

**Gippsland Southern
Health Service**



Annual Report 2023-24

Incorporating:

Leongatha Hospital
Korumburra Hospital



Acknowledgement of Country

Gippsland Southern Health Service respectfully acknowledges the Bunurong people of the Kulin nation as the traditional custodians of the land on which GSHS is located and provides its services. We pay our respects to their Elders past, present and emerging, and we extend that respect to our Aboriginal and Torres Strait Islander employees, our consumers and our stakeholders. We recognise the ongoing spiritual link Aboriginal People have to their lands, culture and lore; and acknowledge that their connections build healthier families and communities.

About This Report

This Annual Report outlines Gippsland Southern Health Service (GSHS) activities and performance from 1 July 2023 to 30 June 2024 and provides detailed financial statements about the organisation.

GSHS is a public hospital established under the Health Services Act 1988 (Vic). The incorporation came into effect in 1992 when both Leongatha Memorial Hospital and Korumburra Hospital came together to form Gippsland Southern Health Service.

This report is also available online at <https://www.gshs.com.au/publications>. Printed copies are available by contacting our Executive Assistant team on (03) 5667 5664.

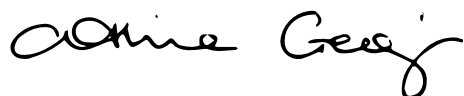
Contents

About This Report	3
Gippsland Southern Health Service – Report of Operations	5
Year In Review	6
Our Services	11
Our History	12
Governance	13
Our People	25
Reporting Requirements	27
Details of individual consultancies	32
Information and Communication Technology (ICT) expenditure	33
Environmental Data Reporting	34
Asset Management Accountability Framework	41
Attestations	43
Financial Report	45
Reporting for outcomes from Statement of Priorities 2023/24	47
Disclosure Index	63
Financial Statements	65
Independent Auditor’s Report – 2023–24	66
Start of Financials	68
Map of Service Locations	145

Gippsland Southern Health Service – Report of Operations

Responsible Bodies declaration

In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for Gippsland Southern Health Service for the year ending 30 June 2024.



Athina Georgiou
CHAIR, BOARD OF DIRECTORS
LEONGATHA
26 September 2024

Year In Review

Board Chair and Chief Executive Officer's Report

Our vision

That the South Gippsland community has access to the care and services that respond to its needs

Our mission

We are building a healthier community in South Gippsland together

Our values

Excellence, Inclusive, Collaboration, Accountability, Respect, Empathy



A message to you from Board Chair Athina Georgiou and Chief Executive Officer Louise Sparkes.

On behalf of the Board of Directors, Executive and the dedicated staff and volunteers of Gippsland Southern Health Service (GSHS) we are pleased to present this year's annual report. The 2023/24 year was an important time where the service worked successfully to increase care provided locally and introduced new services such as Hospital in the Home (HITH), cancer survivorship and workplace models to commence a new era post pandemic.

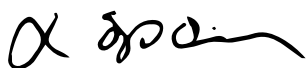
A new Executive leadership team was established, bringing expertise, experience and the development of strong governance across the service. Following an external review, a new medical workforce model was introduced which ensured that there was medical staff presence in the urgent care centre and wards at Leongatha consistently, for our community. This new model also meant the beginnings of a better work life balance for our medical staff engaged or employed directly by GSHS. Key to the success of this change was our ability to work strongly with Leongatha Healthcare who remain a key partner in the delivery of care for the community. The contribution of Leongatha Healthcare to GSHS over many years has been significant and we acknowledge the role that they have played in our service. GSHS continues to also work with Korumburra Medical Centre and we would like to acknowledge the important role that they play in supporting care at our Korumburra campus.

The Victorian Health Sector continued on its journey to reform and GSHS was an active participant in the many consultation sessions that were held. During the year while we eagerly awaited the outcome of the government's decision regarding the reform, GSHS undertook scenario planning to enable readiness and the ability to respond to the final plan once shared. The reform will remain an ongoing feature of health both across the sector and for GSHS for the next few years at least and we look forward to an improved system as a result, for our community in the years ahead.

No financial sustainability payment was received in 2023/24, in line with the responsibility and requirement for a renewed level of financial discipline and accountability. As was always

the expectation prior to the outbreak of COVID, health services will be required to operate within their prescribed budgets. Despite GSHS coming very close to meeting activity targets (98%), unbudgeted costs of agency and locum staff prevented GSHS achieving its budgeted result, with an operating deficit of \$1.9 million recorded.

We would also like to acknowledge our highly skilled staff, our volunteers and contractors for their commitment and professionalism and the Board and Executive for their leadership throughout the year. At the end of the 2023/24 year, we farewelled Bart Ruyter and earlier in the year Belinda Brennan and thanked from for their valued input to the Board and the committees that they led. We have benefited greatly from Bart's experience in finance and audit and Belinda's experience in community engagement. We commend this annual report as an overview of the achievements of Gippsland Southern Health Service for the 2023/24 financial year. We look forward to leading this wonderful service in the future.



Louise Sparkes
Chief Executive Officer
26 September 2024



Athina Georgiou
Board Chair
26 September 2024



Purpose and functions

Gippsland Southern Health Service provides a comprehensive range of Health Services to the community within the South Gippsland Shire. The health-related activities that the organisation provides include:

- District Hospital Services.
- Aged Care Services.
- Day Care facilities for the maintenance of the physical and psychological wellbeing of patients.
- Community Health Services and Health Promotion Programs throughout the Sub Region.
- Liaison and co-operation with other Health Service providers in establishing a planned and co-ordinated approach to the provision of Health Services.
- Diagnostic Services.
- Encouragement for Visiting Medical Specialists to attend the facilities.
- Assistance with the training of Nurses and Allied Health Professionals through clinical placements and provision of ongoing education for all categories of Staff.
- Community Nursing Services in the form of District Nursing, Assessment Services and Allied Health Services, in liaison with the Gippsland Regional Aged Assessment Service and Gippsland Psychiatric Services.
- Purchase resources and acquire property as may assist in the delivery of health services for the community.
- Research activities and Quality Improvement Programs which may enhance care and treatment.
- Resources to facilitate any activity for the economic, social and recreational wellbeing of residents.

Establishment & Responsible Ministers

Gippsland Southern Health Service is established under the Health Services Act 1988 (Vic).

The responsible Minister is the Minister for Health:

Minister for Health:

The Hon Mary-Anne Thomas from 1 July 2023 to 30 June 2024

Minister for Ambulance Services

The Hon Gabrielle Williams from 1 July 2023 to 2 October 2023

The Hon Mary-Anne Thomas from 2 October 2023 to 30 June 2024

Minister for Mental Health

The Hon Gabrielle Williams from 1 July 2023 to 2 October 2023

The Hon Ingrid Stitt from 2 October 2023 to 30 June 2024

Minister for Disability, Ageing and Carers

The Hon Lizzie Blandthorn From 1 July 2023 to 2 October 2023

Minister for Disability/Minister for Children

The Hon Lizzie Blandthorn From 2 October 2023 to 30 June 2024

Minister for Ageing

The Hon Ingrid Stitt from 2 October 2023 to 30 June 2024

Significant Changes in Key Initiatives and Expectations for the future

The health service key initiatives are principally driven by the Statement of Priorities (SoP) that is developed based on Department of Health (DH) guidelines. Achievement against those priorities is disclosed separately in this report.

The expectations for the future are for the achievement of objectives detailed within the organisation's updated Strategic Plan. Each year we will review our performance against the strategic goals outlined in the document and adjust our plan when we need to, ensuring we cater to changes in our external environment and continue to meet the healthcare needs of our community. We are developing metrics of success to provide quantitative and qualitative evidence to measure our performance against each strategic pillar. And finally, we will respond to the needs of our community, staff and care partners by improving our connectedness, remaining informed, and continuing to improve our organisation to build a healthier community in South Gippsland, together.



"We will build a healthier community in South Gippsland, together."

Our Services

Acute Care

- Chemotherapy
- Dermatology
- Ear Nose and Throat
- General Medicine
- General Surgery
- Gynaecology
- Infection Prevention & Control
- Midwifery / Obstetrics including Antenatal & Maternity Enhancement Services
- Operating Theatres
- Ophthalmology
- Orthopaedic Surgery
- Paediatrics
- Palliative Care
- Pharmacy
- Pre-admission Clinic
- Rheumatology
- Specialist Services
- Urology
- Urgent Care

Community Services

- Alcohol & Drug Service
- Allied Health
- Diabetes Education
- District Nursing Service
- Community Allied Health Team
- Community Health Nursing
- Continence Nurse Advisor
- Health Promotion Programs
- Healthy Ageing & Preventing Injury (HAPI)
- Hospital in the Home
- Palliative Care
- Planned Activity Groups
- Post-Acute Care
- Respite Care
- Social Work

Community Services (continued)

- Volunteer Coordination
- Specialist Community Nursing (Stomal, Diabetes, Continence)
- Home Care Packages
- National Disability Insurance Scheme (NDIS)

Residential Care

- Alchera House, Korumburra
- Hillside Lodge, Korumburra
- Koorooman House, Leongatha

Outpatient Care

- Cancer Survivorship
- Cardiac Rehabilitation
- Community Psychiatry
- Dental Care
- Dietitian
- Domiciliary Midwifery
- Occupational Therapy
- Physiotherapy
- Podiatry
- Social Work
- Speech Pathology

Diagnostic Services

- Audiology
- Medical Imaging
- Pathology

Staff Services

- Education & Staff Development
- Staff Health
- Employee Assistance Program

Our History

Leongatha Campus	Korumburra Campus
1891 Leongatha's first resident doctor Dr Michael Carr arrived in the district	1892 First full time doctors commence at Korumburra
1919 Dr Wood was the Woorayl Shire chief medical officer. He set up the rules for fighting the influenza epidemic. Drs Pern and Wood thought it was better to treat those with influenza in their homes	1919 The Influenza pandemic of 1919 brought council to the unexpected role of a health service provider. The Korumburra state school was taken over as an emergency isolation hospital
1919 Dr Horace Pern established St Mary's Hospital in McCartin St	1920 Sister Cross opened a private hospital in Gordan St Korumburra
1921 Sister Janet Potter established her Stradbroke Hospital in Church Street. This ran until the new Woorayl District Memorial Hospital was opened in 1958	1921 Sister Woulsdale, through the effort of Dr Barrett, opened a private hospital in a house in Radovick Street for a short time
	1925–1941 Sister Russell opened a private hospital in Jumbunna Road, known as "Gowan Braes"
	1926 Korumburra received its first fully equipped motor ambulance
	1932 Korumburra Bush Nursing Hospital was opened
1936 Dr Horace Pern died and St Mary's Hospital was run by the Dodd Sisters	1934 A hospital insurance scheme with group and individual membership was implemented and a Hospital Charity Fund was established. The fund was for indigent persons who receive hospital treatment and are not in a position to pay for it
1942 St Mary's became the Leongatha Bush Nursing Hospital and then Woorayl Hospital. This closed when the new Woorayl Memorial Hospital was opened	1951 First triplets are born at Korumburra Hospital
1958 Woorayl District Memorial hospital opened by Governor Sir Dallas Brooks	1961 The Hospital was accepted to the Register of the Hospitals' and Charities Commission on December 11, 1961 – it is now a public hospital
1962 Radiology services commenced	1964 The Matron's flat was completed
1971 Jean McRae Wing opened	1966 Meals on wheels commenced
1972 District Nursing services commenced	1971 District Nursing services commenced
1982 Helipad installed	1979 Nursing home opened
1983 Koorooman House opened	1984 A report by the Health Commission of Victoria – "Plan Lanceout" recommended the Korumburra District Hospital be closed
1986 The Department of Health asked the Boards of Management from the Woorayl (Leongatha), Korumburra and South Gippsland (Foster) Hospitals to merge as a prelude to the possible rationalization of services provided to form an "area health board"	
1992 Amalgamation of Leongatha Memorial Hospital and Korumburra Hospital takes place to form Gippsland Southern Health Service <ul style="list-style-type: none"> • The Korumburra District Hospital was to lose its acute status and become a high-grade assessment and rehabilitation hub with emphasis on geriatric care • Woorayl District Memorial Hospital was to be set up as a base centre offering upgraded surgical, obstetric, paediatric and accident and emergency services 	
1993 Major refurbishment of Leongatha campus	
1995 Hillside Lodge was officially opened at Korumburra	
2000 Chemotherapy services commenced at Leongatha	
2013 New building opens at Leongatha	
2018 Opening of the Integrated Primary Care Centre (IPCC) at Leongatha	

Governance

The Gippsland Southern Health Service (GSHS) Board of Directors is appointed by the Governor-In-Council on the recommendation of the Minister for Health in accordance with the *Health Services Act 1988* (the Act).

