



CENTRAL
GIPPSLAND
HEALTH



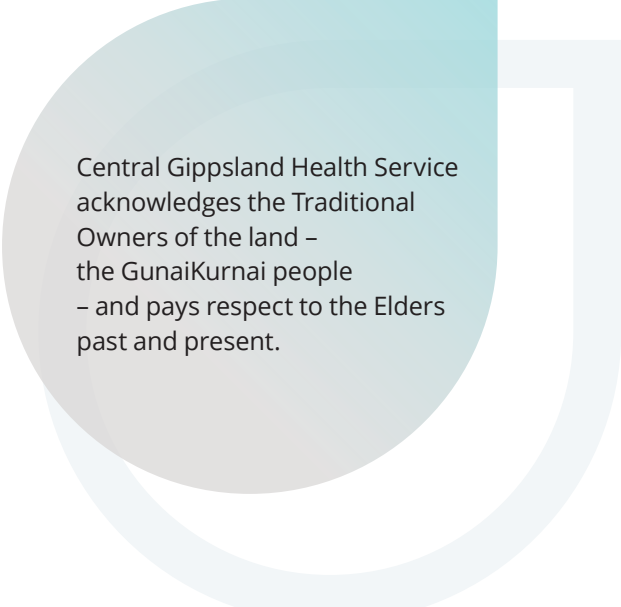
2023

BETTER TOGETHER

2024

ANNUAL REPORT





Central Gippsland Health Service
acknowledges the Traditional
Owners of the land –
the GunaiKurnai people
– and pays respect to the Elders
past and present.

CONTENTS

Who We Are	5	Organisational Structure.....	24
Our History.....	5	Support Groups.....	25
At Your Service	6	Our Volunteers	26
Report by the Chair, Board of Directors	7	Donations.....	27
Report by the Chief Executive Officer	8	Senior Medical and Dental Staff.....	28-29
Local Doctor Retires.....	9	Acute and Aged Care Services.....	30-31
Quality Improvement and Innovation	10	Statutory Compliance	32-43
National Accreditation Yields Excellent Results	11	Social Procurement Framework.....	33-34
Accreditation Status.....	12	Environmental Performance	37-43
Consumer, Carer and Community Participation.....	12	Asset Management Accountability Framework.....	44
New Surgeon Commences at CGH	13	Year in Review.....	47
Carers Recognition Act 2012.....	14	Summary of Financial Results.....	48
Governance and Community Accountability	14	Reconciliation of the Operating Result to the Net Result from Transactions	48
Board of Directors.....	15-17	Information and Communication Technology (ICT) Expenditure.....	49
Executive Staff.....	17	Data Integrity	50
Risk and Audit Committee.....	18	Conflict of Interest.....	50
Workforce.....	19	Integrity, Fraud and Corruption.....	50
Occupational Health and Safety.....	20	Compliance with Healthshare Victoria Purchasing Policies	51-53
Occupational Violence.....	20	Financial Management Compliance	53
Aboriginal Cultural Safety.....	21	Statement of Priorities	54-64
Overview of Services	22-23	Disclosure Index.....	65-66
		Financial Report.....	67

OUR VISION

Our Vision is of a safe and healthy community where everyone feels valued, supported and can participate.

Our Mission is to provide the health and community services that will best meet the needs of our community.

In doing so we will:

- support community identified need and promote genuine community participation
- place people at the centre of our care
- support our community to access services that maintain and improve their health and wellbeing, and minimise the negative impact of injury
- enable people to benefit from our integrated services
- allocate and use our resources effectively and efficiently
- achieve through collaboration and partnerships
- be creative, innovative and open to discovery.

OUR MISSION

SOCIAL JUSTICE - EQUITY OF OUTCOME

To do this we will:

- focus on achieving equity of outcome for individuals and groups
- understand the impact of poverty, culture, location and disadvantage on behaviour and health status
- act to support the disadvantaged and marginalised among us
- ensure our fees policy considers our client's ability to pay
- support harm minimisation and targeted community support programs
- be compassionate and embrace diversity.

HONESTY, TRANSPARENCY AND INTEGRITY

To do this we will:

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

QUALITY - EXCELLENCE WITH THE PERSON AT THE CENTRE

To do this we will:

- embed a quality culture of continuous improvement across the organisation such that our client's experience with Central Gippsland Health Service is characterised by the following: seamless, coordinated, integrated and timely provision of person-centred care
- provide facilities and equipment that enable the provision of safe, efficient, effective and sustainable service delivery
- place a very high value on person-centred care and excellent customer service.

CARING, SUPPORT, COMPASSION AND UNDERSTANDING

To do this we will:

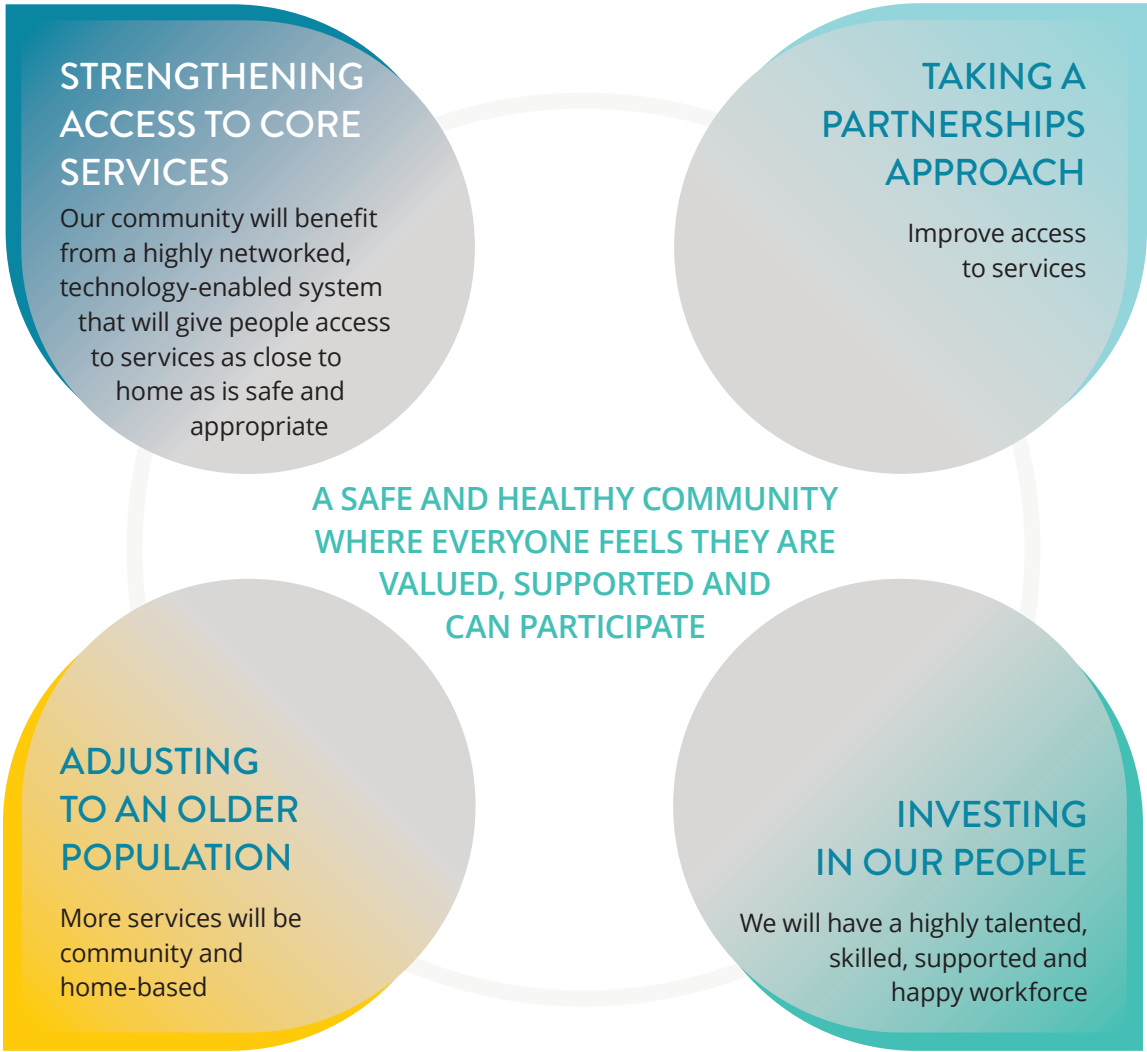
- be welcoming, caring, supportive, share knowledge freely and support learning in every setting
- relate to our community with understanding and compassion
- assist our community to understand their rights and responsibilities, and have access to genuine complaints resolution processes
- support our community to identify the need for, and make decisions relating to, the development, delivery and evaluation of services
- develop partnerships that benefit our community
- appreciate the benefits that come from diversity.

VALUE AND SUPPORT OUR PEOPLE

To do this we will strive to provide a healthy, caring and safe environment where we are supported to:

- pursue our personal goals and objectives
- behave consistently with Central Gippsland Health Service's values and enthusiastically support the achievement of our strategic and service delivery goals and objectives
- put forward ideas, participate in decision-making, be creative and innovative
- develop our careers in a manner consistent with our strengths and interests
- make work a positive contributor to our happiness and wellbeing.

FOUR STRATEGIC PILLARS



STRATEGIC PLAN SUMMARY

KEY AREAS AND OBJECTIVES

1 STRENGTHENING ACCESS TO CORE SERVICES OBJECTIVE: Provide access to a highly integrated, networked, technology-enabled system that will give people access to services as close to home as is safe and appropriate.	TAKING A PARTNERSHIP APPROACH OBJECTIVE: Enhance our sustainability and clinical capability and, as a consequence, increase the number of treatments available closer to home. 2
ADJUSTING TO AN OLDER POPULATION OBJECTIVE: Provide more services in the community and home-based setting with a focus on reablement. 3	INVESTING IN OUR PEOPLE OBJECTIVE: Develop a highly talented, skilled, supported and happy workforce. 4

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 a local population of approximately 46,000 in Central Gippsland, while acute specialist services reach a wider community in East Gippsland and parts of South Gippsland.

Categorised as a subregional health service, CGHS provides a range of more complex services than those delivered by small rural health services. This consists of two public hospitals located in Sale and Maffra, both with public sector residential aged care facilities on campus; community health centres in Sale, Maffra, Rosedale and Loch Sport; and a Community Rehabilitation Centre located on the Sale campus which provides a range of allied health and rehabilitation services outreaching to patient homes and other CGHS and non-CGHS facilities.

In addition, CGHS is an integrated health service and provides a range of services usually provided by local government and in particular, home support and maternal and child health services.

Clinical education and training form an important part of our service offering. CGHS provides clinical placements to support undergraduate education and training for medical, nursing and allied health staff, and rotations for specialist nursing, allied health and medical education, including GP proceduralists.

Central Gippsland Health is also a network that includes independently governed organisations, Heyfield Hospital and Stretton Park.

For more information visit: www.cghs.com.au

OUR HISTORY

CGHS has a long and rich history which spans more than 150 years.

During that time, CGHS (and its predecessor Gippsland Base Hospital), with various other smaller service entities, has become the major provider of health and aged care services in the Wellington Shire.

Through a series of amalgamations, the Gippsland Base Hospital, Maffra and District Hospital, J.H.F. McDonald Wing Nursing Home, and Evelyn Wilson Nursing Home became CGHS in 1999.

CGHS provides management and corporate services to two not-for-profit private facilities, Stretton Park Incorporated and Heyfield Hospital Incorporated, through management agreements, also established in 1999.

The current Sale hospital was built on the existing site in 1990. The only section of the original hospital retained was the operating suite.

Today's CGHS Board of Directors and staff continue to uphold the service and spirit of those early pioneers who worked so hard to establish a hospital in the 1860s.

AT YOUR SERVICE

CGHS works within a statewide rural and regional planning framework that considers the 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.

CGHS also provides specialised services such as perinatal services, critical care, coronary care, obstetrics and surgery, as well as a comprehensive range of Home and Community Care (HACC) services.

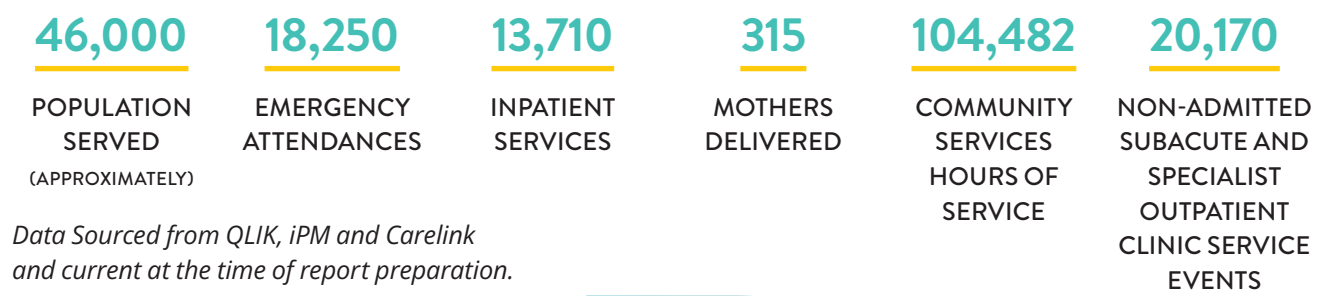
Acute services include a full-time emergency department, critical care unit, neonatal special care unit, operating theatres, day procedure unit, oncology and dialysis services, in addition to general medical and surgical services, and subacute services including rehabilitation.

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

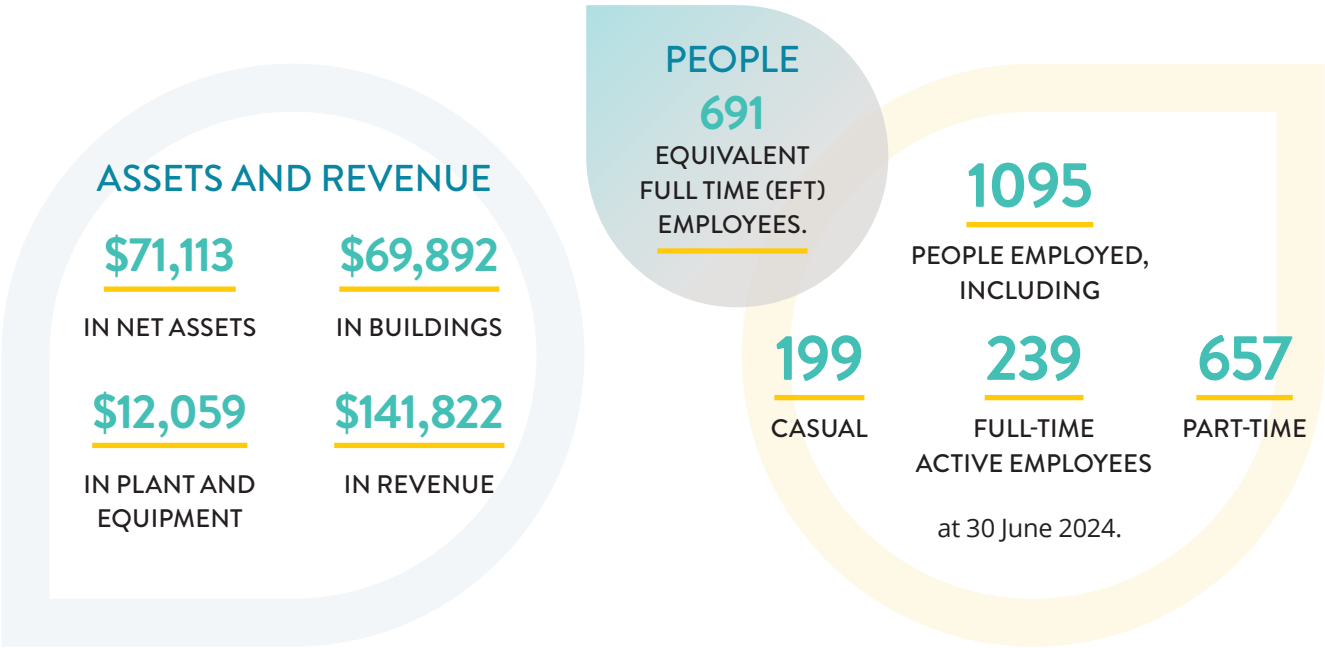
In addition to our acute and residential aged care services in Sale and Maffra, CGHS provides community and home support services throughout the Wellington Shire (with the exception of Yarram and district) with health centres in Maffra, Sale, Heyfield, Rosedale and Loch Sport.

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 them to achieve their goals and aspirations.

OUR SERVICES



Data Sourced from QLIK, iPM and Carelink and current at the time of report preparation.





REPORT BY THE CHAIR, BOARD OF DIRECTORS

It is with great pride that I present the Board Chair's 2023/24 Annual Report for Central Gippsland Health Service (CGHS).

I would like to acknowledge and thank our retiring Board Directors Jim Vivian (nine years of service), Abbas Khambati (nine years of service), Glenys Butler (six years of service), and Helen McConachy (two years of service) for their dedicated service to CGHS. I also welcome our new Board Directors Adam Koster, Luis Prado and Trevor Goldstone.

Ensuring patient safety and quality of care remains our top priority. We are proud to report significant improvements in clinical outcomes and accreditation results. CGHS has implemented new models of care and established partnerships to strengthen our allied health service, and developed a mental health model of care to improve the quality of care and service to our community. We have fully resourced our aged care facilities, implemented all the new aged care standards, successfully passed all accreditations and spot audits, and strengthened resident care in our aged care homes.

Our staff are the backbone of our organisation and we continue to invest in workforce development and excellence initiatives, including professional development. CGHS has several infrastructure projects underway to ultimately improve patient care outcomes, as well as staff and visitor experience.

The Board continues to provide robust governance and strategic oversight to ensure CGHS remains aligned with its mission and vision, while the Chief Executive Officer and management team continue to deliver prudent financial management and efficient resource allocation, enabling the delivery of high-quality care.

The future of the Victorian healthcare sector continues to be impacted by significant challenges, including workforce shortages and working towards a more efficient and sustainable financial model. In 2023/24, the Victorian Department of Health established a process to develop a draft Health Services Plan to consider the best design and governance of the public health services system. At this stage, we are yet to see the detail and understand the impact on regional health services. However, despite the ongoing and significant challenges in the healthcare sector, the CGHS team continues to demonstrate unwavering commitment to delivering excellent care.

I would like to express my gratitude to our Chief Executive Officer, Mark Dykgraaf, the executive team, dedicated staff, volunteers and community partners for their ongoing support and commitment to CGHS. Their hard work and dedication have been instrumental to our achievements this year. I also offer my thanks to our Board Directors for their guidance and support.

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, 2024.



Arthur Skipitaris
Board Chair



REPORT BY THE CHIEF EXECUTIVE OFFICER

As we finish another successful financial year, I wish to thank all staff across Central Gippsland

Health Service for their commitment, hard work and achievements in 2023/24. It is their efforts that enable us to deliver tremendous service to our local community and beyond.

Together, we have supported our community in the delivery of their babies, provided urgent care to patients in our Emergency Department, undertaken surgery to improve people's daily lives, conducted rehabilitation programs to better client quality of life, strengthened programs that enabled our elders to live their best possible lives in residential and community care, and supported patients and their families at the end of life with a comfortable and dignified passing.

This is the work of all 1,095 staff, our hardworking volunteers, and our strongly supportive Board of Directors, working together across governance, executive, management, clinical and non-clinical roles that enable and deliver care to our community. I thank you all for your professionalism, commitment and service.

Our work together over the last 12 months has resulted in many significant achievements. While I cannot name them all here, it is important to highlight how our ongoing work to strengthen and improve services has impacted the lives of those we serve. In 2023/24, CGHS has increased joint replacement surgeries from two cases per week, to five cases per week. Simultaneously, we have reduced length of stay for patients from over five days to two days. This has been achieved through the excellent work of our Operating Theatre and Surgical Ward teams working in partnership.

Our Elective Surgery Booking Team recently reported a case that demonstrates this work. When we offered a patient surgery within an eight-week period, the patient cried, stating that they had been waiting two years for this surgery. Not only did this surgery have a profound impact on the patient's daily life, it enabled CGHS to reduce the pressure on the surgical waiting list of another health service. This example demonstrates CGHS's commitment to our local community, and the wider health system.

In 2023/24, we also fully implemented our Better at Home and Residential In-Reach Programs. These assist us to care for people away from the Emergency Department and lessen the number of residents transferred from residential care to the Emergency Department. This is a great outcome for residents who do not need to leave their home, travel by ambulance or spend time in the Emergency Department.

CGHS has also reduced the Occupational Therapy waiting list from 200 people with a nine-month wait to approximately nine people with a two-week wait. This outstanding work from our Community and Allied Health Teams has meant that people waiting for home modifications are receiving these in a much timelier fashion.

Our Excellence Program has progressed and will continue to strengthen and accelerate over the next year. Our front-line leaders work with their teams to define excellence within their working environment, delivering this through daily work habits and agreed standards of care and service. At the heart of our Excellence Program are two simple questions:

- Is this the care/service I would like delivered to my family/loved ones and am I delivering this service in my daily work; and
- How do I (and my team) be the best we can be in the delivery of care/service every day?

Excellence is not about perfection—it simply asks us to strive to be our best each day in serving our community.

As always, there will be challenges for our health and aged care service in the days ahead. However, I have great confidence that CGHS will continue to provide excellent care and service in meeting these challenges because we are Better Together.

Mark Dykgraaf
Chief Executive Officer



LOCAL DOCTOR RETIRES AFTER 37 YEARS' SERVICE

Dr Howard Connor retired in March 2024 after 37 years of service to the Wellington community.

Dr Connor's leadership roles at CGHS included Director Medical Services, Chief Medical Officer and Director of Emergency and Critical Care.

In more recent years, he has worked as an Acute Care Physician, and reported on ECGs, ambulatory monitors and stress tests in Cardiology.

"Dr Connor has contributed immensely to the organisation with education, teaching, training and building the local network," Chief Executive Officer, Mark Dykgraaf said. "He has been an inspiration to a younger generation of leaders, demonstrating his commitment to rural and regional healthcare development."

Dr Connor graduated from Melbourne University in 1978. After working at several hospitals in Melbourne, and spending a year travelling and working overseas, he received his Fellowship of the Royal Australasian College of Physicians in 1987 and was accredited by the College in General Medicine, Infectious Diseases and Respiratory Medicine.

Dr Connor joined the team at Sale in 1988 as a Physician and never left. He also worked at Latrobe Regional Health providing respiratory and bronchoscopy services and helping establish the Gippsland Inaugural Lung Function Laboratory.

From 2004 to 2017, Dr Connor worked with Monash Rural Clinical School as a senior lecturer and as the Clinical Dean of Monash East and South Gippsland Rural Clinical Schools.

"CGHS and the wider Wellington community has been privileged to have such a highly skilled and experienced General Physician," Mr Dykgraaf said. "Dr Connor will be known for his exceptional medical expertise and compassionate patient care."

QUALITY IMPROVEMENT AND INNOVATION

CGHS is committed to quality, safety and excellence with the consumer at the centre of our care. To support this, CGHS has a Quality Improvement and Innovation Framework that details a comprehensive response from the Board and Senior Management Team to develop organisational structures and processes that support a capable, enabled and engaged workforce.

The purpose of the Quality Improvement and Innovation Framework is to describe how CGHS works to embed continuous improvement and innovation within the organisation and develop a high-performing, positive culture.

As part of this, we work to embed a culture of continuous quality improvement across the organisation, where staff solve problems together and focus on providing excellent care to consumers, regardless of how they access our services.

