	130
Victorian Workcover Inpatients	0	0	0	0	0	0
Nursing Home	12	3	0	36	51	15
Community Services	64	25	17	25	131	121
Total	132	56	21	68	277	266

Statement of Priorities

Part A:

Domain	Actions	Deliverables	Outcome
Quality and Safety	Implement systems and processes to recognise and support person-centred end of life care in all settings, with a focus on providing support for people who choose to die at home.	End of Life procedure developed and approved. Implement the care plan for the dying person – Victoria.	End of Life procedure developed and approved. Victorian End-of-Life Care Coordinating Program (released March 2017) has been adopted. Current CGH documentation is in the process of changing over to the required format and information. This will be available for use by the end of August.
	Advance Care Planning is included as a parameter in an assessment of outcomes including: mortality and morbidity review reports, patient experience and routine data collection.	Advance Care Plans included as a reporting parameter for morbidity and mortality reviews. Evaluation report for organ donation and other routine data collection demonstrates patient's wishes are being followed.	Advanced Care Plans are reported to morbidity and mortality. All organ donation processes and evaluations are as required by "Donate Life" which indicates that the patient's wishes are being followed.
	Progress implementation of a whole-of-hospital model for responding to family violence.	Process evaluation report demonstrates key actions from Strengthening Hospital Responses to Family Violence have been implemented.	The process evaluation report demonstrates key actions from Strengthening Hospital Responses to Family Violence have been implemented.
	Develop a regional leadership culture that fosters multidisciplinary and multi-organisational collaboration to promote learning and the provision of safe, quality care across rural and regional Victoria.	Evidence of high levels of participation on the Strengthening Gippsland projects including: Chairing the Gippsland Maternity and Newborn Services Plan implementation working group, staff contributing to related projects and working groups under the auspice of the Gippsland Maternity and Newborn Implementation group, progressing findings of the regional specialist medical workforce review, chairing a regional working party to improve readiness preparedness for NDIS.	CEO Chairs the Gippsland Maternity & Newborn Services Plan implementation working group and CGHS staff are contributing to related projects and working groups under the auspice of the Gippsland Maternity & Newborn Services plan implementation working group. CEO is also Chair of the aged care tactical response working group. This group is supporting organisations to respond to the aged care reforms and the introduction of the NDIS. This work will be ongoing post June with LRH taking the lead role as the regional hospital. DHHS has funded regional hospital $300K per annum to lead and support this work.

Domain	Actions	Deliverables	Outcome
Quality and Safety continued	Establish a foetal surveillance competency policy and associated procedures for all staff providing maternity care that includes the minimum training requirements, safe staffing arrangements and ongoing compliance monitoring arrangements.	Policy/procedures developed and implemented with regard to foetal surveillance competency for 100% of all staff providing maternity care. This will include the minimum training requirements, safe staffing arrangements and ongoing compliance monitoring arrangements.	A foetal surveillance competency policy and associated procedures for all staff providing maternity care that includes the minimum training requirements, safe staffing arrangements and ongoing compliance monitoring arrangements, is established.
	Use patient feedback, including the Victorian Healthcare Experience Survey (VHES) to drive improved health outcomes and experiences through a strong focus on person and family centred care in the planning, delivery and evaluation of services, and the development of new models for putting patients first.	VHES Improvement Plan progress reports demonstrate improvements in person and family centred care in the planning, delivery and evaluation of services, and the development of innovated ways for putting patients first.	Patient feedback from the VHES and patient opinion sites are reviewed and used to inform our education and quality improvement activities around patient centred care. The improvement plan progress reports which are reported into our redesigning care meetings, consumer liaison group and Quality Committee for monitoring, demonstrate improvements in person and family centred care and inform the development of innovative ways for putting our patients first. Ongoing planning, delivery and evaluation of services will continue to be reported via these improvement plans.
	Develop a whole of hospital approach to reduce the use of restrictive practices for patients, including seclusion and restraint.	Documented whole of hospital strategy to reduce the use of restrictive practices for patients, including seclusion and restraint.	A documented whole of hospital strategy to reduce the use of restrictive practices for patients, including restraint is in place.
Access and Timeliness	Ensure the development and implementation of a plan in specialist clinics to: (1) optimise referral management processes and improve patient flow through to ensure patients are seen in turn and within time; and (2) ensure VINAH data accurately reflects the status of waiting patients.	Complete internal audit of data integrity for Victorian Integrated Non-Admitted Health data, including accuracy of the status of waiting patients with an improvement plan developed and approved by the Audit Committee by 30 June 2017.	Internal audit of VINAH data integrity completed. Issues identified with self-audit align with those from the recent external VINAH audit and action plan developed and approved by Risk & Audit Committee. Waiting times for patients is minimal with effective patient flow for all Specialist Clinics.

Domain	Actions	Deliverables	Outcome
Access and Timeliness continued	Ensure the implementation of a range of strategies (including processes and service models) to improve patient flow, transfer times and efficiency in the emergency department, with particular focus on patients who did not wait for treatment and/or patients that re-presented within 48 hours.	Regular reporting system established to report patients representing to Emergency Department within 24 and 48 hours. Completed Evaluation and Improvement Plan implemented with regard to patient triage by 30 June 2017. Plan developed to reduce the rate of Aboriginal patients that did not wait for treatment.	A regular, live reporting system has been established that identifies representing patients within 24 and 48 hours. A Patient Triage Improvement Plan is implemented including capital works to re-configure the Triage area, increased training and development for the Triage nurses and improved data management processes. A plan is in place to reduce the rate of Aboriginal patients that did not wait for treatment.
	Identify opportunities and implement pathways to aid prevention and increase care outside hospital walls by optimising appropriate use of existing programs (i.e. the Health Independence Program or tele-medicine).	Program established to undertake complex telehealth consultations with remote allied health specialists. Increased number of admissions to Hospital in the Home from Emergency Department by 10% compared to 2015/16.	Telehealth infrastructure in place and undergoing trial. Availability will include the Community Rehabilitation Centre and Maffra and Heyfield Hospitals. HITH referrals have remained approximately the same in this timeframe despite a number of initiatives. We are undertaking a process review which will include recommendations for improvements. This will be completed by mid-August.
	Develop and implement a strategy to ensure the preparedness of the organisation for the National Disability and Insurance Scheme and Home and Community Care program transition and reform, with particular consideration to service access, service expectations, workforce and financial management.	A comprehensive tactical response plan developed and approved to ensure preparedness to transition to the new National Disability Insurance Scheme and changes to the Home and Community Care environment.	Tactical response plan first draft completed and consultation on the plan in progress.

Domain	Actions	Deliverables	Outcome
Access and Timeliness continued	Develop and implement strategies within the organisation to ensure identification of potential organ and tissue donors and partner with DonateLife Victoria to ensure that all possible donations are achieved.	Facilitate relevant staff attending organ donation awareness training courses offered by DonateLife Victoria. Implement the Organ and Tissue Authority Clinical Practice Improvement Program into hospital services, and comply with reporting requirements identified by DonateLife Victoria.	Relevant staff have attended organ donation awareness training courses offered by DonateLife Victoria. Organ and Tissue Authority Clinical Practice Improvement Program is implemented and we comply with reporting requirements identified by DonateLife Victoria.
Supporting Healthy Populations	Support shared population health and wellbeing planning at a local level – aligning with the Local Government Municipal Public Health and Wellbeing plan and working with other local agencies and Primary Health Networks.	Evidence of high level participation, including the Chief Executive Officer and Director of Community Services in population health and wellbeing planning with the Local Government and Gippsland Primary Health Network.	CGHS has ongoing participation in the related committees for the existing plan. CEO, Director Community Services and Manager Community Health are currently engaged in the development of the 2017 to 2022 plan.
	Focus on primary prevention, including suicide prevention activities, and aim to impact on large numbers of people in the places where they spend their time adopting a place based, whole of population approach to tackle the multiple risk factors of poor health.	Process evaluation of the Central Gippsland Health Service Health Plan will demonstrate continued implementation of relevant Health Plan primary prevention strategies designed to prevent suicide.	Health Plan evaluation is 80% complete. All strategies relating to suicide prevention have been implemented, which are: • Provision of three Applied Suicide Intervention Skills Training (ASIST) workshops; • Capability development of Emergency Department triage staff in relation to clients with suicide and self-harm intent, including understanding the referral pathway in place. Promoted the access and use of Living Is For Everyone suicide and self-harm prevention resource. And, Implemented the Royal Children's Hospital Clinical Guidelines for Mental State Examination and enabled access to assessment and treatment of young people at risk of suicide.
	Develop and implement strategies that encourage cultural diversity, such as partnering with culturally diverse communities, reflecting the diversity of your community in the organisational governance, and having culturally sensitive, safe and inclusive practices.	Evaluation of the membership characteristics of CGHS consumer representative groups including: Community Liaison Group, Chronic Disease Network Group, and Aboriginal Liaison Group demonstrates a greater diversity of membership that better reflects the characteristics of the community.	An evaluation has been completed and has resulted in a revised meeting agenda format, that includes a timetable of visiting/engaging with community groups from different demographics.