Board Functions

The Board's functions are to:

- oversee and manage GSHS
- ensure services provided by the GSHS comply with the Act requirements and the vision, mission and values of GSHS.

Board governance is achieved through:

- strategic planning
- effective Chief Executive Officer management
- service agreements funding
- local policy setting
- regular reviews of the GSHS by-laws and strategic plans.

Board Committee Representation

Board Membership:

Athina Georgiou (Chair), Gwendoline Scheffer (Deputy Chair), Jill Walsh, Jill Linklater, Chris McLoughlin (Deputy Chair), Bart Ruyter (30 June 2024) Rajan Sawant, Tony Peterson, Belinda Brennan (December 2023)

GSHS Sub-Committee Membership

Finance, Audit & Risk Committee (FAR): Bart Ruyter (Chair from 1 July 2023 to 31 January 2024), Rajan Sawant (Chair from 1 February 2024 to present), Athina Georgiou, Gwen Scheffer, Tony Peterson

Clinical Quality & Safety Committee: Jill Linklater (Chair), Athina Georgiou, Chris McLoughlin, Jill Walsh

Board Performance and Executive Remuneration: Athina Georgiou (Chair), Chris McLoughlin, Rajan Sawant, Jill Linklater

Community Advisory Committee: Belinda Brennan (Chair) till December 2023, Gwen Scheffer (Chair from January 2024 to present), Tony Peterson, Athina Georgiou

Board Attendance 2023/24

Directors	Board Meetings Attended / Board Meeting Held
Athina Georgiou	11/11
Gwen Scheffer	10/11
Chris McLoughlin	8/11
Belinda Brennan	5/11
Jill Walsh	10/11
Tony Peterson	11/11
Jill Linklater	11/11
Bart Ruyter	11/11
Rajan Sawant	11/11

Board of Directors



Athina Georgiou **Board Chair**

App Sci (SpPath), MEd (UniMelb), GradDip Bus Leadership, MBus Leadership (RMIT), FACHSM, GAICD

Chair of Board Performance Committee

Chair of Executive Remuneration Committee

Athina Georgiou has enjoyed over 20 years in Senior Executive roles, with the past eight years as a Chief Executive in public health and the not-for-profit arenas. She has an extensive background in policy formulation, organisational change management and professional mentoring, with a particular interest in the professional fields of Allied Health. In addition, she has extensive experience in working with governing boards and being accountable for key financial, clinical and human resource performance. She joined the Gippsland Southern Board in July 2017 and was a member of the Clinical Governance & Quality Improvement Committee until 2019. In 2019, she joined the Audit & Finance Committee and has since been appointed Chair. Athina has a Master's Degree in Business Leadership (RMIT) and a Master's in Education (Uni of Melb). In 2008, she completed the Experience Bank Program through Leadership Victoria. In 2010 she was awarded her Fellowship with Australian College of Health Service Management. She became a graduate in the Australian Institute of Company Directors in April 2013.



Gwendoline Scheffer **Deputy Chair**

BA, LLB, MBA, Grad Dip Education, Cert IV in Workplace Training

Chair of Community Advisory Committee

Gwen was admitted as a Barrister and Solicitor in 1981 and has been in practice since that time. Gwen practised as a Solicitor with Melbourne law firms for 10 years and became an Accredited Specialist in Family Law in 1990.

Gwen conducted her own consulting practice for the next 20 years, consulting with small and large commercial organisations as a lawyer, change manager and advising on business development strategy.

Her past legal experience covers all areas of general legal practice (personal injuries, property, wills and deceased estates) with an emphasis on family law and related matters, Wills and Powers of Attorney. She moved to practice family law in South Gippsland in 2012. Gwen joined the GSHS Board in July 2020 and contributes also as a volunteer with the local Citizens Advice Bureau.



Chris McLoughlin **Deputy Chair**

BSW (Bachelor of Social Work)

With more than 30 years of management experience, Chris specialises in Executive leadership, culture development, group facilitation, team coaching, leadership development, organisational development and strategic thinking. She has led teams in the manufacturing and consulting sectors following her early career as a social worker in several community agencies. Chris has been involved with public health for ten years and was the Executive Director of People and Culture at Monash Health with a focus on organisational transformation. Chris led the following teams: Human Resources, Organisation Development, Redesigning Care, Education & Innovation and Library Services to develop and support a positive and respectful culture and provide coaching and mentoring to teams and individuals. Chris joined the GSHS Board in 2020.



Jill Walsh **Director**

Jill has over 20 years of experience in delivering health services in senior leadership and clinical roles in both the public and private health sectors.

Jill is clinically active in private practice as a registered Podiatrist and has additional qualifications in business and law. Jill is a systems thinker who has strategically led significant re-design initiatives to improve the delivery of health services and workforce governance.

Jill joined the GSHS Board in 2019 and is a member of the now Clinical Quality and Safety Committee.



Bart Ruyter **Director**

B.Bus (Acc/Eco), MHA, CPA

Chair of Finance, Audit & Risk Committee (1 July 2023 to 31 January 2024)

Bart was born and raised in South Gippsland, completing the majority of his primary school years at Hedley Primary School and secondary schooling at Foster High School. Bart has resided in rural Victoria for all but seven years of his life. Bart returned to South Gippsland in 2015, for a three-year role with South Gippsland Shire. Bart is currently retired and living in Foster. Bart completed a Bachelor of Business Studies with a double major in accounting and economics in 1984. He also completed a Master in Health Administration in 2012, and has been a member of CPA since 1988. Bart has worked in Health, Aged and Community Services sectors for more than thirty years, the most senior being 16 years as Chief Executive Officer for The Kilmore & District Hospital.



Rajan Sawant **Director**

Chair of Finance, Audit and Risk Committee (1 February 2024 to present)

Rajan has 25 years of international experience with large multinational corporates within diverse industries and sectors in senior finance and business executive roles. Rajan has a breadth of operational experience partnering with

CEOs and boards of large multinationals leading the development and execution of business and commercial strategies, frameworks that drive profitability and performance. Rajan has an extensive experience of leading large and diverse teams and passion to drive improved engagement and positive organisational culture.

Rajan is a fellow member of CPA Australia, Fellow member of Governance Institute of Australia and Corporate Governance Institute. He is also a graduate member of The Australian Institute of Company Directors.



Tony Peterson **Director**

BEng (Civil), Dip Project Management, Masters in Business Administration, Certificate in Engagement – International Association for Public Participation Australasia, Graduate of the Local Government Professional Vic. Emerging Leaders Program.

Tony is an experienced engineer with over 30 years of experience working in both the public and private sectors across the many areas of infrastructure from planning and design to project delivery, construction and asset management.

His current role as Director Sustainable Infrastructure at South Gippsland Shire Council, involves planning for the future infrastructure needs of the community and managing the extensive range of assets within the Shire, and also being responsible for waste management and environmental sustainability initiatives.

Tony has extensive experience in community and stakeholder engagement including liaising with all levels of government. He is passionate about providing innovative sustainable solutions to the issues facing growing regions.



Jill Linklater **Director**

*RN BScN MHA GAICD. Chair of Clinical Quality & Safety
Chair of Clinical Quality and Safety Committee*

Jill is a registered nurse, with previous experience in Executive and Clinical positions in Australia, Canada and the Middle East, as well as senior positions with the State Government and Federal Government in health and aged care. She is an experienced non-executive board director, a standards accreditation assessor and quality auditor, and as a consultant, works in private and public health, aged care, disability services and rural. Her professional roles are balanced with experience as a consumer advocate/representative in public and private health services and at a local and national level. Jill brings expertise and skills in clinical and corporate governance, quality, safety and risk management systems, legislative and standards compliance, complaints management and consumer engagement. Jill is a Fellow Australian College of Nursing and a Fellow Governance Institute of Australia and was awarded the 2001 Federation Centenary Medal for her services to medicine and the community.

Senior Office Holders



Louise Sparkes **Chief Executive Officer**

With over 30 years' experience in public health care, Louise has demonstrated success in leadership, service development, clinical governance, team development and the delivery of health care that is of high quality, safe, sustainable, consumer focussed and responsive to the needs of the community it serves. Health outcomes in rural settings and equity of access to high quality care are of particular interest and align with her previous experience and values.

Louise commenced as the CEO at Gippsland Southern Health Service in February 2023.

Prior her current role, Louise had been part of the Executive team at Bass Coast Health (BCH) since 2016, initially as Executive Director of Access and Emergency before being appointed Executive Director for Acute Services. In 2018 Louise commenced in the role of Chief Operating Officer providing Executive leadership to all clinical services during a time of significant growth and transformation.

Louise moved into the role of Deputy Chief Executive Officer at BCH, in January 2021 then undertook a secondment with Latrobe Regional Hospital as the Interim Executive Director Gippsland Health Services Partnerships from March 2022-July 2022 after which she returned to BCH to provide executive oversight to the commissioning of the \$115m Wonthaggi Hospital Expansion project.

Louise began her career in health at St Vincent's Public Hospital in Melbourne in the days when nursing education was just starting at university. After her graduate year at St Vincent's, she worked at the Royal Melbourne Hospital and undertook a conversion degree, then added post graduate qualifications including a Masters of Nursing (Monash University) and is a current MBA candidate.

Louise has a wide breadth of experience across acute, community, primary care, clinical research, academia and emergency care in tertiary, metropolitan and rural health services. Louise also spent time as a lecturer with the School of Nursing at Monash University and Gippsland Medical School.

Executive Directors

Executive Director of Clinical Services: Jenny Dempster

Executive Director of People, Culture & Experience: Kimberly Roberts

Executive Director of Medical Services: Craig Winter (to August 2023)
Glenn Howlett (Interim August – December 2023)
Angela Williams (December 2023 – present)

Executive Director of Finance & Corporate Services: Jason O'Reilly

(Refer to organisation chart below for responsibilities)

Organisational Chart



Achievements for the reporting period



Jenny Dempster **Executive Director Clinical Services**

Quals B App Sci – Advanced Clinical Nursing/ Post Grad cert Nephrology Nursing/Masters Public Health – Service Administration Responsibility; Director Clinical Services/Chief Nursing Officer

The Executive Director Clinical Services ensures high-quality clinical services to patients and community. This role works closely with the Executive Director Clinical Services and the Executive team.