As part of the CGHS Clinical Governance Framework, our Clinical Governance Committee meets monthly to identify and monitor issues relating to consumer safety, and the quality of service delivery. Issues are identified through data or incident analysis, consumer feedback, or by assessments conducted by the committees tasked with monitoring compliance against the National Safety and Quality Healthcare Standards, and Aged Care Quality Standards.

These committees report quarterly to the Clinical Governance Committee and escalate issues of concern as they arise, for action by operational managers. The Clinical Governance Committee determines the accountable lead for each action or issue, monitors actions to completion, and provides guidance and support to our operational teams in delivering improvement strategies and safety initiatives.

Our Board Subcommittee – the Quality and Safety Committee – meets quarterly with Board and consumer representation, and receives comprehensive reports relating to quality improvement and innovation activities, which are escalated to the Board of Directors as required.

The CGHS Community Liaison Committee works with management to ensure community and consumer perspectives are at the centre of continuous improvement efforts. Many of these improvements are recognised through our Quest for Quality newsletter, CGH Matters newsletter and other information sharing opportunities.

The past year has seen a focus on improving patient flow through the health service. Some of these initiatives have included: the introduction of a fast-track stream in the Emergency Department; criteria led discharge in the Surgical Ward; and a change to the process for transferring patients between the Emergency Department and Critical Care Unit. These strategies have seen some great results. The Excellence in Care Project has continued to grow and strengthen across the organisation. This year, CGHS has seen a decrease in consumer complaints, and an increase in consumer compliments – a result of great work by our teams.

NATIONAL ACCREDITATION YIELDS EXCELLENT RESULTS

CGHS has been under the spotlight over the past 12 months, having undergone a series of individual accreditation assessments across its network of services.

One of those assessments was for Wilson Lodge Aged Care with the facility assessed against the Aged Care Quality Standards. The Aged Care Quality and Safety Commission found the facility met all 42 standards and recommended it for re-accreditation.

Chief Executive Officer, Mark Dykgraaf, congratulated Aged Care Services Manager at Wilson Lodge, Lachlan Hardy and his team for their dedication and hard work in achieving this excellent result.

In fact, with strong support from staff and positive feedback from patients, residents and families, CGHS had excellent accreditation results across the network of services assessed. These included Laurina Lodge (Heyfield), Stretton Park (Maffra) and McDonald Wing (Maffra), community health services and Sale hospital campus.

“CGHS welcomes the accreditation assessments as an opportunity to review compliance and identify areas for focussed improvement,” Mr Dykgraaf explained. “All assessments are undertaken by an independent assessor as unannounced, or with only one day’s notice. It’s often challenging but it’s a process that keeps us on our toes and that’s why our results are so encouraging.”

CGHS was assessed against eight National Safety and Quality Health Service (NSQHS) standards—Clinical Governance, Partnering with Consumers, Preventing and Controlling Infections, Medication Safety, Comprehensive Care, Communicating for Safety, Blood Management and Recognising and Responding to Acute Deterioration.

“Making changes to meet the NSQHS Standards involves the entire organisation,” Mr Dykgraaf said. “And given our unique structure of being both a subregional and an integrated health service, this is no mean feat.”

CGHS is the major provider of health and aged care services in the Wellington Shire, providing a broad range of primary, secondary and acute services, including a comprehensive range of Home and Community Care services, through to adult intensive, coronary care and level 4 neonatal care.

Assessors examine evidence of actual performance by reviewing things like hospital performance data, documentation and records, observing clinical practice, testing high-risk scenarios and conducting interviews with staff and patients.

“Participation in accreditation programs contributes to continuous improvement in patient outcomes, as well as increasing consumer and workforce satisfaction,” Mr Dykgraaf said. “Being accredited means safety and quality systems that support safe and good quality care are in place.”

ACCREDITATION STATUS

CGHS (including Dental Services) is accredited against the National Safety and Quality Health Service Standards (Second Edition).

The organisation-wide survey conducted in August 2023 resulted in all core and developmental items being met. The next organisation-wide survey against the National Standards will be conducted prior to 11 August 2026 via a Short Notice Accreditation Program. CGHS has focused on becoming accreditation-ready at all times and will continue with this approach.

J.H.F. McDonald Wing, Wilson Lodge and community aged care services all underwent accreditation visits against the Aged Care Quality Standards during the 2023/24 year. These visits resulted in all standards being met and each site receiving full accreditation.

CONSUMER, CARER AND COMMUNITY PARTICIPATION

CGHS consumer and community networks continue to assist in improving our provision of services to best meet the needs of our community. These include:

- **Community Liaison Committee (CLC):** The committee meets bi-monthly and includes consumer representatives, staff members and Board Directors.
- **Aboriginal and Torres Strait Islander Advisory Committee:** It comprises employed Aboriginal staff and local Aboriginal community members, meeting bi-monthly to provide guidance and support.
- **Volunteer Participation:** Sentinel Event Review panels and the Consumer Opinion Register (a list of community members willing to provide opinion, perspective and experience to inform improvements across CGHS).

Both the CLC and the Aboriginal and Torres Strait Islander Advisory Committee are chaired and vice-chaired by community members, with representation from the CGHS Executive Team. Administrative support is provided by the CGHS Community Network and Volunteer Support Officer.

The CLC is the key consumer and community advisory group for CGHS and is responsible to the Board of Directors. CLC members continue to assist in the development and implementation of consumer and community participation strategies through an annual work plan. This includes key activities such as reviewing accreditation outcomes relating to Partnering with Consumers (Standard Two), reviewing reports on trends from consumer feedback, including Victorian Health Experience Surveys across a range of CGHS services (both acute and community), and planning and participation in community events.

A new resource, the Community Participation Orientation Package, was completed in 2023 and outlines ways consumers can become involved with CGHS. The package is also available on our website: www.cghs.com.au

Community members are invited to attend an Open Access Board Meeting at CGHS in September each year to foster interaction between the Board and the community, increase awareness and understanding of the health service, and provide a forum for information sharing, providing the public with an opportunity to participate in decision making processes, and gain an understanding of the rationale, context and environment for Board plans and decisions.

NEW SURGEON COMMENCES AT CGH



*General Surgeon,
Ms Amanda Young.*

CGHS welcomed its newest General Surgeon in March 2024, Ms Amanda Young.

Chief Executive Officer, Mark Dykgraaf, said CGHS was proud to have such an experienced surgeon join the surgical team, noting that Ms Young had more than 20 years of experience with a significant range of skills.

Ms Young trained at Royal Prince Albert Hospital and has a fellowship with the Royal College of Surgeons (RACS). Her surgical expertise includes trauma, laparoscopic surgery, thyroid, breast and emergency vascular procedures including hernia, gallbladder, varicose veins and skin lesions, colorectal surgery, general and emergency paediatric surgeries.

CGHS is the major provider of extensive surgical services in the Wellington Shire.

"Our skilled team of local surgeons are supported by a multidisciplinary team to provide the best service possible for our community," Mr Dykgraaf explained. "Ms Young is a wonderful asset to our team that includes Clinical Head of Unit, Mr Radha Nair, General Surgeons, Mr Paul Strauss and Mr Masimba Nyandowe."

Patients can ask their general practitioner for a referral to one of the CGHS surgeons. More information about the surgical team is available at: <https://www.cghs.com.au/hospitals/sale-hospital/surgical-services/>

CARERS RECOGNITION ACT 2012

CGHS has taken all practical measures to comply with its obligations under the Act. These include:

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community. This is achieved by distributing printed material about the Act at community events or service points; providing links to Victorian Government resource materials on our website; and providing digital and/or printed information about the Act to our partner organisations
- ensuring staff have an awareness and understanding of the care relationship principles set out in the Act. A staff awareness strategy about the principles in the Act and what they mean for staff has been developed and implemented with induction and training programs offered on the topic
- considering the care relationship principles set out in the Act when setting policies and providing services. Employment policies such as flexible working arrangements and leave provisions are reviewed to ensure they comply with the statement of principles in the Act. A satisfaction survey was also developed for distribution at assessment and review meetings between workers, carers and those receiving care
- implementing priority actions in recognising and supporting Victoria's carers: Victorian Care Strategy 2018-22.

The goal is to recognise and support the vital role of carers in our community through education, training and access to a range of support services provided by CGHS or other agencies/services through our networks and connections.

GOVERNANCE AND COMMUNITY ACCOUNTABILITY

Each year, the CGHS Community Liaison Committee (CLC) is invited to contribute to the Annual Report.

The Governance Accountability Framework is continuously modified and improved to ensure 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.

Framework responsibilities have been assigned to various committees within the organisation's quality structure, ultimately reporting to the Board of Directors.

BOARD OF DIRECTORS

AS AT 30 JUNE 2024



ARTHUR SKIPITARIS
(CHAIR)

Arthur is the General Manager Corporate Services for Wellington Shire Council. Prior to this role, Arthur was a senior executive for the Finance Shared Services Division of General Electric, Australia and New Zealand. He was also the General Manager of Australia Post's Shared Services Division and has worked in several senior banking and finance roles.

Arthur holds a Bachelor of Business double major in Accounting and Economics, is a Certified Practising Accountant (CPA), a Fellow of the Financial Services Institute of Australasia, and a Graduate of the Australian Institute of Company Directors.



JIM VIVIAN

Jim has retired from the workforce, with his most recent employment being the role of Executive Officer at Gippsland Sports Academy. Prior to this, he worked as Executive Director of Academic Programs and General Manager of Industrial Operations at GippsTAFE. Jim holds a Diploma in Frontline Management, a Graduate Diploma in Educational Administration, an Advanced Certificate in Management Skills and a Diploma of Technical Teaching.



LAUREN CAREY
(VICE CHAIR)

An experienced communications specialist with a Bachelor in Public Relations, Lauren currently leads the communication and marketing function as Manager Engagement and Customer Focus at Latrobe City Council. Prior to joining Council, Lauren spent nine years working in the power generation and mining sector as the External Communications Manager for global company ENGIE's Hazelwood asset. Born and educated in Sale, Lauren has significant links to the Wellington Shire and is passionate about using her skills in corporate communications, stakeholder engagement, strategic leadership and governance to benefit CGHS and its consumers now and into the future.



ABBAS KHAMBATI

Abbas Khambati is a Non-Executive Board Director and an Executive Director, specialising in the not-for-profit sector, with more than 20 years of senior and executive management experience within the public and private sectors. His experience and strengths are in financial and business strategy, governance, policy and risk management. Abbas represents regional health services as a Board Member with the Victorian Healthcare Association. Abbas is currently the Director for Strategy, Planning & Resources with the University of Melbourne. He is a Chartered Accountant, a Graduate of the Australian Institute of Company Directors, and holds a Masters in Health Services Management.



GLENYS BUTLER

Glenys recently retired from full-time employment, following a successful career spanning 18 years in local government. All this time was spent with Wellington Shire Council where she has worked in the community sector as Manager Community Development, Manager Community Strengthening, Emergency Manager, General Manager Liveability and General Manager Community and Culture. Glenys originally trained as a nurse and has worked in the community health sector and leisure industry. She is a graduate of the Australian Institute of Company Directors, holds a Bachelor of Social Welfare and in 2008, completed a PhD with Monash University, focussed on organisational response to community decision making.



PETER (GERRY) WATTS

Gerry has a strong grasp of hospital board governance and an extensive history in Senior Management and Procurement. His current role is Chief Procurement Officer and Head of Business Services for the Victorian Gambling and Casino Control Commission. He brings a strong understanding of governance, process, legislative compliance, risk management and probity. Gerry is a competent and experienced Board Director who is enthusiastic about his contribution to CGHS and the broader Gippsland region. He is a Fellow of the Australian Institute of Management, a Member of the Australian Institute of Company Directors, and a Member of the Chartered Institute of Procurement and Supply. He holds qualifications including Hospitality Management, Marketing, IT and an AICD Clinical Governance qualification.



JENNY DEMPSTER

Jenny is the Director of Clinical Services at Gippsland Southern Health Service. She has a Masters in Public Health – Health Service Management and a Bachelor of Applied Science – Advanced Clinical Nursing. Jenny has extensive management experience in both the public and private health sectors. She brings a wealth of knowledge and skills to the Board in relation to asset management, clinical governance, executive management, human resources management, finance, risk management, information and communication technology.



CLAIRE MILLER

Claire has more than 10 years of board level experience across the public and commercial sectors with a focus on the utilities, resources, infrastructure and energy industries. In her executive capacity, she has held the role of General Counsel and Company Secretary managing governance, compliance, risk and audit functions across a range of industry sectors including energy, infrastructure, gas, utilities, resources, and property in government, ASX and private entities. Claire holds a Bachelor of Laws and a Graduate Diploma of Applied Corporate Governance. Claire currently serves as a Commissioner for the Victorian Gambling and Casino Control Commission, Board Director of Mine Land Rehabilitation Authority, and is an Audit and Risk Committee member for the Australian Radiation Protection and Nuclear Safety Agency.

HELEN MCCONACHY

Helen is a Registered Nurse with Graduate Certificates in Neonatal Nursing and Health Service Management. She has held various positions including afterhours hospital manager, nurse unit manager in neonatal intensive care, nurse unit manager in adult general medicine, and associate nurse unit manager in mental health.

ROCHELLE WRIGGLESWORTH

Rochelle is a member of the Institute of Company Directors, the Institute of Chartered Accountants in Australia and New Zealand, and a Registered Company Auditor with ASIC. After working at Pricewaterhouse Coopers and as principal/partner at Crowe Horwath for many years, Rochelle co-founded ForeFront in 2013 and has been providing business and strategic advice, virtual Chief Financial Officer and audit services since then. Rochelle lives in Gippsland with her family, is passionate about helping the community and contributing towards the future prosperity of our region. She has a deep understanding of Gippsland's specific issues and a detailed knowledge of local government, health, education and water sectors, plus aged care, gaming, manufacturing, Aboriginal, and not-for-profit entities, having worked with these sectors for more than 20 years. Rochelle is committed to the success of small to medium size businesses in the region and enjoys assisting entrepreneurial and start-up entities. Rochelle is the Chair of the Board of the Committee for Gippsland and the Chair of the Financial, Audit and Risk Committee. She is also an independent member of the Audit and Risk Committee of the Royal Botanical Gardens Victoria.

EXECUTIVE STAFF

AS AT 30 JUNE 2024

CHIEF EXECUTIVE OFFICER

Mr Mark Dykgraaf

DIRECTOR MEDICAL SERVICES

Dr Divyanshu Dua

DIRECTOR OF NURSING / CHIEF NURSE

Ms Mandy Pusmucans

DIRECTOR AGED CARE SERVICES

Ms Caron Mallet

DIRECTOR QUALITY & LEARNING SERVICES

Ms Kelli Mitchener

DIRECTOR CORPORATE SERVICES

Mr Robert Strickland

DIRECTOR COMMUNITY & ALLIED HEALTH SERVICES

Ms Rachel Strauss

RISK & AUDIT COMMITTEE (INDEPENDENT MEMBERS) AS AT 30 JUNE 2024

GRAHAM MANSON (INDEPENDENT CHAIR)

Graham has been an independent member of the Risk and Audit Committee since March 2018, recently accepting the position of Committee Chair. He is a director with the International Resilience Group (IRG), an independent consultancy company providing a range of resilience services within the public, private and not-for-profit sectors. Prior to establishing IRG, Graham was employed in a national role by the Australian Energy Market Operator where he focused on business security, crisis and contingency planning and emergency planning and response. Graham is an accomplished security, safety and emergency professional having presented to a number of organisations and businesses on crisis, security, emergency, brand protection and risk management throughout Asia and Australia.

ALISTAIR MYTTON

Alistair has significant global experience working as a finance professional with BHP Billiton for the past 21 years, and is now semi-retired. While at BHP/Billiton, Alistair has held positions as Chief Risk and Assurance Officer, Chief Financial Officer for Uranium Business, Chief Finance Officer (CFO) for Diamonds and Specialty Products and Head of Tax for the United Kingdom and Africa.

Alistair was appointed on 8 November 2022 and lives in Melbourne.

NIRAJ PAU

Niraj is a finance professional with significant experience in the public sector. Niraj's current role is Chief Financial Officer and Head of Business Support at the Australian Radiation Protection and Nuclear Safety Agency (ARPNSA) where he has worked since 2018. Niraj previously worked at the Department of Treasury and Finance as Assistant Director, Financial Appraisal and Regulation, Manager Financial Appraisal, and Senior Financial Analyst.

Niraj joined the Risk and Audit Committee to develop his professional interest in governance function and to give back to the community.

ANN WOOTTON

Ann is a retired corporate executive and risk professional living in Gippsland, and a member of the Heyfield Hospital Board of Management. Ann worked as an executive in the provision of risk and compliance software with SAI Global, with her most recent roles including Executive Director, Property Division SAI Global, Executive General Manager, Property Division SAI Global, President Americas, Compliance Division SAI Global, and General Manager, Compliance Division SAI Global.

Since retiring, Ann has involved herself in the community through membership on a number of committees and boards in health, education and the arts, including the Heyfield Hospital Board, Gippsland Grammar, and Sale Art Gallery Foundation.

As at 30 June 2024, non-independent members of the Risk and Audit Committee include: Mark Dykgraaf (Chief Executive Officer), Rochelle Wrigglesworth (Board Director), Robert Strickland (Director Corporate Services), Claire Miller (Board Director), Kelli Mitchener (Director Quality and Learning Services), Peter (Gerry) Watts (Board Director), Emma Brennan (Chief Finance Officer).

WORKFORCE

LABOUR CATEGORY	JUNE CURRENT MONTH FTE		AVERAGE MONTHLY FTE	
	2023	2024	2023	2024
Nursing	266	276.70	262	271.46
Administration & Clerical	126	124.56	127	123.44
Medical Support	125	20.57	128	20.33
Hotel & Allied Services	87	192.93	89	166.29
Medical Officers	12	12.57	14	13.34
Hospital Medical Officers	32	30.07	29	33.58
Sessional Clinicians	N/A	5.25	N/A	2.60
Ancillary Staff (Allied Health)	30	38.52	33	60.19
Total	678	701.17	682	691.23

CGHS 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 HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY STATISTICS

	2021-22	2022-23	2023-24
Number of reported hazards/incidents for the year per 100 EFT	29.20	55.43	72.28
Number of 'lost time' standard claims for the year per 100 EFT	1.15	1.02	1.14
Average cost per WorkCover claim for the year	\$31,827	\$18,077	\$23,261

OCCUPATIONAL VIOLENCE

OCCUPATIONAL VIOLENCE

2023-24

WorkCover accepted claims with an occupational violence cause per 100 EFT	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	128
Number of occupational violence incidents reported per 100 EFT	18.28
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	6

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	An event or circumstance that could have resulted in, or did result in, harm to an employee.
Accepted WorkCover claims	Accepted WorkCover claims that were lodged in 2023/24.
Lost time	Defined as greater than one day.
Injury, illness or condition	This includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

ABORIGINAL CULTURAL SAFETY

CGHS received the Aboriginal Cultural Safety Fixed Grant in 2023/24.

The Aboriginal Cultural Safety Fixed Grant is a funding initiative aimed at improving the cultural safety of healthcare services for Aboriginal and Torres Strait Islander communities. This grant supports healthcare organisations in creating environments that are respectful and inclusive of Aboriginal culture and traditions.

CGHS is committed to creating a culturally safe environment through several key actions, including:

- Completing the second CGHS Reconciliation Action Plan (2024 – 2026)
- A commitment to celebrating key cultural events such as National Reconciliation Week, NAIDOC Week, National Sorry Day, National Aboriginal and Torres Strait Islander Children's Day and Mabo Day
- Acknowledging Traditional Owners of the Land at all relevant meetings and activities in line with CGHS policy
- Encouraging and seeking Aboriginal or Torres Strait Islander representation on the CGHS Board of Directors
- Maintaining Aboriginal and Torres Strait Islander employment to at least 10 employees, in accordance with the CGHS Aboriginal Employment Plan
- Maintaining the CGHS Aboriginal Hospital Liaison position
- Providing professional development opportunities for the CGHS Aboriginal Liaison Officer and other Aboriginal staff, including attendance at state-wide networking events

- Maintaining CGHS's Aboriginal traineeship positions, including trainees in Business, the Central Sterilising Department, and Aged Care
- Engaging Aboriginal and Torres Strait Islander Advisory Committee members in supporting the employment of Aboriginal people into various positions, including trainee roles
- Mandatory Cultural Safety training for all staff

CGHS has revitalised the Aboriginal Art Space as part of its efforts to create a culturally safe environment. This initiative provides a dedicated area to showcase Aboriginal art, celebrate cultural heritage and foster a greater understanding and appreciation of Aboriginal culture within the healthcare setting.

CGHS's Koorie Career Day was reinstated in 2024 and held in partnership with the Wellington Network, Koorie Education Workforce. The day highlights career opportunities available within the health sector for Indigenous students. It aims to inspire and guide students in their career paths by offering them firsthand experiences and insights into different health-related professions.

These initiatives demonstrate CGHS's commitment to cultural safety and support for Aboriginal and Torres Strait Islander communities.

For more information, refer to the 'Aboriginal Cultural Safety Fixed Grant Requirements Cultural Safety Planning and Reporting' on the Victorian Department of Health website at www.health.vic.gov.au.