Domain	Actions	Deliverables	Outcome
Supporting Healthy Populations continued	Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices which recognise and respect their cultural identities and safely meet their needs, expectations and rights.	Aboriginal and Torres Strait Islander culturally safe practices evaluation report describes numerous strategies implemented at CGHS, to enhance cultural sensitivity and culturally safe practices that meet the needs, expectations and rights of the local Aboriginal and Torres Strait Islander community.	The annual DHHS Continuous Quality Improvement Tool "Aboriginal health in acute health services and area mental health services" was completed and submitted to DHHS in January 2017. Strategies for 2017 are reflected in our Health Plan.
	Using the Government's Rainbow eQuality Guide, identify and adopt 'actions for inclusive practices' and be more responsive to the health and wellbeing of lesbian, gay, bisexual, transgender and intersex individuals and communities.	Complete a self-assessment against the Rainbow eQuality Guide and include recommendations for improvement in the resulting Improvement Action Plan by June 2017.	Self- assessment completed and action plan developed.
Governance and Leadership	Demonstrate implementation of the Victorian Clinical Governance Policy Framework: Governance for the provision of safe, quality healthcare at each level of the organisation, with clearly documented and understood roles and responsibilities. Ensure effective integrated systems, processes and leadership are in place to support the provision of safe, quality, accountable and person centred healthcare. It is an expectation that health services implement to best meet their employees' and community's needs, and that clinical governance arrangements undergo frequent and formal review, evaluation and amendment to drive continuous improvement.	CGHS Clinical Governance Framework is consistent with the Victorian Clinical Governance Policy Framework and the Australian Commission on Safety and Quality in Health Care Guide to the National Safety and Quality Health Service Standards for health service organisation boards. Process evaluation of the implementation of the Framework demonstrates the Framework has been fully implemented.	CGHS Clinical Governance Framework is consistent with new Victorian Clinical Governance Policy Framework and the Australian Commission on Safety and Quality in Health Care Guide to the National Safety and Quality Health Service Standards for health service organisation boards. Process evaluation has demonstrated that the framework has been fully implemented.

Domain	Actions	Deliverables	Outcome
Governance and Leadership continued	Contribute to the development and implementation of Local Region Action Plans under the series of statewide design, service and infrastructure plans being progressively released from 2016/17. Development of Local Region Action Plans will require partnerships and active collaboration across regions to ensure plans meet both regional and local service needs, as articulated in the statewide design, service and infrastructure plans.	Central Gippsland Health Service demonstrates significant contribution to the development and implementation of Local Region Action Plans following the release of state-wide design, service and infrastructure plans. Chair the Gippsland Maternity Services Implementation Working Group to oversee development and implementation of regional approach to maternity services.	Strategy is only beginning to be rolled out by DHHS. CEO is a member of the State Rural and Regional Advisory Committee which has early involvement in this planning. The new Rural and Regional Health Plan is being progressed by DHHS following sector and consumer consultation. A consultation draft is expected in the near future. CGHS CEO is Chairperson of the Gippsland Maternity and Newborn Services Project team.
	Ensure that an anti-bullying and harassment policy exists and includes the identification of appropriate behaviour, internal and external support mechanisms for staff and a clear process for reporting, investigation, feedback, consequence and appeal and the policy specifies a regular review schedule.	Central Gippsland Health Service anti-bullying and harassment policy includes the identification of appropriate behaviour, internal and external support mechanisms for staff and a clear process for reporting, investigation, feedback, consequence and appeal and the policy specifies a regular review schedule. Central Gippsland Health Service can demonstrate implementation of the recommendations of the Auditor General's report on Bullying and Harassment.	CGHS has both a policy and procedure in place concerning workplace bullying. The procedure highlights the key differences between inappropriate behaviour and reasonable management action. Relevant support processes such as Harassment Contact Officers and the Employee Assistance Program are also in place. The grievance procedure is the tool used for reporting and conducting investigations. An Action Plan was developed to ensure the key recommendations of the Auditor General's report were implemented. The plan was completed in December 2012. An article titled "No Place for Bullying" featured in the April CGHS Matters Newsletter. All staff are required to undertake mandatory online training every three years. Face to Face training is also provided.

Domain	Actions	Deliverables	Outcome
Governance and Leadership continued	Board and senior management ensure that an organisational wide occupational health and safety risk management approach is in place which includes: (1) A focus on prevention and the strategies used to manage risks, including the regular review of these controls; (2) Strategies to improve reporting of occupational health and safety incidents, risks and controls, with a particular focus on prevention of occupational violence and bullying and harassment, throughout all levels of the organisation, including to the board; and (3) Mechanisms for consulting with, debriefing and communicating with all staff regarding outcomes of investigations and controls following occupational violence and bullying and harassment incidents.	CGHS Risk Management Framework, Occupational Health and Safety policies and procedures, committee structures and terms of reference, support a focus on prevention and the management of risks, including the regular review of controls; and strategies to improve reporting of Occupational Health and Safety incidents, risks and controls, with a particular focus on prevention of occupational violence and bullying and harassment throughout all levels of the organisation, including to the board.	The CGHS health framework focuses on preventing and managing occupational risks. CGHS staff report incidents through Riskman which are followed up by OHS reps and Management. The OH&S Committee reviews risk controls and determines strategies to eliminate future risks in line with their Terms of Reference. CGHS has developed procedures in relation to Occupational Violence and Workplace Bullying which outline mechanisms for consultation with staff and improving controls. The Risk Management Framework identifies preventative strategies which are actioned through various committees including the Occupational Health and Safety Committee, Health and Wellbeing Committee and the Safe Environment and Emergency Management Group. An improvement plan was completed in December 2016 concerning bullying and harassment incidents. Several strategies are currently being implemented concerning the management of Occupational Violence incidents. Full evaluations of these strategies will occur during the latter part of 2017 into 2018.

Domain	Actions	Deliverables	Outcome
Governance and Leadership continued	Implement and monitor workforce plans that: improve industrial relations; promote a learning culture; align with the Best Practice Clinical Learning Environment Framework; promote effective succession planning; increase employment opportunities for Aboriginal and Torres Strait Islander people; ensure the workforce is appropriately qualified and skilled; and support the delivery of high-quality and safe person centred care.	Complete a review and update and improve Central Gippsland Health Service's comprehensive workforce capability development framework, to ensure alignment with the Best Practice Clinical Learning Environment Framework. Update the Central Gippsland Health Service Aboriginal Employment Plan.	Review of the Workforce Capability Framework has been completed. Templates for Capability Plans, Workforce Planning and Succession Planning have been updated. Review of the Workforce Capability Framework has been completed. Templates for Capability Plans, Workforce Planning and Succession Planning have been updated. Templates for Capability Plans, Workforce Planning and Succession Planning have been updated/developed. CGHS AEP approved by the ATSI group and CEO.
	Create a workforce culture that: (1) includes staff in decision making; (2) promotes and supports open communication, raising concerns and respectful behaviour across all levels of the organisation; and (3) includes consumers and the community.	CGHS Workforce Capability Framework, Quality Improvement and Innovation Framework, Clinical Governance Framework, Risk Management Framework and Staff Health and Wellbeing Framework are reviewed and re-crafted to support a workforce culture that: includes staff in decision making; promotes and supports open communication, raising concerns and respectful behaviour across all levels of the organisation; and includes consumers and the community.	Quality Improvement and Innovation Framework, Clinical Governance Framework and Risk Management Framework reviews are complete. CGHS Workforce Capability Framework update is nearing completion.
	Ensure that the Victorian Child Safe Standards are embedded in everyday thinking and practice to better protect children from abuse, which includes the implementation of: strategies to embed an organisational culture of child safety; a child safe policy or statement of commitment to child safety; a code of conduct that establishes clear expectations for appropriate behaviour with children; screening, supervision, training and other human resources practices that reduce the risk of child abuse; processes for responding to and reporting suspected abuse of children; strategies to identify and reduce or remove the risk of abuse and strategies to promote the participation and empowerment of children.	Process evaluation report demonstrates that the Victorian Child Safe Standards have been embedded into practice. The report will include evidence of the implementation of: a child safe policy incorporating a statement of commitment to child safety; a code of conduct that establishes clear expectations for appropriate behaviour with children; screening, supervision, training and other human resources practices that reduce the risk of child abuse; procedures for responding to and reporting suspected abuse of children; and strategies to identify and reduce or remove the risk of abuse; and strategies to promote the participation and empowerment of children.	Process evaluation report is completed and includes evidence of the implementation of: a child safe policy incorporating a statement of commitment to child safety; a code of conduct that establishes clear expectations for appropriate behaviour with children; screening, supervision, training and other human resources practices that reduce the risk of child abuse; procedures for responding to and reporting suspected abuse of children; and strategies to identify and reduce or remove the risk of abuse; and strategies to promote the participation and empowerment of children.

Domain	Actions	Deliverables	Outcome
Governance and Leadership continued	Implement policies and procedures to ensure patient facing staff have access to vaccination programs and are appropriately vaccinated and/or immunised to protect staff and prevent the transmission of infection to susceptible patients or people in their care.	Comprehensive immunisation framework developed and implemented.	Comprehensive immunisation framework developed and implemented.
Financial Sustainability	Further enhance cash management strategies to improve cash sustainability and meet financial obligations as they are due.	Implement strategies aimed at maximising WIES revenue to minimise liability for funding recall.	All strategies aimed at maximising WIES revenue have been implemented for 2016/17 financial year with the exception of additional ENT surgery.
	Actively contribute to the implementation of the Victorian Government's policy to be net zero carbon by 2050 and improve environmental sustainability by identifying and implementing projects, including workforce education, to reduce material environmental impacts with particular consideration of procurement and waste management, and publicly reporting environmental performance data, including measureable targets related to reduction of clinical, sharps and landfill waste, water and energy use and improved recycling.	Completed evaluation of current processes with regards to procurement, capital replacement and waste management. Completion of documented strategy aligning organisational goals with sustainable solutions while leveraging technology and renewable options to reduce our environmental impact in all areas.	CGHS has adapted the procurement framework and procedures to incorporate environmental sustainability as weighted criteria when evaluating procurement and or service contracts. Environmental sustainability integration is included in all department level business planning, providing opportunity to leverage technology in assisting to reduce environmental impacts to the health service. Some of the outcomes are as follows: • Installation of PV solar system to reduce electricity usage and environmental impact • Continued roll out of LED lighting at all CGHS campuses • Rationalisation and audit of clinical and general waste streams leveraging of recyclable materials where possible.