Key achievements in 2023/24:

- Undertaking survey and retaining accreditation in a number of our services
 - Alchera House & Hillside Lodge June 30 2023
 - Koorooman House February 2024
 - CHSP & Home Care Packages April 2024
 - Aged Care Commission Focused Audit – Vaccination June 2024
- Developing a culture of focus on activity through improved understanding and reporting on key drivers to achieve 98% National Weighted Activity Unit (NWAU) for the year. The improved Daily Operating System meetings have underpinned the improvements here.
- Recruiting a highly qualified Director of Nursing to focus on the Aged Care Portfolio has set the context for implementation of a new model of care within our homes that will focus on the New aged Care standards and provide our staff with a more person centred and engaging way of delivering care.
- Establishing a Director of Allied Health role within the organisation has been a positive for the organisation. The role brings with it the leadership and professional support across the Allied Health disciplines to guide the workforce strategies needed to deliver on future 'Better at Home' models of care, provision of high Quality Aged Care as well as enhanced career opportunities, helping to identify GSHS as an employer of choice for Allied Health Professionals.
- Establishing quarterly Nursing & Midwifery Forums to have an organisational wide focus on professional issues in both the governance and operational context for nurses and midwives has been welcomed and is well attended by senior staff who identified this as a longstanding gap for Gippsland Southern Health Service.
- Completing an evaluation of the surgical capability of our two facilities strengthens our focus and confidence in surgical safety and quality.
- Implementing a Cancer Survivorship program provides continuity of care for those in our community who have completed the pharmacological component of cancer treatment, ensuring a continuation of care for physical and psychological impacts of cancer treatment. Clinic now established.

- Establishing a Hospital in the Home program for surgical patients that allows recovery at home instead of hospital.
- The CT Angiogram program is now fully implemented and uptake of the modality of care ensures a full schedule. Another example of bringing services closer to our community.



Dr Angela Williams
Executive Director Medical Services

*MBBS MForensMed MBA GAICD MPH MHM FFFLM(UK)
 FFCFM(RCPA) PRI NMAS AFRACMA LLB GDLP*

The Executive Director Medical Services ensures high-quality medical services to patients and community, compliance with regulations, strong clinical governance and effective management of medical staff. This role works closely with the Executive Director Clinical Services and the Executive team.

Key achievements in 2023/24:

- Leadership in the establishment of a new medical workforce model at GSHS this year, that has engaged many local doctors to provide services on our wards, theatre, and urgent care centre. As part of the new model, we have:
 - Recruited and onboarded approximately 30 doctors promoting gender equity, diversity and closing gender pay gaps. In our pool of doctors, we have rural generalists, emergency physicians, obstetricians, anaesthetist, visiting GPs and surgeons.
 - Built a strong clinical Co-Lead team for Obstetrics and Anaesthetics
 - Actively participated in the Gippsland Regional Director Medical Services Forum
 - Established clinician-led Morbidity & Mortality meetings
 - Delivered Point of Care Ultrasound Training to our medical and nursing staff
 - Created a medical workforce team, integral to supporting the medical workforce
- The Nursing and Midwifery workforce (N&MW) has been absolutely integral to the successful implementation of the new medical workforce model. They have provided a culture of inclusivity and support, and strengthened the quality-of-service delivery. This piece was an essential element in delivering the model and ensuring community were comfortable with the change. Feedback from the N&MW has informed necessary changes and improved our care for consumers, their carers and the community.
- The exploration and implementation of plans to support the progression, supervision and growth of our local workforce so that they may successfully be part of the future delivery of services at GSHS. This includes having hosted 2 General Practitioner Anaesthetists through their consolidation of skills, and two registrars completing their integrated training posts in Anaesthetics.
- GSHS (Leongatha) has been awarded accreditation of the Australian College of Rural and Remote Medicine (ACRRM). This will draw doctors in training to working with GSHS as their time working with GSHS will form part of their accredited training time.
- The strengthening of our organisational response to crises, emergencies and disasters; including responding to outbreaks and severe weather events. This included being part

of an organisational response during the power and phone outage across our region secondary to the storms/tornado January 2024. In conjunction with the nurses and other hospital staff, several medical staff slept at the hospital in order to readily provide around-the-clock care to community.

- The designing of a solid response to clinical incidents should they arise, including hearing the feedback and experience of consumers in the process.
- Development of strong relationships with the Leongatha Healthcare Centre and Korumburra Medical Clinic which are very important to GSHS. GSHS are grateful for the local partnership in delivering health services to community together.



Jason O'Reilly
Executive Director Finance and Corporate Services

Bachelor of Business (Accounting), Certified Public Accountant (CPA)

The Executive Director of Finance & Corporate Services oversees the business, corporate and facilities operations that supports the delivery of our services. The position provides financial risk, corporate services and procurement leadership as the Chief Financial Officer (CFO) and Chief Procurement Officer (CPO) for the Health Service.

Jason joined GSHS in September 2004, having now worked in the public health industry for 20 years. Jason commenced with GSHS as an assistant accountant whilst undertaking the CPA program. Jason has progressed through the roles of accountant and Finance Manager to his current position as Executive Director of Finance & Corporate Services.

Key achievements in 2023/24:

- Procurement activities for the year included successful tendering outcomes for ultrasound and mammography equipment for our Medical Imaging Department.
- Establishment of an Activity and Funding Committee to monitor and enhance performance of all activity streams within the organisation.
- In conjunction with clinical and medical records team, improvement of NWAU funded stream by 6% for the year to 98.11% target achievement.
- Successful triennial audit of GSHS compliance against Health Share Victoria (HSV) Purchasing Policies.
- Successful audit of annual compliance against the Standing Directions issued under the Financial Management Act 1994.
- Oversight of the Hillside Lodge Men's shed and fencing construction project, via the generous donation of the Friends of Hillside Lodge op Shop.
- Oversight of Victorian Health Building Authority (VHBA) funded sustainability initiatives, including solar panel arrays at Leongatha campus and Hillside Lodge, and Air Handling Units for Leongatha Theatre.
- Development of operational and capital expenditure budgets.
- Development of fleet management and replacement strategy as the Health Service transitions to the DTF Vic Fleet model.



Kimberly Roberts **Executive Director People Culture and Experience**

Bachelor of Management (Human Resources) , Graduate Diploma of Human Resources, Masters of Human Resources, Foundations of Directorship

The Executive Director of People, Culture & Experience is responsible for Administration, Human Resources, Industrial and Employee Relations, non-clinical education, WorkCover, Occupational Health & Safety and Payroll, and Quality.

Key achievements in 2023/24:

- Introduced a new performance appraisal process called One2One. The process is now heavily focused on developing staff, understanding their goals, supports required, and their career directions. The change in this process has resulted in increased compliance rates.
- Delivered a Frontline Managers development program which took six leaders through day to day management activities such as performance and change management.
- Supported the implementation of the Community Advisory Committee.
- Oversaw in conjunction with the CEO a leadership program for Associate Nurse Unit Managers, Managers, Team Leaders, and Senior Leaders.
- Completed submissions for two Regional Health Infrastructure Fund builds, with a 10 bedroom staff and student accommodation project now shovel ready.
- Implemented a new People & Culture Committee with representatives from all areas now being able to provide input into key human resources policies, issues, and staff events.
- Implemented more robust emergency management activities, including a revised Business Continuity Plan and additional preparation activities for bushfire and extreme weather preparedness.
- Implemented a People Matter Action Plan focusing on three key areas from our annual people survey: decreasing negative behaviours at work, learning and development, and staff and patient safety climate
- Implemented a seven pillar staff wellbeing plan to recognise the importance of wellbeing at work and encourage staff to flourish at work.
- Implemented a new 10 Point Occupational Violence and Aggression Action plan to enhance the safety of staff at GSHS.
- Implemented a new Peer Support Program, giving staff an additional avenue for support that is free and confidential.
- Reviewed and implemented a new Consumer Feedback policy and implementation of online feedback platform Care Opinion.
- Established Key Performance Indicators for the Clinical Quality & Safety Committee.

Our People

Staffing Profile

Labour Category	JUNE Current Month FTE		Average Monthly FTE	
	2024	2023	2024	2023
Nursing	135.52	131.15	132.53	127.93
Administration and Clerical	50.61	41.99	47.46	40.79
Medical Support	28.46	41.86	38.46	45.41
Hotel and Allied Services	52.38	48.33	53.55	49.86
Medical Officers	0.53	0.11	0.42	0.18
Hospital Medical Officers	3.99	0	0.85	0
Ancillary Staff (Allied Health)	42.81	33.47	35.41	31.67
TOTALS	314.29	296.91	308.68	295.84

Employment & Conduct Principles

The organisation has applied the appropriate employment and conduct principles and employees have been correctly classified in workforce data collections.

Occupational Violence

Occupational Health & Safety Statistics	2023/24
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	125
Number of occupational violence incidents reported per 100 FTE	40.5
Percentage of occupational violence incidents resulting in a staff injury, illness, or condition	1%

Definitions of Occupational Violence

- 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. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- Accepted Workcover claims – accepted Workcover claims that were lodged in 2023/24.
- Lost time – is 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.

Occupational Health and Safety (OHS)

The Health Service remains committed to providing a safe and healthy workplace. The organisation facilitates a safe workplace by conducting regular OHS committee meetings, staff training, hazard identification and incident reporting.

Occupational Health & Safety Statistics	2021–2022	2022–2023	2023–2024
The number of reported hazards/incidents for the year per 100 FTE	26.36	46.30	45.03
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.73	1.69	2.91
The average cost per WorkCover claim for the year ('000)	\$16,747	\$16,715	\$16,067.19



"We are committed to providing a safe and healthy workplace."

Reporting Requirements

Gender Equality Act 2020

Gippsland Southern Health Service is in the process of implementing the requirements outlined under the Gender Equality Act 2020. The organisation commenced its Gender Equality Action Plan in 2021 and the plan is supported by a workplace gender audit, policy and impact assessments to help achieve the objects of the Act outlined below.

Objects of the Act:

- promote, encourage and facilitate the achievement of gender equality and improvement in the status of women
- support the identification and elimination of systemic causes of gender inequality in policy, programs and delivery of services in workplaces and communities
- recognise that gender inequality may be compounded by other forms of disadvantage or discrimination that a person may experience on the basis of Aboriginality, age, disability, ethnicity, gender identity, race, religion, sexual orientation and other attributes
- redress disadvantage, address stigma, stereotyping, prejudice and violence, and accommodate persons of different genders by way of structural change
- enhance economic and social participation by persons of different genders
- further promote the right to equality set out in the Charter of Human Rights and Responsibilities and the Convention on the Elimination of All Forms of Discrimination against Women.

GSHS has implemented the following inclusion and diversity items in the financial year:

- Completion of a gender equity statement to communicate our commitment and the importance of gender equity in our organisation
- Developed celebration days for staff connected to gender, diversity and culture to improve inclusiveness
- Focused on the previous year's People Matter Survey gender equity questions, ensuring action plans to improve the experience of diverse people at our health service with good success reflected in the latest survey
- Revised our flexible working arrangement policy and process with more flexible arrangements in place than ever before also reflecting in our People Matter Survey results
- Reviewed our reporting data to ensure better 'levels to CEO' were captured which helps us understand any true gender pay gaps
- Enhanced our recruitment process to ensure an equal and transparent process to management positions, including acting positions, using formal expressions of interest and recruitment and selection tools, increasing our percentage of women working in higher duties or acting positions and taking up leadership positions
- Conducted a review of fixed term contracts for legitimacy and equity

Building Act 1993

Gippsland Southern Health Service fully complies with the building and maintenance provisions of the Building Act 1993. All sites are subject to a Fire Safety Audit and Risk Assessment according to revised standards as directed by the Department of Health.

Gippsland Southern Health Service makes the following disclosures in regards to the buildings it owns and controls:

- Mechanisms to ensure that buildings conform to current building standards:
- Annual Fire safety Cert 6 (1Yr)
- Occupancy Permits (update as required)
- Essential Safety Reports/ Audits (3Yr)
- Asbestos Audits (5Yr)

Major works projects (greater than \$50,000): NIL

Number of building permits, occupancy permits, or certificates of final inspection issued in relation to buildings owned: NIL

Mechanisms for inspection, reporting, scheduling, and carrying out of maintenance works on existing buildings:

- Pervidi Maintenance Program

Number of emergency orders and building orders issues in relation to buildings: NIL

Number of buildings that have been brought into conformity with building standards during the reporting period: NIL.