Koorie Career Day 2024

OVERVIEW OF SERVICES

ACUTE CARE

CLINICAL

Cardiology
Critical Care
Day Procedure
Dialysis
Emergency
Rehabilitation
Hospital in the Home
Obstetrics and Gynaecology
Special Care Nursery
Paediatrics
Oncology
General Medicine
General Surgery
Elective Orthopaedic 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 and Training
Pharmacy
Environmental
Care Coordination
Clinical Trials
Alcohol and Other Drugs

OUTPATIENT SERVICES

Antenatal
Cardiology
Cardiac and Pulmonary
Rehabilitation
Domiciliary Support
Falls Clinic
Haematology
Oncology
Paediatric
Physical Rehabilitation
Pre-Admission
Stomal and Wound Therapy
Pregnancy Care Clinic

AGED CARE SERVICES

RESIDENTIAL CARE

Maffra–McDonald Wing
Sale – Wilson Lodge
Home Care Packages

COMMUNITY SERVICES

ALLIED HEALTH TO ACUTE AND COMMUNITY SETTINGS

Physiotherapy
Occupational Therapy
Exercise Physiology
Podiatry and Foot Care
Dietetics
Speech Therapy
Social Health
Koorie Liaison
Property Maintenance
Community Rehabilitation
Reception and Service Access

COMMUNITY HEALTH

Community Health Nursing
Respiratory Educator
Maternal and Child Health
Volunteers
Community Dental Program
Health Promotion
Aged Care Residential in Reach
Nursing Support

HOME SUPPORT AND SERVICE COORDINATION

Personal Care
Domestic Support
Respite Care
Delivered Meals
Planned Activity Groups
Community Transport
Care Assessment Services
Carer Respite

HOME NURSING

District Nursing
Diabetes Nurse Consultancy
McGrath Foundation Breast Nurse
Prostate Nurse
Palliative Care
Continence Nurse Consultancy
Co-located Visiting Services
Community Mental Health

SUPPORT SERVICES

FINANCE

Financial and Management
Reporting
Accounts Payable
Accounts Receivable
Fleet Management

HUMAN RESOURCES AND PAYROLL

Payroll
Salary Packaging
Industrial Management
Employee Management
Recruitment and Contract
Management

QUALITY, RISK AND EDUCATION

Health and Safety
Risk Management
Quality Audits
Learning Services / Education
Emergency Management
Legislative Compliance

ENGINEERING

Building Maintenance and
Development

SUPPLY SERVICES

Supply

HOTEL SERVICES

Food Services
Catering
Security
Waste Management
Environmental Services
Accommodation Management

INFORMATION TECHNOLOGY

INFORMATION SERVICES

Medical Records
Business Management
Freedom of Information / Privacy
Library

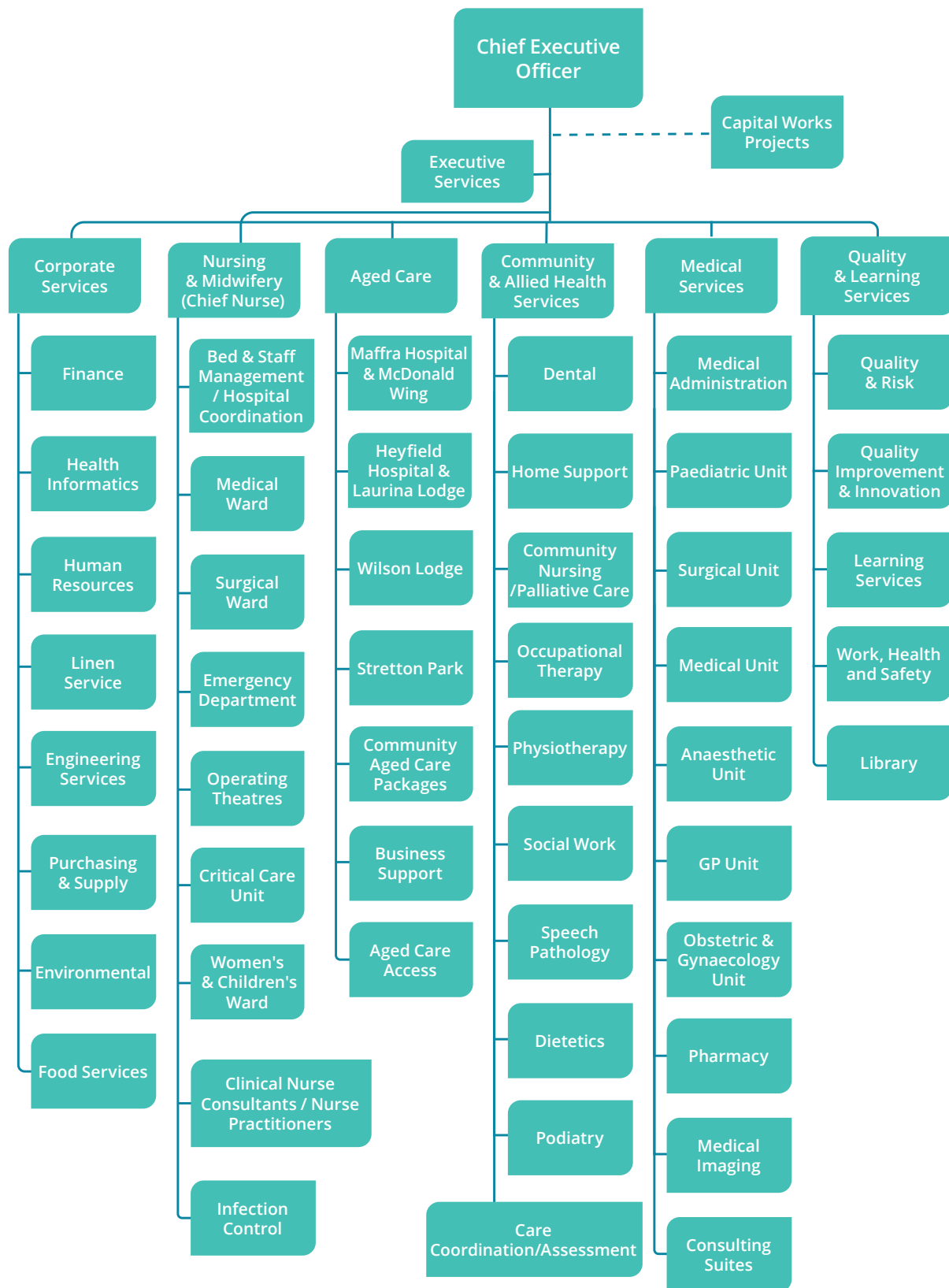
ADMINISTRATION

Strategic Planning
Fundraising
Quality and Risk Management

BUSINESS UNITS

Medical Imaging
Linen Service
Consulting Suites

ORGANISATIONAL STRUCTURE



SUPPORT GROUPS

FRIENDS OF CENTRAL GIPPSLAND HEALTH SERVICE

It is my great pleasure to report on the success of our auxiliary over the 2023/24 financial year, despite our small numbers.

We thank Kelly Morris, CGHS Community Networks and Volunteer Support Officer for her assistance in connecting us with volunteers to help with our Christmas Gift Wrapping Stall and purchasing gifts for patients in hospital on Christmas Day.

We also thank Ritchies IGA for its monthly donation, the Lions Club for its sausage sizzle donation, as well as Muffin Break, the Gippsland Centre, and Roy Gregory for their support.

Our Easter Raffle was popular, and volunteers from the Sale Air Show have made a generous donation to assist with the purchase of a Holter Monitor for the Cardiology department.

It was with great sadness we acknowledged the passing of my husband, Athol Jones, during the year. Athol was a member and office bearer of our auxiliary for several decades, a staunch supporter and advocate of CGHS. Passionate about raising funds for the health service, he will be greatly missed by us all.

Thank you to the community for their ongoing support, and to our office bearers and members for their never-failing effort and commitment to our cause.

Elva Doolan-Jones
President

MAFFRA HOSPITAL AUXILIARY

I am pleased to report on the activities of the Maffra Hospital Auxiliary over the past year.

Due to the hard work of the auxiliary members, and support of our Maffra community, we purchased a new television for the Day Room at Maffra Hospital, as well as sensory displays and kitchen appliances for Diversional Therapy.

We continue to provide individual gifts to each resident at Christmas time and acknowledge their birthdays with chocolates and flowers.

We have been encouraged by the attendance of senior hospital staff at our monthly meetings, enabling productive communication between the auxiliary and management.

We look forward to continuing to support the Maffra Hospital as we move into the years ahead.

Ruth Ralph
President

OUR VOLUNTEERS

Volunteering can be described as a non-health care investment that has huge health benefits. At CGHS, we believe we are truly “Better Together” and our volunteers exemplify this spirit through their unwavering dedication and commitment.

This year, their contributions have been nothing short of remarkable, impacting every facet of our organisation and community.

Key achievements in 2023/24 included:

- The undertaking of a year-long secondary schools volunteering program at Wilson Lodge, in partnership with the Sale and District Specialist School
- Supported visits from Duke of Edinburgh and Community Service students from Sale College and Maffra Secondary
- Reinstatement and expansion of the “Pink Ladies” program within Medical Ward, Surgical Ward, Women’s and Children’s Ward, and Oncology Unit at Sale Hospital
- Strengthened our partnership with the Royal Flying Doctor’s Service Community Transport Team by sharing training and assets and developing relationships between organisations to improve free/low-cost access to medical transport for our community
- Participated in the Wellington Volunteer Expo and Volunteering Victoria State Conference
- A commitment to personal and professional development following a restructure of our onboarding process for volunteers, upskilling alongside the Red Cross, our Learning Services Team, Latrobe Community Health Service and Dementia Australia
- The Volunteers Week Luncheon, which saw a takeover of the cafeteria to celebrate their wonderful contributions to CGHS
- An outstanding number of service hours by our Community Transport Team – more than 1,100 hours of volunteering

As the end of the year draws closer, we bid a heartfelt farewell to Maureen McLeod, a cherished member of our volunteer team since 2011. Maureen has selflessly dedicated her time and energy to our Meals on Wheels program and Oncology Care services. Her unwavering commitment, compassionate spirit and beautifully baked goodies have touched countless lives, tummies and made a lasting impact on our community. Maureen’s retirement marks the end of an era for our volunteer team, but her legacy of generosity and care will continue to inspire us all. We extend our deepest gratitude to Maureen for her incredible contributions and wish her the very best.

Another notable milestone is the return of Deb Sparks to our wards after an enforced COVID break. Deb, our “flower lady”, started with CGHS in 2004 and continues her twice weekly visits, arranging and refreshing bunches of flowers with gusto and skill.

Our thanks are also extended to the Sale Hospital Auxiliary (Friends of CGHS), Maffra Hospital Auxiliary and the Newborn Intensive Care Foundation for their tireless efforts in fundraising, as well as those who volunteer their time to participate in advisory committees and review panels.

We extend our deepest gratitude to all our volunteers for their invaluable contributions, and for embodying our “Better Together” ethos. Their continued support and partnership inspire us all and we look forward to achieving even greater milestones together in the coming year.



Ian Fellows (Royal Flying Doctors Service), Leonie Wright (CGHS Super Volunteer) and Kelly Morris (CGHS Community Networks and Volunteer Support Officer) are pictured at the Wellington Volunteering Expo.

DONATIONS

Clyne Greenvale Trust	\$49,453
Capital Donations	\$237,634
General Donations	\$15,681
Total	\$302,768

AUXILIARY PROVIDES MUCH NEEDED EQUIPMENT

The Central Gippsland Health Service Auxiliary recently raised more than \$12,000 for much needed equipment.

With support from the community, most of the money was raised from Easter and Mother's Day raffles, and gift-wrapping services provided at special times like Mother's Day and Christmas.

This is no mean feat for a small group of nine members all more than 80 years of age.

CGHS provides the auxiliary with a wish list of items and members get to work. From the most recent donation, CGHS purchased:

- One bladder scanner (\$10,710)
- Two baby scales (\$1,322.60)

Of the total amount raised, \$1,000 was donated by Terry Phefley in memory of his wife, Anne, who was a long-standing member of the auxiliary and a former nurse at Wilson Lodge (then Evelyn Wilson Nursing Home).

The CGHS Auxiliary meets on the second Wednesday of every month. Anyone interested in joining this hard-working group is very welcome.



Members of the CGHS Auxiliary Elva Doolan-Jones (President), Verna Pilgrim, Terry Phefley (seated), Margaret Shirreffs, Olive Collins (Secretary), the late Athol Jones (Treasurer), Dale Leckie, Margaret Flint, Shirley Hillbrich celebrating their fundraising efforts with Mandy Pusmucans (CGHS Director of Nursing) and Lisa Watson (CGHS Nurse Unit Manager Medical Ward).

SENIOR MEDICAL AND DENTAL STAFF 2023/24

ANAESTHETIST CONSULTANTS

Dr A Green
Dr H Wassermann, Head of Unit

ANAESTHETISTS GP

Dr J Braga
Dr N Fenner
Dr R Nandha
Dr C O'Kane
Dr R Phair

CARDIOLOGIST S (OUTREACH CONSULTING)

Dr A Wilson
Dr F Gong
Dr A Huang
Dr A Macisaac
Dr K Moneghetti
Dr K Phan
Dr M Ray
Dr S Rowe

DENTISTS

Dr P Dutschke
Dr G Brown
Dr G Steele
Dr A Sharma

DERMATOLOGISTS

Dr F Bhabha
Dr A Gin
Dr J Kern
Dr A Mar
Dr D Orchard

DIRECTOR MEDICAL SERVICES

Dr D Dua

EMERGENCY MEDICINE SENIOR MEDICAL OFFICERS

Dr A Brobbey
Dr S Fernando
Dr R Mahmoud
Dr S Sivabalan
Dr S Adikari
Dr S Fernando
Dr N Warnasooriya
Dr R Wickramasinghe

GASTROENTEROLOGISTS

Dr M Ryan

GENERAL PRACTITIONERS

Dr R Nandha
Dr I Nicolson
Dr C O'Kane

HAEMATOLOGISTS

Dr A Ormerod

IVF/GYNAECOLOGISTS

Dr G Weston

NEPHROLOGISTS

Dr V Roberts
Dr R Wallace
Dr A Ramnarain

NUCLEAR MEDICINE RADIOLOGISTS

Dr R Shafik-Eid
Dr C Chang
Dr D Learmont-Walker

NEUROLOGISTS

Dr A Pattichis
Dr T T-Chandran
Dr J Ray
Dr M Zhong
Dr K Bertram

OBSTETRICIANS & GYNAECOLOGISTS

Dr N Zia, Head of Unit
Dr R Pandian
Dr M Bekbulatov
Dr R Tewari
Dr S Srichrishanthan
Dr S Gupta

OBSTETRICIANS GP

Dr C O'Kane
Dr J Braga
Dr L Neilson

ONCOLOGISTS (MEDICAL)

Dr S Joshi

ONCOLOGISTS (RADIATION)

Dr R Nair

OPHTHALMOLOGISTS

Dr A Amini
Dr T Edwards
Dr D Hickey

ORTHOPAEDIC SURGEONS

Mr P Rehfishch
Mr M Thomas
Mr D Owen

PAEDIATRICIANS

Dr S Rana
Dr S Reid
Dr M Adamji, Head of Unit
Dr D Silva
Dr A Oommen

PAEDIATRIC ENDOCRINOLOGISTS (CONSULTING)

Dr J Brown

PAEDIATRIC SURGEONS

Mr C Kimber

PAIN PHYSICIANS

Dr G Aravinthan

PHYSICIANS

Dr M Cheah
Dr H Connor
Dr J Dai
Dr V Jadhav, Head of Unit
Dr N Uddin
Dr A Sidhu
Dr F Hameed
Dr S Silva

PHYSICIANS (INFECTIOUS DISEASES)

Dr E Paige
Dr D Griffin
Dr A Ashok

I-MED RADIOLOGISTS

Dr S Kapur
Dr B Varghese
Dr H Aw Yeang
Dr R Wijeratne
Dr H Patel
Dr A Tripathi
Dr P Ukwatta
Dr S Tan
Dr H Sivaganabalan
Dr A Patel
Dr U Pandey
Dr A Verma
Dr G Whiteley
Dr A Van

RESPIRATORY AND SLEEP MEDICINE

Dr N Uddin

SURGEONS GENERAL

Mr R Nair, Head of Unit
Mr P Strauss
Mr M Nyandowe
Mr R Furtado
Mr R Bennett
Ms A Young

SURGEONS UPPER GI

Mr S Banting

SURGEONS VASCULAR (CONSULTING)

Mr N Roberts

UROLOGISTS

Mr P McCahy

ACUTE & AGED CARE SERVICES

AS AT 30 JUNE 2024

MEDICAL SERVICES

Director Medical Services	Divyanshu Dua
Director Clinical Training	Masimba Nyandowe
Head of Unit, Medicine	Vittal Jadhav
Addiction Medicine & Mental Health Nurse Practitioner	Teresa Strike (until 7 June 2024)
Clinical Lead, Emergency	Rasha Mahmoud
General Practice Liaison	Yousuf Ahmad
Hospital Medical Officer Manager (acting)	Grace Donahoe
Director of Pharmacy	Aleksandra Florian
Consulting Suites Practice Manager	Melissa Schipper
Medical Imaging Practice Manager	Simon Waixel

SURGICAL SERVICES

Head of Unit, Surgery	Radha Nair
Head of Unit, Anaesthetics	Henry Wassermann

OBSTETRIC/PAEDIATRIC SERVICES

Head of Unit, Obstetrics (Acting)	Divyanshu Dua
Head of Unit, Paediatrics (Acting)	Mustafa Adamji

NURSING SERVICES

Director of Nursing/Chief Nurse	Mandy Pusmucans
Deputy Director of Nursing	Tracy McConnell-Henry
Assistant Directors of Nursing	Leanne Perkins, Janny Steed, Therese Smyth, Caroline Rossetti, Leanne Hearsey, Sue Dobson
Nurse Unit Manager Critical Care, Dialysis, Cardiology, Oncology	Jenny Dennett and Courtney Redaelli
Nurse Unit Manager, Medical	Lisa Watson
Nurse Unit Manager, Emergency	Siobhan Broekhof
Nurse Unit Manager, Surgical	Adele Feist
Nurse Unit Manager, Perioperative Services	Mauricio Yanez
Nurse Unit Manager, Obstetrics and Paediatrics	Kim Costin and Kellie Gartung
Infection Control Clinical Nurse Consultants	Cathy Mowat and Andrea Page
Wound/Stomal Therapy Clinical Nurse Consultant	Ann Payne

AGED CARE SERVICES

Director Aged Care Services	Caron Mallet
Aged Care Services Manager – Wilson Lodge	Lachlan Hardy
Aged Care Services Manager – J.H.F. McDonald Wing Maffra	Tom Breakspear

COMMUNITY & ALLIED HEALTH SERVICES

Director Community & Allied Health Services	Rachel Strauss
Manager, Home Support	Stacey Maxwell
Nurse Unit Manager, Community Nursing & Palliative Care (acting)	Caitlyn Grzymil and Kylee Jerome
Manager, Dietetics	Andrea Schofield
Manager, Speech Pathology	Kath Cook
Manager, Social Health	Patrick Horgan
Manager, Occupational Therapy (acting)	Kath Cook
Manager, Physiotherapy, Exercise Physiology & Podiatry	Jenny McGuinness
Team Leader, Dental	Kelle Gainsforth
McGrath Foundation Breast Care Nurse	Janine Craft
Prostate Nurse	David Murray

CORPORATE SERVICES

Director Corporate Services	Robert Strickland
General Manager Human Resources	Jeff Thompson
General Manager Business Performance & Data Analytics	Aileen Onley
Chief Finance Officer	Emma Brennan
Capital Works Project Manager	David Martin
Food Services Production Manager	Natalie Scott
Environmental Services Manager	Mark Skeen
Linen Service Manager	David Scott
Engineering Manager	Tim Hall
Supply Manager	Frank Requadt
Payroll Manager	Raquel King
ICT Team Leader	Neil Henwood

QUALITY & LEARNING SERVICES

Director Quality & Learning Services	Kelli Mitchener
Manager Workforce Development (acting)	Amy Norden & Laura Lace
Manager Quality and Risk	Julie Bond
Manager Improvement & Innovation	Katrina Hall
Quality Specialist, Aged Care	Astrid Little
Librarian	Helen Ried

STATUTORY COMPLIANCE

Central Gippsland Health Service is a public health service established under the *Health Services Act 1988 (Vic)*.

The responsible Ministers for the period were:

MINISTER FOR HEALTH:

The Hon Mary-Anne Thomas

1 July 2023 to 30 June 2024

MINISTER FOR AMBULANCE SERVICES:

The Hon Gabrielle Williams

1 July 2023 to 2 October 2023

The Hon Mary-Anne Thomas

2 October 2023 to 30 June 2024

MINISTER FOR MENTAL HEALTH:

The Hon Gabrielle Williams

1 July 2023 to 2 October 2023

The Hon Ingrid Stitt

2 October 2023 to 30 June 2024

MINISTER FOR DISABILITY, AGEING AND CARERS:

The Hon Lizzie Blandthorn

1 July 2023 to 2 October 2023

MINISTER FOR DISABILITY/MINISTER FOR CHILDREN:

The Hon Lizzie Blandthorn

2 October 2023 to 30 June 2024

MINISTER FOR AGEING:

The Hon Ingrid Stitt

2 October 2023 to 30 June 2024

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.

LOCAL JOBS FIRST ACT 2003

During the 2023/24 period, CGHS did not engage in any contracts solely under the criteria outlined in Section 9 of the *Local Jobs First Act 2003*. However, both the Radiation Oncology Project and Community Services Project were awarded to a Gippsland contractor, who is committed to maximising local employment opportunities.

OBJECTIVES, FUNCTIONS, POWERS AND DUTIES OF CENTRAL GIPPSLAND HEALTH

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 Service has set other objectives which encompass the shared vision, core values and strategic directions of the organisation.

Social Procurement Framework

The ABN Wash tool has been used to generate direct spend data with social benefit suppliers (i.e., social enterprises, Aboriginal businesses and Australian disability enterprises) for inclusion in this report:

All suppliers		
Number of suppliers		962
Total spent with suppliers		\$46,086,207
Social benefit suppliers		
Number of social benefit suppliers		5
Total spent with social benefit suppliers		\$201,659
Objective: Opportunities for Victorian Aboriginal people		
Outcome: Purchasing from Victorian Aboriginal businesses		
Number of Victorian Aboriginal businesses engaged		3
Total expenditure with Victorian Aboriginal businesses (excl. GST)		\$169,033
Objective: Opportunities for Victorians with disability		
Outcome: Purchasing from Victorian social enterprises and Australian Disability Enterprises		
Number of Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises engaged (Group 1)		2
Total expenditure with Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises (excl. GST) (Group 1)		\$32,626
Number of Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises engaged (Group 2)		
Total expenditure with Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises (excl. GST) (Group 2)		
Objective: Opportunities for disadvantaged Victorians		
Outcome: Purchasing from Victorian social enterprises		
Number of Victorian social enterprises (led by a social mission for one of the five disadvantaged cohorts) engaged (Group 1)		
Total expenditure with Victorian social enterprises (led by a social mission for one of the five disadvantaged cohorts; excl GST) (Group 1)		
Number of Victorian social enterprises (led by a social mission for one of the five disadvantaged cohorts) engaged (Group 2)		
Total expenditure with Victorian social enterprises (led by a social mission for one of the five disadvantaged cohorts; excl GST) (Group 2)		
Objective: Sustainable Victorian social enterprises and Aboriginal business sectors		
Outcome: Purchasing from Victorian social enterprises and Aboriginal businesses		
Number of Victorian social enterprises engaged (Group 1)		
Total expenditure with Victorian social enterprises (excl. GST) (Group 1)		
Number of Victorian social enterprises engaged (Group 2)		3
Total expenditure with Victorian social enterprises (excl. GST) (Group 2)		\$169,033

COMMUNITY DENTAL SERVICES

CGHS has provided vouchers for emergency dental care to ensure timely access to dental services through private dental clinics where we have not been able to meet the immediate need.

This has included access to dental services provided by Ramahyuck District Aboriginal Corporation (RDAC).

RDAC is an Aboriginal community-controlled organisation that delivers a range of health and human services to the Wellington Region.

This relationship provides a culturally safe service to the community's Aboriginal people.

During 2023/24, CGHS funded vouchers worth \$145,295 (exclusive of GST).

GENDER EQUALITY ACT 2020

CGHS is working towards initiatives to support the *Gender Equality Act 2020 (the Act)*—an important milestone for gender equality in Victoria. The reform will improve workplace gender equality in many Victorian public sector organisations and positively impact the communities we serve.

The Act will assist CGHS to break down outdated stereotypes and systemic inequalities through providing greater transparency about the advancement of gender equality within our organisation.

The Act requires CGHS to:

- consider and promote gender equality in the organisation
- conduct gender impact assessments for all new public policies, programs and services developed
- undertake workplace gender audits to assess the state and nature of gender inequality in the workplace
- develop and implement strategies and measures to make reasonable and material progress towards gender equality
- report progress on all of the above

In February 2024, CGHS submitted a Gender Equality Audit to the Gender Equality Commission. This audit has been instrumental in pinpointing current gaps and outlining strategic steps to advance gender equality within the organisation. We are on track to fulfil our action plan by 30 June 2025.

During the year, CGHS had three measurable targets which are listed below with documented progress:

DELIVERABLE	TARGET	PROGRESS
Educate and train staff on sexual harassment within the workplace	Develop and implement an online learning module for the awareness and prevention of sexual harassment at work, to be completed annually by all staff.	Complete
Raise awareness of workplace sexual harassment from leadership level	Develop and implement leadership communications to all staff in relation to the awareness and importance of preventing workplace sexual harassment	Complete
Improve recruitment and onboarding system to ensure collection of gender/intersectionality data	Update recruitment system to collect the following data: • Self-described genders • Aboriginality • Disability • Cultural Identity • Religion • Sexual Orientation	Complete

DETAILS OF CONSULTANCIES (UNDER \$10,000)

In 2023/24, there were two consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2023/24 in relation to these consultancies is \$6,559 (excl. GST).