Statement of Priorities continued

Part B: Performance Priorities

Safety and Quality

Key Performance Indicator	Target	Actual
Accreditation		
Compliance with NSQHS Standards accreditation	Full compliance	Full compliance
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full compliance	Full compliance
Infection Prevention and Control		
Compliance with Cleaning Standards	Full compliance	Full compliance
Submission of infection surveillance data to VICNISS [1]	Full compliance	Full compliance
Compliance with the Hand Hygiene Australia program	80%	82.75%
Percentage of healthcare workers immunised for influenza	75%	76.1%

[1] VICNISS is the Victorian Hospital Aquired Infection Surveillance System.

Key Performance Indicator	Target	Actual
Patient Experience		
Victorian Healthcare Experience Survey – data submission	Full compliance	Full compliance
Victorian Healthcare Experience Survey – patient experience Quarter 1	95% positive experience	91%
Victorian Healthcare Experience Survey – patient experience Quarter 2	95% positive experience	94%
Victorian Healthcare Experience Survey – patient experience Quarter 3	95% positive experience	97%
Victorian Healthcare Experience Survey – discharge care Quarter 1	75% very positive response	74%
Victorian Healthcare Experience Survey – discharge care Quarter 2	75% very positive response	79%
Victorian Healthcare Experience Survey – discharge care Quarter 3	75% very positive response	84%
Healthcare Associated Infections		
ICU central line-associated blood stream infection	No outliers	No outliers
Maternity and Newborn		
Percentage of women with prearranged postnatal home care	100%	100%
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 minutes	≤1.6%	2.3%
Rate of severe foetal growth restriction in singleton pregnancy undelivered by 40 weeks	≤28.6%	40%
Perinatal Service Performance Indicator (PSPI) reports should be consulted for a description on the utility and business rules for these indicators. Note that data for 2016 and 2017 is provisional.		
Continuing Care		
Functional independence gain from admission to discharge, relative to length of stay	≥0.39 (GEM) and ≥0.645 (rehab)	Met

Governance, Leadership & Culture Performance

Key Performance Indicator	Target	Actual
People Matter Survey – percentage of staff with a positive response to safety culture questions	80%	83%

Part B: Performance Priorities continued

Access and Timelines

Key Performance Indicator	Target	Actual
Emergency Care		
Percentage of ambulance patients transferred within 40 minutes	90%	95%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended times	80%	74%
Percentage of emergency patients with a length of stay less than 4 hours	81%	76%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	1
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%	99.6%

Financial Sustainability Performance

Key Performance Indicator	Target	Actual
Finance		
Operating result ($m)	0.2	-0.76
Trade creditors	60 days	26 days
Patient fee debtors	60 days	14 days
Public & private WIES [(2)] performance to target	100%	-2.02%
Adjusted current asset ratio	0.7	0.95
Number of days with available cash	14 days	38.9
Asset Management		
Basic asset management plan	Full compliance	Full compliance

[(2)] WIES is a Weighted Inlier Equivalent Separation.

Part C: Activity and Funding

Funding Type		*2016/17 Activity Achievement*
Acute Admitted		
WIES DVA		154.93
WIES Private		717.30
WIES Public		6,842.45
WIES TAC		30.15
Acute Non-Admitted		
Emergency Services		15,970
Specialist Clinics Public		12,017 attendances
Home Enteral Nutrition	88 for the year, patients who were provided a service in a calendar month	
Aged Care		
Aged Care Other		80 hours
HACC		17,067 contacts
Residential Aged Care		28,368 bed days
Subacute and Non-acute Admitted		
Subacute WIES – GEM Private		6.19
Subacute WIES – GEM Public		113.4
Subacute WIES – Palliative Care Private		7.7
Subacute WIES – Palliative Care Public		61.86
Subacute WIES – Rehabilitation Private		1.1
Subacute WIES – Rehabilitation Public		76.8
Subacute WIES - DVA		14.48
Subacute Non-Admitted		
Health Independence Program - DVA		0
Health Independence Program – Public		13,091 contacts
Palliative Care Non-admitted		11,885 contacts
Mental Health and Drug Services		
Drug Services		106 admissions
Primary Health		
Community Health/Primary Care Programs		9,709 contacts
Community Health Other		1,162 contacts
Other		
Health Workforce		218

Disclosure Index

The annual report of the Central Gippsland Health 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 2017
- 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 a summary of 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 2017 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. My responsibilities under the Act are further described 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 Australia. 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, 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE
21 August 2017

Ron Mak
as delegate for the Auditor-General of Victoria

CENTRAL GIPPSLAND HEALTH SERVICE

COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $'000	2016 $'000
Revenue from Operating Activities	2.1	88,806	85,522
Revenue from Non-operating Activities	2.1	511	572
Employee Expenses	3.1	(63,480)	(60,321)
Non Salary Labour Costs	3.1	(3,418)	(3,027)
Supplies and Consumables	3.1	(10,507)	(10,309)
Other Expenses From Continuing Operations	3.1	(12,674)	(12,178)
Net Result before capital & specific items		(762)	259
Capital Purpose Income	2.1	2,514	844
Depreciation	4.4	(5,066)	(5,032)
Net Result after capital & specific items		(3,314)	(3,929)
Other economic flows included in net result			
Revaluation of Long Service Leave		(3)	(36)
NET RESULT FOR THE YEAR		(3,317)	(3,965)
Other comprehensive income		-	-
Net fair value revaluation on Non Financial Assets		-	-
COMPREHENSIVE RESULT FOR THE YEAR		(3,317)	(3,965)

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

CENTRAL GIPPSLAND HEALTH SERVICE

BALANCE SHEET AS AT 30 JUNE 2017

	Note	2017 $'000	2016 $'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	6.1	12,433	13,173
Receivables	5.1	1,663	1,574
Investments and other Financial Assets	4.1	1,238	23
Inventories	5.2	279	285
Other Assets	5.4	467	235
Total Current Assets		16,080	15,290
Non-Current Assets			
Other Assets	5.4	49	-
Receivables	5.1	1,493	1,416
Property, Plant & Equipment	4.3	50,384	53,332
Total Non-Current Assets		51,926	54,748
TOTAL ASSETS		68,006	70,038
LIABILITIES			
Current Liabilities			
Payables	5.5	3,015	2,832
Provisions	3.3	13,690	13,086
Other Liabilities	5.3	5,360	4,834
Total Current Liabilities		22,065	20,752
Non-Current Liabilities			
Provisions	3.3	2,273	2,301
Total Non-Current Liabilities		2,273	2,301
TOTAL LIABILITIES		24,338	23,053
NET ASSETS		43,668	46,985
EQUITY			
Property, Plant & Equipment Revaluation Surplus	8.1 (a)	43,825	43,825
Restricted Specific Purpose Surplus	8.1 (a)	1,361	2,156
Contributed Capital	8.1 (b)	34,254	34,254
Accumulated Deficits	8.1 (c)	(35,772)	(33,250)
TOTAL EQUITY		43,668	46,985
Commitments for Expenditure	6.2		
Contingent Assets and Liabilities	7.3		

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 2017

	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 2015		**43,825**	**2,107**	**34,254**	**(29,236)**	**50,950**
Net result for the year		-	-	-	(3,965)	(3,965)
Other comprehensive income for the year	8.1 (a)	-	-	-	-	-
Transfer to accumulated deficit	8.1 (a) (c)	-	216	-	(216)	-
Transfer from accumulated deficit	8.1 (a) (c)		(167)	-	167	-
Balance at 30 June 2016		**43,825**	**2,156**	**34,254**	**(33,250)**	**46,985**
Net result for the year		-	-	-	(3,317)	(3,317)
Other comprehensive income for the year	8.1 (a)	-	-	-	-	-
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**

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

CENTRAL GIPPSLAND HEALTH SERVICE

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 $'000	2016 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		70,750	66,709
Capital Grants from Government		1,958	433
Patient and Resident Fees Received		5,196	5,219
Private Practice Fees Received		5,013	5,111
Donations and Bequests Received		80	81
GST Received from / (paid to) ATO		44	(39)
Interest Received		332	390
Capital Donations and Bequests Received		115	347
Other Receipts		7,409	6,162
Total receipts		**90,897**	**84,413**
Employee Expenses Paid		(62,904)	(59,111)
Fee for Service Medical Officers		(3,417)	(3,026)
Payments for Supplies and Consumables		(10,338)	(10,411)
Other Payments		(12,191)	(10,761)
Total payments		**(88,850)**	**(83,309)**
NET CASH FLOW FROM OPERATING ACTIVITIES	*8.2*	2,047	1,104
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		(1,229)	-
Payments for Non-Financial Assets		(2,123)	(1,874)
Proceeds from Sale of Non-Financial Assets		5	105
NET CASH FLOW (USED IN) INVESTING ACTIVITIES		(3,347)	(1,769)
CASH FLOWS FROM FINANCING ACTIVITIES			
Refundable Accommodation Bonds		560	2,813
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		560	2,813
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS HELD		(740)	2,148
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		13,173	11,025
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	*6.1*	12,433	13,173

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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Basis of presentation

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 hospital.

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.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and 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 2017. 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.

The 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 18th August 2017.

(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.

Objectives and funding

Central Gippsland Health Service's overall objective is to provide health and community services that will best meet the current and future needs of our community, as well as improving the quality of life of Victorians.

Central Gippsland Health Service is predominantly funded by accrual based grant funding for the provision of outputs.

(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 2017, and the comparative information presented in these financial statements for the year ended 30 June 2016.

The going concern basis was used to prepare the financial statements.

These financial statements are presented in Australian dollars, the functional and presentation currency of Central Gippsland Health Service.

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.

The financial statements are prepared in accordance with the historical cost convention, except for:

• non-current physical assets, which subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and impairment subsequent losses. Revaluations are made and are re-assessed when new indices are published by the Valuer General to ensure that the carrying amounts do not materially differ from their fair values;

• the fair value of assets other than land which is generally based on their depreciated replacement value.