National competition policy

The National Competition Policy was introduced in 1995 in relation to the following four related areas of reform: electricity, gas, water resource policy and road transport. The State Government of Victoria subsequently released its Competitive Neutrality Policy in 2000 via the Department of Treasury and Finance. Gippsland Southern Health Service conforms with the core intent of the National Competition Policy and to the extent applicable to the Competitive Neutrality Policy of Victoria. The four key priorities in the Victorian Government Policy are restoring democracy, improving services to all Victorians, growing the whole of Victoria and responsible financial management.

Application and Operation of Public Interest Disclosures Act 2012

The Public Interest Disclosures Act 2012 provides for the disclosure of improper conduct by public bodies and public officials and the protection for those who come forward with a disclosure. It also provides for the investigation of disclosures that meet legislative definition of a protected disclosure. The Health Service has an established policy that complies with the Public Interest Disclosures Act 2012. There were no complaints made under the Act against Gippsland Southern Health Service or its staff for 2023/24.

To access the procedures established by the public body under Part 9, please consult the Public Disclosures Policy or visit the Victorian Public Sector website.

Additional information on Request

Details in respect of the items listed below have been retained by the Health Service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- A 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.

Carers Recognition Act 2012

Under Clause 12 of the Act, a care support organisation must prepare a report on its compliance with its obligations as identified under Section 11 of the Act. Compliance reporting applies to a public service body within the meaning of the Public Administration Act 2004. A report required under this section must:

- be included in the care support organisation's annual report; and
- relate to the period to which the annual report relates; and
- include any additional information required by the regulations.

The Health Service 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 (e.g. distributing printed material about the Act at community events or service points; providing links to state government resource materials on our website; providing digital and/or printed information about the Act to our partner organisations)
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act (e.g. developing and implementing a staff awareness strategy about the principles in the Act and what they mean for staff; induction and training programs offered by the organisation include discussion of the Act and the statement of principles therein)
- considering the care relationships principles set out in the Act when setting policies and providing services (e.g. reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act; developing a satisfaction survey 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 carer strategy 2018–22.

Freedom of Information Act

Requests under the Freedom of Information (FOI) Act 1982 were dealt with according to the Act by the organisation's nominated officer.

During 2023-24, Gippsland Southern Health Service received 62 applications all of which were from the general public.

Gippsland Southern Health Service made 62 FOI decisions during the 12 months ended 30 June 2024.

There were 62 decisions made within the statutory time periods. No decisions were made outside of the time periods. A total of 62 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.

During 2023-24, no requests were subject to a complaint/internal review by Office of the Victorian Information Commissioner. No requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

All requests for information under the Freedom of Information Act were actioned within 7 business days. The average turnaround time was 9 days. In some instances, there were major delays in the payment of invoices despite the invoices being sent to the requestor within a few days of the request.

Freedom of Information requests should be in writing and addressed to:

Chief Executive Officer
Private Bag 13
LEONGATHA VIC 3953

Requests will be subject to charges based on Section 22 of the FOI Act 1982 and the Freedom of Information (Access Charges) Regulations 2014.

Further information can be found on the Office of the Victorian Information Commissioner (OVIC) website www.ovic.gov.au

Local Jobs First Act 2023

The Local Jobs First Act 2003 introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs first policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria. MPSG applies to all construction projects valued at \$20 million or more. The Health Service did not commence or complete any contracts during 2023/24 that require disclosure under the Local Jobs First Act 2003.

Safe Patient Care Act 2015

Gippsland Southern Health Service has no matters to report in relation to its obligations under Section 40 of the Safe Patient Care Act 2015.

Social Procurement Activities and Commitments

GSBS did not have any social procurement activities to report for 2023/24, however, it remains committed to engaging social procurement suppliers and will review the requirements of the Social Framework in future years to consider the social impacts of purchases through their procurement processes.

Details of individual consultancies

Details of consultancies (under \$ 10,000)

In 2023/24, there were seven 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 \$34,436 (excl GST).

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

In 2023/24, there were two 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 \$110,352 (excl GST).

Consultancies over \$10,000

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2023–2024 (excluding GST)	Future expenditure (excluding GST)
Andrew Wegener Pty Ltd	Program review	1-Aug-23	28-Sep-23	\$29,975	\$29,975	\$0
Future Leadership Pty Ltd	Leadership coaching	1-Jul-23	30-Jun-24	\$80,377	\$80,377	\$50,000

Information and Communication Technology (ICT) expenditure

ICT expenditure – represents an entity’s costs in providing business-enabling ICT services and consists of the following cost elements:

- Operating and capital expenditure (including depreciation);
- ICT services – internally and externally sourced;
- Cost in providing ICT services (including personnel & facilities) across the agency, whether funded through a central ICT budget or through other budgets; and
- Cost in providing ICT services to other organisations.

Non-Business as Usual (Non-BAU) expenditure – is a subset of ICT expenditure that relates to extending or enhancing current ICT capabilities and are usually run as projects.

Business As Usual (BAU) expenditure – includes all remaining ICT expenditure other than non-BAU ICT expenditure and typically relates to ongoing activities to operate and maintain the current ICT capability.

Details of Information and Communication Technology (ICT) expenditure

The total ICT expenditure incurred during 2023/24 is \$3,112,484 (excluding GST) with the details shown below.

Business As Usual (BAU) ICT Expenditure	Non-Business As Usual (non-BAU) ICT Expenditure		
	Total= Operational Expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational Expenditure (excluding GST) (a)	Capital Expenditure (excluding GST) (b)
\$2,134,618	\$977,866	\$765,724	\$212,142

Environmental Data Reporting

Gippsland Southern Health Service is committed to improving the health and wellbeing of the people and communities we serve. All environmental performance indicators including energy (as well as transportation), waste, water, greenhouse gas emissions and sustainable buildings and infrastructure are measured and reported.

GSHS acknowledges and accepts our responsibility to provide a leadership role for environmental sustainability across waste management, recycling and smart energy use.

It is the expectation that all GSHS team members play their part to minimise unnecessary energy waste and actively participate in renewable environmentally friendly initiatives.

For the purpose of the following environmental reporting, the organisational boundary comprises our two hospital campuses located at Leongatha and Korumburra. This includes our 3 Residential Aged Care facilities.

While best efforts have been made to collect environmental data for activities, in some cases an estimate has been used.

ELECTRICITY USE	Jul-23 to Jun-24	Jul-22 to Jun-23	Jul-21 to Jun-22
EL1 Total electricity consumption segmented by source [MWh]			
Purchased	1,756.26	1,768.91	1,776.00
Self-generated	206.59	219.43	245.84
EL1 Total electricity consumption [MWh]	1,962.85	1,988.34	2,021.85
EL2 On site-electricity generated [MWh] segmented by:			
Consumption behind-the-meter			
Solar Electricity	206.59	219.43	245.84
Total Consumption behind-the-meter [MWh]	206.59	219.43	245.84
Exports			
EL2 Total On site-electricity generated [MWh]	206.59	219.43	245.84
EL3 On-site installed generation capacity [kW converted to MW] segmented by:			
Diesel Generator	0.89	0.89	0.89
Solar System	0.20	0.20	0.20
EL3 Total On-site installed generation capacity [MW]	1.09	1.09	1.09
EL4 Total electricity offsets segmented by offset type [MWh]			
RPP (Renewable Power Percentage in the grid)	330.18	332.56	330.16
EL4 Total electricity offsets [MWh]	328.92	332.56	330.16

STATIONARY ENERGY	Jul-23 to Jun-24	Jul-22 to Jun-23	Jul-21 to Jun-22
F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]			
Natural gas	7,305,253.40	7,325,005.40	7,554,016.90
F1 Total fuels used in buildings [MJ]	7,305,253.40	7,325,005.40	7,554,016.90
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e]			
Natural gas	376.44	377.46	389.26
F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]	376.44	377.46	389.26

TRANSPORTATION ENERGY		Jul-23 to Jun-24	Jul-22 to Jun-23	Jul-21 to Jun-22	
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]					
Non-executive fleet – Gasoline		906,529.20	893,646.00		
Petrol		906,529.20	893,646.00		
Non-executive fleet – Diesel		539,948.10	575,526.00		
Diesel		539,948.10	575,526.00		
Total energy used in transportation (vehicle fleet) [MJ]		1,446,477.30	1,469,172.00		
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category					
Vehicle category	Total	Fuel Type – Internal combustion engine	Proportion of fleet	Fuel Type – Hybrid	Proportion of fleet
Road vehicle	27	25	93%	2	7%
Non-Road Vehicle	0	N/A	N/A	N/A	N/A
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]					
Non-executive fleet – Gasoline		61.30	60.43		
Petrol		61.30	60.43		
Non-executive fleet – Diesel		38.02	40.52		
Diesel		38.02	40.52		
Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]		99.32	100.95		

TRANSPORTATION ENERGY	Jul-23 to Jun-24	Jul-22 to Jun-23	Jul-21 to Jun-22
T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)			
Total distance travelled by commercial air travel		4,248	
T(opt1) Total vehicle travel associated with entity operations [1,000 km]			
Total vehicle travel associated with entity operations [1,000 km]	465.95	465.95	
T(opt2) Greenhouse gas emissions from vehicle fleet [tonnes CO2-e per 1,000 km]			
tonnes CO2-e per 1,000 km	0.21	0.22	

TOTAL ENERGY USE	Jul-23 to Jun-24	Jul-22 to Jun-23	Jul-21 to Jun-22
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]			
Total energy usage from stationary fuels (F1) [MJ]	7,305,253.40	7,325,005.40	7,554,016.90
Total energy usage from transport (T1) [MJ]	1,446,477.30	1,469,172.00	
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	8,751,730.70	8,794,177.40	7,554,016.90
E2 Total energy usage from electricity [MJ]			
Total energy usage from electricity [MJ]	7,066,255.53	7,158,021.50	7,278,647.73
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]			
Renewable	1,932,356.59	1,987,137.44	2,073,604.88
Non-renewable (E1 + E2 – E3 Renewable)	14,629,349.44	14,754,999.17	13,644,091.46
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	498.99	568.74	563.27
Energy per unit of LOS [MJ/LOS]	1,402.65	1,472.60	1,587.57
Energy per unit of bed-day (LOS+Aged Care OBD) [MJ/OBD]	368.06	410.28	415.76
Energy per unit of Separations [MJ/Separations]	3,319.06	3,633.47	3,494.15
Energy per unit of floor space [MJ/m ²]	899.12	906.10	927.97

WATER USE	Jul-23 to Jun-24	Jul-22 to Jun-23	Jul-21 to Jun-22
W1 Total units of metered water consumed by water source (kl)			
Potable water [kL]	9,638.30	10,492.56	11,367.51
Total units of water consumed [kl]	9,638.30	10,492.56	11,367.51
W2 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]	0.33	0.41	0.43
Water per unit of LOS [kL/LOS]	0.94	1.07	1.22
Water per unit of bed-day (LOS+Aged Care OBD) [kL/OBD]	0.25	0.30	0.32
Water per unit of Separations [kL/Separations]	2.23	2.63	2.68
Water per unit of floor space [kL/m2]	0.60	0.66	0.71