Consultant	Purpose of consultancy	Start Date	End Date	Total Approved project fee (excluding GST)	Expenditure 2023/24 (excluding GST)	Future expenditure (excluding GST)
Department of Justice and Regulation	Advice to CGH VMO Contracts	1-Dec-23	31-Dec-23	3,359	3,359	–
La Porta Consulting Engineers Pty Ltd	Building Inspection – Linen Building	1-Feb-24	29-Feb-24	3,200	3,200	–

DETAILS OF CONSULTANCIES (VALUED AT \$10,000 OR GREATER)

In 2023/24, there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023/24 in relation to these consultancies is \$268,032 (excl. GST). Details of individual consultancies can be viewed at www.cghs.com.au

Consultant	Purpose of consultancy	Start Date	End Date	Total Approved project fee (excluding GST)	Expenditure 2023/24 (excluding GST)	Future expenditure (excluding GST)
Mactown Consulting Pty Ltd	Work Health Safety Advisory	1-Jul-22	31-Oct-23	As required	12,000	–
Trewhella Susan Maureen	Business System Consultations	1-Jul-22	31-Dec-23	As required	70,296	–
Provider Assist (PA) Pty Ltd	Aged Care an-acc support	1-Jul-23	30-Sep-24	Monthly	185,736	46,434

NATIONAL COMPETITION POLICY

CGHS complies with the National Competition Policy, including compliance with the requirements of the policy statement *Competitive Neutrality Policy Victoria and any subsequent reforms*.

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.

CGHS complies with all government policies regarding competitive neutrality with respect to all tender applications.

An issue raised with a department is only recognised as a “complaint” once Better Regulation Victoria has formally advised it falls within the scope of the Victorian competitive policy framework and warrants further investigation. There were no competitive neutrality complaints at CGHS during the reporting period.

BUILDING ACT 1993 COMPLIANCE

CGHS complies with the building and maintenance provisions of the *Building Act 1993*, including relevant provisions of the *National Construction Code*.

All new work and redevelopment of existing properties is carried out to conform to the above legislation. 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.

CGHS requires building practitioners engaged on building works to be registered and to maintain registration throughout the course of the building works.

Major Works Projects (greater than \$50,000) during the 2023/24 financial year included:

- **Radiation/Oncology**
Funding provided by Fighting Cancer – Regional Cancer Treatment Centres for Radiation Therapy. This funding was shared between Bairnsdale Regional Health Service and Central Gippsland Health Service, with our share being \$3,150,000 for development of a new space to assist in the delivery of local cancer support, keeping patients closer to home and their support networks.
- **Community Services Building**
\$2,732,000 provided by the Regional Health Infrastructure Fund to restore our Community Services Building to its former glory, including replacement of support structures, restoration of roof, gutters and drainage on balconies, and repaint of the building in a heritage colour.

- **Wilson Lodge**
\$570,000 provided by the Rural Residential Aged Care Facilities Renewal Fund for an extension of the existing building to the south for the installation of a café for residents, their families and the wider community to enjoy.
- **Behavioural Assessment Room**
\$190,000 provided through the Health Service Violence Prevention Fund, with the remaining \$500,000 self-funded through donations, etc to build a Behavioural Assessment Room (BAR) in our Emergency Department. A BAR is a secure, ligature proof room that enables the safe management of patients with behavioural disturbance.

Four (4) building permits were issued during the period in relation to the above projects.

CGHS engages an external provider (ASEG) to provide an annual safety measures report in relation to its buildings, and internally manages the scheduling of preventative maintenance using a building management system (FMI).

There were no emergency orders or building orders issued in relation to buildings during the reporting period.

Five yearly fire risk audits were conducted within the 2023/24 financial year and in compliance with Victorian Department of Health and Human Services' *Fire Risk Management Guidelines*.

CGHS 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.

SAFE PATIENT CARE ACT 2015

CGHS has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.

ENVIRONMENTAL PERFORMANCE

CGHS continues to work towards improving its environmental performance, including reducing reliance on gas and replacing gas powered equipment with electrical equivalents and/or new technologies and systems.

During 2023/24, CGHS continued to employ environment-friendly strategies, such as:

- Ongoing upgrades to the carrier Building Management System to improve control of heating/cooling, increasing efficiencies and moving away from fixed speed motors to variable speed drive motors, to reduce power consumption.
- Reducing annual carbon emissions through solar installation, as well as achieving an overall 30 per cent energy saving and investigating further options for installation of solar.
- Investigating potential for solar with Autonomous Vehicle charging, to move from a fossil fueled vehicle fleet to an electric vehicle fleet. A proposal is being considered for additional solar production by roofing over the south staff carpark (this would also provide Electric Vehicle charging). The proposal would require funding to proceed.
- Replacing fluorescent tubes with Light Emitting Diode fittings to reduce carbon emissions and waste to landfill.
- Installing fixtures, fittings and equipment in new buildings, refurbishments and renovations to reduce water usage.
- Returned to mixed air and economy cycle – the Victorian Health Building Authority provided CGHS with funding to improve air quality across bed-based areas.
- Working to remove natural gas from the Sale site – CGHS recently received funding to replace sterilisers that relied on gas fired steam; they are now fully electric. CGHS also self-funded the replacement of steam pots in the kitchen which, once complete, will enable staff to turn off gas fired steam boilers.
- Investigating electrification of domestic hot water, with a fee proposal received for required equipment. This proposal would require funding to proceed.
- CGHS separates its waste into general and recyclable waste (the latter being cardboard, commingled, PVC, medical and trade waste). We continue to work towards maximising the HealthShare Victoria contract to separate waste and recognise value. The total of all waste streams for Sale for the year 2023/24 was 271,811.18 kg. The total of all waste streams for Maffra during the 2023/24 year was 4,338.18 kg.

ENVIRONMENTAL IMPACTS AND ENERGY USAGE

	JUL-23 – JUN-24	JUL-22 – JUN-23	JUL-21 – JUN-22	% CHANGE PREVIOUS TO SELECTED RANGE
ELECTRICITY USE				
Total electricity consumption segmented by source [MWh]				
Purchased	3,587.44	3,596.74	3,544.74	-0.26%
Self-generated	824.73	822.70	835.31	0.25%
Total electricity consumption [MWh]	4,412.17	4,419.44	4,380.05	-0.16%
On site-electricity generated [MWh] segmented by:				
Consumption behind-the-meter				
Solar Electricity	824.73	822.70	835.31	0.25%
Total Consumption behind-the-meter [MWh]	824.73	822.70	835.31	0.25%
Exports				
Total On site-electricity generated [MWh]	824.73	822.70	835.31	0.25%
On-site installed generation capacity [kW converted to MW] segmented by:				
Diesel Generator	0.80	0.80	0.80	0.00%
Solar System	0.92	0.92	0.92	0.00%
Total On-site installed generation capacity [MW]	1.72	1.72	1.72	0.00%
Total electricity offsets segmented by offset type [MWh]				
RPP (Renewable Power Percentage in the grid)	674.44	676.19	658.97	-0.26%
Total electricity offsets [MWh]	674.44	676.19	658.97	-0.26%

	JUL-23 – JUN-24	JUL-22 – JUN-23	JUL-21 – JUN-22	% CHANGE PREVIOUS TO SELECTED RANGE
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STATIONARY ENERGY

Total fuels used in buildings and machinery segmented by fuel type [MJ]

Natural gas	32,724,816.00	34,778,374.30	33,184,748.90	-5.90%
Total fuels used in buildings [MJ]	32,724,816.00	34,778,374.30	33,184,748.90	-5.90%

Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO₂-e]

Natural gas	1,686.31	1,792.13	1,710.01	-5.90%
Greenhouse gas emissions from stationary fuel consumption [Tonnes CO₂-e]	1,686.31	1,792.13	1,710.01	-5.90%

	JUL-23 – JUN-24	JUL-22 – JUN-23	JUL-21 – JUN-22	% CHANGE PREVIOUS TO SELECTED RANGE
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TRANSPORTATION ENERGY

Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]

Non-executive fleet–Diesel	106,369.60	67,534.90		57.50%
Diesel	106,369.60	67,534.90		57.50%
Total energy used in transportation (vehicle fleet) [MJ]	106,369.60	67,534.90		57.50%

Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO₂-e]

Non-executive fleet–Diesel	7.49	4.76		57.50%
Diesel	7.49	4.76		57.50%
Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO₂-e]	7.49	4.76		57.50%

TOTAL ENERGY USE	JUL-23 – JUN-24	JUL-22 – JUN-23	JUL-21 – JUN-22	% CHANGE PREVIOUS TO SELECTED RANGE
Total energy usage from fuels, including stationary fuels and transport fuels (T1) [MJ]				
Total energy usage from stationary fuels [MJ]	32,724,816.00	34,778,374.30	33,184,748.90	-5.90%
Total energy usage from transport [MJ]	106,369.60	67,534.90		57.50%
Total energy usage from fuels, including stationary fuels and transport fuels [MJ]	32,831,185.60	34,845,909.20	33,184,748.90	-5.78%
Total energy usage from electricity [MJ]				
Total energy usage from electricity [MJ]	15,883,803.36	15,910,000.28	15,768,194.32	-0.16%
Total energy usage segmented by renewable and non-renewable sources [MJ]				
Renewable	5,396,999.77	5,396,004.87	5,379,410.29	0.02%
Non-renewable	46,287,009.79	48,321,634.61	46,580,661.03	-4.21%
Units of Stationary Energy used normalised: normaliser				
Energy per unit of Aged Care OBD [MJ]/Aged Care OBD]	2,007.63	2,132.36	2,112.04	-5.85%
Energy per unit of LOS [MJ]/LOS]	1,816.60	1,732.11	1,744.27	4.88%
Energy per unit of bed-day (LOS+Aged Care OBD) [MJ]/OBD]	953.67	955.75	955.31	-0.22%
Energy per unit of Separations [MJ]/Separations]	3,570.75	3,828.14	3,972.16	-6.72%
Energy per unit of floor space [MJ]/m²]	1,650.27	1,720.88	1,661.96	-4.10%

SUSTAINABLE PROCUREMENT	JUL-23 – JUN-24	JUL-22 – JUN-23	JUL-21 – JUN-22	% CHANGE PREVIOUS TO SELECTED RANGE
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WATER USE	JUL-23 – JUN-24	JUL-22 – JUN-23	JUL-21 – JUN-22	% CHANGE PREVIOUS TO SELECTED RANGE
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Total units of metered water consumed by water source (kl)				
Potable water [kL]	50,905.23	31,975.28	39,272.31	59.20%
Total units of water consumed [kl]	50,905.23	31,975.28	39,272.31	59.20%
Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity				
Water per unit of Aged Care OBD [kL/Aged Care OBD]	2.10	1.35	1.69	56.30%
Water per unit of LOS [kL/LOS]	1.90	1.09	1.40	74.11%
Water per unit of bed-day (LOS+Aged Care OBD) [kL/OBD]	1.00	0.60	0.77	65.65%
Water per unit of Separations [kL/Separations]	3.74	2.41	3.19	54.85%
Water per unit of floor space [kL/m ²]	1.73	1.09	1.33	59.20%

WASTE AND RECYCLING	JUL-23 TO JUN-24	JUL-22 TO JUN-23	JUL-21 TO JUN-22	% CHANGE PREVIOUS TO SELECTED RANGE
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Total units of waste disposed of by waste stream and disposal method [kg]				
Landfill (total)				
General waste–skips	163,255.50	335,646.00	212,584.50	-51.36%
Offsite treatment				
Clinical waste–incinerated	1,521.65	1,902.48	1,460.38	-20.02%
Clinical waste–sharps	1,988.79	2,481.44	2,351.97	-19.85%
Clinical waste–treated	10,260.57	15,825.52	22,629.41	-35.16%
Recycling/recovery (disposal)				
Cardboard	36,960.00	71,610.00	54,862.50	-48.39%
Commingled	7,413.12	14,065.92	13,305.60	-47.30%
PVC	1,071.00	191.00	74.00	460.73%
Total units of waste disposed [kg]	222,470.63	441,722.36	307,268.36	-49.64%

Total units of waste disposed of by waste stream and disposal method [%]				
Landfill (total)				
General waste	73.38%	75.99%	69.19%	-3.43%
Offsite treatment				
Clinical waste-incinerated	0.68%	0.43%	0.48%	58.81%
Clinical waste-sharps	0.89%	0.56%	0.77%	59.13%
Clinical waste-treated	4.61%	3.58%	7.36%	28.73%
Recycling/recovery (disposal)				
Cardboard	16.61%	16.21%	17.85%	2.48%
Commingled	3.33%	3.18%	4.33%	4.64%
PVC	0.48%	0.04%	0.02%	1013.35%
Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method				
Total waste to landfill per patient treated [(kg general waste)/PPT]	1.99	4.01	2.65	-50.38%
Total waste to offsite treatment per patient treated [(kg offsite treatment)/PPT]	0.17	0.24	0.33	-30.49%
Total waste recycled and reused per patient treated [(kg recycled and reused)/PPT]	0.55	1.03	0.85	-46.01%
Recycling rate [%]				
Weight of recyclable and organic materials [kg]	45,444.12	85,866.92	68,242.10	-47.08%
Weight of total waste [kg]	222,470.63	441,722.36	307,268.36	-49.64%
Recycling rate [%]	20.43%	19.44%	22.21%	5.08%
Greenhouse gas emissions associated with waste disposal [tonnes CO₂-e]				
tonnes CO ₂ -e	229.49	461.81	310.12	-50.31%

GREENHOUSE GAS EMISSIONS

JUL-23 TO JUN-24
 JUL-22 TO JUN-23
 JUL-21 TO JUN-22
 % CHANGE PREVIOUS TO SELECTED RANGE

Total scope one (direct) greenhouse gas emissions [tonnes CO₂e]				
Carbon Dioxide	1,689.49	1,792.33	1,705.70	-5.74%
Methane	3.27	3.48	3.32	-5.90%
Nitrous Oxide	1.03	1.08	1.00	-3.94%
Total	1,693.80	1,796.88	1,710.01	-5.74%
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO ₂ -e]	1,686.31	1,792.13	1,710.01	-5.90%
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO ₂ -e]	7.49	4.76		57.50%

Medical/Refrigerant gases				
Total scope one (direct) greenhouse gas emissions [tonnes CO ₂ e]	1,693.80	1,796.89	1,710.01	-5.74%
Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO₂e]				
Electricity	2,359.53	2,470.79	2,588.54	-4.50%
Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO ₂ e]	2,359.53	2,470.79	2,588.54	-4.50%
Total Scope Three (Other Indirect) Greenhouse Gas Emissions Associated With Commercial Air Travel And Waste Disposal (Tonnes CO₂e)				
Commercial air travel				
Waste emissions (WR5)	229.49	461.81	310.12	-50.31%
Indirect emissions from Stationary Energy	422.20	457.45	415.54	-7.71%
Indirect emissions from Transport Energy	1.84	1.17		57.59%
Paper emissions				
Any other Scope 3 emissions	85.42	54.16	73.77	57.72%
Total scope three greenhouse gas emissions [tonnes CO ₂ e]	738.96	974.60	799.43	-24.18%
G(Opt) Net greenhouse gas emissions (tonnes CO₂e)				
Gross greenhouse gas emissions [tonnes CO ₂ e]	4,792.29	5,242.27	5,097.98	-8.58%
Any Reduction Measures Offsets purchased				
Any Offsets purchased				
Net greenhouse gas emissions [tonnes CO ₂ e]	4,792.29	5,242.27	5,097.98	-8.58%

NORMALISATION FACTORS	% CHANGE PREVIOUS TO SELECTED RANGE			
	JUL-23 TO JUN-24	JUL-22 TO JUN-23	JUL-21 TO JUN-22	
1000km (Corporate)				
1000km (Non-emergency)				
Aged Care OBD	24,212.00	23,771.00	23,178.00	1.86%
ED Departures	17,371.00	17,328.00	16,657.00	0.25%
FTE	715.00	699.00	694.00	2.29%
LOS	26,758.00	29,264.00	28,065.00	-8.56%
OBD	50,970.00	53,035.00	51,243.00	-3.89%
PPT	81,954.00	83,604.00	80,224.00	-1.97%
Separations	13,613.00	13,241.00	12,324.00	2.81%
Total Area m ²	29,455.00	29,455.00	29,455.00	0.00%

NOTE: Indicators are not reported where data is unavailable or an indicator is not relevant to the organisation's operations.

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

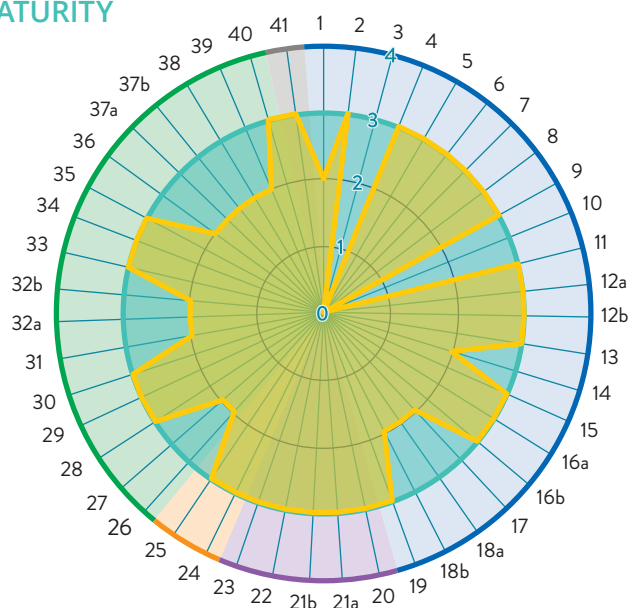
The following sections summarise CGHS's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF).

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

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

COMPLIANCE AND MATURITY RATING TOOL

ASSET MANAGEMENT MATURITY



LEGEND

STATUS

Not Applicable
Innocence
Awareness
Developing
Competence
Optimising
Unassessed

SCALE

N/A
0
1
2
3
4
U/A

Target

Overall



LEADERSHIP AND ACCOUNTABILITY (REQUIREMENTS 1-19)

CGHS has met its target maturity level under most requirements within this category. CGHS did not comply with some requirements in the areas of allocating asset management responsibility and evaluation of asset performance requirements. There is no material non-compliance reported in this category. A plan for improvement is in place to improve CGHS's maturity rating in these areas.

PLANNING

(REQUIREMENTS 20-23)

CGHS has met its target maturity level under all requirements within this category.

ACQUISITION

(REQUIREMENTS 24 AND 25)

CGHS has met its target maturity level under all requirements within this category.

OPERATION

(REQUIREMENTS 26-40)

CGHS has met its target maturity level under most requirements within this category. CGHS has met all the requirements of Asset Valuation, but did not comply with all requirements under Maintenance of Assets and Record Keeping. CGHS has met some of the requirements under Monitoring, Preventative Action and Information Management. There is no material non-compliance reported in this category. CGHS is implementing a plan for improvements that will ensure future compliance and maturity rating within this category.

DISPOSAL

(REQUIREMENT 41)

CGHS has met its target maturity level under all requirements within this category.

FREEDOM OF INFORMATION ACT 1982

During 2023/24, CGHS received 128 Freedom of Information (FOI) applications. Of these requests, all were from the general public.

CGHS made 86 FOI decisions during the 12 months ended 30 June 2024.

There were 70 decisions made within the statutory time periods. Of the decisions made outside time, 12 were made within a further 45 days, and four decisions were made in greater than 45 days. A total of 86 FOI access decisions were made where access to documents was granted in full, granted in part or denied in full. No decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant. Of requests finalised, the average number of days over/under the statutory time (including extended timeframes) to decide the request was 33 days.

During 2023/24, there were no requests subject to a complaint/internal review by the Office of the Victorian Information Commissioner or that progressed to the Victorian Civil and Administrative Tribunal.

CGHS manages all FOI requests in accordance with the *Freedom of Information Act 1982*.

To make an FOI request, contact the FOI Manager at foi.request@cghs.com.au or on (03) 5143 8552.

A fee is levied for this service based on the time involved in retrieving and copying the requested documents.

CGHS's nominated officers under the *Freedom of Information Act 1982* are:

PRINCIPAL OFFICER

Mr Mark Dykgraaf, Chief Executive Officer

FREEDOM OF INFORMATION MANAGER

Ms Aileen Onley, General Manager Business Performance and Data Analytics

PRIVACY

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

PUBLIC INTEREST DISCLOSURE ACT 2012

CGHS complies with the regulations in the Public Interest Disclosure Act 2012 (the Act) which came into operation on 10 February 2013 (amended on 6 April 2020). 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 *Public Interest Disclosure Act 2012*.
- 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.

These procedures, established by the public body under Part 9, are available to all staff on our organisational document management system (PROMPT) and included in our onboarding handbook for all new employees. Members of the public can access information about these CGHS procedures by contacting the Human Resources department at hadmin@cghs.com.au

During the year 2023/24, CGHS reported one disclosure to the Independent Broad-Based Anti-Corruption Commission (IBAC) under Section 21(2). To date, no action has been taken.

VOLUNTEERS NEEDED TO SUPPORT NEW PARENTS

"I felt like Mary Poppins. Being a parent is the hardest job in the world and I was just so happy I could help families who needed it."

Volunteering for the Families Forward program at CGHS was a highlight for Leonne Seymour for eight years. In that time, she supported around 15 families in the program and developed some special connections along the way.

"There are a lot of new parents that don't have their extended family nearby to support them, which is really hard," Leonne said. "Families Forward gives them the support they need and as a volunteer, you get that back in spades."

Families Forward volunteers support families with young children who request additional support and assistance through their Maternal and Child Health nurse. The volunteer may assist in the family's home with simple chores, they may drive the family to appointments, babysit older children while mum bonds with baby or take the family on outings to the park, library or café.

"I don't have any grandkids of my own yet and I use to laugh and say I'm borrowing everyone else's!" Leonne said. "Often, parents just need to talk to someone who can give them tips, tricks and time. As a volunteer, it's a privilege to help a family to thrive and provide companionship and support."

After eight years as a volunteer, Leonne is retiring from the program to pursue other interests, but it's a role she will miss.

"You can commit as little as two hours a week to a family and I encourage anyone who is flexible, non-judgmental, caring and compassionate to register as a volunteer with Families Forward," Leonne said. "The more volunteers we have, the more the load can be shared and the more local families we can support."

If you would like more information about Families Forward, contact Jill Palmer via email at jill.palmer@cghs.com.au or call 5143 8697.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

Details in respect of the items listed below have been retained by CGHS 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 statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates, and levies charged by the entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
 - (i) consultants/contractors engaged;
 - (ii) services provided; and
 - (iii) expenditure committed to for each engagement

YEAR IN REVIEW

ADMITTED SERVICES

2023/24

SEPARATIONS

Same Day	10,326
Multi Day	3,110
Sub-Acute	274
Total Separations	13,710

THEATRE SERVICES

Emergency Surgery	384
Elective Surgery	3341
Total Surgical Occasions	3725

Total Inpatient NWAU (National Weighted Activity Unit)	10,314.81
Bed Days	40,530
Emergency Department Attendances	18,250
Mothers Delivered	315

COMMUNITY SERVICES

Hours delivered by Community Services	123,484
Meals Delivered	10,391
Hours delivered to externally funded community, aged care package clients	8,683
Palliative Care Contacts	11,856
Non-admitted Subacute and Specialist Outpatient Clinic Service Events	20,170

Data Sourced from QLIK, iPM and Carelink and current as of time of report preparation

SUMMARY OF FINANCIAL RESULTS

	2024 \$000	2023 \$000	2022 \$000	2021 \$000	2020 \$000
Operating Result*	-3,968	0	0	0	-705
Total Revenue	141,822	141,812	128,266	117,550	109,722
Total Expenses	149,425	145,174	132,226	121,584	114,486
Net result from transactions	-7,603	-3,362	- 3,960	-4,034	-4,764
Total other economic flows	-415	-199	- 1,589	-30	-56
Net Result	-8,018	-3,561	- 5,549	-4,064	-4,820
Total Assets	112,475	86,261	86,516	88,065	83,370
Total Liabilities	41,363	42,416	41,962	41,633	33,898
Net Assets / Total Equity	71,112	43,845	44,554	46,432	49,472

*The Operating result is the result for which the health service is monitored in its Statement of Priorities.