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 2017

Note 1: Summary of Significant Accounting Policies (continued)

(d) Principles of Consolidation

Intersegment Transactions

Transactions between segments within the Central Gippsland Health Service have been eliminated to reflect the extent of the Central Gippsland Health Service's operations as a group.

Jointly controlled Assets or Operations

Interests in jointly controlled assets or operations are not consolidated by Central Gippsland Health Service, but are accounted for in accordance with the policy.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 2: Funding delivery of our services

The hospital's overall objective is to deliver programs and services that support and enhance the wellbeing of all Victorians.

To enable the hospital to fulfil its objective it receives income based on parliamentary appropriations. The hospital also receives income from the supply of services.

Structure
2.1 Analysis of revenue by source
2.2 Assets received free of charge or for nominal consideration
2.3 Specific income

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	3,404	286	256	3	365	73	5	4,392
Total Revenue from Operating Activities	51,756	5,294	4,780	8,553	5,761	2,358	10,304	88,806
Interest	-	-	-	-	-	-	332	332
Other Revenue from Non-Operating Activities	-	-	-	-	-	-	179	179
Total Revenue from Non-Operating Activities	-	-	-	-	-	-	511	511
Capital Purpose Income (excluding Interest)	-	-	-	-	-	-	2,514	2,514
Total Capital Purpose Income	-	-	-	-	-	-	2,514	2,514
Total Revenue	51,756	5,294	4,780	8,553	5,761	2,358	13,329	91,831

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.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 2.1: Analysis of Revenue by Source

2016	Admitted Patients 2016 $'000	Non-Admitted Patients 2016 $'000	EDs 2016 $'000	RAC incl. Mental Health 2016 $'000	Aged Care 2016 $'000	Primary Health 2016 $'000	Other 2016 $'000	Total 2016 $'000
Government Grants	44,911	4,515	4,389	6,636	4,072	2,133	1,416	68,072
Indirect Contributions by Department of Health and Human Services	41	9	4	12	-	-	-	66
Patient and Resident Fees	1,264	432	110	1,907	919	35	303	4,970
Commercial Activities	-	-	-	-	-	-	8,241	8,241
Other Revenue from Operating Activities	3,224	184	288	30	315	98	34	4,173
Total Revenue from Operating Activities	49,440	5,140	4,791	8,585	5,306	2,266	9,994	85,522
Interest	-	-	-	-	-	-	390	390
Other Revenue from Non-Operating Activities	-	-	-	-	-	-	182	182
Total Revenue from Non-Operating Activities	-	-	-	-	-	-	572	572
Capital Purpose Income (excluding Interest)	-	-	-	-	-	-	844	844
Total Capital Purpose Income	-	-	-	-	-	-	844	844
Total Revenue	49,440	5,140	4,791	8,585	5,306	2,266	11,410	86,938

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.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Income from transactions

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 (update for 2016-17).

Patient and Resident Fees

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

Private Practice Fees

Private practice 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 non-property rental, forgiveness of liabilities, and bad debt reversals.

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: Public health services including Laboratory testing, Blood Borne Viruses / Sexually Transmitted Infections clinical services, Koori liaison officers, immunisation and screening services, Drugs services including drug withdrawal, counselling and the needle and syringe program, Disability services including aids and equipment and flexible support packages to people with a disability, Community Care programs including sexual assault support, early parenting services, parenting assessment and skills development, and various support services. Health and Community Initiatives also fall in this category group.

Note 2.2: Assets Received Free of Charge	2017 $'000	2016 $'000
During the reporting period, the fair value of assets received free of charge, was as follows		
Plant and Equipment	-	2
Total Assets Received Free of Charge	-	2

Assets were purchased and donated to the Health Service by a supplier.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 Specific expenses
3.4 Finance costs
3.5 Provisions
3.6 Superannuation

Note 3.1 : Analysis of Expenses 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
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
Other Expenses	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

Note 3.1 : Analysis of Expenses by Source (continued)

2016	Admitted Patients 2016 $'000	Non-Admitted Patients 2016 $'000	EDs 2016 $'000	RAC incl Mental Health 2016 $'000	Aged Care 2016 $'000	Primary Health 2016 $'000	Other 2016 $'000	Total 2016 $'000
Employee Benefits	36,516	484	5,450	6,853	4,218	1,285	5,515	60,321
Other Operating Expenses								
Non Salary Labour Costs	2,654	15	255	-	64	5	34	3,027
Supplies & Consumables	6,350	29	1,843	644	51	162	1,230	10,309
Other Expenses	8,524	120	1,380	543	179	293	1,139	12,178
Total Expenditure from Operating Activities	54,044	648	8,928	8,040	4,512	1,745	7,918	85,835
Other Non-Operating Expenses								
Expenditure for Capital Purposes								
Depreciation & Amortisation (refer note 4.5)	4,704	-	-	-	-	-	328	5,032
Total Other expenses	4,704	-	-	-	-	-	328	5,032
Total Expenses	**58,748**	**648**	**8,928**	**8,040**	**4,512**	**1,745**	**8,246**	**90,867**

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

Cost of Goods Sold
Cost of goods sold are recognised when the sale of an item occurs by transferring the cost or value of the item/s from inventories.

Employee Expenses
Employee expenses include:
- wages and salaries;
- fringe benefits tax;
- leave entitlements;
- termination payments;
- workcover premiums; and
- superannuation expenses which are reported differently depending on whether employees are members of defined benefit or defined contribution plans.

Grants and Other Transfers

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They 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 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.

Bad and doubtful debts

Refer to Note 4.1 Investments and other financial assets.

Other economic flow are changes in the volume or value of assets or liabilities that do not result from transactions.

Net gain/(loss) on non-financial assets

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

Revaluation gains/(losses) of non-financial physical assets

Refer to Note 4.4 Property plant and equipment

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

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is the difference between the proceeds and the carrying value of the asset at the time.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 4.1 Investments and other financial assets); and
- disposals of financial assets and derecognition of financial liabilities

Revaluations of financial instrument at fair value

Refer to Note 7.1 Financial instruments

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

a. 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.

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

	Expense		*Revenue*	
	2017 $'000	**2016 $'000**	**2017 $'000**	**2016 $'000**
Commercial Activities				
Private Practice and Other Patient Activities	153	128	178	163
Diagnostic Imaging	4,489	4,539	5,278	5,385
Pharmacy Services	69	43	69	44
External Catering	123	89	132	88
Sale Linen Service	1,955	2,360	2,302	2,231
Regional Stores	346	222	356	234
Property Expense/Revenue	3	3	90	85
Other	6	3	19	11
TOTAL	7,144	7,387	8,424	8,241

Note 3.3 Employee Benefits in the Balance Sheet

	2017 $'000	**2016 $'000**
Current Provisions		
Employee Benefits (i)		
Annual Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	4,572	4,195
- 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)	850	600
- unconditional and expected to be settled wholly after 12 months (iii)	5,041	5,054
Other		
- Accrued Days Off	110	118
- Salary and Wages	1,766	1,905
	12,339	11,872
Provisions related to Employee Benefit On-Costs		
- unconditional and expected to be settled within 12 months (ii)	486	644
- unconditional and expected to be settled after 12 months (iii)	865	570
	1,351	1,214
Total Current Provisions	13,690	13,086
Non-Current Provisions		
Employee Benefits (i)	2,054	2,083
Provisions related to employee benefits on-costs	219	218
Total Non-Current Provisions	2,273	2,301
Total Provisions	15,963	15,387

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	6,739	6,290
Annual Leave Entitlement	5,075	4,760
Accrued Wages and Salaries	1,766	1,905
Accrued Days Off	110	131
Non-Current Employee Benefits and related on-costs		
Conditional long service leave entitlements	2,273	2,301
Total Employee Benefits and Related On-Costs	15,963	15,387

(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:**	**2017** **$'000**	**2016** **$'000**
Balance 1 July	8,590	8,276
Provision made during the year		
- Revaluations	(3)	(36)
- Expense recognising Employee Service	1,391	1,362
Settlement made during the year	(966)	(1,012)
Balance 30 June	9,012	8,590

The following assumptions were adopted in measuring present value:		
Wage Inflation Rate	3.81%	4.12%
On-Cost Factor	11.0%	11.0%

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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

Employee Benefits

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

Note 3.3 Employee Benefits in the Balance Sheet continued

Wages and Salaries, 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:

- Undiscounted 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)

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:

- Undiscounted 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. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

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 changed estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flow.

On-costs related to employee expense

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

Note 3.4: Superannuation

	Paid Contribution for the year	
	2017 $'000	2016 $'000
(i) Defined benefit plans:		
Health Super	148	167
Defined Contribution Plan		
Health Super	4,794	4,442
Other	223	259
Total	5,165	4,868

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

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

The Health Service does not recognise any defined benefit liability in respect of the plan(s) because the entity 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 & Finance discloses the State's defined benefit 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 the Health Service. The name, details and amounts expense in relation to the major employee superannuation funds and contributions made by the Health Service are as follows:

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.

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

The names and details of the major employee superannuation funds and contributions made by the Central Gippsland Health Service are disclosed in Note 3.6: Superannuation.

Superannuation Liabilities

Central Gippsland Health Service does not recognise any unfunded defined benefit liability in respect of the superannuation plans because the Health Service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

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 Investments accounted for using the equity method
4.3 Property, plant & equipment
4.4 Depreciation

Note 4.1: Investments and Other Financial Assets	**2017**	**2016**
Current	**$'000**	**$'000**
Cash at Bank	9	23
Short Term Deposits	1,229	-
Total	1,238	23
Represented by		
Current		
Patient Monies held in Trust	9	23
Short Term Deposits	1,229	-
Total	1,238	23

(a) Ageing analysis of other financial assets
Please refer to note 18(b) for the ageing analysis of investments and other financial assets

(b) Nature and extent of risk arising from other financial assets
Please refer to note 18(b) for the nature and extent of risk arising from investments and other financial assets

Investments and Other Financial Assets

Hospital investments must be in accordance with Standing Direction 3.7.2- Treasury and Investment Risk Management. 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.
Investments are classified in the following categories:
- Financial assets at fair value through profit and loss;
- Held to maturity;
- Loans and receivables; and
- Available-for-sale financial assets.