WASTE AND RECYCLING	Jul-23 to Jun-24	Jul-22 to Jun-23	Jul-21 to Jun-22
WR1 Total units of waste disposed of by waste stream and disposal method [kg]			
Landfill (total)			
General waste – skips	132,494.79	140,940.00	139,765.50
Offsite treatment			
Clinical waste – incinerated	777.50	279.50	282.35
Clinical waste – sharps	565.32	569.40	356.37
Clinical waste – treated	7,516.20	7,890.02	8,295.05
Recycling/recovery (disposal)			
Cardboard	22,669.82	23,430.00	23,595.00
Fluorescent tubes			78.75
Paper (confidential)	9,081.95	7,485.70	6,259.96
Total units of waste disposed [kg]	173,105.58	180,594.62	178,632.98

WASTE AND RECYCLING	Jul-23 to Jun-24	Jul-22 to Jun-23	Jul-21 to Jun-22
WR1 Total units of waste disposed of by waste stream and disposal method [%]			
Landfill (total)			
General waste	76.54%	78.04%	78.24%
Offsite treatment			
Clinical waste – incinerated	0.45%	0.15%	0.16%
Clinical waste – sharps	0.33%	0.32%	0.20%
Clinical waste – treated	4.34%	4.37%	4.64%
Recycling/recovery (disposal)			
Cardboard	13.10%	12.97%	13.21%
Fluorescent tubes			0.04%
Paper (confidential)	5.25%	4.15%	3.50%
WR2 Percentage of office sites covered by dedicated collection services for each waste stream			
Printer cartridges	100%	100%	
Batteries	100%	100%	
e-waste	0%	0%	
Soft plastics	0%	0%	
WR3 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]	3.05	3.59	3.50
Total waste to offsite treatment per patient treated [(kg offsite treatment)/PPT]	0.20	0.22	0.22
Total waste recycled and reused per patient treated [(kg recycled and reused)/PPT]	0.73	0.79	0.75
WR4 Recycling rate [%]			
Weight of recyclable and organic materials [kg]	31,751.78	30,915.70	29,933.71
Weight of total waste [kg]	173,105.58	180,594.62	178,632.98
Recycling rate [%]	18.34%	17.12%	16.76%
WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]			
tonnes CO2-e	188.43	194.47	193.19

GREENHOUSE GAS EMISSIONS	Jul-23 to Jun-24	Jul-22 to Jun-23	Jul-21 to Jun-22
G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]			
Carbon Dioxide	474.33	476.97	388.28
Methane	0.75	0.76	0.76
Nitrous Oxide	0.67	0.69	0.23
Total	475.76	478.41	389.26
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e]	376.44	377.46	389.26
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e]	99.32	100.95	
Medical/Refrigerant gases			
Total scope one (direct) greenhouse gas emissions [tonnes CO2e]	475.76	478.41	389.26
G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]			
Electricity	1,155.13	1,215.16	1,296.92
Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]	1,155.13	1,215.16	1,296.92
G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)			
Commercial air travel			
Waste emissions (WR5)	183.43	194.47	193.19
Indirect emissions from Stationary Energy	171.83	185.86	171.91
Indirect emissions from Transport Energy	24.93	25.33	
Paper emissions			
Any other Scope 3 emissions	16.17	17.77	21.35
Total scope three greenhouse gas emissions [tonnes CO2e]	396.37	423.43	386.45
G(Opt) Net greenhouse gas emissions (tonnes CO2e)			
Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]	2,027.25	2,117.00	2,072.63
Any Reduction Measures Offsets purchased (EL4-related)	0.00	0.00	0.00
Any Offsets purchased	0.00	0.00	0.00
Net greenhouse gas emissions [tonnes CO2e]	2,027.25	2,117.00	2,072.63

NORMALISATION FACTORS	Jul-23 to Jun-24	Jul-22 to Jun-23	Jul-21 to Jun-22
1000km (Corporate)	465.95	465.95	
1000km (Non-emergency)			
Aged Care OBD	28,801	25,465	26,333
ED Departures	–	–	–
FTE	312.00	301.00	300.00
LOS	10,246	9,835	9,343
OBD	39,047	35,300	35,676
PPT	43,377	39,286	39,921
Separations	4,330	3,986	4,245
Total Area m ²	15,984	15,984	15,984

Notes

Data on some indicators are currently not collected, available or relevant to the organisation's operations. Data gaps will continually be monitored and addressed and will be reported in future financial years where possible.

Normalisation factors provided via Eden Suite reporting as obtained from Victorian Admitted Episodes Dataset (VAED) and the Aged Care Branch, Department of Health and Human Services.

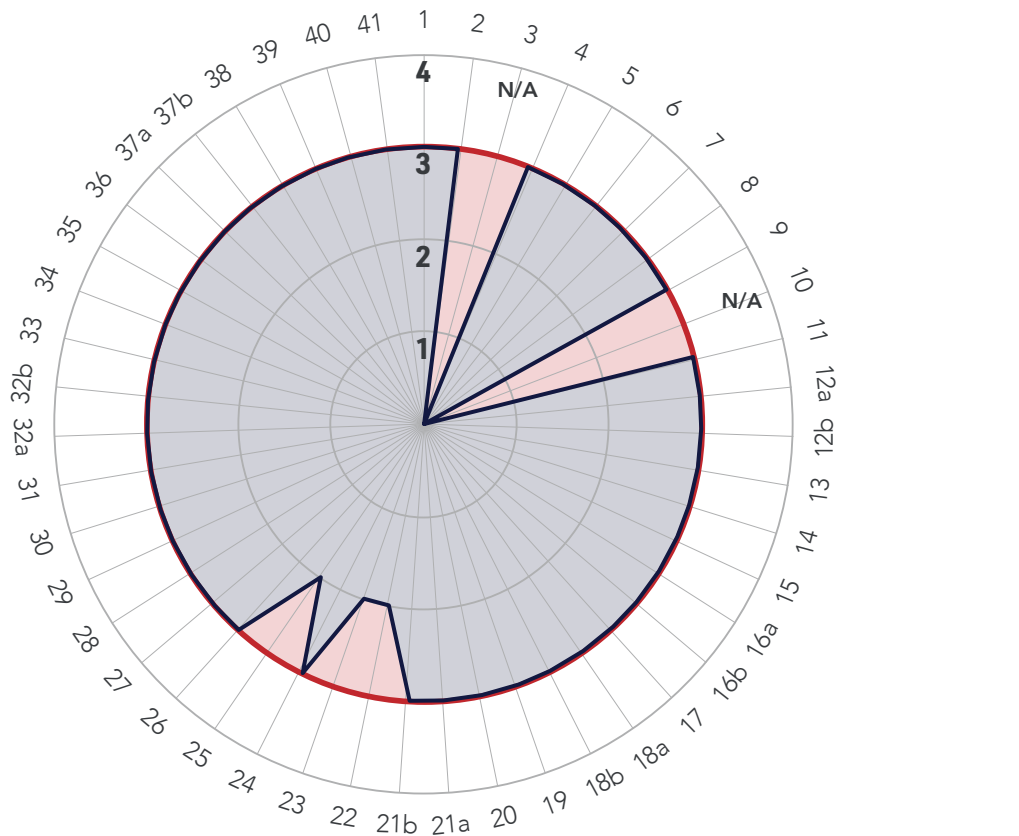
Billing for many services (eg. Electricity, Gas, Water) is received quarterly resulting in the need for estimates to be used in preparation of annual data. This may result in minor variances to reported volumes for prior financial years.

Asset Management Accountability Framework

The following sections summarise the Health Service’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 DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>).

The Health Service’s target maturity rating is ‘developing’, meaning systems and processes are not fully in place and a continuous improvement process to expand system performance will be developed to exceed AMAF minimum requirements.

AMAF maturity assessment



Legend

Status	Level
Not applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

	Overall assessment
	Target

Leadership and Accountability (requirements 1–19)

The Health Service has met its target maturity level under some of the requirements within this category.

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

Planning (requirements 20–23)

The Health Service has met its target maturity level under some of the requirements within this category.

A plan for improvement is in development to improve the Health Service's maturity rating in these areas.

Acquisition (requirements 24 and 25)

The Health Service has met its target maturity level under some of the requirements within this category.

A plan for improvement is in development to improve the Health Service's maturity rating in these areas.

Operation (requirements 26–40)

The Health Service has met its target maturity level in this category.

Disposal (requirement 41)

The Health Service has met its target maturity level in this category.

Attestations

Data Integrity

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



Louise Sparkes
Chief Executive Officer
Leongatha
26 September 2024

Conflict of Interest

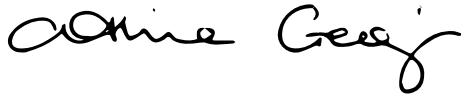
I, Louise Sparkes, certify that Gippsland Southern Health Service has put in place appropriate internal controls and processes to ensure that it has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Gippsland Southern 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.



Louise Sparkes
Chief Executive Officer
Leongatha
26 September 2024

Financial Management Compliance attestation

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



Athina Georgiou
Board Chair
Leongatha
26 September 2024

Integrity, fraud and corruption

I, Louise Sparkes, certify that Gippsland Southern 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 Gippsland Southern Health Service during the year.



Louise Sparkes
Chief Executive Officer
Leongatha
26 September 2024

Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Louise Sparkes, certify that Gippsland Southern 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.



Louise Sparkes
Chief Executive Officer
Leongatha
26 September 2024

Financial Report

Financial Summary

Gippsland Southern Health Service recorded a \$1.9M operating deficit for 2023/24 with staffing gap challenges requiring the extensive use of agency staff to cover gaps.

The organisation experienced a 3.74% increase in income from operating activities compared to an increase in expenditure of 9.4% excluding depreciation, non-operating activities and joint operations expenditure. Unlike previous financial years the achievement of a break-even operating result was not possible without the receipt of a financial sustainability grant at the end of the financial year (\$2.1M – 22/23). The Health Service is appreciative of the financial support from the State Department of Health in waiving funding recall for below target activity and is proud of its overall achievement of 98.11% activity of NWAU targets. This is a 6% improvement on 2022/23 activity and while recall of \$161K has been waived, this is also a significant improvement on the recall waiver amount of 2022/23.

The balance sheet remains in a strong position with \$25m of current assets and \$24m of current liabilities, including provisions. Total current assets increased by \$1.5m due principally to an increase in cash and cash equivalents, including monies held in trust for refundable accommodation deposits. A scheduled revaluation of property (land, buildings and site improvements) by the Valuer-General Victoria (VGV) resulted in a 66% increase in value between financial years. Depreciation expense for 2023/24 was \$4.6m. The organisation's overall balance sheet position is sound with current assets exceeding current liabilities by \$370k.

The budgetary objectives for 2023/24 were unable to be achieved without the assistance of a funding stability grant from the Department of Health that has enabled a break-even operating result in previous years. The organisation is mindful that without the recall waiver, the result would have been a deficit of approximately \$2.1m. The continued reliance on agency staff to fill roster gaps has been the main driver of this result. The organisation has made enormous strides in increasing activity levels and with the uplifted unit price of the National Weighted Activity Unit (NWAU), is hopeful of being able to achieve similar activity levels in 2024/25 while reducing the reliance on agency staff, in order to achieve a break-even result.

There were no events subsequent to balance date that may have a significant effect on the operational objectives of the organisation in subsequent years.