RECONCILIATION OF NET RESULT FROM TRANSACTIONS AND OPERATING RESULT

	2023/24 \$000
Operating result	(3,968)
Capital purpose income	2,637
Specific income	1,666
COVID-19 State Supply Arrangements – Assets received free of charge or for nil consideration under the State Supply	397
State supply items consumed up to 30 June 2021	(189)
Assets provided free of charge	0
Assets received free of charge	370
Expenditure for capital purpose	(635)
Depreciation and amortisation	(7,790)
Revaluation of non-financial assets	0
Finance costs (other)	(91)
Net result from transactions	(7,603)

A SUMMARY OF SIGNIFICANT CHANGES IN FINANCIAL POSITION DURING THE YEAR

The net financial position for CGHS was a net operating loss after depreciation of \$7.6 million compared to the 2023 operating loss of \$3.4 million (a difference of \$4.2 million). The change in the result was due to an increase in the cost of employee expenses (\$2.1 million increase) and supplies and consumables (\$2.5 million increase). Revenue for the year remained steady from 2023 to 2024 at \$141.8 million, the significant contributor being State and Commonwealth Government Grants; whilst expenses for the year increased from \$145.2 million (2023) to \$149.4 million, the significant contributors being employee expenses (an increase of 2.27%) and supplies and consumables (an increase of 10.90%).

In June 2024, land and building valuations were completed by the Valuer General Victoria. The outcome of the valuation was a \$35.3 million increase in the value of land and buildings. The increase is driven by the cost per metre value of buildings.

More specific disclosures on the changes in the financial result in 2024 compared to 2023 are provided in the financial statements section of this annual report.

THE OPERATIONAL AND BUDGETARY OBJECTIVES OF THE HEALTH SERVICE

During the financial year, operational and budgetary objectives included activities and achievements to deliver a deficit budget position, approved by the Department of Health (The Department), of \$3.968 million.

The 2023/24 operations were influenced by the impact of inflation on supplies and consumables and increases in the cost of non-salaried staff. The Department provided CGHS with support in the form of redirected activity-based funding. The Department supported CGHS to the value of budgeted activity to cover increased costs related to inflationary pressures.

EVENTS SUBSEQUENT TO BALANCE DATE

Nil events.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2023/24 was \$5,641,233 (excluding GST) with the details shown below:

BUSINESS AS USUAL (BAU) ICT EXPENDITURE		NON-BUSINESS AS USUAL (NON-BAU) ICT EXPENDITURE		
TOTAL (EXCLUDING GST)	TOTAL = OPERATIONAL EXPENDITURE AND CAPITAL EXPENDITURE (EXCLUDING GST)	OPERATIONAL EXPENDITURE (EXCLUDING GST)	CAPITAL EXPENDITURE (EXCLUDING GST)	
\$5,626,508	\$14,725	\$0	\$14,725	

DATA INTEGRITY

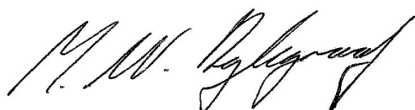
I, Mark Dykgraaf, certify that Central Gippsland Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Central Gippsland Health Service has critically reviewed these controls and processes during the year.



Mark Dykgraaf
Accountable Officer
Central Gippsland Health Service
30 June 2024

INTEGRITY, FRAUD AND CORRUPTION

I, Mark Dykgraaf, certify that Central Gippsland Health Service has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Central Gippsland Health Service during the year.



Mark Dykgraaf
Accountable Officer
Central Gippsland Health Service
30 June 2024

CONFLICT OF INTEREST

I, Mark Dykgraaf, certify that Central Gippsland Health Service has put in place appropriate internal controls and processes to ensure that it has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Central Gippsland Health Service and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Mark Dykgraaf
Chief Executive Officer
Central Gippsland Health Service
30 June 2024

COMPLIANCE WITH HEALTHSHARE VICTORIA (HSV) PURCHASING POLICIES

I, Mark Dykgraaf, certify that Central Gippsland Health Service has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the *Health Services Act 1988 (Vic)* and has critically reviewed these controls and processes during the year, except for the following material non-compliance issues:

HSV PURCHASING POLICY REQUIREMENT	SUMMARY OF ISSUE	ACTIONS TO ADDRESS	TIMEFRAME
HSV Purchasing Policy 1 2.2) e) v) Submit in the form provided, a register of current contracts for the purchasing of goods and services, or the management and disposal of goods in respect of the health services business which are in place at the time of submission	Gaps in meta data for legacy contracts in Jaggaer contract, tender and supplier management database for CGHS contracts. The June 22/23 report to HSV lacked full detail at the time of submission	Address the gaps highlighted in contract recordkeeping and associated reporting to HSV	December 2025
HSV Purchasing Policy 1 2.2) e) vi) Submit approved on-selling arrangements	On-selling arrangements not previously approved by HSV	Ensure that approvals/ exemptions have been submitted to HSV and approval received from HSV for existing on-selling arrangements	Submitted in June 2024 and awaiting HSV response
HSV Purchasing Policy 2 2.2) a) Health services are to understand the complexity of both internal and external factors of procurement activities	Complexity assessments lacked detailed documentation to support assessment done	Carry out and document complexity assessments using HSV guidelines and templates, at a category level, as part of the annual planning process	May 2025
HSV Purchasing Policy 2 2.2) b) Health services are to systematically review market analysis, including the characteristics, capacity and capability of the supply chain	Market analysis lacked detailed documentation to support assessment done	Ensure that appropriate audit trails are maintained for validation of procurement complexity and associated management procedures	May 2025
HSV Purchasing Policy 2 2.2) c) Health services are to assess procurement capability, ascertaining the right match of people, resources, systems, and processes to the complexity of the procurement for the most appropriate value outcomes	Lack of audit trail for assessments of procurement capability and appropriate match to validate procurement complexity and management procedures and to meet HSV requirements	Ensure that appropriate processes are implemented regarding procurement capability assessment, ascertaining the right match of people, resources, systems, and processes to the complexity of the procurement to meet HSV requirements	May 2025

HSV PURCHASING POLICY REQUIREMENT	SUMMARY OF ISSUE	ACTIONS TO ADDRESS	TIMEFRAME
HSV Purchasing Policy 3 2.2) a) Health services implement minimum requirements for engaging and sharing information with potential suppliers in a fair, transparent manner and supporting probity, security, and confidentiality as set out in Part 3: 3.1	Audit trail gaps due to low level of planned procurement in 2023/24	Ensure that appropriate audit trails are maintained for verification of CGHS's market approaches in 2024/25	May 2025
HSV Purchasing Policy 3 2.2) b) Health services implement minimum requirements for evaluation, negotiation and selection that supports fairness, transparency, probity, security, confidentiality, and value for money	Inconsistent outcome for evidence of minimum requirements for evaluation, negotiation and selection that supports fairness, transparency, probity, security, confidentiality, and value for money	Ensure that appropriate audit trails are maintained for verification of CGHS's planned procurements in 2024/25	May 2025
HSV Purchasing Policy 4 2.2) a) Health services implement minimum requirements to effect contract management, including individual procurement and the overarching entity contract management strategy	Inconsistent outcome for evidence of minimum requirements to effect contract management	Ensure that minimum requirements are completed and audit trails are maintained for verification of CGHS's contract management in 2024/25.	May 2025
HSV Purchasing Policy 4 2.2) b) Health services include the following minimum clauses within contracts: i. Transition clause ii. Confidentiality clause iii. Supplier code of conduct	Inconsistent outcome for inclusion of minimum contract terms	Implement minimum clauses for new CGHS purchase contracts executed	June 2025
HSV Purchasing Policy 4 2.2) c) Health services establish and implement processes and mechanisms for the disposal of assets to support a whole of life cycle procurement approach in line with the Department of Treasury and Finance Asset Management Accountability Framework	Inconsistent outcome for evidence of minimum requirements to effect asset disposal controls	Ensure that minimum requirements are completed and audit trails are maintained for verification of CGHS's asset disposals in 2024/25.	June 2025

HSV PURCHASING POLICY REQUIREMENT	SUMMARY OF ISSUE	ACTIONS TO ADDRESS	TIMEFRAME
HSV Purchasing Policy 5 2.2) b) Compliance with HSV collective agreements, supply chain conditions/specifications and HSV approved SPC and SEPC opportunities, including reporting	CGHS reporting to HSV on collective agreements did not include estimated contract spend and off spend details	Implement CGHS reporting of compliance with HSV collective agreements, supply chain conditions/ specifications	To be confirmed (in June 2024 HSV agreed to an exemption as there were no tools developed to analyse and report this data)
HSV Purchasing Policy 5 2.2) e) Refrain from engaging in practices that may subvert HSV's function	There was a lack of audit trails to verify CGHS's procurement practices	Ensure that appropriate audit trails are maintained for verification and that remedial actions are taken to address any compliance deficiencies impacting HSV's function	May 2025
HSV Purchasing Policy 5 2.2) f) Seek approval from HSV to on-sell, and report any on-selling approved arrangements to HSV annually	On-selling arrangements not previously submitted for approval by HSV. On-selling arrangements were not included in the 2022/23-year report to HSV	Ensure that approvals/ exemptions have been submitted to HSV and approval received from HSV for existing on-selling arrangements. Ensure that on-selling arrangements are included in 2023/24 reporting to HSV	Reported in May 2024 Applications for approval were submitted in June 2024 Awaiting response from HSV



Mark Dykgraaf
Accountable Officer
Central Gippsland Health Service
30 June 2024

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Arthur Skipitaris, on behalf of the Responsible Body, certify that Central Gippsland Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Arthur Skipitaris
Responsible Officer
Central Gippsland Health Service
30 June 2024

STATEMENT OF PRIORITIES: PART A

CGHS contributed to the Operational Plan 2023/24 through the following strategic priorities:

1. EXCELLENCE IN CLINICAL GOVERNANCE

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

GOALS	HEALTH SERVICE DELIVERABLES	PROGRESS
		CGH has achieved the necessary deliverables MA2, MA6 and MA11 as follows:
MA2 - Strengthen clinical governance systems that support safe care, including clear recognition, escalation, and addressing clinical risk and preventable harm.	MA2 - Strengthen clinical governance systems that support safe care, including clear recognition, escalation and addressing clinical risk and preventable harm.	MA2 – CGHS has a strong clinical governance system. The Clinical Governance Committee continues to meet monthly against a clear annual agenda of reporting and oversight. Key issues are highlighted and escalated to the Board’s Quality & Safety Committee. The Morbidity & Mortality Committees at CGHS have been redesigned as CGHS continues to strengthen Clinical Governance.
MA6 - Improve access to timely emergency care by implementing strategies that improve whole of system patient flow to reduce emergency department wait times and improve ambulance to health service handover times.	MA6 - Embed internal standards and agreements that support the delivery of patient centred care, through identification of ‘how we do things here’ to support patient flow.	MA6 – There are strong standard processes in place regarding patient flow, with ongoing significant improvements in performance demonstrating that patient flow remains a priority: – The average length of stay for inpatients has reduced by over a day in the last 16 months; – CGHS implemented a Fast Track in the Emergency Department in February 2024 which has seen a material uplift in the National Emergency Access Target (NEAT) performance; and – There has been a reduction in length of stay for joint replacement patients from over five days to just over two days.

CONTINUED

MA11 - Develop strong and effective systems to support early and accurate recognition and management of deterioration of paediatric patients

MA11 - Partner with Safer Care Victoria (SCV) and relevant multidisciplinary groups to establish protocols and auditing processes to manage effective monitoring and escalation of deterioration in paediatric patients via ViCTOR charts.

MA11 - Improve paediatric patient outcomes through implementation of the “ViCTOR track and trigger” observation chart and escalation system, whenever children have observations taken.

MA11 - Implement staff training on the “ViCTOR track and trigger” tool to enhance identification and prompt response to deteriorating paediatric patient conditions.

MA11 - The Victor track and trigger charts and attendant processes have been fully implemented in the Women’s and Children’s Unit at CGHS and are strengthening CGHS’s ability to detect and respond to patient deterioration.

All relevant medical, nursing and midwifery staff have been trained in the use of charts and form part of routine business and care.

2. WORKING TO ACHIEVE LONG TERM FINANCIAL SUSTAINABILITY

Ensure equitable and transparent use of available resources to achieve optimum outcomes

GOALS	HEALTH SERVICE DELIVERABLES	PROGRESS
		CGHS has achieved the necessary deliverables under MB1 and MB2 as follow:
MB1 - Co-operate with and support Department-led reforms that look towards reducing waste and improving efficiency to address financial sustainability, operational and safety performance, and system management.	MB1 - Operational efficiency improvements: Develop and implement strategies to improve operational efficiency, such as reducing waiting times, improving patient flow, and optimising resource allocation	MB1 – Relevant examples of significant operational improvement: – CGHS has significantly reviewed and reformed endoscopic waiting lists such that close to 100% of patients are now within relevant waiting time boundaries, with some minor exceptions; – CGHS has reduced the Occupational Therapy Assessment waiting list from over 200 clients and a nine-month wait, to 8-10 clients with a two-week wait; and – CGHS is now delivering an additional three joint replacements per week within existing resource profile, which has assisted in reducing Latrobe Regional Health waiting lists.
MB2 - Development of a health service financial sustainability plan in partnership with the Department with a goal to achieving long term health service safety and sustainability	MB2 - Financial forecasting and risk management: Develop robust financial forecasting models to project future revenue and expenditure, identify financial risks, and implement risk mitigation strategies to ensure long-term sustainability	MB2 – CGHS has undertaken significant efforts in 2023/24 to contain costs and drive revenue, as we sought to improve the organisation’s financial position. The net effect of these efforts is that CGHS is delivering a financial result that will be \$1.5 million better than budget.

3. IMPROVING EQUITABLE ACCESS TO HEALTHCARE AND WELLBEING

Ensure that Aboriginal people have access to a health, wellbeing and care system that is holistic, culturally safe, accessible, and empowering. Ensure that communities in rural and regional areas have equitable health outcomes irrespective of locality.

GOALS	HEALTH SERVICE DELIVERABLES	PROGRESS
		CGHS has achieved the necessary deliverables under MC2 and MC3 as follows:
MC2 - Strengthen programs that support Aboriginal people to access early intervention and prevention services	MC2 - Alignment of health service operating hours and the availability of hospital Aboriginal Health Liaison Officer workforce.	MC2 - CGHS has continued the work of the Koori Liaison Officer at CGHS, who works closely with local community, and follows up with all Aboriginal and Torres Strait Island people who leave the Emergency Department without being seen or leave against medical advice.
MC3 - Enhance the provision of appropriate and culturally safe services, programs and clinical trials for and as determined by Aboriginal people, embedding the principles of self-determination.	MC3 - Promote a culturally safe welcoming environment with Aboriginal cultural symbols and spaces demonstrating, recognising, celebrating and respecting Aboriginal communities and culture.	MC3 - CGHS has continued to make the organisation a welcoming environment, with further work undertaken to build on the cultural symbols already evident within the organisation. In 2023/24, this included giving all meeting rooms a Gunaikurnai name, as well as the English designation. This is simply the next step in a work program that has continued for much of the last decade. Refer to the Aboriginal Cultural Safety portion of this report for further information.

4. A STRONGER WORKFORCE

There is increased supply of critical roles, which supports safe, high-quality care. Victoria is a world leader in employee experience, with a focus on future roles, capabilities and professional development. The workforce is regenerative and sustainable, bringing a diversity of skills and experience that reflects the people and communities it serves. As a result of a stronger workforce, Victorians receive the right care at the right time closer to home.

GOALS	HEALTH SERVICE DELIVERABLES	PROGRESS
		CGHS has achieved the necessary deliverables under MD1 and MD2 as follows:
MD1 – Improve employee experience across four initial focus areas to assure safe, high-quality care: leadership, health and safety, flexibility, and career development and agility.	MD1 - Deliver programs to improve employee experience across four initial focus areas: leadership, safety and wellbeing, flexibility, and career development and agility.	MD1 – CGHS has continued to embed the deepening leadership mantra across the business with strengthening/establishment of key leadership teams across the business. This has included the Emergency Department Leadership team, Perioperative Leadership Team, and Maternity Services Leadership Team. Each of these teams have been able to lead and drive significant improvements in operational performance. CGHS has continued to strengthen safety and wellbeing within the organisation with the reform of the Work Health Safety Committee and significant areas of work to improve safety for key staff groups. Of particular note is the work underway in the Linen Service which has seen and continues to see significant reform and improvement in how work is conducted in a safe and effective manner. CGHS continued to promote internal career opportunities, with a number of internal appointments to formal leadership roles within the business, and support for more than 40 staff who graduated from a range of post graduate studies in the course of the year.
MD2 – Explore new and contemporary models of care and practice, including future roles and capabilities.	MD2 - Continue to develop team-based nursing care at CGHS; and commence the partnership (employment/ learning model) with Federation University	MD2 – CGHS has implemented team-based nursing care in relevant ward areas. CGHS continues to work with Federation University, and now TAFE, to develop an integrated program of studies and employment for students wishing to work in the nursing profession.

5. MOVING FROM COMPETITION TO COLLABORATION

Share knowledge, information and resources with partner health and wellbeing services and care providers. This will allow patients to experience one health, wellbeing and care system through connected digital health information, evidence and data flows, enabled by advanced interoperable platforms.

GOALS	HEALTH SERVICE DELIVERABLES	PROGRESS
ME1 - Partner with other organisations (for example community health, Aboriginal Community Controlled Health Organisations (ACCHOs), Primary Health Networks (PHNs), general practice, private health) to drive further collaboration and build a more integrated system.	ME1 - Deliver strengthened partnership with general practice through a range of initiatives and meetings.	CGHS has achieved the necessary deliverables under ME1 and ME2 as follows: ME1 – CGHS has implemented a quarterly evening education and dinner session with general practice, steadily strengthening across the course of the year. In addition, CGHS appointed a local general practitioner as GP Liaison Officer, updated our website with a specific page for GP access, and strengthened the relationship directly between one GP practice and the Emergency Department. CGHS also had senior medical staff, consulting suites staff, the Director Medical Services, and Chief Executive Officer visit medical practices throughout the course of the year to discuss issues of shared concern, or present education sessions. This work is developing a stronger partnership between general practice and CGHS to deliver improved care for the community.
ME2 - Engage in integrated planning and service design approaches, while assuring consistent and strong clinical governance, with partners to join up the system to deliver seamless and sustainable care pathways and build sector collaboration.	ME2 - Continue to develop and deliver the integrated surgical services plan	ME2 – CGHS participated in shared surgical work in Gippsland through the Health Services Partnership, including implementation of the live Surgical Dashboard. As noted above, CGHS has increased orthopaedic surgery, and Ophthalmology surgical throughput with the purchase of a new surgical trolley that enables the patient to stay on the same bed from the preoperative stage, through surgery, and postoperatively. This has enabled the delivery of one additional surgical procedure per list.

6. EMPOWERING PEOPLE TO KEEP HEALTHY AND SAFE IN THE COMMUNITY

Support individual health and mental wellbeing by giving people the tools and information they need to stay healthy and well. Work with the local government to respond to health threats and empower the community to proactively respond to health risks.

GOALS	HEALTH SERVICE DELIVERABLES	PROGRESS
		CGHS has achieved the necessary deliverables under EA3 as follows:
EA3 - Deliver collective and collaborative preventative health, mental health and wellbeing services and programs, where all people, sectors and communities have an important role to play in enabling people to live their best lives	EA3 - Embed strategies to ensure implementation of the 'Healthy choices: policy directive for Victorian public health services' to enable staff, visitors and the health service community to have access to healthier options to support their health and wellbeing	An annual submission was lodged with the Healthy Eating Advisory Service to ensure that the food provided through the CGHS Kiosk, Cafeteria and various functions meet the criteria of the Healthy Choices Policy. CGHS passed this assessment and will be required to submit the next assessment in September 2024.

7. CARE CLOSE TO HOME

Primary and community care is accessible and reduces avoidable escalation in acuity of health conditions. When appropriate, hospital care is delivered in the home, including through digital care and connection, to deliver virtual care, telehealth, and other advanced models of care.

GOALS	HEALTH SERVICE DELIVERABLES	PROGRESS
		CGHS achieved the requirements of care closer to home with the full implementation of the Better @ Home Program and Residential in Reach Program. These programs are enabling more effective care of patients with chronic disease, and resulting in fewer patients being transferred from residential aged care facilities to the Emergency Department.
EB3 - Support improved access to services for people managing chronic disease by improving access to home-based and remote service delivery	EB3 - Implement new home-based and virtual remote models of care for patients managing chronic diseases to keep them well in the community	CGHS has also implemented virtual care models including: An expanded cardiology consulting service partnering with St Vincent's Hospital, resulting in cardiologists attending Sale Hospital every fortnight, and providing remote consultation services via telehealth on the alternate week Commencing a trial using HoloLens technology for medical consultations between Sale Hospital and Maffra Hospital, which is a subacute and aged care service site.

LOCAL PRIORITIES

Continue to Strengthen the Provision of Residential Aged Care.	Sub Goal: Continue to implement the recommendations of the Aged Care Royal Commission. Key Deliverable: Work to ensure recommended staffing models are in place in aged care.	CGHS has achieved the local deliverables regarding provision of aged care services as demonstrated by the following: • Fully implementing the recommendations of the Aged Care Royal Commission including recommended staffing models; • Passing Aged Care accreditation at two aged care facilities and in the Community Aged Care program; • Recruiting a geriatrician to work closely with the Aged Care Division; and • Defining a model of Excellence in Care that is now being implemented within the Aged Care Division. The Excellence in Care program focuses on how daily care is delivered by individuals and teams within the Aged Care Division with a specific emphasis on the management of dementia related illnesses. This work is strengthening both the quality and delivery of services to our community.
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STATEMENT OF PRIORITIES

PART B: PERFORMANCE PRIORITIES

HIGH QUALITY AND SAFE CARE

KEY PERFORMANCE INDICATOR	TARGET	ACTUAL
Infection Prevention and Control		
Compliance with the Hand Hygiene Australia program	85%	87%
Percentage of healthcare workers immunised for influenza	94%	94%
Continuing Care		
Average change in the functional independence measure (FIM) score per day of care for rehabilitation separations	≥ 0.645	1.200
Healthcare Associated Infections (HAI's)		
Rate of central line associated blood stream infections (CLABSI) in intensive care units, per 1,000 central line days	Zero	Zero
Patient Experience		
Percentage of patients who reported positive experiences of their hospital stay (Quarter 1)	95%	95%
Percentage of patients who reported positive experiences of their hospital stay (Quarter 2)	95%	99%
Percentage of patients who reported positive experiences of their hospital stay (Quarter 3)	95%	91%
Maternity and Newborn		
Percentage of full-term babies (without congenital anomalies) who are considered in poor condition shortly after birth (Apgar score <7 at 5 minutes)	≤ 1.4%	3.7%
Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation	≤ 28.6%	Campuses with less than 10 singleton births (live and stillborn) with severe FGR born at and beyond 32 weeks gestation are not reported.
Unplanned Readmissions		
Rate of unplanned readmissions to any hospital following a hip replacement procedure	≤6%	6%
Aboriginal Health		
Percentage of Aboriginal admitted patients who left against medical advice	25% reduction in gap based on prior year's annual rate	Not achieved (actual result 3%)
Percentage of Aboriginal emergency department presentations who did not wait to be seen	25% reduction in gap based on prior year's annual rate	Achieved (actual result 7%)

STRONG GOVERNANCE, LEADERSHIP AND CULTURE

KEY PERFORMANCE MEASURE	TARGET	ACTUAL
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	61%

TIMELY ACCESS TO CARE

KEY PERFORMANCE INDICATOR	TARGET	ACTUAL
Emergency Care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	74%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	71%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	55%
Number of patients with a length of stay in the emergency department greater than 24 hours	Zero	15
Mental Health		
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	81%	40%
Specialist Clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	91%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	100%
Home Based Care		
Percentage of admitted bed days delivered at home*	Equal to or better than prior year result	6.3% (better than prior year)
Percentage of admitted episodes delivered at least partly at home*	Equal to or better than prior year result	2.6% (better than prior year)

* New KPI for 2023-24 – previous year comparison not available.