The Central Gippsland Health Service classifies its other financial assets between current and non-current assets based on the purpose for which the assets were acquired. Management determines the classification of its other financial assets at initial recognition.

The Central Gippsland Health Service assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets, except those measured at fair value through profit or loss are subject to annual review for impairment.

Note 4.1: Investments and Other Financial Assets continued..

Derecognition of Financial Assets

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.
The allowance is the difference between the financial assets 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.

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 4.2: Investments accounted for using the equity method

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest 2017 %	Ownership Interest 2016 %
Gippsland Health Alliance	Information Technology	Australia	13.1	13.5

The Central Gippsland Health Service interest in assets employed in the above jointly controlled operations and assets is detailed below. Summarised financial information in respect of the agency's material associate and joint venture is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with AASBs, adjusted by the agency for equity accounting purposes

	2017 $'000	2016 $'000
Current Assets		
Cash and Cash Equivalents	758	433
Receivables	168	182
Other Current Assets	301	112
Total Current Assets	1,227	727
Non-Current Assets		
Property, Plant and Equipment	20	15
Total Non-Current Assets	20	15
Share of Total Assets	1,247	742
Current Liabilities		
Other Current Liabilities	194	181
Total Current Liabilities	194	181
Share of Total Liabilities	194	181
Net Assets	1,053	561
Reconciliation of jointly controlled assets:		
Share of funds at beginning of the reporting period	561	585
Contributions made in current reporting period	1,000	935
Share of current year Surplus/(Deficit)	(508)	(959)
Share of funds at end of reporting period	1,053	561
Operating Revenue		
GHA Revenue	1,371	1,255
Total Operating Revenue	1,371	1,255
Operating Expenses		
GHA Expenses	1,326	2,214
Total Operating Expenses	1,326	2,214
Net Operating Result	45	(959)
Capital Income	447	-
Total Capital Income	447	-
Net Result	492	(959)

Associates and joint ventures

Associates and joint ventures are accounted for in accordance with the policy outlined in Section 4.

Jointly controlled assets or operations

Interests in jointly controlled assets or operations are not consolidated by Central Gippsland Health Service, but are accounted for in accordance with the policy outlined in Section 4.

Note 4.2: Investments accounted for using the equity method (continued)

Investments accounted for using the equity method

An associate is an entity over which Central Gippsland Health Service exercises significant influence, but not control.

The investment in the associate is accounted for using the equity method of accounting. Under the equity method for accounting, the investment in the associate is recognised at cost on initial recognition, and the carrying amount is increased or decreased in subsequent years to recognise Central Gippsland Health Service share of the profits or losses of the associates after the date of acquisition. Central Gippsland Health Service's share of the associate's profit or loss is recognised in Central Gippsland Health Service's net result as 'other economic flows'. The share of post-acquisition changes in revaluation surpluses and any other reserves, are recognised in both the comprehensive operating statement and the statement of changes in equity. The cumulative post acquisition movements are adjusted against the carrying amount of the investment, including dividends received or receivable from the associate.

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. Joint ventures are joint arrangements whereby Central Gippsland Health Service, via its joint control of the arrangement, has rights to the net assets of the arrangements.

Interests in joint ventures are accounted for in the financial statements using the equity method, as applied to investments in associates and are disclosed as required by AASB 12.

Investments in joint operations

In respect of any interest in joint operations, Central Gippsland Health Service 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.

Note 4.3: Property, Plant & Equipment

(a) Gross carrying amount and accumulated depreciation	**2017 $'000**	**2016 $'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	292	162
Buildings at Fair Value	51,424	50,432
Less Accumulated Depreciation	(12,108)	(8,203)
Total Buildings	39,608	42,391
Plant and Equipment		
-Plant at Fair Value	2,677	2,569
Less Accumulated Depreciation	(793)	(672)
-Motor Vehicles at Fair Value	1,208	1,119
Less Accumulated Depreciation	(625)	(537)
-Major Medical at Fair Value	8,380	8,012
Less Accumulated Depreciation	(5,593)	(5,094)
-Computers & Communications at Fair Value	705	675
Less Accumulated Depreciation	(604)	(507)
-Other Equipment at Fair Value	2,363	2,268
Less Accumulated Depreciation	(1,439)	(1,308)
Total Plant and Equipment	6,279	6,525
Furniture & Fittings at Fair Value	1,255	1,217
Less Accumulated Depreciation	(1,100)	(1,072)
Total Furniture and Fittings	155	145
Other at Fair Value		
Linen	612	552
Less Accumulated Depreciation	(265)	(276)
Total Other	347	276
Total Property, Plant & Equipment	**50,384**	**53,332**

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 2015	3,995	46,034	6,052	170	280	56,531
Additions	-	257	1,425	6	186	1,874
Disposals	-	-	(41)	-	-	(41)
Depreciation *(refer Note 4.4)*	-	(3,900)	(911)	(31)	(190)	(5,032)
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 30 June 2017	3,995	39,608	6,279	155	347	50,384

Land and buildings carried at valuation

An independent valuation was performed by the Valuer-General Victoria to determine the fair value of the land and buildings. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 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
Total of buildings at fair value	**39,316**	**-**	**874**	**38,442**
Plant and equipment at fair value				
Plant and equipment at fair value				
- Vehicles (ii)	583	-	-	583
- Plant and equipment	3,064	-	-	3,064
Total of plant, equipment and vehicles at fair value	**3,647**	**-**	**-**	**3,647**
Medical equipment at fair value				
Medical equipment at fair value	2,787	-	-	2,787
Total medical equipment at fair value	**2,787**	**-**	**-**	**2,787**
Linen at fair value				
Linen at fair value	347	-	-	347
Total linen at fair value	**347**	**-**	**-**	**347**
Assets under construction at fair value				
Assets under construction at fair value	292	-	292	-
Total assets under construction at fair value	**292**	**-**	**292**	**-**
Total Assets at fair value	**50,384**	**-**	**2,801**	**47,583**

(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 2016	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	889	-	889	-
Specialised buildings -				
- 155 Guthridge Pd, Sale	40,207	-	-	40,207
- 48 Kent St, Maffra	970	-	-	970
- Loch Sport	163	-	-	163
Total of buildings at fair value	**42,229**	**-**	**889**	**41,340**
Plant and equipment at fair value				
Plant and equipment at fair value				
- Vehicles (ii)	581	-	-	581
- Plant and equipment	3,171	-	-	3,171
Total of plant, equipment and vehicles at fair value	**3,752**	**-**	**-**	**3,752**
Medical equipment at fair value				
Medical equipment at fair value	2,918	-	-	2,918
Total medical equipment at fair value	**2,918**	**-**	**-**	**2,918**
Linen at fair value				
Linen at fair value	276	-	-	276
Total linen at fair value	**276**	**-**	**-**	**276**
Assets under construction at fair value				
Assets under construction at fair value	162	-	162	-
Total assets under construction at fair value	**162**	**-**	**162**	**-**
Total Assets at fair value	**53,332**	**-**	**2,686**	**50,646**

(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)

There have been no transfers between levels this period.

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 AASBs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.1);
- superannuation expense (refer to Note 3.6);

Consistent with AASB 13 *Fair Value Measurement*, the Central Gippsland Health Service determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, investment properties and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB13 and the relevant FRDs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For the purpose of fair value disclosures, Central Gippsland Health Service has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability 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.

Central Gippsland Health Service, in conjunction with VGV monitors the changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision, and future periods if the revision affects both current and future periods. Judgements and assumptions made by management in the application of AASBs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 7.1);
- superannuation expense (refer to Note 3.6); and

Note 4.3: Property, Plant & Equipment (continued)

Fair value measurement

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

The fair value measurement is based on the following assumptions:

- that the transaction to sell the asset or transfer the liability takes place either in the principal market (or the most advantageous market, in the absence of the principal market), either of which must be accessible to the Health Service at the measurement date;
- that the Health Service uses the same valuation assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 considering the HBU for non-financial physical assets, valuers are probably best placed to determine highest and best use (HBU) in consultation with Health Services. Health Services and their valuer's therefore need to have a shared understanding of the circumstances of the assets. A Health Service has to form its own view about a valuer's determination, as it is ultimately responsible for what is presented in its audited financial statements.

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.

In addition, Health Services need to assess the HBU as part of the 5-year review of fair value of non-financial physical assets. This is consistent with the current requirements on FRD 103F *Non-financial physical assets* and FRD 107B *Investment properties*.

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. It is based on the lowest level input that is significant to the fair value measurement as a whole:

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

Note 4.3: Property, Plant & Equipment (continued)

(d) Reconciliation of Level 3 fair value

30 June 2017	Land	Building	Plant & Equipment	Medical equipment	Linen
Opening Balance	2,360	41,340	3,752	2,918	276
Purchases (sales)	-	1,121	383	367	247
Gains or Losses recognised in net result					
- Depreciation	-	(4,019)	(488)	(498)	(176)
Subtotal	**2,360**	**38,442**	**3,647**	**2,787**	**347**
Closing Balance	**2,360**	**38,442**	**3,647**	**2,787**	**347**

There have been no transfers between levels during the period.