Jason O'Reilly
Executive Director
Finance & Corporate Services
26 September 2024



Rajan Sawant
Chair
Finance, Audit & Risk Committee
26 September 2024

Operating Results – summary

	2024	2023	2022	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING RESULT*	(1,933)	0	117	0	(1,055)
Total Revenue	55,089	52,681	48,683	45,660	41,093
Total Expenses	60,496	55,824	51,283	49,215	46,074
Net Result from Transactions	(5,407)	(3,143)	(2,600)	(3,555)	(4,981)
Total other economic flows	49	31	83	33	(16)
Net result	(5,358)	(3,112)	(2,517)	(3,522)	(4,997)
Total Assets	148,091	99,642	100,593	98,523	99,742
Total Liabilities	25,007	21,314	19,153	22,197	20,995
Net Assets / Total Equity	123,084	78,328	81,440	76,326	78,747

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

Reconciliation between the Net Result from transactions to the Statement of Priorities Operating results

	2024
	\$'000
Net Operating Result *	(1,933)
Capital Purpose Income	1,252
Specific Income	0
COVID-19 State Supply Arrangements	
– Assets received free of charge or for nil consideration under the State Supply	54
– State supply items consumed up to June 30	(61)
Assets received free of charge	
Expenditure for capital purposes	(48)
Depreciation	(4,622)
Finance costs (other)	(49)
Net Result from transactions	(5,407)

*The Net operating result is the result which the health service is monitored against in its Statement of Priorities

Reporting for outcomes from Statement of Priorities 2023/24

Part A: Strategic Priorities

Gippsland Southern Health Service contributed to the Operational Plan 2023/24 through the following strategic priorities:

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.

GOAL

MA1 Develop Strong and effective relationships with consumer and clinical partners to drive service improvements

Health Service Deliverables	Achievements/Outcome
Development of CAC committee and introduction of Care opinion feedback platform to enhance the community voice and relationships with consumers	<p>Achieved</p> <p><i>Commentary:</i> A CAC committee is established and active reporting to the Board of Directors. The committee meets four times per year and has successfully provided advice to the Board about several matters. Care opinion has been successfully implemented at GSHS. Forty-three stories have been shared via the platform, with 4,200 public reads.</p>

GOAL

MA2 Strengthen clinical governance systems that support safe care, including clear recognition, escalation, and addressing clinical risk and preventable harm

Health Service Deliverables	Achievements/Outcome
Strengthen clinical governance systems that support safe care, including clear recognition, escalation, and addressing clinical risk and preventable harm.	<p>Achieved</p> <p><i>Commentary:</i> Clinical governance systems were revised. Key to strengthening the governance system was the implementation of a new operational committee structure, which included the development and implementation of formal mortality and morbidity committees.</p> <p>A new clinical governance definition was developed by staff that enabled a shared understanding of clinical governance called Best Care. The Best Care strategy will be further developed in the 24/25 year to be embedded in positions descriptions, Terms of Reference and agendas.</p> <p>Refinements to escalation pathways were undertaken and changes to case triggers and case reviews were commenced and implemented to improve our ability to learn and continuously improve our care.</p>

GOAL

MA3 Working with Safer Care Victoria to reduce hospital acquired complications, including minimising COVID-19 transmission into and within the health service, including to staff and patients

Health Service Deliverables

Work with SCV to submit an annual quality account report to provide transparency of the health services safety performance and improvement strategies

Achievements/Outcome

Ongoing

Commentary: This report is under development for the 2023/2024 year and will be shared with SCV once finalised, noting that there is no requirement for this report by DH.

GOAL

MA4 Identify and develop clinical service models where face to face consultations can be substituted by virtual care where-ever possible (using telehealth, remote monitoring), whilst ensuring strong clinical governance, safety surveillance and patient choice

Health Service Deliverables

Adopt the Department of Health "Virtual Care Operational Framework" and formulate governance and procedures to align with those outlined within the framework.

Achievements/Outcome

Achieved

Commentary: A gap analysis against the Department of Health Virtual care operational framework core principles was completed with an action plan developed to continue to strengthen clinical governance related to virtual care

GOAL

MA9 Maintain commitment to driving planned surgery reform in alignment with the Surgery Recovery and Reform Program, as well as identify and implement local reform priorities

Health Service Deliverables

Collaboratively drive reform regionally through Delivery and Innovation Teams, in alignment with Surgery Recovery and Reform Priorities

Achievements/Outcome

Achieved

Commentary: During the 2023–2024-year GSHS implemented surgical reform initiatives driven through the Gippsland regional partnership, in alignment with Surgery Reform

GOAL

MA10 Implementation of the nutrition and quality food standards for health services

Health Service Deliverables

Provide a greater focus on the needs of aged care residents and paediatric patients by implementing nutrition and quality food standards that align with the National Safety and Quality Health Service (NSQHS) Standards and Aged Care Quality Standards (ACQS) accreditation requirements.

Achievements/Outcome

Ongoing

Commentary: GSHS have completed a gap analysis of current state against nutrition and quality food standards that align with National Safety and Quality Health Service Standards and Aged Care Quality Standards requirement and have implemented recommendations

GOAL

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

Health Service Deliverables

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.

Achievements/Outcome

Achieved.

Commentary: Protocols and audits for managing and responding to deterioration in paediatric patients via ViCTOR charts.

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

Achieved.

Commentary: ViCTOR track and trigger observations chart and escalation system is in place and audited.

Implement staff training on the "ViCTOR track and trigger" tool to enhance identification and prompt response to deteriorating paediatric patient conditions

Achieved.

Commentary: GSHS staff are trained on the use of the ViCTOR track and trigger tool to ensure effective identification and response to deterioration.

WORKING TO ENSURE LONG TERM FINANCIAL SUSTAINABILITY

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

GOAL

MB1 Co-operate with and support DH-led reforms that look towards reducing waste and improving efficiency to address financial sustainability, operational and safety performance, and system management.

Health Service Deliverables

Operational efficiency improvements: Develop and implement strategies to improve operational efficiency, such as reducing waiting times, improving patient flow, and optimising resource allocation.

Achievements/Outcome

Achieved

Commentary: Operational efficiency improvements were developed and implemented to reduce waiting times in GSHS allied health clinics via the adoption of the demand management program. Further improvements will be implemented in the 2024/25 year.

A review of NDIS and Home Care Package programs undertaken and improvement initiatives commenced, fee waivers and billing practices improved. Initiatives to continue into 2024/2025 year.

GOAL

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.

Health Service Deliverables

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.

Achievements/Outcome

Achieved

Commentary: A Financial management plan was developed by GSHS and approved by DH and implemented. Successful initiatives included reduction in RACS physiotherapy costs by using in house staff instead of contracted, enhanced occupancy rates in aged care, improved billing practices in NDIS and Home Care Package programs, increased NWAU activity to target (98%) reducing recall, optimisation of aged care funding via RN24/7 program and reduction in WorkCover premium.

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.

GOAL

MC1 Address service access issues and equity of health outcomes for rural and regional people including more support for primary, community, home-based and virtual care, and addiction services.

Health Service Deliverables	Achievements/Outcome
CEO and Executive leadership will drive and be accountable for outcomes in cultural safety and Aboriginal self-determination.	<p>Achieved</p> <p><i>Commentary:</i> In 2023/24 GSHS implemented their approach to Aboriginal cultural safety to include an Aboriginal Liaison Officer (ALO) shared across the South Gippsland Shire with South Gippsland Hospital. The ALO attended Board quality meetings and CAC committee meetings and provided cultural safety training to GSHS staff via informal and formal sessions and celebration days.</p>
Partnerships with Aboriginal community-controlled health organisations, respected Aboriginal leaders and Elders, and Aboriginal communities to deliver healthcare improvements.	<p>Achieved</p> <p><i>Commentary:</i> GSHS connects to local leaders and elders in celebration days via the ALO designated to the service as well as other ALOs from across the region.</p>
Plans to identify and prioritise the health, wellbeing and service needs of the Aboriginal catchment population and service users – including improved patient identification, discharge planning and outpatient care.	<p>Achieved</p> <p><i>Commentary:</i> Developing capability of ALO to ensure that local First Nations people feel welcomed at the services, staff improve their ability to assist in identification has seen an increase in her connecting to First Nations people in the local community. Possum skins have been provided for patients and residents in the maternity and residential age care as placed by our ALO.</p> <p>The GSHS referral process has been adapted to ensure client presentation data is shared weekly by GSHS Health Information Manager to our ALO for follow up. This new process has been effective in providing timely follow up.</p>

GOAL

MC1 Address service access issues and equity of health outcomes for rural and regional people including more support for primary, community, home-based and virtual care, and addiction services.

Health Service Deliverables

Effective Aboriginal and Torres Strait Islander client and patient identification, including quality improvement processes to continually improve in this area.

Achievements/Outcome

Ongoing

Commentary: GSHS ALO works between GSHS and SGH, sharing learnings and initiatives so the broader South Gippsland Aboriginal community health and wellbeing needs can be identified, escalated and planned to be met.

At GSHS first nations patients receive the standard forms, brochures and pamphlets available to all consumers however our ALO is developing Aboriginal specific resources and has started with 'Reporting Racism', which is in draft.

GSHS ALO is scheduling a site audit, to identify a space that could be used as a culturally appropriate space for private patient discussions who wish to include family. This item will be reported in our 24–25 cultural safety plan.

GOAL

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.

Health Service Deliverables

Promote a culturally safe welcoming environment with Aboriginal cultural symbols and spaces to demonstrate the recognition, celebration and respect for Aboriginal communities and culture.

Achievements/Outcome

Achieved

Commentary: Several initiatives have been undertaken to ensure that GSHS has a culturally safe and welcoming environment. A new program called Word of the Week sees a new indigenous word emailed to all staff, GSHS ALO shares an Aboriginal word, its meaning, how to pronounce and use it in a sentence.

Aboriginal and Torres Strait Islander flags are displayed at both campuses.

Native gardens with recommendation from our ALO on re-planting indigenous flora so our community can appreciate this, including the building of a fire pit for smoke ceremonies.

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 reflect 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.

GOAL

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.

Health Service Deliverables

Deliver programs to improve employee experience across four initial focus areas: leadership, safety and wellbeing, flexibility, and career development and agility.

Achievements/Outcome

Achieved

Commentary: A new leadership program commenced at GSHS during the 2023/24 year focusing on the leadership group to increase capability of leaders and to build an enterprise leadership culture.

Flexibility

GSHS has a robust flexible working arrangement policy in place. Our People Matter Survey reflects high levels of uptake of flexibility and a positive experience with flexibility arrangements. We have completed additional training this year in relation to flexible working arrangements.

Safety

GSHS implemented a new 10 Point Action Plan to minimise Occupational Violence and Aggression this year. The plan includes 10 pillars, from improving security, appropriately identifying risk, improving consultation with OHS representatives, increasing de-escalation training, and empowering staff. The 10-point plan is overseen by the Occupational Violence and Aggression Committee.

Career Development

This year GSHS has focused on ensuring all acting positions are advertised by expression of interest internally to give a wide array of staff opportunity to develop their careers. Additionally, a new performance appraisal process has been implemented, one2one. The new process is heavily focused on experiences, career development, and opportunities for growth

GOAL

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.

Health Service Deliverables

Implement and/or evaluate new/expanded programs that uplift workforce flexibility such as a flexibility policy for work arrangements.

Achievements/Outcome

Achieved

Commentary: The wellbeing program – Flourish with us has several initiatives to create an environment where our team members can flourish personally and professionally including physical and psychological wellbeing, creating positive connections, rewards and benefits, financial wellbeing, safety, and ensuring an organisation commitment to wellbeing. We have implemented initiatives such as a peer supporter program, visits from superannuation funds and health vans, lunchtime healthy eating talks, mental health first aid, staff family violence contact officers, and increasing emergency response drill frequencies.

GOAL

MD2 Explore new and contemporary models of care and practice, including future roles and capabilities.

Health Service Deliverables

Pilot, implement or evaluate new and contemporary models of care and practice, including future roles and building capability for multidisciplinary practice.

Achievements/Outcome

Achieved

Commentary: During the 2023–2024-year GSHS commenced an in-house hospital in the home program for general surgical patients so that they could be cared for at home instead of staying in hospital overnight. During the 2023–2024-year GSHS will continue to grow this service for all appropriate patients. The year also saw the implementation of the cancer survivorship model of care to support survivors of cancer manage any ongoing symptoms of their treatment close to home

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.