EFFECTIVE FINANCIAL MANAGEMENT

KEY PERFORMANCE INDICATOR	TARGET	ACTUAL
Finance		
Operating result (\$m)	(3.96)	(3.97)
Average number of days to pay trade creditors	60 days	40 days
Average number of days to receive patient fee debtors	60 days	14 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.8
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ \$250,000	Not achieved
Actual number of days available cash, measured on the last day of each month	14 days	17 days

The data included in this annual report was accurate at the time of publication and is subject to validation by official sources from the Department of Health.

STATEMENT OF PRIORITIES

PART C: ACTIVITY AND FUNDING

FUNDING TYPE	2023/24 ACTIVITY ACHIEVEMENT
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU*	11,448
Acute Admitted	
National Bowel Cancer Screening Program NWAU*	45
Acute admitted DVA	88
Acute admitted TAC	12
Other Admitted	7,511
Acute Non-Admitted	
Home Enteral Nutrition NWAU*	7
Subacute/Non-Acute, Admitted & Non-admitted	
Subacute-DVA	10
Aged Care	
Residential Aged Care	24,801
HACC (Home and Community Care)	9,862
Mental Health and Drug Services	
Drug Services	1,003
Primary Health	
Community Health / Primary Care Programs	104,482

The data included in this annual report was accurate at the time of publication and is subject to validation by official sources from the Department of Health.

* National Weighted Activity Unit

DISCLOSURE INDEX

The annual report of 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.

LEGISLATION REQUIREMENT

PAGE REFERENCE

MINISTERIAL DIRECTIONS

REPORT OF OPERATIONS

CHARTER AND PURPOSE

FRD 22 Manner of establishment and the relevant Ministers	32
FRD 22 Purpose, functions, powers and duties	32
FRD 22 Nature and range of services provided	22
FRD 22 Activities, programs and achievements for the reporting period	10, 11, 12, 34
FRD 22 Significant changes in key initiatives and expectations for the future	54-60

MANAGEMENT AND STRUCTURE

FRD 22 Organisational structure	24
FRD 22 Workforce data/employment and conduct principles	19
FRD 22 Occupational Health and Safety	20

FINANCIAL INFORMATION

FRD 22 Summary of the financial results for the year	48
FRD 22 Significant changes in financial position during the year	49
FRD 22 Operational and budgetary objectives and performance against objectives	49
FRD 22 Subsequent events	49
FRD 22 Details of consultancies under \$10,000	35
FRD 22 Details of consultancies over \$10,000	35
FRD 22 Disclosure of ICT expenditure	49
FRD 22 Asset Management Accountability Framework	44

LEGISLATION

FRD 22 Application and operation of Freedom of Information Act 1982	45
FRD 22 Compliance with building and maintenance provisions of Building Act 1993	36
FRD 22 Application and operation of Public Interest Disclosure Act	45
FRD 22 Statement on National Competition Policy	36
FRD 22 Application and operation of Carers Recognition Act 2012	14
FRD 22 Additional information available on request	46
FRD 24 Environmental data reporting	37-43
FRD 25 Local Jobs First Act 2003 disclosures	32
SD 5.1.4 Financial Management Compliance attestation	53
SD 5.2.3 Declaration in Report of Operations	7

ATTESTATIONS

Attestation on Data Integrity	50
Attestation on managing Conflicts of Interest	50
Attestation on Integrity, fraud and corruption	50
Compliance with HealthShare Victoria (HSV) Purchasing Policies	51-53

OTHER REPORTING REQUIREMENTS

Reporting of outcomes from Statement of Priorities 2023-24	54-64
Occupational Violence reporting	20
Asset Management Accountability Framework	44
Gender Equality Act	34
Reporting obligations under the Safe Patient Care Act 2015	37

FINANCIAL REPORT

2023
2024

CONTENTS

Central Gippsland Health Service presents its audited general purpose financial statements for the financial year ended 30 June 2024 in the following structure to provide users with the information about Central Gippsland Health Service's stewardship of the resources entrusted to it.

Table of Contents.....	68-69
Board Member's, Accountable Officer's, and Chief Finance and Accounting Officer's Declaration	70
Auditor-General's Report.....	71-72
Comprehensive Operating Statement.....	73
Balance Sheet.....	74
Statement Changes in Equity	75
Cash Flow Statement.....	76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 1	Basis of Preparation.....	77
Note 1.1	Basis of Preparation of the financial statements.....	77
Note 1.2	Abbreviations and terminology used in the financial statements.....	78
Note 1.3	Joint arrangements.....	78
Note 1.4	Material accounting estimates and judgements.....	78
Note 1.5	Accounting standards issued but not yet effective	79
Note 1.6	Goods and Services Tax (Gst).....	79
Note 1.7	Reporting Entity	79
Note 2	Funding Delivery of our Services.....	80
Note 2.1	Revenue and Income from Transactions	81-84
Note 2.2	Fair value of assets and services received free of charge or for nominal consideration	84-85
Note 2.3	Other Income.....	85
Note 3	The Cost of Delivering our Service.....	86
Note 3.1	Expenses from Transactions	87-88
Note 3.2	Employee Benefits and related on-costs.....	89-91
Note 3.3	Superannuation.....	92
Note 3.4	Other Economic Flows.....	93

Note 4	Key Assets to Support Service Delivery.....	94-95
Note 4.1	Property, Plant and Equipment	96-105
Note 4.2	Depreciation and amortisation.....	106
Note 4.3	Impairment of Assets.....	107
Note 5	Other Assets and Liabilities.....	108-109
Note 5.1	Receivables and contract assets	109-110
Note 5.2	Payables and contract liabilities	111
Note 5.3	Other Liabilities.....	112
Note 6	How we Finance our Operations.....	113-114
Note 6.1	Borrowings	115-117
Note 6.2	Cash and Cash Equivalents	118
Note 6.3	Commitments for Expenditure.....	118
Note 6.4	Non-Cash financing and investing activities.....	118
Note 7	Risks Contingencies and Valuation Uncertainties	119
Note 7.1	Financial Instruments.....	120-122
Note 7.2	Financial risk management objectives and policies	122-126
Note 7.3	Contingent Assets and Contingent Liabilities.....	127
Note 8	Other Disclosures.....	128
Note 8.1	Reconciliation Of Net Result for the Year to Net Cash Inflow from Operating Activities.....	128
Note 8.2	Responsible Persons Disclosures	129-130
Note 8.3	Remuneration of Executives.....	130-131
Note 8.4	Related Parties	131-135
Note 8.5	Remuneration of Auditors	135
Note 8.6	Events Occurring after Balance Sheet Date	136
Note 8.7	Joint arrangements.....	136-137
Note 8.8	Economic Dependency	137
Note 8.9	Equity	137

CENTRAL GIPPSLAND HEALTH SERVICE
FINANCIAL YEAR ENDED 30 JUNE 2024

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

The attached financial statements for the Central Gippsland Health Service have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and the financial position of Central Gippsland Health Service at 30 June 2024.

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 31st October 2024.



ARTHUR SKIPITARIS, Board Chairperson
Sale, Victoria
31-Oct-24



MARK DYKGRAAF, Accountable Officer and Chief Executive Officer
Sale, Victoria
31-Oct-24



EMMA BRENNAN, Chief Financial Officer
Sale, Victoria
31-Oct-24

Independent Auditor's Report

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 2024 - 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 material accounting policy information - 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 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Other Information	The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2024, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.
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 of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
31 October 2024



Dominika Ryan
as delegate for the Auditor-General of Victoria

CENTRAL GIPPSLAND HEALTH SERVICE

COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
Income from Transactions			
Revenue from Operating Activities	2.1	140,611	141,043
Revenue from Non-operating Activities	2.1	1,211	769
Total Income from Transactions		<u>141,822</u>	<u>141,812</u>
Expenses from Transactions			
Employee Expenses	3.1	(93,974)	(91,001)
Supplies and Consumables	3.1	(27,938)	(26,294)
Depreciation	4.2	(7,790)	(7,838)
Operating Expenses	3.1	(3,968)	(3,671)
Other Operating Expenses	3.1	(14,958)	(14,910)
Other Non-Operating Expenses	3.1	(797)	(1,460)
Total Expenses from Transactions		<u>(149,425)</u>	<u>(145,174)</u>
Net Result from transactions - Net Operating Balance		<u>(7,603)</u>	<u>(3,362)</u>
Other Economic Flows included in Net Result			
Net Loss on Sale of non-financial Assets	3.4	(55)	(296)
Net (Loss)/Gain on Financial Instruments at Fair Value	3.4	21	4
Other Losses from Other Economic Flows	3.4	(381)	93
Total Other Economic Flows included in Net Result		<u>(415)</u>	<u>(199)</u>
NET RESULT FOR THE YEAR		<u>(8,018)</u>	<u>(3,561)</u>
Other Comprehensive Income			
Changes in Property, Plant and Equipment Revaluation Surplus	4.1(b)	<u>35,286</u>	<u>-</u>
Total Other Comprehensive Income		<u>35,286</u>	<u>-</u>
COMPREHENSIVE RESULT FOR THE YEAR		<u><u>27,268</u></u>	<u><u>(3,561)</u></u>

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

CENTRAL GIPPSLAND HEALTH SERVICE

BALANCE SHEET AS AT 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	6.2	19,074	26,478
Receivables	5.1	4,612	3,308
Inventories		500	163
Other Assets		743	656
Total Current Assets		<u>24,930</u>	<u>30,605</u>
Non-Current Assets			
Receivables	5.1	-	217
Property, Plant and Equipment	4.1 (a)	87,545	55,439
Total Non-Current Assets		<u>87,545</u>	<u>55,656</u>
TOTAL ASSETS		<u>112,475</u>	<u>86,261</u>
LIABILITIES			
Current Liabilities			
Payables	5.2	9,880	11,243
Borrowings	6.1	1,484	931
Employee Benefits	3.2	20,544	19,674
Other Liabilities	5.3	6,880	7,016
Total Current Liabilities		<u>38,788</u>	<u>38,864</u>
Non-Current Liabilities			
Employee Benefits	3.2	1,094	1,476
Borrowings	6.1	1,481	2,076
Total Non-Current Liabilities		<u>2,575</u>	<u>3,552</u>
TOTAL LIABILITIES		<u>41,363</u>	<u>42,416</u>
NET ASSETS		<u>71,112</u>	<u>43,845</u>
EQUITY			
Property, Plant and Equipment Revaluation Surplus	4.1(f)	97,440	62,154
Restricted Specific Purpose Surplus		1,200	1,200
Contributed Capital		37,148	37,148
Accumulated Deficits		(64,676)	(56,658)
TOTAL EQUITY		<u>71,112</u>	<u>43,845</u>

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 2024

		Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Deficits	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022		62,154	1,200	34,298	(53,097)	44,554
Net result for the year		-	-	-	(3,561)	(3,561)
Receipt of Contributed capital		-	-	2,850	-	2,850
Balance at 30 June 2023		62,154	1,200	37,148	(56,658)	43,844
Net result for the year		-	-	-	(8,018)	(8,018)
Capital Contribution		-	-	-	-	-
Other comprehensive income for the year		35,286	-	-	-	35,286
Balance at 30 June 2024		97,440	1,200	37,148	(64,676)	71,112

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

CENTRAL GIPPSLAND HEALTH SERVICE

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$'000	2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Government Grants (State) - Operating		81,294	86,070
Government Grants (Commonwealth) - Operating		23,642	19,458
Grants - Other Agency		1,943	1,940
Government Grants (State) - Capital		1,689	2,291
Government Grants (Commonwealth) - Capital		948	909
Patient and Resident Fees Received		7,234	6,832
Private Fees Received		5,433	5,551
Donations and Bequests Received		453	934
Interest and investment income received		1,211	769
Other Receipts		16,925	14,739
Total receipts		140,772	139,493
Employee Expenses Paid		(87,425)	(85,157)
Fee for Service Medical Officers		(8,694)	(7,547)
Payments for Supplies and Consumables		(22,694)	(21,421)
Payments for medical indemnity insurance	3.1	(1,667)	(1,571)
Payments for repairs and maintenance		(2,226)	(2,055)
GST paid to ATO		(315)	(30)
Other Payments		(20,543)	(17,702)
Total payments		(143,564)	(135,483)
NET CASH FLOW FROM OPERATING ACTIVITIES	8.1	(2,792)	4,010
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-financial assets		(4,687)	(2,308)
Capital Donations and Bequests Received		248	596
NET CASH FLOW USED IN INVESTING ACTIVITIES		(4,439)	(1,712)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		-	(196)
Payment of lease principal		(42)	(1,013)
Contributions of capital - state government		-	2,850
Receipt of accommodation deposits		2,040	3,843
Repayment of accommodation deposits		(2,175)	(2,032)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		(177)	3,452
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		(7,408)	5,750
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		26,482	20,732
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.2	19,074	26,482

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 2024

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Central Gippsland Health Service for the year ended 30 June 2024. The report provides users with information about Central Gippsland Health Service's stewardship of the resources entrusted to it.

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

Structure

Note 1.1: Basis of preparation of the financial statements

Note 1.2 Abbreviations and terminology used in the financial statements

Note 1.3 Joint arrangements

Note 1.4 Material accounting estimates and judgements

Note 1.5 Accounting standards issued but not yet effective

Note 1.6 Goods and Services Tax (GST)

Note 1.7 Reporting Entity

Note 1.1: Basis of preparation of the financial statements

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

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

Central Gippsland Health Service is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

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

The financial statements have been prepared on a going concern basis (refer to Note 8.8: Economic dependency).

The financial statements are in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding. Prior year amounts have been reclassified for comparative purposes only.

The annual financial statements were authorised for issue by the Board of Central Gippsland Health Service on **31 October 2024**.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1.2 Abbreviations and terminology used in the financial statements

The following table sets out the common abbreviations used throughout the financial statements:

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

Note 1.3 Joint arrangements

Interests in joint arrangements are accounted for by recognising in Central Gippsland Health Service's financial statements, its share of assets and liabilities and any revenue and expenses of such joint arrangements.

Central Gippsland Health Service has the following joint arrangements:

- Member of Gippsland Health Alliance and retains joint control over the arrangement, which it has classified as a joint operation.

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

Note 1.4 Material accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.1: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.1: Right-of-use assets
- Note 4.2: Depreciation and amortisation
- Note 4.3: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Payables
- Note 6.1: Lease liabilities
- Note 4.1(e): Fair value determination

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 1.5 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard has been assessed and does not appear to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Central Gippsland Health Service in future periods.

Note 1.6 Goods and Services Tax (GST)

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

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

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

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

Note 1.7 Reporting Entity

The financial statements include all the controlled activities of the Central Gippsland Health Service.

Central Gippsland Health Service's 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.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 2: Funding delivery of our services

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

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

Structure

2.1 Revenue and Income from Transactions

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

2.3 Other income

Material judgements and estimates

This section contains the following material judgements and estimates:

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 \$'000	2023 \$'000
Note 2.1: Revenue and Income from Transactions			
Operating Activities			
Revenue from contracts with customers			
Government Grants (State) - Operating		65,011	66,819
Government Grants (Commonwealth) - Operating		23,437	19,571
Patient and Resident Fees		7,053	6,923
Commercial Activities *	2.3	10,992	9,819
Total revenue from contracts with customers		106,493	103,132
Other sources of income			
Grants - Other Agency		562	620
Government Grants (State) - Capital		1,689	2,291
Government Grants (State) - Operating		18,400	23,912
Government Grants (Commonwealth) - Capital		948	909
Other Capital purpose income		-	20
Capital Donations	2.2	45	331
Resources received free of charge or for nominal consideration	2.2	397	1,096
Other Revenue from Operating Activities (including non-capital donations)	2.3	12,077	8,732
Total other sources of income		34,118	37,911
Total revenue and income from operating activities		140,611	141,043
Non-Operating Activities			
Other Interest		1,211	769
Total income from non-operating activities		1,211	769
Total revenue and income from transactions		141,822	141,812

* Commercial Activities represent business activities which Central Gippsland Health Service enters into to support their operations

	NOTE	2024 \$'000	2023 \$'000
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Note 2.1 (a): Timing of revenue from contracts with customers

Central Gippsland Health Services disaggregates revenue by the timing of the revenue

Goods and Services transferred to customers:

At a point in time	95,501	93,313
Over time	10,992	9,819
Total revenue from contracts with customers	106,493	103,132

How we recognise revenue and income from transactions

Government operating grants

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

When both these conditions are satisfied, the health service:

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

If a contract liability is recognised, Central Gippsland Health Service recognises revenue in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 2.1: Revenue and Income from Transactions continued

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

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058.

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for Central Gippsland Health Service's goods or services. Central Gippsland Health Services funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

This policy applies to each of Central Gippsland Health Service's revenue streams, with information detailed below relating to the Health Service's significant revenue streams:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.
	The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.
	Revenue is recognised at point in time, which is when a patient is discharged.
Activity Based Funding (ABF) paid as Weighted Ambulatory Service Events (WASE) casemix	WASE funding is activity based funding based on specialist non-admitted levels of activity agreed to, with the Department of Health in the annual Statement of Priorities.
	Revenue is recognised at a point in time, when a patient is provided an ambulatory or non-admitted episode of care event.
	WASE activity is a cost weight that is adjusted for private or public episode of care provided to a patient. Public episodes of care generate public WASE and are paid a public WASE public price; whilst a Medicare Benefits Schedule billable episode of care generates a Medicare Benefits Schedule billable WASE and is paid a private WASE price by the Department of Health.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 2.1: Revenue and Income from Transactions continued

Government grant	Performance obligation
Pharmaceutical Benefits Scheme (PBS) is a subsidy to improving care for patients moving between hospital and community	PBS revenue is a subsidy provided to pharmaceutical product providers to ensure availability of necessary and lifesaving medicines at an affordable price. Thereby improving the way patients get their medication by bringing the Commonwealth's Pharmaceutical Benefits Scheme (PBS) to public hospitals. The key deliverables of PBS are: - provision patients with up to one month's supply of medications rather than the limited supply they previously received - improve continuity of pharmaceutical care - provide access to a group of subsidised chemotherapy drugs for use by day-admitted patients and outpatients, restoring equity between public and private hospital patients and decreasing the financial burden on public hospital pharmacies - improve communication with patients and primary health care providers through the implementation of the Australian Pharmaceutical Advisory Council guidelines on the continuum of pharmaceutical care. The PBS revenue is recognised on receipt of payments that is made to each individual hospital based on medications the hospital has dispensed on a monthly basis.

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Central Gippsland Health Service as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Central Gippsland Health Service which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Victorian Health Building Authority	The Department of Health made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2024, on behalf of Central Gippsland Health Service.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health Hospital Circular.

Capital grants

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

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 2.1: Revenue and Income from Transactions continued

Patient and resident fees

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

Private practice fees

Private practice fees include recoupments from various private practice organisations for the use of hospital facilities. Private practice fees are recognised over time as the performance obligation, the provision of facilities, is provided to customers.

Commercial activities

Revenue from commercial activities includes items such as training and seminar fees, diagnostic imaging, pharmacy services, external catering, Sale Linen Service, regional stores and private practice and other patient activities. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

How we recognise revenue and income from non-operating activities

Interest Income

Interest income is recognised on a time proportionate basis that considers the effective yield of the financial asset, which allocates interest over the relevant period.

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

	2024 \$'000	2023 \$'000
Cash donations and gifts	45	331
Plant and equipment	208	265
Personal Protective Equipment	189	831
Total fair value of services received free of charge or for nominal	442	1,427

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

Donations and bequests

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

Personal protective equipment

Under the State Supply Arrangement, Health Share Victoria supplies personal protective equipment to Central Gippsland Health Service for nil consideration

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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

Contributions of resources

Central Gippsland Health Service may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when Central Gippsland Health Service obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

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

Volunteer Services

Central Gippsland Health Service receives volunteer services from members of the community in the following areas:

- as drivers to facilitate patients attending appointments

Central Gippsland Health Service recognises contributions by volunteers in its financial statements, if the fair value can be reliably measured and the services would have been purchased had they not been donated.

Central Gippsland Health Service greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

2.3 Other income

	2024 \$'000	2023 \$'000
(a) Income from Commercial Activities		
Medical imaging services	5,446	5,409
Linen service	2,957	2,649
Food services	734	684
Other commercial activity including pharmacy and other supply sales	1,855	1,077
Total Income from Commercial Activities	2.1 10,992	9,819
(b) Other Revenue from Operating Activities (including non-capital donations & Rental Income)		
Gippsland Health Alliance revenue	3,304	2,489
Management fees	3,609	3,102
Salaries Recoveries	1,340	1,009
Education	463	490
Salary Packaging	228	252
Rental income - investment properties	250	243
Donations	259	103
Interest	1,211	769
Other minor operating activity revenue	1,413	275
Total Other Revenue from Operating Activities (including non-capital donations & Rental Income)	2.1 12,077	8,732

How we recognise other income

Rental and Lease Income

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature, form or the timing of payments.

Interest Income

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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 Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are disclosed.

Structure

3.1 Expenses from Transactions

3.2 Employee benefits and related on-costs

3.3 Superannuation

3.4 Other Economic Flows

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	Central Gippsland Health Service applies material judgement when classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Central Gippsland Health Service does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Central Gippsland Health Service has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	Central Gippsland Health Service applies material judgement when measuring its employee benefit liabilities. The health service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate: • an inflation rate of 4.45%, reflecting the future wage and salary levels • durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 53.53% and 90.11% • discounting at the rate of 4.455%, as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$'000	2023 \$'000
Note 3.1 : Expenses from Transactions		
Salaries and Wages	73,332	71,170
On-costs	19,063	18,439
Workcover Premium	1,579	1,392
Total Employee Expenses	93,974	91,001
Fee for Service Medical Officer Expenses	2,821	3,645
Drug Supplies	6,311	5,909
Medical and Surgical Supplies (including Prostheses)	6,660	6,381
Diagnostic and Radiology Supplies	1,630	1,543
Other Supplies and Consumables	10,516	8,816
Total Supplies and Consumables	27,938	26,294
Finance Costs	110	110
Fuel, Light, Power and Water	1,632	1,506
Repairs and Maintenance	936	854
Maintenance Contracts	1,290	1,201
Total Operating Expenses	3,968	3,671
Medical Indemnity Insurance	1,667	1,571
Other Expenses	13,291	13,339
Total Other Operating Expenses	14,958	14,910
Depreciation (refer Note 4.2)	7,790	7,838
Total Depreciation	7,790	7,838
Expenditure for Capital Purposes	635	639
Assets and Services Provided Free of Charge or for Nominal Consideration	162	821
Total Other Non-Operating Expenses	797	1,460
Total Expenses from Transactions	149,425	145,174

Note 3.1 : Expenses from Transactions continued

How we recognise expenses from transactions

Expense recognition

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

Employee Expenses

Employee expenses include:

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

Supplies and consumables

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

Finance Costs

Finance costs include:

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

Other Operating Expenses

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

- Fuel, light and power
- Repairs and maintenance
- Other administrative expenses

The Department of Health also makes certain payments on behalf of Central Gippsland Health Service. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue and recording a corresponding expense.