30 June 2016	Land	Building	Plant & Equipment	Medical equipment	Linen
Opening Balance	2,360	45,096	3,165	3,022	279
Purchases (sales)	-	144	1,022	403	186
Gains or Losses recognised in net result					
- Depreciation	-	(3,900)	(435)	(507)	(189)
Subtotal	**2,360**	**41,340**	**3,752**	**2,918**	**276**
Closing Balance	**2,360**	**41,340**	**3,752**	**2,918**	**276**

Note 4.3: Property, Plant & Equipment (continued)

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.

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 independent valuers 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.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Specialised land and specialised buildings

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.

Note 4.3: Property, Plant & Equipment (continued)

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 is 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 2017.

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

(e) Description of significant unobservable inputs to Level 3 valuations:

	Valuation Technique	Significant unobservable inputs
Specialised land		
- 155 Guthridge Parade, Sale - 18 Kent St, Maffra	Market approach	Community Service Obligation (CSO) adjustment
Specialised buildings		
- 155 Guthridge Pd, Sale - 48 Kent St, Maffra	Depreciated replacement cost	Direct cost per square metre.
- Loch Sport		Useful life of specialised buildings
Plant and equipment at fair value		
- Plant and equipment	Depreciated replacement cost	Cost per unit
		Useful life of PPE
Vehicles at fair value		
- Vehicles	Depreciated replacement cost	Cost per unit
		Useful life of vehicles
Medical equipment at fair value		
- Medical equipment	Depreciated replacement cost	Cost per unit
		Useful life of medical equipment
Assets under construction at fair value		
- Assets under construction	Depreciated replacement cost	Cost per unit

The significant unobservable inputs have remain unchanged from 2016.

Note 4.3: Property, Plant & Equipment (continued)

Property Plant and Equipment.

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 4.3 *Property, plant and equipment.*

The initial cost for non-financial physical assets under finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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 impairment.

Plant, Equipment and Vehicles are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Depreciated historical cost is generally a reasonable proxy for fair value because of the short lives of the assets concerned.

Restrictive nature of cultural and heritage assets, Crown land and infrastructure assets

During the reporting period, Central Gippsland Health Service also holds non-financial physical assets (including crown land and infrastructure assets) that it intends to preserve because of their unique historical, cultural or environmental attributes.

In general, the fair value of those assets is measured at the depreciated replacement cost. However, the cost of some heritage and iconic assets may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials. In addition, as there are limitations and restrictions imposed on those assets use and/or disposal, they may impact the fair value of those assets, and should be taken into account when the fair value is determined.

Leasehold improvements

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

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	2017 $'000	2016 $'000
Depreciation		
Buildings	3,904	3,900
Plant & Equipment:		
-Plant	121	114
-Transport	113	108
-Major Medical	498	507
-Computers and Communications	96	89
-Other Equipment	130	93
Furniture & Fittings	28	31
Linen	176	190
Total Depreciation	5,066	5,032

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives are depreciated (i.e. excludes land assets held for sale, and investment properties). Depreciation begins when the asset is available for use, which is when it is in the location and condition necessary for it to be capable of operating in a manner intended by management.

Depreciation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually, and adjustments made where appropriate. This depreciation charge is not funded by the Department of Health and Human Services. Assets with a cost in excess of $1000 are capitalised and depreciation has been provided on depreciable assets so as to allocate their cost or valuation over their estimated useful lives.

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

	2017	2016
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 Inventories
5.3 Other liabilities
5.4 Prepayments and other assets
5.5 Payables

Note 5.1: Receivables	2017 $'000	2016 $'000
Current		
Contractual		
Trade Debtors	1,178	1,013
Patient Fees	431	438
Less Allowance for Doubtful Debts		
Patient Fees	80	58
Trade Debtors	8	5
	1,521	1,388
Statutory		
GST Receivable	142	186
	142	186
Total Current Receivables	1,663	1,574
Non Current		
Statutory		
Long Service Leave - Department of Health and Human Services.	1,493	1,416
Total Non-Current Receivables	1,493	1,416
Total Receivables	3,156	2,990

(a) Movement in the Allowance for doubtful debts

Balance at beginning of year	63	79
Amounts written off during the year	(56)	(80)
Increase/(decrease) in allowance	81	64
Balance at end of year	88	63

(b) Ageing analysis of receivables
Please refer to note 7.1 for the ageing analysis of receivables

(c) Nature and extent of risk arising from receivables
Please refer to note 7.1 for the nature and extent of risk arising from receivables

Receivables

Receivables consist of:

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

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

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.

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: Inventories	**2017 $'000**	**2016 $'000**
Pharmaceuticals At Cost	195	199
Other Consumables At Cost	84	86
Total Inventories	279	285

Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. It includes land held for sale and excludes depreciable assets.

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

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

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

Cost for all other inventory is measured on the basis of weighted average cost.

Note 5.3: Other Liabilities		2017 $'000	2016 $'000
Current			
	Monies Held in Trust		
	- Patient monies held in trust	9	23
	- Accommodation Bonds (Refundable entrance fees)	5,304	4,743
	Other - Gippsland Health Alliance	47	68
Total Current		5,360	4,834
Total Other Liabilities		5,360	4,834

* Total monies held in trust represented by the following assets:		
Cash Assets (refer note 6.3)	9	23
Investments and other financial assets (refer note 4.1)	5,304	4,743
	5,313	4,766

Note 5.4: Prepayments and other non-financial assets		2017 $'000	2016 $'000
Current			
	Prepayments	166	123
	Other - Gippsland Health Alliance (Refer Note 10)	301	112
Total Other Current Assets		467	235
Non Current			
	Prepayments	49	-
Total Other Non Current Assets		49	-
Total Other Assets		516	235

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Note 5.5: Payables

	2017 $'000	2016 $'000
Current		
Contractual		
Trade Creditors	1,072	1,217
Accrued Expenses	1,353	695
Amounts payable to governments and agencies	590	920
TOTAL	3,015	2,832

(a) Maturity analysis of payables
Please refer to note 7.1 for the ageing analysis of contractual payables

(b) Nature and extent of risk arising from payables
Please refer to note 7.1 for the nature and extent of risk arising from payables

Payables consist of:

• contractual payables which consist predominantly of accounts payable representing liabilities for goods and services provided to the Health Service prior to the end of the financial year that are unpaid, and arise when the Health Service becomes obliged to make future payments in respect of the purchase of those goods and services. The normal credit terms for accounts payable are usually Net 30 days.

• statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and are initially recognised at fair value, and then subsequently carried at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from a contract.

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 Cash & Cash equivalents
6.2 Commitments for expenditure

Note 6.1: Cash and cash equivalents

For the purpose of the Cash Flow Statement, cash assets includes cash on hand and in banks, and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

	2017 $'000	2016 $'000
Cash on Hand	35	35
Cash at Bank	3,195	2,038
Deposits at call	1,809	2,222
Short Term Deposits	7,394	8,878
Total cash and cash equivalents	**12,433**	**13,173**
Represented by:		
Cash for Health Service Operations (as per Cash Flow Statement)	12,433	13,173
	12,433	**13,173**

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.

Note 6.2: Commitments for Expenditure

Capital Expenditure Commitments	**2017 $'000**	**2016 $'000**
Oncology Redevelopment	-	474
Solar Electricity	249	-
Emergency Generator	690	-
Other Equipment	50	90
Total Capital Commitments	988	474
Operating Leases		
Non-Cancellable		
Not later than one year	853	822
Later than one year but not later than 5 years	1,213	1,353
		-
TOTAL	2,066	2,175

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

Commitments Payable

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 sated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Operating leases

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

Note 7:Risks, contingencies & valuation uncertainties

Introduction

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 Net gain/ (loss) on disposal of non-financial assets
7.3 Contingent assets and contingent liabilities
7.4 Fair value determination

Note 7.1: Financial instruments

(a) Financial Risk Management Objectives and Policies
Central Gippsland Health Service's principal financial instruments comprise of:
- Cash Assets
- Term Deposits
- Receivables (excluding statutory Receivables)
- Payables (excluding statutory payables)

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

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

The Health Service uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the financial risk management committee of the Health Service.

The main purpose in holding financial instruments is to prudentially manage Central Gippsland Health Service financial risks within the government policy parameters.

Categorisation of financial instruments

Details of each category in accordance with AASB 139, shall be disclosed either on the face of the balance sheet or in the notes.

2017	Contractual financial assets/liabilities designated at fair value through profit/loss	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss	Contractual financial assets - loans and receivables	Contractual financial assets - available for sale	Contractual financial liabilities at amortised cost	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Contractual Financial Assets						
Cash and cash equivalents	12,433	-	-	-	-	12,433
Receivables						-
- Trade Debtors	1,170	-	-	-	-	1,170
- Other Receivables	-	-	351	-	-	351
Other Financial Assets						-
- Term Deposit	-	-	1,238	-	-	1,238
- Shares in Other Entities	-	-	-		-	-
Total Financial Assets (i)	13,603	-	1,589	-	-	15,192
Financial Liabilities						
Payables	2,425	-	-	-	-	2,425
Other Financial Liabilities						-
- Accommodation bonds	5,313	-	-	-	-	5,313
- Other	47	-	-	-	-	47
Total Financial Liabilities (ii)	7,785	-	-	-	-	7,785

2016	Contractual financial assets/liabilities designated at fair value through profit/loss	Contractual financial assets/liabilities held-for-trading at fair value through profit/loss	Contractual financial assets - loans and receivables	Contractual financial assets - available for sale	Contractual financial liabilities at amortised cost	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Contractual Financial Assets						
Cash and cash equivalents	13,173	-	-	-	-	13,173
Receivables						-
- Trade Debtors	1,008	-	-	-	-	1,008
- Other Receivables	-	-	380	-	-	380
Other Financial Assets						-
- Term Deposit	-	-	23	-	-	23
- Shares in Other Entities	-	-	-		-	-
Total Financial Assets (i)	14,181	-	403	-	-	14,584
Financial Liabilities						
Payables	1,912	-	-	-	-	1,912
Other Financial Liabilities						-
- Accommodation bonds	4,766	-	-	-	-	4,766
- Other	68	-	-	-	-	68
Total Financial Liabilities (ii)	6,746	-	-	-	-	6,746