GOAL

ME1 Partner with other organisations (for example community health, ACCHOs, PHNs, General Practice, private health) to drive further collaboration and build a more integrated system.

Health Service Deliverables

Achievements/Outcome

Engage local ACCHO groups in the identification and delivery of initiatives that improve Aboriginal cultural safety.

Ongoing

Commentary: In sharing the ALO role with South Gippsland Health service GSHS have been able to share learnings and initiatives to ensure a consistent approach to Aboriginal cultural safety across the region.

The GSHS ALO has also connected into other health services in the region to learn from other ALOs and to develop new approaches to cultural safety at GSHS.

GOAL

ME2 Engage in integrated planning and service design approaches, whilst assuring consistent and strong clinical governance, with partners to join up the system to deliver seamless and sustainable care pathways and build sector collaboration.

Health Service Deliverables

Achievements/Outcome

Regional, sub-regional or local regional health needs assessment to develop a population health plan.

Ongoing

Commentary: The South Coast Gippsland Subregional partnership undertook a situational analysis of the services within this region. This work has not progressed any further given the reform agenda that is underway.

Undertake joint clinical service plans that agree a joint approach to coordinating the delivery of health services at a regional level as opposed to individual health service planning.

Not Achieved

Commentary: A decision was made to pause on implementation of this pending recommendations from the Health Services Plan

GOAL

ME2 Engage in integrated planning and service design approaches, whilst assuring consistent and strong clinical governance, with partners to join up the system to deliver seamless and sustainable care pathways and build sector collaboration.

Health Service Deliverables

Reviewing specialist workforce requirements at a regional or sub-regional level and developing a shared workforce model, including coordinating efforts to attract and retain workforce at a regional or sub-regional level.

Achievements/Outcome

Ongoing

Commentary: GSHS commenced implementation of a nurse practitioner workforce in Urgent care. GSHS have partnered with Latrobe Regional Health and Federation University for implementation of Urgent Care Centre Nurse Practitioner and Nurse Practitioner candidates.

A successful subregional workforce conference was held for the sector by the Subregional South Coast Gippsland Partnership with over 120 attendees and 16 sessions sharing workforce challenge, innovation and solutions.

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.

GOAL

EA1 Collaborate with local organisations and communities to better understand local health priorities and 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.

Health Service Deliverables

Facilitate and deliver preventative health strategies to improve the wellbeing of people in the community.

Achievements/Outcome

Achieved

Commentary: GSHS is in partnership with the South Coast Prevention team to facilitate and deliver preventative health strategies. The four priorities for 2023/24 included: creating healthy lifestyles, improving mental wellbeing, supporting affordable housing, and improving equity. Initiatives were rolled out including:

- Working with schools and OSHC to implement the Vic Kids Eat Well (VKEW) initiative
- Oversee the review and implementation of smoke and e-cigarette free policies within public health services in the South Coast, and
- Prevention of Family Violence in South Gippsland and Bass Coast delivering localised sub-regional prevention activities

GOAL

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.

Health Service Deliverables

Embed strategies to raise awareness and implementation of the 'Healthy Choices food and drink 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.

Achievements/Outcome

Achieved

Commentary: Implementation and embedding of healthy choices food and drink policies over the 2023/24 year. Healthy frozen meals provided to staff who are working overtime.

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.

GOAL

EB1 Improve pathways through the health system and implement models of care to enable more people to access care closer to, or in their homes.

Health Service Deliverables

Implement and/or evaluate new/expanded models of care that address barriers to patients receiving care closer to, or in their home.

Achievements/Outcome

Ongoing

Commentary: A Repatriation model was expanded and strengthened to ensure that local patients are returned to local health service wherever possible. In excess of 200 patients returned to local hospital from larger health services as a result in the 2023/24 year.

Implement and/or evaluate new/expanded models of shared care between health services that enable more people to access care closer to, or in their homes.

Ongoing

Commentary: Relationship with Peter MacCallum Cancer Centre to ensure that cancer survivorship program can be delivered locally and in peoples home to prevent travel for this service.

New medical model at UCC Leongatha enabling local people to be seen for Urgent care by a doctor instead of travelling for care.

GOAL

EB1 Improve pathways through the health system and implement models of care to enable more people to access care closer to, or in their homes.

Health Service Deliverables

Implement programs that increase the number of clinical staff capable and confident to deliver at-home care.

Achievements/Outcome

Ongoing

Commentary: The Hospital in the Home (HITH) program expansion planning was commended with expanded resources and the number GSHS nursing staff having readiness to participate in the HITH program.

GOAL

EB4 Improve health and wellbeing outcomes for people living in rural and regional areas by increasing access to care delivered remotely, closer to, or in their homes.

Health Service Deliverables

Establish or further develop relationships between health services so that patients can be easily referred for care closer to, or in their homes.

Achievements/Outcome

Achieved

Commentary: A repatriation process was developed and implemented to ensure that in excess of 200 local patients requiring care in higher acuity centres were returned to their local hospital campus (Leongatha and Korumburra) as soon as able.

A HEALTH SYSTEM THAT TAKES CLIMATE ACTION

The health service is focused on taking effective action to achieve net zero emissions and adapt to climate change.

GOAL

EC1 Reduce clinical and operational practices that are wasteful and environmentally harmful to effectively contribute towards achieving net zero emissions across the health, wellbeing, and care system, including by delivering more energy efficient health services.

Health Service Deliverables

Develop an evidence-based plan and commence an initiative to reduce operational or clinical practices that are wasteful; identify appropriate data sources and outcome measures to demonstrate a positive environmental impact (i.e. avoided greenhouse gas emissions, reductions in resource use, reductions in waste).

Achievements/Outcome

Ongoing

Commentary: Initiatives introduced in 2023/24 year include the bottle deposit scheme, change to lighting within the health service to conserve electricity in offices.

GOAL

EC3 Build a better understanding of the health service's carbon footprint, including Scope 3 (indirect emissions), to inform effective action.

Health Service Deliverables	Achievements/Outcome
Plan for and initiate a project to improve the health service's understanding of its full carbon footprint.	Achieved and ongoing <i>Commentary:</i> A sustainability framework developed for the subregion. GSHS has carbon footprint measurable and planned energy efficiency initiatives for 2024–2025 include replacing existing AHUs with new Air-handlers with the existing chiller system (carbon saving s (T) 19) and upgrading the existing Solar System with a 120kW rooftop system to expand dependency on solar rather than the grid (carbon saving 120s(T))

LOCAL PRIORITY GOAL

GOAL

Develop and implement a sustainable and effective medical model to resource GSHS clinical services and enhance clinical governance

Health Service Deliverables	Achievements/Outcome
The recommendations of the external review are developed and implemented	Ongoing <i>Commentary:</i> There were nine recommendations of the external model review, five have been fully implemented, three are in progress and one has not yet commenced.
The impacts of new medical model are evaluated 6 months post implementation	Baseline data collated prior to and after commencement of the new model. Comparison data to be collated after six months.

Part B: Performance Priorities

High quality and safe care

Key Performance Measure	Target	Actual Achievement
Infection Prevention and Control		
Compliance with the Hand Hygiene Australia program	85%	91%
Percentage of healthcare workers immunised for influenza	94%	96%
Patient Experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	98%
Maternity and Newborn		
Percentage of full-term babies (without congenital anomalies) who are considered in poor condition shortly after birth (Apgar score <7 to 5 minutes)	≤ 1.4%	2.9%
Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation	≤ 28.6%	0%
Aboriginal Health		
Percentage of Aboriginal admitted patients who left against medical advice	25% reduction in gap based on prior year's annual rate	N/A*

*No Aboriginal patients during the reported period, or the numerator was less than two or denominator less than 10.

Strong governance, leadership and culture

Key Performance Measure	Target	Actual Achievement
Organisational Culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	70%

Timely access to care

Key Performance Measure	Target	Actual Achievement
Specialist Clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	99%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	99%

Effective financial management

Key Performance Measure	Target	Actual Achievement
Operating result (\$M)	0.00	(\$1.9M)
Average number of days to pay trade creditors	60 days	32
Average number of days to receive patient fee debtors	60 days	35
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.21
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 of available cash, measured on the last day of each month	14 days	47

Part C: Activity

Funding Type	2023/24 Activity Achievement
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	3,886
Acute Admitted	
National Bowel Cancer Screening Program NWAU	29
Acute admitted DVA	29
Acute admitted TAC	1
Other Admitted	-
Subacute/Non-Acute, Admitted & Non-admitted	
Subacute – DVA	10
Aged Care	
Residential Aged Care	28,678
HACC	6,477
Mental health and Drug Services	
Drug Services	589
Primary Health	
Community Health / Primary Care Programs	3,229

Disclosure Index

The Annual Report of Gippsland Southern 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	9
FRD 22	Purpose, functions, powers, and duties	8
FRD 22	Nature and range of services provided	11
FRD 22	Activities, programs, and achievements for the reporting period	6
FRD 22	Significant changes in key initiatives and expectations for the future	10
Management and structure		
FRD 22	Organisational structure	20
FRD 22	Workforce data/employment and conduct principles	25
FRD 22	Occupational Health and Safety	26
Financial information		
FRD 22	Summary of the financial results for the year	45
FRD 22	Significant changes in financial position during the year	45
FRD 22	Operational and budgetary objectives and performance against objectives	45
FRD 22	Subsequent events	45
FRD 22	Details of consultancies under \$10,000	32
FRD 22	Details of consultancies over \$10,000	32
FRD 22	Disclosure of government advertising expenditure	N/A
FRD 22	Disclosure of ICT expenditure	33
FRD 22	Asset Management Accountability Framework	41
FRD 22	Reviews and Studies expenditure	N/A

Legislation	Requirement	Page Reference
Legislation		
FRD 22	Application and operation of Freedom of Information Act 1982	30
FRD 22	Compliance with building and maintenance provisions of Building Act 1993	28
FRD 22	Application and operation of Public Interest Disclosure Act 2012	29
FRD 22	Statement on National Competition Policy	28
FRD 22	Application and operation of Carers Recognition Act 2012	30
FRD 22	Additional information available on request	29
FRD 24	Environmental data reporting	34
FRD 25	Local Jobs First Act 2003 disclosures	31
SD 5.1.4	Financial Management Compliance attestation	44
SD 5.2.3	Declaration in Report of Operations	5

Requirement	Page Reference
Attestations	
Attestation on Data Integrity	43
Attestation on managing Conflicts of Interest	43
Attestation on Integrity, fraud, and corruption	44
Compliance with HealthShare Victoria (HSV) Purchasing Policies	44
Other Reporting Requirements	
Reporting of outcomes from Statement of Priorities 2023–2024	47
Occupational Violence reporting	25
Asset Management Accountability Framework	41
Gender Equality Act 2020	27
Reporting obligations under the Safe Patient Care Act 2015	31
Reporting of compliance regarding Car Parking Fees (if applicable)	Not applicable

Financial Statements

Financial Statements

Financial Year ended 30 June 2024

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

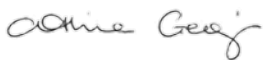
The attached financial statements for Gippsland Southern Health Service have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including 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 Gippsland Southern 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 26th September, 2024.

Board member




Athina Georgiou

Chair

Leongatha
26th September, 2024

Accountable Officer



Louise Sparkes

Chief Executive Officer

Leongatha
26th September, 2024

Chief Finance & Accounting Officer



Jason O'Reilly

Chief Finance and Accounting Officer

Leongatha
26th September, 2024

Independent Auditor's Report – 2023–24



Independent Auditor's Report

To the Board of Gippsland Southern Health Service

Opinion	<p>I have audited the financial report of Gippsland Southern Health Service (the health service) which comprises the:</p> <ul style="list-style-type: none">• 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. <p>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 its 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.</p>
Basis for Opinion	<p>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.</p> <p>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 <i>APES 110 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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other information	<p>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.</p> <p>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.</p>
Board's responsibilities for the financial report	<p>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 <i>Financial Management Act 1994</i>, 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.</p> <p>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.</p>

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.