Non-operating Expenses

Non-operating expenses generally represents costs incurred outside normal operations and include things such as:

- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$25,000).
- Other non-operating expenses generally represent expenditure outside the normal operations such as assets and services provided free of charge or for nominal consideration.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$'000	2023 \$'000
Note 3.2 Employee benefits and related on-costs		
Current employee benefits and related on-costs		
<i>Accrued Days Off</i>		
unconditional and expected to be settled wholly within 12 months (i)	156	182
	156	182
<i>Annual Leave</i>		
unconditional and expected to be settled wholly within 12 months (i)	8,333	8,217
unconditional and expected to be settled wholly after 12 months (ii)	-	-
	8,333	8,217
<i>Long service leave</i>		
unconditional and expected to be settled wholly within 12 months (i)	1,398	1,324
unconditional and expected to be settled wholly after 12 months (ii)	8,292	7,854
	9,690	9,178
<i>Provisions related to employee benefit on-costs</i>		
unconditional and expected to be settled within 12 months (i)	903	877
unconditional and expected to be settled after 12 months (ii)	1,462	1,220
	2,365	2,097
Total current employee benefits and related on-costs	20,544	19,674
Non-current employee benefits and related on-costs		
Conditional long service leave	957	1,313
Provisions related to employee benefit on-costs	137	163
Total Non-Current employee benefits and related on-costs	1,094	1,476
Total employee benefits and related on-costs	21,638	21,150
(i) The amounts disclosed are at nominal amounts.		
(ii) The amounts disclosed are discounted to present values.		

	2024 \$'000	2023 \$'000
Note 3.2 (a) Employee benefits and related on-costs		
Current employee benefits and related on-cost		
Unconditional accrued days off	156	182
Unconditional annual leave entitlements	8,333	8,217
Unconditional long service leave entitlements	12,055	11,275
Total current employee benefits and related on-costs	20,544	19,674
Non-current employee benefits and related oncosts		
Conditional long service leave entitlements	1,094	1,476
Total non-current employee benefits and related on-costs	1,094	1,476
Total employee benefits and related oncosts	21,638	21,150
Attributable to:		
Employee benefits	19,136	18,890
Provision for related on-costs	2,502	2,260
Total employee benefits and related on-costs	21,638	21,150

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 3.2 (b) Provision for related on-costs movement schedule	2024 \$'000	2023 \$'000
Carrying amount at start of year	2,260	1,998
Additional provisions recognised	1,493	1,193
Amounts incurred during the year	(870)	(1,024)
Net gain/(loss) arising from revaluation of long service leave liability	(381)	93
Carrying amount at end of year	2,502	2,260

How we recognise employee benefits

Employee Benefits Recognition

Employee benefits are accrued for employees in respect of wages and salaries, accrued-days-off leave, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as sick leave is taken.

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.

Accrued days off and annual leave

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as current liabilities because health services do not have an unconditional right to defer settlement of these liabilities.

Further, annual leave is measured at:

- nominal value under AASB 119 where a component of this current liability is expected to fall due within 12
- present value under AASB 119 where the health service does not expect to settle a component of this current liability within 12 months

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 3.2 Employee Benefits in the Balance Sheet continued

Long Service Leave

The liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where Central Gippsland Health Service does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of this current LSL liability are measure at:

- Nominal value - if Central Gippsland Health Service expects to wholly settle within 12 months; or
- Present value - if Central Gippsland Health Service does not expect to wholly settle within 12 months.

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

Provision for on-Costs Related to Employee Benefits

Provision for on-costs such as workers compensation and superannuation are recognised separately from provisions for employee benefits.

The following assumptions were adopted in measuring present value:

- Wage Inflation Rate	4.45%	4.35%
- On-Cost Factor	11.5%	11.0%

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 3.3: Superannuation

	Paid Contribution for the year		Contribution Outstanding at Year end	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Defined Benefit Plans (i)				
Aware Super	59	69	-	-
Defined Contribution Plans				
Aware Super	3,855	3,622	-	-
Other	4,024	3,859	-	-
Total	7,879	7,481	-	-

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

How we recognise superannuation

Employees of the Central Gippsland Health Service are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans

A defined benefit plan provides benefits based on years of service and final average salary.

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

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

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

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

Defined contribution superannuation plans

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

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 3.4 Other Economic Flows

	2024 \$'000	2023 \$'000
Net gains on sale of non financial assets		
Net loss on disposal of property, plant and equipment	(55)	(296)
Total net gain on sale of non financial assets	<u>(55)</u>	<u>(296)</u>
Net gain/(loss) on financial instruments at fair value		
Other gain from Other Economic Flows	21	4
Total net gain/(loss) on financial instruments at fair value	<u>21</u>	<u>4</u>
Other gain/(losses) from Other Economic Flows		
Net (loss)/gain arising from revaluation of Long Service Liability	(381)	93
Total net (loss) on other economic flows	<u>(381)</u>	<u>93</u>
Total gain/(losses) from Other Economic Flows	<u>(415)</u>	<u>(199)</u>

How we recognise other economic flows

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

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

Net gain/(loss) on non-financial assets

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

- Revaluation gains/(losses) of financial physical assets (Refer Note 4.1: Property, Plant and Equipment including right-of-use assets);
- Net gain/(loss) on disposal of non-financial assets;
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/(loss) on financial instruments at fair value

Net gain/(loss) on financial instruments at fair value includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost; and
- disposals of financial assets and derecognition of financial liabilities.

Other gains/(losses) from other economic flows

Other gains/(losses) include:

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4: Key Assets to support service delivery

Central Gippsland Health Service 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 health service to be utilised for delivery of those outputs.

Structure

4.1 Property, plant and equipment including right-of-use assets

4.2 Depreciation and amortisation

4.3 Impairment of assets

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating useful life of property, plant and equipment	Central Gippsland Health Service assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Central Gippsland Health Service applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires Central Gippsland Health Service to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Key judgements and estimates continued

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4.1: Property, Plant and Equipment including right-of-use assets

(a) Gross carrying amount and accumulated depreciation

	2024 \$'000	2023 \$'000
Land		
Crown Land at Fair Value	4,476	4,956
Freehold Land at Fair Value	790	730
Total Land	5,266	5,686
Buildings		
Buildings at Cost	-	6,914
Less Accumulated Depreciation	-	(297)
Sub-total Buildings at Cost	-	6,617
Buildings at Fair Value	66,649	35,417
Less Accumulated Depreciation	-	(5,716)
Sub-total Buildings at Fair Value	66,649	29,701
Buildings - Right of Use	78	78
Less Accumulated Depreciation	(78)	(62)
Sub-total Buildings Right of Use	-	16
Buildings Under Construction at Cost	3,243	764
Total Buildings	69,892	37,098
Plant and Equipment at fair value	8,279	7,939
Less Accumulated Depreciation	(4,842)	(4,408)
Total Plant & Equipment	3,437	3,531
Motor Vehicles at fair value	770	789
Less Accumulated Depreciation	(555)	(537)
Total Motor Vehicles	215	252
Medical Equipment at fair value	15,037	14,581
Less Accumulated Depreciation	(10,011)	(9,303)
Total Medical Equipment	5,026	5,278
Computers and communication equipment at fair Value	1,528	1,502
Less Accumulated Depreciation	(1,307)	(1,150)
Total Computers and communication equipment	221	352
Right of Use-plant, equipment, furniture and fittings and vehicles	7,624	6,533
Less Accumulated Depreciation	(4,464)	(3,509)
Total Right of Use-plant, equipment, furniture and fittings and vehicles	3,160	3,024
Total plant and equipment	12,059	12,437
Furniture and Fittings at Fair Value	1,650	1,491
Less Accumulated Depreciation	(1,322)	(1,273)
Total Furniture and Fittings	328	218
Total Property, Plant and Equipment	87,545	55,439

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4.1: Property, Plant and Equipment continued

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

	Land	Buildings	Right-of Use Buildings	Plant & Equipment	Motor Vehicles	Medical Equipment	Computers & Communication Equipment	Right of Use Assets - Plant and Equipment	Furniture & Fittings	Linen	Assets under Construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 30 June 2022	5,686	39,417	31	3,758	181	5,505	283	3,979	191	306	2,252	61,589
Additions	-	22	-	221	160	504	212	97	69	-	727	2,012
Disposals	-	-	-	(23)	(38)	(5)	-	-	-	(306)	-	(372)
Revaluations	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation (refer Note 4.2)	-	(5,336)	(15)	(473)	(51)	(726)	(143)	(1,052)	(42)	-	-	(7,838)
Transfer between classes	-	2,215	-	-	-	-	-	-	-	-	(2,215)	-
Balance as at 30 June 2023	5,686	36,318	16	3,483	252	5,278	352	3,024	218	-	764	55,391
Additions	-	-	-	442	-	472	26	1,090	178	-	2,479	4,687
Disposals	-	-	-	-	-	(11)	-	-	(18)	-	-	(29)
Revaluations	(420)	35,706	-	-	-	-	-	-	-	-	-	35,286
Depreciation (refer Note 4.2)	-	(5,375)	(16)	(488)	(37)	(713)	(157)	(954)	(50)	-	-	(7,790)
Balance as at 30 June 2024	5,266	66,649	-	3,437	215	5,026	221	3,160	328	-	3,243	87,545

The Valuer-General Victoria undertook to re-value all of Central Gippsland Health Service's land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined with reference to the amount at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date, under current conditions. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2024.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4.1 (b): Property, Plant and Equipment - Reconciliations of the carrying amounts of each class of asset continued

How we recognise property, plant and equipment

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

Initial Recognition

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

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

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.

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value, with the exception of right-of-use asset arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and impairment losses where applicable.

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

Further information regarding fair value measurement is disclosed below.

Revaluation

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

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

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

An independent valuation of Central Gippsland Health Service's land was performed by the VGV on 30 June 2024. The valuation, which complies with Australian Valuation Standards, was determined with reference to the amount for which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date, under current market conditions.

The model used for the valuation was the current replacement cost method. The method considers the cost to replace the assets, this cost has increased significantly due to a number of factors. Baseline replacement costs increased across the sector. Hospital Groups increased from between 48% and 55%, and aged care increased 113%. Remaining useful life is allocated subject to the condition of the building and improvements made.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4.1 (b): Property, Plant and Equipment - Reconciliations of the carrying amounts of each class of asset continued

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

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

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

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

How we recognise right-of-use assets

Initial recognition

When a contract is entered into, Central Gippsland Health Service assesses if the contract contains or is a lease. Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability.

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

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

Central Gippsland Health Service presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Subsequent measurement

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4.1: Property, Plant and Equipment continued

(c) Fair Value measurement hierarchy for assets

	Carrying Amount as at 30 June 2024	Fair value measurement at end of reporting period using:		
		Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Land at fair value				
Non-specialised	2,050	-	2,050	-
Specialised land				
- Sale	2,800	-	-	2,800
- Maffra	416	-	-	416
Total Land at fair value	5,266	-	2,050	3,216
Buildings at fair value				
Non-specialised buildings	2,941	-	2,941	-
Specialised buildings				
- Sale	54,810	-	-	54,810
- Maffra	8,690	-	-	8,690
- Loch Sport	208	-	-	208
- Assets under construction at fair value	3,243	-	-	3,243
Total of buildings at fair value	69,892	-	2,941	66,951
Plant and equipment at fair value				
Plant and equipment at fair value				
- Vehicles (ii)	215	-	-	215
- Plant and equipment	3,658	-	-	3,658
- Medical equipment	5,026	-	-	5,026
- Right of Use- plant, equipment, furniture and fittings	3,160	-	-	3,160
Total of plant, equipment and vehicles at fair value	12,059	-	-	12,059
Furniture and Fittings at fair value				
Furniture and Fittings at fair value	328	-	-	328
Total furniture and Fittings at fair value	328	-	-	328
Total Assets at fair value	87,545	-	4,991	82,554

(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. In the prior year, there is a transfer between non-specialised land and specialised land to reflect the correct fair value as per the ownership of the land.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4.1 (c): Property, Plant and Equipment - Fair Value measurement hierarchy for assets continued

	Carrying Amount as at 30 June 2023	Fair value measurement at end of reporting period using:		
		Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Land at fair value				
Non-specialised	2,055	-	2,055	-
Specialised land				
- Sale	3,353	-	-	3,353
- Maffra	278	-	-	278
Total Land at fair value	5,686	-	2,055	3,631
Buildings at fair value				
Non-specialised buildings	2,566	-	2,566	-
Specialised buildings				
- Sale	32,299	-	-	32,299
- Maffra	1,385	-	-	1,385
- Loch Sport	84	-	-	84
- Assets under construction at fair value	764	-	-	764
Total of buildings at fair value	37,098	-	2,566	34,532
Plant and equipment at fair value				
Plant and equipment at fair value				
- Vehicles (ii)	252	-	-	252
- Plant and equipment	3,931	-	-	3,931
- Medical equipment	5,278	-	-	5,278
- Right of Use- plant, equipment, furniture and fittings	3,024	-	-	3,024
Total of plant, equipment and vehicles at fair value	12,485	-	-	12,485
Furniture and Fittings at fair value				
Furniture and Fittings at fair value	218	-	-	218
Total medical equipment at fair value	218	-	-	218
Total Assets at fair value	55,487	-	4,621	50,866

(i) Classified in accordance with fair value hierarchy.

(ii) Vehicles are categorised as Level 3 assets if the depreciated replacement cost is used in estimating the fair value.

There is a transfer between non-specialised land and specialised land to reflect the correct fair value as per the ownership of the land.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4.1: Property, Plant and Equipment continued

(d) Reconciliation of Level 3 fair value measurement

There is a transfer between non-specialised land and specialised land to reflect the correct fair value as per the ownership of the land.

30 June 2024	Land \$'000	Building \$'000	Plant & Equipment \$'000	Furniture & Fittings \$'000	Linen \$'000
Opening Balance	3,631	34,532	12,437	218	-
- Additions/(Disposals)	-	2,479	1,971	160	-
- Transfers between levels	-	-	-	-	-
Gains or Losses recognised in net result					
- Depreciation	-	(5,391)	(2,349)	(50)	-
Items recognised in other comprehensive income					
- Revaluation	(415)	35,331	-	-	-
Closing Balance	3,216	66,951	12,059	328	-

30 June 2023	Land \$'000	Building \$'000	Plant & Equipment \$'000	Furniture & Fittings \$'000	Linen \$'000
Opening Balance	3,631	39,118	13,706	191	306
- Additions/(Disposals)	-	656	1,176	69	(306)
Transfers between levels	-	-	-	-	-
Gains or Losses recognised in net result					
- Depreciation	-	(5,242)	(2,445)	(42)	-
Items recognised in other comprehensive income					
- Revaluation	-	-	-	-	-
Closing Balance	3,631	34,532	12,437	218	-

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

(e) Fair value determination of level 3 fair value measurement

Asset Class	Likely Valuation Approach	Significant Inputs (Level 3 only)
Non-specialised land	Market Approach	n.a
Specialised Land (Crown/Freehold)	Market Approach	Community Service Obligations Adjustments (a)
Non- specialised buildings	Market Approach	n.a
Specialised buildings	Depreciated replacement cost approach	• Cost per square metre • Useful Life
Vehicles	Depreciated replacement cost approach	• Useful Life
Plant and equipment	Depreciated replacement cost approach	• Useful Life
Infrastructure	Depreciated replacement cost approach	• Cost per square metre • Useful Life

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4.1 (e): Property, Plant and Equipment - Fair Value Determination continued

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through net result
- Financial assets and liabilities at fair value through other comprehensive income
- Property, plant and equipment
- Right-of-use assets

In addition, the fair value of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure.

Valuation hierarchy

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

Unobservable inputs 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.

How we measure fair value of non-financial physical assets

The fair value measurement of non-financial physical assets considers the market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the same asset in its highest and best use.

Judgements about highest and best use must consider 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.

Central Gippsland Health Service has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Theoretical opportunities that may be available in relation to the asset(s) are not considered until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4.1 (e): Property, Plant and Equipment - Fair Value Determination continued

Non-specialised land, non-specialised buildings

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2024.

Specialised land and specialised buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset(s) are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore unless otherwise disclosed, the current use of these non financial assets will be their highest and best use.

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

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

The CSO adjustment reflects 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 considers 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 Central Gippsland Health Service, the current 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 2024.

Vehicles

The Central Gippsland 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).

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4.1 (e): Property, Plant and Equipment - Fair Value Determination continued

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2024.

	2024 \$'000	2023 \$'000
(f) Revaluation Surplus		
Property, Plant and Equipment		
Balance at the beginning of the reporting period	62,154	62,154
Revaluation Increment		
- Land (refer note 4.1(b))	(420)	-
- Buildings (refer note 4.1 (b))	35,706	-
Balance at the end of the reporting period*	<u>97,440</u>	<u>62,154</u>
 *Represented by:		
- Land	4,816	5,236
- Buildings	92,625	56,918
	<u>97,441</u>	<u>62,154</u>

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4.2: Depreciation and amortisation

	2024	2023
Depreciation		
Buildings	5,375	5,336
Right of Use buildings	-	15
Plant and Equipment	238	252
Motor Vehicles	37	51
Medical equipment	713	726
Computer Equipment	157	143
Other Equipment	250	221
Furniture and Fittings	50	42
Right of use - plant, equipment, furniture, fittings and motor vehicles	970	1,052
Total Depreciation	7,790	7,838

How we recognise depreciation

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

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

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

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

	2024	2023
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.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 4.3 Impairment of assets

How we recognise impairment

At the end of each reporting period, Central Gippsland Health Service reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired. The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on Central Gippsland Health Service which changes the way in which an asset is used or expected to be used.

If such an indication exists, an impairment test is carried out. Assets with indefinite useful lives (and assets not yet available for use) are tested annually for impairment, in addition to where there is an indication that the asset may be impaired.

When performing an impairment test, Central Gippsland Health Service compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

Where an impairment loss on a revalued asset is identified, this is recognised against the asset revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the cumulative balance recorded in the asset revaluation surplus for that class of asset.

Where it is not possible to estimate the recoverable amount of an individual asset, Central Gippsland Health Service estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Central Gippsland Health Service did not record any impairment losses for the year ended 30 June 2024. (30 June 2023: Nil).

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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 Payables

5.3 Other liabilities

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating the provision for expected credit losses	Central Gippsland Health Service uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Classifying a sub-lease arrangement as either an operating lease or finance lease	Central Gippsland Health Service applies material judgement to determine if a sub-lease arrangement, where the health service is a lessor, meets the definition of an operating lease or finance lease. The health service considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if:
	• The lease transfers ownership of the asset to the lessee at the end of the term • The lessee has an option to purchase the asset for a price that is significantly below fair value at the end of The lease term • The lease term is for the majority of the asset's useful life • The present value of lease payments amount to the approximate fair value of the leased asset and • The leased asset is of a specialised nature that only the lessee can use without significant modification.
	All other sub-lease arrangements are classified as an operating lease.
Measuring deferred capital grant income	Where Central Gippsland Health Service has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Central Gippsland Health Service applies material judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 5: Other assets and liabilities continued

Key judgements and estimates	Description
Measuring contract liabilities	Central Gippsland Health Service applies material judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include Central Gippsland Health Service's obligation to restore leased assets to their original condition at the end of a lease term. The health service applies material judgement and estimate to determine the present value of such restoration costs.

Note 5.1: Receivables

	2024 \$'000	2023 \$'000
Current		
Contractual		
Trade Debtors	1,320	1,044
Patient Fees	896	895
Accrued Revenue	1,211	404
Amounts receivable from governments and agencies	383	462
Accrued Revenue - Department of Health	112	130
Less Allowance of Doubtful Debts for:		
Patient Fees	(18)	(21)
	<u>3,904</u>	<u>2,914</u>
Statutory		
GST Receivable	708	394
	<u>708</u>	<u>394</u>
Total Current Receivables	<u>4,612</u>	<u>3,308</u>
Non Current		
Long Service Leave - Department of Health	-	217
	<u>-</u>	<u>217</u>
Total Non-Current Receivables		
	<u>4,612</u>	<u>3,525</u>
Total Receivables		
	<u>4,612</u>	<u>3,525</u>
<i>Financial assets classified as receivables and contract assets (Note 7.2 (a))</i>		
Total Receivables and Contract Assets	4,612	3,525
+ Provision for impairment	18	21
- Contract asset	(112)	(130)
- GST receivable	(708)	(394)
Total Financial Assets	<u>3,810</u>	<u>3,022</u>
(a) Movement in the Allowance for impairment losses of contractual		
Balance at beginning of year	21	28
Reversal of allowance written off during the year as uncollectable	(21)	(28)
	<u>18</u>	<u>21</u>
Increase in allowance recognised in net result	18	21
Balance at end of year	<u>18</u>	<u>21</u>

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 5.1: Receivables continued

How we recognise receivables

Receivables consists of:

- **Contractual receivables**, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as financial assets at amortised cost. They are initially recognised at fair value plus any directly attributable transaction costs. Central Gippsland Health Service holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, including Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. Central Gippsland Health Service applies AASB9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

Central Gippsland Health Service is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Impairment losses of contractual receivables

Refer to Note 7.2 (a) Contractual receivables at amortised costs for Central Gippsland Health Service's contractual impairment losses

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 5.2: Payables

	2024 \$'000	2023 \$'000
Current		
Contractual Payables		
Trade Creditors	1,550	1,957
Accrued Salaries and Wages	2,020	1,479
Accrued Expenses	5,121	5,166
Amounts payable to governments and agencies	-	1,464
State Contract Liabilities	308	-
Other Contract Liabilities	881	1,177
Total Current Contractual Payable	9,880	11,243
<i>Financial liabilities classified as payables and contract liabilities (Note 7.2 (b))</i>		
Total Payables and Contract Liabilities	9,880	11,243
- Deferred grant income	(1,189)	(1,177)
Total Financial Liabilities	8,691	10,066

How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Central Gippsland Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables** including Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 5.3: Other Liabilities

	2024 \$'000	2023 \$'000
Current		
Monies Held in Trust		
- Refundable Accommodation Deposits	6,880	7,016
Total Current	<u>6,880</u>	<u>7,016</u>
Total Other Liabilities	<u>6,880</u>	<u>7,016</u>
* Total monies held in trust represented by the following assets:		
Cash Assets	6,880	7,016
Investments and other financial assets	-	-
	<u>6,880</u>	<u>7,016</u>

How we recognise other liabilities

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to the organisation upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 6: How we finance our operations

This section provides information on the sources of finance utilised by Central Gippsland Health Service during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Central Gippsland Health Service.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.1 provides additional, specific financial instrument disclosures.