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

	Net holding gain/(loss) $'000	Total interest income / (expense) $'000	Fee income / (expense) $'000	Impairment loss $'000	Total $'000
2017					
Financial Assets					
Cash and Cash Equivalents [i]	-	332	-	-	332
Designated at Fair Value through Profit or Loss [iii]	-	-	-	-	-
Held-for-Trading at Fair Value through Profit or Loss [iii]	-	-	-	-	-
Loans and Receivables [i]	-	-	-	-	-
Available for Sale [ii]	-	-	-	-	-
Total Financial Assets	-	332	-	-	332
Financial Liabilities					
Designated at Fair Value through Profit or Loss [iii]	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-
2016					
Financial Assets					
Cash and Cash Equivalents [i]	-	390	-	-	390
Designated at Fair Value through Profit or Loss [iii]	-	-	-	-	-
Held-for-Trading at Fair Value through Profit or Loss [iii]	-	-	-	-	-
Loans and Receivables [i]		-	-	-	-
Available for Sale [ii]	-	-	-	-	-
Total Financial Assets	-	390	-	-	390
Financial Liabilities					
Designated at Fair Value through Profit or Loss [iii]	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-

(c) Credit risk

Credit risk arises from the contractual financial assets of the Health Service, which comprise cash and deposits, non-statutory receivables and available for sale contractual financial assets. The Health Service's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Health Service's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the Health Services policy to only deal with entities with high credit ratings of a minimum Triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

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

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

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

Credit quality of contractual financial assets that are neither past due nor impaired

2017	Financial institutions (AA- credit rating) $'000	Government agencies $'000	Government agencies $'000	Other (min BBB credit $'000	Total $'000
Financial Assets					
Cash and Cash Equivalents	13,662	-	-	-	13,662
Receivables					
- Trade Debtors	-	-	-	-	-
- Other Receivables (i)	-	243	-	561	804
Other Financial Assets					
- Term Deposit	9	-	-	-	9
Total Financial Assets	**13,671**	**243**	**-**	**561**	**14,475**
2016					
Financial Assets					
Cash and Cash Equivalents	6,862	6,311	-	-	13,173
Receivables					
- Trade Debtors	-	-	-	-	-
- Other Receivables	-	295	-	710	1,005
Other Financial Assets					
- Term Deposit	23	-	-	-	23
Total Financial Assets	**6,885**	**6,606**	**-**	**710**	**14,201**

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Ageing analysis of financial assets as at 30 June

2017	Carrying Amount $'000	Not Past Due and Not Impaired $'000	Past Due But Not Impaired: 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
Financial Assets								
Cash & Cash Equivalents at variable interest rates	12,433	12,433	-	-	-	-	-	-
Receivables	1,521	1,202	83	59	177	-	-	-
Other Financial Assets	9	9	-	-	-	-	-	-
Total Financial Assets	**13,963**	**13,644**	**83**	**59**	**177**	**-**	**-**	**-**
2016								
Financial Assets								
Cash & Cash Equivalents	13,173	13,173	-	-	-	-	-	-
Receivables	1,388	1,167	79	89	53	-	-	-
Other Financial Assets	23	23	-	-	-	-	-	-
Total Financial Assets	**14,584**	**14,363**	**79**	**89**	**53**	**-**	**-**	**-**

(i) Ageing analysis of financial assets must exclude the types of statutory financial assets (i.e. GST input tax credit)

Contractual financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently Central Gippsland Health Service does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

(c) Liquidity Risk

Liquidity risk is the risk that the Health Service would be unable to meet its financial obligations as and when they fall due. The Health Service's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet.

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

Maturity analysis of financial liabilities as at 30 June

2017	Carrying Amount $'000	Contractual Cash Flow $'000	Maturity Dates: Less than 1 Month $'000	1-3 Months $'000	3 Months - 1 Year $'000	1-5 Years $'000	Over 5 Years $'000	Impaired Financial Assets $'000
Payables								
Trade Creditors and accruals	2,425	2,425	2,425	-	-	-	-	-
Other Liabilities	5,360	5,360	5,360	-	-	-	-	-
Total Financial Liabilities	**7,785**	**7,785**	**7,785**	**-**	**-**	**-**	**-**	**-**
2016								
Payables								
Trade Creditors and accruals	1,912	1,912	1,912	-	-	-	-	-
Other Liabilities	4,834	4,834	4,834	-	-	-	-	-
Total Financial Liabilities	**6,746**	**6,746**	**6,746**	**-**	**-**	**-**	**-**	**-**

(d) Market Risk

The Central Gippsland Health Service exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risk.

Currency Risk

The Central Gippsland Health Service is exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

Interest Rate Risk

Exposure to interest rate risk might arise primarily through the Central Gippsland Health Service's interest bearing liabilities. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments. For financial liabilities, the health service mainly undertake financial liabilities with relatively even maturity profiles.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Health Service has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Health Service manages this risk be mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating interest rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing the Health Service to significant bad risk, management monitors movement in interest rates on a daily basis.

Interest rate exposure of financial assets and liabilities as at 30 June

			Interest Rate Exposure		
2017	Weighed Average Effective Interest Rate %	Carrying Amount $'000	Fixed Interest Rate $'000	Variable Interest rate $'000	Non Interest Bearing $'000
Financial Assets					
Cash & Cash Equivalents	*1.96%*	12,433	7,394	5,039	-
Receivables	-	1,521	-	-	1,521
Other Financial Assets	-	9	9	-	-
Total Financial Assets		**13,963**	**7,403**	**5,039**	**1,521**
Payables					
Trade Creditors and accruals	-	2,425	-	-	2,425
Other Liabilities	-	5,360	-	-	5,360
Total Financial Liabilities	-	**7,785**	-	-	**7,785**
2016					
Financial Assets					
Cash & Cash Equivalents	2.22%	13,173	8,878	4,295	-
Receivables	-	1,388	-	-	1,388
Other Financial Assets	-	23	23	-	-
Total Financial Assets		**14,584**	**8,901**	**4,295**	**1,388**
Payables					
Trade Creditors and accruals	-	1,912	-	-	1,912
Other Liabilities	-	4,834	-	-	4,834
Total Financial Liabilities		**6,746**	-	-	**6,746**

Note 7.1: Financial Instruments (continued)

Sensitivity Disclosure Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Central Gippsland Health Service believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from National Australia Bank):
- A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 4%;

The following table discloses the impact on net operating result and equity for each category of financial instrument held by the Health Service at year end as presented to key management personnel, if changes in the relevant risk occur.

		Interest Rate Risk				Other Price Risk			
		-1%		-1%		-1%		-1%	
2017	Carrying Amount $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit	Equity
Financial Assets									
Cash & Cash Equivalents at variable interest rate	5,039	50	50	(50)	(50)	-	-	-	-
Cash & Cash Equivalents at fixed interest rate	7,394	-	-	-	-	-	-	-	-
Receivables	1,521	-	-	-	-	-	-	-	-
Other Financial Assets	9	-	-	-	-	-	-	-	-
Financial Liabilities									
Trade Creditors and accruals	2,425	-	-	-	-	-	-	-	-
Other Liabilities	5,360	-	-	-	-	-	-	-	-

		Interest Rate Risk				Other Price Risk			
		-1%		-1%		-1%		-1%	
2016	Carrying Amount $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit $'000	Equity $'000	Profit	Equity
Financial Assets									
Cash & Cash Equivalents at variable interest rate	4,295	(43)	(43)	43	43	-	-	-	-
Cash & Cash Equivalents at fixed interest rate	8,878	-	-	-	-	-	-	-	-
Receivables	23	-	-	-	-	-	-	-	-
Other Financial Assets		-	-	-	-	-	-	-	-
Financial Liabilities									
Trade Creditors and accruals	1,912	-	-	-	-	-	-	-	-
Other Liabilities	4,834	-	-	-	-	-	-	-	-

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 7.1: Financial Instruments (continued)

(e) Fair Value

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:
- Level 1 - the fair value of financial instrument assets and liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market price; and
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Health Service considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short term nature of the financial instruments and the expectation that they will be paid in full.

The following table shows that the fair values of most of the contractual financial assets and liabilities are the same as the carrying amounts.

Comparison between carrying amount and fair value

	Consol'd Carrying Amount 2017 $'000	Fair value 2017 $'000	Consol'd Carrying Amount 2016 $'000	Fair value 2016 $'000
Financial Assets				
Cash and Cash Equivalents	12,433	12,433	13,173	13,173
Loans and Receivables [(i)]				
- Trade Debtors	1,521	1,521	1,388	1,388
- Other Receivables	9	9	23	23
- Term Deposit	1,229	1,229	-	-
Available for sale				
- Shares in Other Entities	-	-		-
Total Financial Assets	**15,192**	**15,192**	**14,584**	**14,584**
Financial Liabilities				
At amortised cost				
Payables	2,425	2,425	1,912	1,912
Borrowings		-	-	-
Other Financial Liabilities[(i)]		-		-
- Accommodation Bonds	4,834	4,834	5,360	5,360
- Other	-	-	-	-
Total Financial Liabilities	**7,259**	**7,259**	**7,272**	**7,272**

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets 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, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 6.1), term deposits with maturity greater than three months, trade receivables, loans and other receivables, but not statutory receivables.

Note 7.2 Net gain/ (loss) on disposal of non-financial assets

	2017 $'000	2016 $'000
Proceeds from Disposals of Non-Current Assets		
Plant and Equipment	5	105
Total Proceeds from Disposal of Non-Current Assets	5	105
Less: Written Down Value of Non-Current Assets Sold		
Plant and Equipment	6	43
Total Written Down Value of Non-Current Assets Sold	6	43
Net gain/(loss) on Disposal of Non-Financial Assets	(1)	62

Impairment of non-financial assets

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

All other non-financial assets are assessed annually for indications of impairment, except for:
- inventories;
- non-current physical assets held for sale; and
- assets arising from construction contracts.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying amount exceeds their possible recoverable amount. Where an asset's carrying amount exceeds its recoverable amount, the difference is written-off as an expense except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that same class of asset.

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs of disposal. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs of disposal.

Note 7.3: 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 2016-17 (2015-16: $200,000). At this point in time, the total amount which may be recalled is $400,000,but there is no obligation to repay the balance of the recallable grant.

7.4 Fair value determination

Asset class	Examples of types of assets	Expected fair value level	Likely valuation approach	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 restrictions as to use and/or sale Land in areas where there is not an active market	Level 3	Market approach	CSO adjustments
Non-specialised buildings	For general/commercial buildings that are just built	Level 2	Market approach	N/A
Specialised buildings [(i)]	Specialised buildings with limited alternative uses and/or substantial customisation e.g. prisons, hospitals, and schools	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life
Plant and equipment [(i)]	Specialised items with limited alternative uses and/or substantial customisation	Level 3	Depreciated replacement cost approach	Cost per square metre Useful life
Vehicles	If there is an active resale market available;	Level 2	Market approach	N/A

(i) Newly built / acquired assets could be categorised as Level 2 assets as depreciation would not be a significant unobservable input (based on the 10% materiality threshold)

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
8.2 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities
8.3 Operating segments
8.4 Responsible persons disclosures
8.5 Executive officer disclosures
8.6 Related parties
8.7 Remuneration of auditors
8.8 AASBs issued that are not yet effective
8.9 Events occurring after the balance sheet date
8.10 Economic dependency

8.1 Equity

	2017 $'000	2016 $'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	2,156	2,107
Transfer from reserve	(845)	(167)
Transfer to reserve	50	216
Balance at the end of the reporting period	1,361	2,156
Total Surpluses	45,186	45,981
(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	(33,250)	(29,236)
Net Result for the Year	(3,317)	(3,965)
Transfer from Restricted Specific Purpose Reserve	845	167
Transfer to Restricted Specific Purpose Reserve	(50)	(216)
Balance at the end of the reporting period	(35,772)	(33,250)
Total Equity at end of financial year	43,668	46,985

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

	2017 $'000	2016 $'000
Net Result for the Year	(3,317)	(3,965)
Depreciation	5,066	5,032
Provision for Doubtful Debts	81	64
Net (Profit) Loss from sale of Plant & Equipment	1	(62)
Assets Received Free of Charge	-	(2)
Change in Operating Assets & Liabilities		
Increase/(Decrease) in Payables	184	(1,802)
Increase/(Decrease) in Other Liabilities	(21)	(26)
Increase/(Decrease) in Employee Benefits	577	1,247
Decrease/(Increase) in Other Assets	(281)	416
Decrease/(Increase) in Inventories	6	46
Decrease/(Increase) in Receivables	(249)	156
Net Cash Inflow/(outflow) from Operating Activities	2,047	1,104

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Note 8.3: Segment Reporting

	Hospital		RACS		Linen Service		Community Health		Eliminations		Total	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
REVENUE												
External Segment Revenue	70,645	66,407	8,553	8,585	2,302	2,231	9,999	9,325	-	-	91,499	86,548
Intersegment Revenue	1,749	1,644	-	-	521	490	-	-	(2,270)	(2,134)	-	-
Total Revenue	72,394	68,051	8,553	8,585	2,823	2,721	9,999	9,325	(2,270)	(2,134)	91,499	86,548
EXPENSES												
External Segment Expense	76,590	72,863	8,197	8,040	2,625	2,688	7,733	7,276	-	-	95,145	90,867
Intersegment Expenses	2,270	2,134	-	-	-	-	-	-	(2,270)	(2,134)	-	-
Total Expenses	78,860	74,997	8,197	8,040	2,625	2,688	7,733	7,276	(2,270)	(2,134)	95,145	90,867
Net Result from ordinary activities	(6,466)	(6,946)	356	545	198	33	2,266	2,049	-	-	(3,646)	(4,319)
Interest Income	332	390	-	-	-	-	-	-	-	-	332	390
Net Result for the year	(6,134)	(6,556)	356	545	198	33	2,266	2,049	-	-	(3,314)	(3,929)
OTHER INFORMATION												
Segment Assets	50,793	52,311	11,894	12,250	1,782	1,835	3,536	3,642	-	-	68,005	70,038
Intersegment Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	50,793	52,311	11,894	12,250	1,782	1,835	3,536	3,642	-	-	68,005	70,038
Segment Liabilities	13,436	12,498	9,095	8,460	686	638	1,567	1,457	-	-	24,784	23,053
Intersegment Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	13,436	12,498	9,095	8,460	686	638	1,567	1,457	-	-	24,784	23,053
Investments Accounted for using the Equity Method	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of property, plant and equipment	1,776	1,152	67	59	274	612	5	51	-	-	2,122	1,874
Depreciation	3,763	3,731	596	589	323	328	384	384	-	-	5,066	5,032

The major products/services from which the above segments derive revenue are:

Business Segments	**Services**
Hospital	Patient Services
Residential Aged care Services (RACS)	Aged Care Services
Linen Service	Laundry & Linen Services
Community Health	Community Services provided to the General Public

Normal commercial rates apply for charges from the Linen Service to other segments of the Service.

Geographical Segment

Central Gippsland Health Service operates predominantly in East Gippsland, Victoria. More than 90% of revenue, net surplus from ordinary activities and segment assets relate to operations in East Gippsland, Victoria.

Note 8.4: 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

The Honourable Jill Hennessy MLA, Minister for Health, Minister for Ambulance Services	1-Jul-16	30-Jun-17
The Honourable Martin Foley, Minister for Housing Disability and Ageing, Minister for Mental Health.	1-Jul-16	30-Jun-17

Governing Board

Glenn Stagg	1-Jul-16	30-Jun-17
Louise McMahon	1-Jul-16	30-Jun-17
Lesley Fairhall	1-Jul-16	30-Jun-17
Kumar Visvanathan	27-Sep-16	30-Jun-17
Tony Anderson	1-Jul-16	30-Jun-17
David Willington	1-Jul-16	30-Jun-17
Jim Vivian	1-Jul-16	30-Jun-17
Abbas Khambati	1-Jul-16	30-Jun-17

Accountable Officer

Frank Evans (Chief Executive Officer)	1-Jul-16	30-Jun-17

Remuneration

Remuneration received or receivable by responsible persons was in the range: $280,000 – $289,000 ($250,000 – $259,999 in 2015-16).

Note 8.5: Executive Officers Disclosures

Executive Officers Remuneration

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.

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

Remuneration of Executive Officers	Total remuneration
	2017
Short-Term Employee benefits	849,638
Post-Employment benefits	80,333
Other long-term benefits	-
Total Remuneration (i)(ii)	**929,971**
Total number of executives	**6**
Total annualised employee equivalent (AEE) (iii)	**6**

(i) No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction.

(ii) 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 the related parties note disclosure (Note 8.6)

(iii) Annualised employee equivalent is based on th time fraction worked over the reporting period.

Note 8.6: 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 and their close family members;
- all cabinet ministers and their close family members; and
- all hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Key Management Personnel of Central Gippsland Health Service are:

Mr Frank Evans	Chief Executive Officer
Mr Jon Millar	Director of Support Services
Mr Daryl Cooper	Director of Financial Services
Mr Paul Head	Director of Residential Aged Care
Ms Denise McInnes	Director of Nursing
Ms Amanda Pusmucans	Director of Community Care Services
Ms Lisa Neuchew	General Manager of Medical Services

Key management personnel (KMP) of the hospital include the Portfolio Ministers and Cabinet Ministers and KMP as determined by the hospital. 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	2017
Short-Term Employee benefits	1,098,098
Post-Employment benefits	99,949
Other long-term benefits	13,800
Termination benefits	-
Share based payments	-
Total	**1,211,847**

Transactions with key management personnel 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, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

All transactions that have occurred with KMP and their related parties have been trivial or domestic in nature. In this context, transactions are only disclosed when they are considered of interest to users of the financial report in making and evaluation decisions about the allocation of scare resources.

Significant transactions with government-related entities.

Central Gippsland Health Service received funding from the Department of Health and Human Services of $61M (2016: $58M.)

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

Latrobe Regional Health Service:	$1,100,000 (2016: $802,000)
Dental Health Services Victoria:	$810,000 (2016: $628,000)
Ambulance Victoria:	$470,000 (2016: $473,000)
Bairnsdale Regional Health Service:	$480,000 (2016: $445,000)
Other:	$883,000 (2016: $155,000)

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 8.7: Remuneration of Auditors

	2017	2016
	$,000's	$,000's
Victorian Auditor-Generals Office		
Audit or review of financial statements	38	39
Other Providers		
Internal Audit	37	14
	75	53

Note 8.8: AASB's issues that are not yet effective

Certain new Australian accounting standards have been published that are not mandatory for the 30 June 2017 reporting period. DTF 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 2017, 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.

Standard/ Interpretation	Summary	Applicable for reporting periods beginning on	Impact on Health Service's Annual Statements
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.
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 8.9: 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.

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 2017.

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

We authorise the attached financial statements for issue on 18th August 2017.

GLENN STAGG, Board Chairperson
Sale, Victoria
18-Aug-17

FRANK EVANS, Accountable Officer & Chief Executive Officer
Sale, Victoria
18-Aug-17

DARYL COOPER, Chief Finance & Accounting Officer
Sale, Victoria
18-Aug-17

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