Structure

6.1 Borrowings

6.2 Cash and Cash equivalents

6.3 Commitments for expenditure

6.4 Non-cash financing and investing activities

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	Central Gippsland Health Service applies material judgement to determine if a contract is or contains a lease by considering if the health service: • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Central Gippsland Health Service applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 6: How we finance our operations continued

Key judgements and estimates	Description
Discount rate applied to future lease payments	Central Gippsland Health Service discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Central Gippsland Health Service uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. For leased land and buildings, Central Gippsland Health Service estimates the incremental borrowing rate to be between 2.1% and 2.3%. For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 2.1% and 4.6%.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Central Gippsland Health Service is reasonably certain to exercise such options. Central Gippsland Health Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 6.1 Borrowings

	2024 \$'000	2023 \$'000
Current		
Lease Liability (i)	1,484	931
Total Current	<u>1,484</u>	<u>931</u>
Non-Current		
Lease Liability (i)	1,481	2,076
Total Non-Current	<u>1,481</u>	<u>2,076</u>
Total Borrowings	<u>2,965</u>	<u>3,007</u>

(i) Secured by the assets leased.

How we recognise borrowings

Borrowings refer to funds raised through interest bearing lease liabilities. Central Gippsland Health Service leases medical and other equipment essential in running our revenue earning business units.

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 6.1 Borrowings continued

Subsequent measurement

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

Maturity analysis of borrowings

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

Defaults and breaches

During the current and prior year, there were no defaults and breaches of any loans.

Note 6.1 (a): Lease Liabilities

Repayments in relation to leases are payable as follows:

	2024 \$'000	2023 \$'000
Total undiscounted lease liabilities	3,156	3,240
Less unexpired finance expense	(191)	(233)
Net Lease Liabilities	2,965	3,007

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

Not later than one year	1,548	971
Later than 1 year and not later than 5 years	691	1,352
Later than 5 years	917	917
Minimum lease payments	3,156	3,240
Less future finance charges	(191)	(233)
Total	2,965	3,007
* Represented by:		
Current borrowings - lease liability	1,484	931
Non-current borrowings - Lease liability	1,481	2,076
Total	2,965	3,007

Central Gippsland Health Service's leasing activities

Central Gippsland Health Service has entered into leases related to medical equipment, motor vehicles, accommodation properties, and non-medical equipment.

How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for Central Gippsland Health Service to use an asset for a period of time in exchange for payment.

To apply this definition, Central Gippsland Health Service ensures the contract meets the following criteria:

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 6.1 (a): Borrowings - lease liabilities continued

Central Gippsland Health Service's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased plant, equipment, furniture, fittings and vehicles	3 to 7 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000) and short term leases of less than 12 months. Central Gippsland Health Service had no low value, short term and variable lease payments as at 30 June 2024 (2023: none).

Separation of lease and non-lease components

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

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Central Gippsland Health Services incremental borrowing rate. Our lease liability has been discounted by rates of between 2.12% to 2.48%.

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

- fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price of the purchase option for [details of lease], which the health service is reasonably certain to exercise at the completion of the lease and
- payments arising from purchase and termination options reasonably certain to be exercised.

The following types of lease arrangements, contain extension and termination options:

- Finance Leases for Medical Equipment leases
- Operational Leases for Medical Equipment, vehicles, accommodation properties

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the health service and not by the respective lessor.

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

Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was a decrease in recognised lease liabilities and right-of-use assets of \$31,865.

Subsequent measurement

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

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024 \$'000	2023 \$'000
Note 6.2: Cash and cash equivalents		
Cash on Hand	35	35
Cash at Bank - CBS	19,039	26,443
Total cash and cash equivalents *	19,074	26,478
* includes monies held in trust	5.3	6,880
		7,016

How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity of three months or less). Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment purposes and 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. The cash flow statement includes monies held in trust.

Note 6.3: Commitments for Expenditure Capital Expenditure Commitments

Less than 1 year	1,931	2,977
Total Capital Expenditure Commitments	1,931	2,977
Non-Cancellable Operating Lease Commitments		
Less than 1 year	1,484	900
Total Non-cancellable Operating Lease Commitments	1,484	900
TOTAL COMMITMENTS (inclusive of GST)	3,415	3,877
Less GST recoverable from the Australian Tax Office	(310)	(352)
TOTAL COMMITMENTS (exclusive of GST)	3,105	3,525

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

How we recognise expenditure commitments

Expenditure commitments

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

Central Gippsland Health Service has entered into commercial leases on certain medical equipment, computer equipment and property where it is not in the interest of Central Gippsland Health Service to purchase these assets. These leases have an average life between 1 and 20 years with renewal terms included in the contracts. Renewals are at the option of the Health Service. There are no restrictions placed upon the lessee by entering into these leases.

Short-term leases and leases of low value assets

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

Note 6.4: Non-cash financing and investing activities

Acquisition of Plant and Equipment by means of Leases	1,090	97
Acquisition of Plant and Equipment free of charge	397	1,096
TOTAL NON-CASH FINANCING AND INVESTING ACTIVITIES	1,487	1,193

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 7: Risks, contingencies and valuation uncertainties

Central Gippsland Health Service 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 Financial risk management objectives and policies

7.3 Contingent Assets and Contingent Liabilities

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Measuring fair value of non-financial assets	Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use. In determining the highest and best use, Central Gippsland Health Service has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets. Central Gippsland Health Service uses a range of valuation techniques to estimate fair value, which include the following: • Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Central Gippsland Health Service's [specialised land, non-specialised land, non-specialised buildings, investment properties and cultural assets] are measured using this approach. • Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Central Gippsland Health Service's [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach. • Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Central Gippsland Health Service does not use this approach to measure fair value. The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, the health service applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes: • Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Central Gippsland Health Service does not categorise any fair values within this level. • Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Central Gippsland Health Service categorises non-specialised land and right-of-use concessionary land in this level. • Level 3, where inputs are unobservable. Central Gippsland Health Service categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 7.1: Financial Instruments

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

Categorisation of financial instruments

2024		Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	19,074	-	19,074
<u>Receivables</u>				
- Trade Debtors	5.1	1,320	-	1,320
- Other Receivables	5.1	2,490	-	2,490
Total Financial Assets¹		22,884	-	22,884
Financial Liabilities				
Payables	5.2	-	8,691	8,691
Borrowings	6.1	-	2,965	2,965
<u>Other Financial Liabilities</u>				
- Accommodation bonds	5.3	-	6,880	6,880
Loan from DH	6.1	-	-	-
Total Financial Liabilities¹		-	18,536	18,536

2023		Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Costs \$'000	Total \$'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	26,478	-	26,478
<u>Receivables</u>				
- Trade Debtors	5.1	1,044	-	1,044
- Other Receivables	5.1	1,978	-	1,978
Total Financial Assets¹		29,500	-	29,500
Financial Liabilities				
Payables	5.2	-	10,066	10,066
Borrowings	6.1	-	3,007	3,007
<u>Other Financial Liabilities</u>				
- Accommodation bonds	5.3	-	7,016	7,016
Loan from DH	6.1	-	-	-
Total Financial Liabilities¹		-	20,089	20,089

¹ The carrying amount excludes statutory receivables (i.e. GST receivable and DHHS receivable) and statutory payables (i.e. Revenue in Advance and DHHS payable).

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 7.1 : Financial Instruments continued

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Financial assets at amortised cost

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

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

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

Central Gippsland Health Service recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables) and
- term deposits.

Categories of financial liabilities

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

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

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

Central Gippsland Health Service recognises the following liabilities in this category:

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

Financial liabilities at amortised cost

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

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

Central Gippsland Health Service recognises the following assets in this category:

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 7.1 : Financial Instruments continued

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or
- 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
- Central Gippsland Health Service has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where 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 Central Gippsland Health Service's continuing involvement in the asset.

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

As a whole, Central Gippsland Health Service's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

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

Central Gippsland 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 Accountable Officer.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 7.2 (a): Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Central Gippsland 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 Central Gippsland Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

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

In addition, Central Gippsland 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 and deposits, which are mainly cash at bank. As with the policy for debtors, Central Gippsland Health Service's policy is to only deal with banks with high credit ratings.

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

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

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

There has been no material change to Central Gippsland Health Service's credit risk profile in 2023-24.

Impairment of financial assets under AASB 9

Central Gippsland Health Service records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 Financial Instruments 'Expected Credit Loss' approach. Subject to AASB 9, the impairment assessment includes the health service's contractual receivables, statutory receivables and its investment in debt instruments.

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

The credit loss allowance is classified as an other economic flows in the net result.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 7.2 (a): Credit risk continued

Contractual receivables at amortised cost

Central Gippsland Health Service applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Central Gippsland Health Service has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Central Gippsland Health Service's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, Central Gippsland Health Service determines the closing loss allowance at the end of the financial year as follows:

	30-Jun-24	Current	Less than 1 month	1-3 months	3 months · 1 year	1-5 years *	Total
Expected loss rate		1%	1%	1%	1%	5%	9%
Gross carrying amount of contractual receivables (\$,000's)		1,905	76	57	114	1,657	3,810
Loss Allowance		-	2	1	3	12	18

	30-Jun-23	Current	Less than 1 month	1-3 months	3 months · 1 year	1-5 years *	Total
Expected loss rate		1%	1%	1%	1%	5%	9%
Gross carrying amount of contractual receivables (\$,000's)		1,511	60	45	91	1,315	3,022
Loss Allowance		-	2	1	3	15	21

* includes long service leave funding from the Department of Health

Statutory receivables and debt investments at amortised cost

The Central Gippsland Health Service's non-contractual receivables arising from statutory requirements are not financial instruments. However, we have nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

The Central Gippsland Health Service also has no debt investments.

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 7.2 (b): Liquidity risk

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

Central Gippsland Health Service is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet. The health service manages its liquidity risk by:

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

Central Gippsland Health Service's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.

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

2024	Note	Carrying Amount	Maturity Dates*		
			Nominal Amount	3 months - 1 year	1 - 5 years
			\$'000	\$'000	\$'000
Financial Liabilities					
At amortised cost					
Payables	5.2	8,691	8,691	8,691	-
Borrowings	6.1	2,965	2,965	1,484	1,481
- Accommodation Deposits	5.3	6,880	6,880	1,639	5,241
Total Financial Liabilities		18,536	18,536	11,814	6,722

* maturity dates are based upon historical experience

2023	Note	Carrying Amount	Maturity Dates		
			Nominal Amount	3 months - 1 year	1 - 5 years
			\$'000	\$'000	\$'000
Financial Liabilities					
At amortised cost					
Payables	5.2	10,066	10,066	10,066	-
Borrowings	6.1	3,007	3,007	931	2,076
- Accommodation Deposits	5.3	7,016	7,016	1,671	5,345
Total Financial Liabilities		20,089	20,089	12,668	7,421

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 7.2 (c) Market risk

Central Gippsland Health Service's exposures to market risk are primarily through interest rate risk and foreign currency risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 1% up or down and
- a change in the Australian Dollar of 15% up or down.

Interest rate risk

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

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

Note 7.3: Contingent Assets and Contingent Liabilities

Details of maximum estimates for contingent assets or contingent liabilities are included in the following table:

	2024 \$'000	2023 \$'000
Contingent assets		
Quantifiable		
Legal proceedings and disputes	2,520	1,000
Total Quantifiable Contingent Assets	<u>2,520</u>	<u>1,000</u>
Non-quantifiable		
Various medical legal claims (6)		
Contingent liabilities		
Quantifiable		
Legal proceedings and disputes	2,520	1,000
Total Quantifiable Contingent Liabilities	<u>2,520</u>	<u>1,000</u>
Non-quantifiable		
Various medical legal claims (6)		

How we measure and disclose contingent assets and contingent liabilities

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

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 7.3: Contingent Assets and Contingent Liabilities continued

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 8: Other disclosures

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

Structure

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

8.2 Responsible persons disclosure

8.3 Remuneration of Executives

8.4 Related parties

8.5 Remuneration of Auditors

8.6 Events occurring after the Balance Sheet Date

8.7 Joint arrangements

8.8 Economic dependency

8.9 Equity

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

	2024 \$'000	2023 \$'000
Net Result for the Year	(8,018)	(3,561)
Non-Cash Movements:		
Loss/(Gain) on sale or disposal of non-financial assets	55	296
(Gain)/Loss on sale or disposal of Financial instruments	(21)	(4)
Depreciation and amortisation of non-current assets	7,790	7,838
Loss allowance for receivables	18	21
(Gain) / Loss on revaluation of long service leave liability	381	(93)
Assets and services received free of charge	(208)	(265)
Lease Interest Expense	91	97
Cash (inflow) from investing and financing activities	(248)	(596)
Movements in Assets and Liabilities		
(Increase) / Decrease in receivables and contract assets	(1,304)	(335)
Decrease / (Increase) in inventories	(337)	141
(Increase) / Decrease in other assets	(87)	136
Increase / (Decrease) in payables and contract liabilities	(1,363)	(571)
Increase in employee benefits	459	901
Net Cash Inflow from Operating Activities	<u>(2,792)</u>	<u>4,006</u>

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

8.2 Responsible persons disclosure

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.

A caretaker period was enacted during the year ended 30 June 2023 which spanned the time the Legislative Assembly expired, until the Victorian election results were clear or a new government was commissioned. The caretaker period for the 2022 Victorian election commenced at 6pm on Tuesday the 1st of November and new ministers were sworn in on the 5th of December.

Responsible Minister	Period	
The Honourable Mary-Anne Thomas MP:		
Minister for Health	01-Jul-23 -	30-Jun-24
Minister for Health Infrastructure	01-Jul-23 -	30-Jun-24
Minister for Ambulance Services	02-Oct-23 -	30-Jun-24
The Honourable Gabrielle Williams MP:		
Minister for Mental Health	01-Jul-23 -	02-Oct-23
Minister for Ambulance Services	01-Jul-23 -	02-Oct-23
The Honourable Gingrid Stitt MP:		
Minister for Mental Health	02-Oct-23 -	30-Jun-24
Minister for Aging	02-Oct-23 -	30-Jun-24
Minister for Multicultural Affairs	02-Oct-23 -	30-Jun-24
The Honourable Lizzy Blandthorn MP:		
Minister for Disability	02-Oct-23 -	30-Jun-24
Minister for Children	02-Oct-23 -	30-Jun-24
Governing Boards		
Jim Vivian	01-Jul-23 -	30-Jun-24
Claire Miller	01-Jul-23 -	30-Jun-24
Jenny Dempster	01-Jul-23 -	30-Jun-24
Rochelle Wrigglesworth	01-Jul-23 -	30-Jun-24
Abbas Khambati	01-Jul-23 -	30-Jun-24
Glenys Butler	01-Jul-23 -	30-Jun-24
Helen McConachy	01-Jul-23 -	30-Jun-24
Peter 'Gerry' Watts	01-Jul-23 -	30-Jun-24
Lauren Carey (Vice Chairperson)	01-Jul-23 -	30-Jun-24
Arthur Skipitaris (Chairperson)	01-Jul-23 -	30-Jun-24
Accountable Officers		
Mark Dykgraaf (Chief Executive Officer)	01-Jul-23 -	30-Jun-24

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 8.2 Responsible Persons Disclosure continued

Remuneration of Responsible Persons

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

Income band	2024 No.	2023 No.
\$10,000 - \$19,999	10	9
\$20,000 - \$29,999	-	1
\$330,000 - \$339,000	-	1
\$340,000 - \$349,999	1	-
Total Numbers	11	11
	2024 \$'000	2023 \$'000
Total remuneration received or due and receivable by Responsible Persons from reporting entity amounted to:	513	487

Amounts relating to the Governing Board Members and Accountable Officer of Central Gippsland Health Service's controlled entities are disclosed in their own financial statements.

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Note 8.3: Remuneration of Executives

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

	Total Remuneration	
	2024 \$'000	2023 \$'000
Remuneration of Executive Officers (excluding Key Management Personnel Disclosed in Note 8.4)		
Short-term Benefits	1,461	1,411
Post-employment Benefits	141	144
Other long -term benefits	39	22
Termination Benefits	-	57
Total Remuneration i	1,641	1,634
Total Number of Executives	8	8
Total Annualised Employee Equivalent ii	7.9	7.9

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

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 8.3 Remuneration of Executives continued

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

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

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

Termination Benefits

Termination of employment payments, such as severance packages.

Other factors

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated and a number of executive officers resigned in the past year. This has had a significant impact on remuneration figures for the termination benefits category.

Note 8.4 Related parties

The Central Gippsland Health Service is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

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

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

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 8.4 Related parties continued

Key Management Personnel

The Board of Directors and the Executive Directors of Central Gippsland Health Service are deemed to be KMPs. This includes the following:

KMPs	Position Title
Mr Jim Vivian	Board Member
Ms Claire Miller	Board Member
Mr Arthur Skipitaris	Chair of the Board
Ms Jenny Dempster	Board Member
Mr Abbas Khambati	Board Member
Ms Glenys Butler	Board Member
Ms Helen McConachy	Board Member
Ms Lauren Carey	Vice Chair of the Board
Mr Peter 'Gerry' Watts	Board Member
Ms Rochelle Wrigglesworth	Board Member
Mr Mark Dykgraaf	Chief Executive Officer
Ms Amanda Pusmucans	Director of Nursing
Ms Caron Mallet	Director of Aged Care
Ms Rachel Strauss	Director of Community and Allied Health
Dr Divyanshu Dua	Director Medical Services
Ms Kelli Mitchener (from 25/03/2024)	Director Quality & Learning
Ms Katrina Hall (18/09/2023 to 24/03/2024)	Acting Director Quality & Learning
Mr Robert Strickland	Director Corporate Services
Ms Emma Brennan	Chief Financial Officer

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

Compensation - KMPs	2024 \$'000	2023 \$'000
Short-term Employee Benefits	1,917	1,858
Post-employment Benefits	184	184
Other long-term benefits	46	27
Termination Benefits	-	57
Total i	<u>2,147</u>	<u>2,126</u>

i KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 8.4 Related Parties continued

Significant transactions with Government Related Entities

The Central Gippsland Health Service received funding from the Department of Health of \$82M (2023: \$86M).

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

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

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with the Central Gippsland Health Service, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2024 (2023: none).

There were no related party transactions required to be disclosed for the Central Gippsland Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2024 (2023: none).

Except for the transaction listed below, there were no other related party transactions required to be disclosed for the Central Gippsland Health Service Foundation Board of Directors in 2024 (2023: none).

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 8.4 Related Parties continued

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

Entity	Revenue		Expenditure	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Alfred Health	4	8	435	347
Ambulance Victoria	1	2	1,115	1,572
Austin Health	4	-	144	170
Bairnsdale Regional Health Service	957	697	8	4
Barwon Health	-	-	12	12
Country Fire Authority	-	-	18	17
Dental Health Services Victoria	-	-	47	50
Department of Education and Early Childhood Development	-	-	-	57
Department of Environment Land Water & Planning	-	-	-	10
Department of Health & Human Services	-	-	-	12
Eastern Health	45	-	-	-
Federation Training	-	-	12	6
Gippsland Water	-	-	316	245
Gippsland Southern Health Service	328	253	-	-
Holmesglen Institute	40	103	-	-
Latrobe Regional Health Service	2,332	2,153	1,032	1,767
Monash Health	11	-	6	-
Omeo District Health Service	22	16	-	-
Orbost Regional Health Service	57	44	1	-
Peninsula Health	-	-	38	23
Royal Womens Hospital	-	-	-	5
The Royal Childrens Hospital	1	2	15	13
South Gippsland Hospital	-	-	281	253
Tafe Gippsland	28	7	-	-
Transport and Accident Commission	46	41	1	1
Vic Roads	-	-	-	14
Victorian Auditor Generals Office	-	-	55	25
Victorian Managed Insurance Authority	-	-	1,736	1,611
Victoria Police	35	30	-	-
West Gippsland Healthcare	5	4	6	5
Western Health	-	-	21	26
Wodonga TAFE	39	49	-	-
Yarram District Health Service	37	36	19	51
Total	3,992	3,445	5,318	6,296

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 8.4 Related Parties continued

The following related party transactions remain outstanding.

	Receivable		Payable	
	2024	2023	2024	2023
Latrobe Regional Health Service	264	322	8	-
Bairnsdale Regional Health Service	49	63	-	-
Alfred Health	-	1	11	7
Austin Health	-	-	26	-
Gippsland Water	-	-	12	18
The Royal Childrens Hospital	-	1	-	11
Gippsland Southern Health Service	51	23	-	-
Holmesglen Institute	3	14	-	-
Omeo District Health Service	2	5	-	-
Orbost Regional Health Service	4	5	-	-
Transport and Accident Commission	3	7	-	-
Victoria Police	2	4	-	-
Wodonga TAFE	-	14	-	-
Yarram District Health Service	-	3	-	-
Ambulance Victoria	-	-	-	202
Total	377	462	57	238

Joint Partnership Entities Related Party Transactions

Mark Dykgraaf was a member of the Gippsland Health Alliance Steering Committee. He held this position for the full financial year.

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

Note 8.5: Remuneration of Auditors

	2024 \$'000	2023 \$'000
Victorian Auditor-Generals Office		
Audit of financial statements	40	39
	<u>40</u>	<u>39</u>

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 8.6: Events occurring after balance sheet date

On 15 October 2024, Central Gippsland Health Service entered into a contract of sale for the land and buildings at 51 Palmerston Street, Sale. The agreed Sale price is \$498,000, against a valuation of \$582,000. There are no other events occurring after the balance sheet date.

Note 8.7: Joint arrangements

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest (%)	
			2024	2023
Gippsland Health Alliance (GHA)	Information Technology	Australia	12.01	11.85

Central Gippsland Health Service's interest in the above jointly controlled operations are detailed below. The amounts are included in the combined financial statements under the respective categories:

	2024 \$'000 *	2023 \$'000 *
Current Assets		
Cash and cash equivalents	1,642	1,163
Receivables	141	157
Other Current assets	538	408
Total Current Assets	2,321	1,728
Non-Current Assets		
Property, Plant and Equipment	11	89
Total Non-Current Assets	11	89
Share of Total Assets	2,332	1,817
Current Liabilities		
Other Current Liabilities	249	918
Total Current Liabilities	249	918
Share of Total Liabilities	249	918
Net Assets	2,083	899
Operating Revenue		
GHA Revenue	3,304	2,489
Total Operating Revenue	3,304	2,489
Operating Expenses		
GHA Expenses	2,671	2,467
Total Operating Expenses	2,671	2,467
Net Operating Result	633	22
Capital Expenditure		
Depreciation	44	50
Total Capital Expenditure	44	50
Net Result	589	(28)

* Figures obtained from audited Gippsland Health Alliance annual report.

CENTRAL GIPPSLAND HEALTH SERVICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

Note 8.7: Joint arrangements continued

Contingent Liabilities and Capital Commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date.

Note 8.8: Economic dependency

Central Gippsland Health Service is dependent on the DH for the majority of its revenue used to operate the health service. At the date of this report, the Board of Directors believes the DH will continue to support Central Gippsland Health Service.

Note 8.9: Equity

Contributed capital

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

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

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

Financial assets at fair value through comprehensive income revaluation reserve

The financial assets at fair value through other comprehensive income revaluation reserve arises on the revaluation of financial assets (such as equity instruments) measured at fair value through other comprehensive income. Where such a financial asset is sold, that portion of the reserve which relates to that financial asset may be transferred to accumulated surplus/deficit.

Specific restricted purpose reserves

The specific restricted purpose reserve is established where Central Gippsland 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.

Property, plant and equipment revaluation surplus

The property, plant and equipment revaluation surplus arises on the revaluation of infrastructure, land and buildings. The revaluation surplus is not normally transferred to the accumulated surpluses/(deficits) on derecognition of the relevant asset.





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