Dominika Ryan
as delegate for the Auditor-General of Victoria

MELBOURNE
18 October 2024

Start of Financials

Gippsland Southern Health Service Comprehensive Operating Statement For the Financial Year Ended 30 June 2024

		Total 2024 \$'000	Total 2023 \$'000
	Note		
Revenue and income from transactions			
Operating activities	2.1	52,539	50,643
Non-operating activities	2.1	1,040	575
Share of revenue from joint operations	8.7	1,510	1,463
Total revenue and income from transactions		55,089	52,681
Expenses from transactions			
Employee expenses	3.1	(44,890)	(41,240)
Supplies and consumables	3.1	(3,970)	(3,716)
Finance costs	3.1	(33)	(9)
Depreciation and amortisation	3.1	(4,623)	(4,630)
Other administrative expenses	3.1	(2,950)	(2,456)
Other operating expenses	3.1	(2,559)	(2,293)
Other non-operating expenses	3.1	(16)	(4)
Share of expenditure from joint operations	8.7	(1,455)	(1,476)
Total Expenses from transactions		(60,496)	(55,824)
Net result from transactions - net operating balance		(5,407)	(3,143)
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	-	12
Other gain/(loss) from other economic flows	3.2	49	19
Total other economic flows included in net result		49	31
Net result for the year		(5,358)	(3,112)
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.3	50,114	-
Total other comprehensive income		50,114	-
Comprehensive result for the year		44,756	(3,112)

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

Gippsland Southern Health Service
Balance Sheet
As at 30 June 2024

	Note	Total 2024 \$'000	Total 2023 \$'000
Current assets			
Cash and cash equivalents	6.2	22,322	20,943
Receivables	5.1	1,231	1,070
Contract assets	5.2	649	669
Inventories	4.5	142	146
Other assets		437	372
Total current assets		24,781	23,200
Non-current assets			
Receivables	5.1	2,361	1,984
Property, plant and equipment	4.1 (a)	120,868	74,351
Right of use assets	4.2 (a)	81	107
Total non-current assets		123,310	76,442
Total assets		148,091	99,642
Current liabilities			
Payables	5.3	3,257	2,806
Contract liabilities	5.4	68	282
Borrowings	6.1	26	28
Employee benefits	3.3	9,487	8,240
Other liabilities	5.5	11,573	9,283
Total current liabilities		24,411	20,639
Non-current liabilities			
Borrowings	6.1	55	78
Employee benefits	3.3	541	597
Total non-current liabilities		596	675
Total liabilities		25,007	21,314
Net assets		123,084	78,328
Equity			
Property, plant and equipment revaluation surplus	4.3	99,333	49,219
Restricted specific purpose reserve	SCE	113	113
Contributed capital	SCE	24,787	24,787
Accumulated surplus	SCE	(1,149)	4,209
Total equity		123,084	78,328

This balance sheet should be read in conjunction with the accompanying notes.

Gippsland Southern Health Service
Cash Flow Statement
For the Financial Year Ended 30 June 2024

Note	Total 2024 \$'000	Total 2023 \$'000
Cash Flows from operating activities		
Operating grants from State Government	29,496	31,969
Operating grants from Commonwealth Government	14,435	10,702
Capital grants from government - State	452	887
Patient fees received	3,858	3,329
Donations and bequests received	-	5
GST received from ATO	1,491	804
Interest income received	1,040	575
Commercial Income Received	2,028	1,879
Other receipts	1,146	1,361
Total receipts	53,946	51,511
Payments to employees	(37,156)	(35,628)
Payments to contractors and consultants	(7,095)	(4,991)
Payments for supplies and consumables	(3,798)	(3,713)
Payments for medical indemnity insurance	(470)	(466)
Payments for repairs and maintenance	(1,483)	(1,315)
Finance Costs	(33)	(9)
Payment for share of rural health alliance	(879)	(869)
Other payments	(3,055)	(2,397)
Total payments	(53,969)	(49,388)
Net cash flows from/(used in) operating activities	8.1 (23)	2,123
Cash Flows from investing activities		
Purchase of non-financial assets	(1,000)	(688)
Capital donations and bequests received	269	31
Other capital receipts	100	64
Proceeds from sale of non-financial assets	-	12
Net cash flows from/(used in) investing activities	(631)	(581)
Cash flows from financing activities		
Repayment of borrowings	(25)	(14)
Receipt of accommodation deposits	7,139	5,043
Repayment of accommodation deposits	(5,081)	(4,245)
Net cash flows from /(used in) financing activities	2,033	784
Net increase/(decrease) in cash and cash equivalents held	1,379	2,326
Cash and cash equivalents at beginning of year	20,943	18,617
Cash and cash equivalents at end of year	6.2 22,322	20,943

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

**Gippsland Southern Health Service
Statement of Changes in Equity
For the Financial Year Ended 30 June 2024**

	Property, Plant and Equipment Revaluation Surplus \$'000	Restricted Specific Purpose Reserve \$'000	Contributed Capital \$'000	Accumulated Surplus \$'000	Total \$'000
Total					
Balance at 1 July 2022	49,219	113	24,787	7,321	81,440
Net result for the year	-	-	-	(3,112)	(3,112)
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2023	49,219	113	24,787	4,209	78,328
Net result for the year	-	-	-	(5,358)	(5,358)
Other comprehensive income for the year	50,114	-	-	-	50,114
Balance at 30 June 2024	99,333	113	24,787	(1,149)	123,084

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

Note 1: Basis of preparation

Structure

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

Gippsland Southern Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

Note 1: Basis of preparation

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

This section explains the basis of preparing the financial statements.

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.

Gippsland Southern 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 8.9 Economic Dependency).

The financial statements are presented 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.

The annual financial statements were authorised for issue by the Board of Gippsland Southern Health Service on 26th September, 2024.

Gippsland Southern Health Service
Notes to the Financial Statements
For the Financial 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
NWAU	National Weighted Activity Unit
SD	Standing Direction
VAGO	Victorian Auditor General's Office

Note 1.3 Joint arrangements

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

Gippsland Southern Health Service has the following joint arrangements:

- Gippsland Health Alliance (GHA)

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

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.4: Depreciation and amortisation
- Note 4.6: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 5.5: Other liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

**Gippsland Southern Health Service
Notes to the Financial Statements
For the Financial 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 Gippsland Southern 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 is not expected to have a material impact.

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

Gippsland Southern Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2024

Note 1.6 Goods and Services Tax (GST)

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

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

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

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 Gippsland Southern Health Service.

Gippsland Southern Health Service's principal address is:
Koonwarra Road
Leongatha
Victoria 3953

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

Note 2: Funding delivery of our services

Gippsland Southern Health Service's overall objective is to provide quality health service and to be a leading regional healthcare provider delivering timely, accessible, integrated and responsive services to the Gippsland community.

Gippsland Southern Health Service is predominantly funded by grant funding for the provision of outputs. Gippsland Southern Health Service 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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	Gippsland Southern Health Service applies material judgement 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 Gippsland Southern 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	Gippsland Southern 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	Gippsland Southern 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	Gippsland Southern Health Service applies material judgement to determine the fair value of assets and services provided free of charge or for nominal value. Where a reliable market value exists it is used to calculate the equivalent value of the service being provided. Where no reliable market value exists, the service is not recognised in the financial statements.

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial year ended 30 June 2024

Note 2.1 Revenue and income from transactions

	Total 2024 \$'000	Total 2023 \$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	20,544	18,648
Government grants (Commonwealth) - Operating	14,622	10,739
Patient and resident fees	3,893	3,444
Commercial activities ¹	2,028	1,879
Total revenue from contracts with customers	41,087	34,710
	2.1 (a)	
Other sources of income		
Government grants (State) - Operating	9,570	14,001
Government grants (State) - Capital	452	887
Other capital purpose income	100	64
Capital donations	269	31
Assets received free of charge or for nominal consideration	54	342
Other revenue from operating activities (including non-capital donations)	1,007	608
Total other sources of income	11,452	15,933
	2.2	
Total revenue and income from operating activities	52,539	50,643
Non-operating activities		
Income from other sources		
Capital interest	430	278
Other interest	610	297
Total other sources of income	1,040	575
Total income from non-operating activities	1,040	575
Total revenue and income from transactions	53,579	51,218

1. Commercial activities represent business activities which Gippsland Southern Health Service enter into to support their operations.

Note 2.1 Revenue and income from transactions (continued)

Note 2.1(a): Timing of revenue from contracts with customers

	Total 2024 \$'000	Total 2023 \$'000
Gippsland Southern Health Service disaggregates revenue by the timing of revenue recognition.		
Goods and services transferred to customers:		
At a point in time	39,059	32,831
Over time	2,028	1,879
Total revenue from contracts with customers	41,087	34,710

How we recognise revenue and income from transactions

Government operating grants

To recognise revenue, Gippsland Southern Health Service assesses each grant to determine 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, Gippsland Southern 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.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, 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 Gippsland Southern Health Service's goods or services. Gippsland Southern 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.

Note 2.1 Revenue and income from transactions (continued)

This policy applies to each of Gippsland Southern Health Service's revenue streams, with information detailed below relating to Gippsland Southern 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.
Commonwealth Residential Aged Care Grants	The organisation receives Commonwealth grants for residential aged care clients based on their daily occupation within each facility. These performance obligations have been selected as they align with the Commonwealth Government Aged Care Act 1997. Judgement over performance obligations is evident from occupancy reports maintained in aged care software with monthly submissions provided to the Commonwealth.
Home Care Package Grants	The organisation receives Commonwealth grants for home care package clients with revenue recognised as funds are expended. These performance obligations have been selected as they align with the Commonwealth Government Aged Care Act 1997. The Health Service exercises judgement over whether performance obligations are met. This is measured by reference to financial reports detailing expenditure and available funds for each home care package client
Commonwealth Home Support Program (CHSP) Grants	The organisation contracts with the Commonwealth for the provision of home support to clients over 65 years of age. The contract specifies the services and targets which the organisation measures against in terms of its performance obligations. Measurement is based on service and target outputs derived from the organisation's reporting software.
National Disability Insurance Scheme (NDIS)	The organisation receives funding from the Commonwealth NDIS to support costs associated with disability services provided to eligible clients. The NDIS has pricing arrangements in place that enables the organisation to claim funding based on services provided to its client base. Measurement is based on service outputs derived from the organisation's reporting software.

Capital grants

Where Gippsland Southern 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 Gippsland Southern 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.

Patient and resident fees

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

Commercial activities

Revenue from commercial activities includes items such as diagnostic imaging, catering, cafeteria and rental income. Commercial revenue is recognised at a point in time, upon provision of the goods or service to the customer.

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

	Total 2024 \$'000	Total 2023 \$'000
Cash donations and gifts	-	5
Plant and equipment	-	153
Personal protective equipment	54	184
Total fair value of assets and services received free of charge or for nominal consideration	54	342

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 Gippsland Southern 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 Gippsland Southern Health Service for nil consideration.

Contributions of resources

Gippsland Southern Health Service may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when Gippsland Southern 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 Gippsland Southern Health Service as a capital contribution transfer.

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

Volunteer Services

Gippsland Southern Health Service receives volunteer services from members of the community to support our residents in aged care and patients within the hospital setting.

Gippsland Southern 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. No value has been recorded in the financial statements in the current financial year (2023: \$Nil).

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

Non-cash contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Gippsland Southern 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.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health Hospital Circular.

Note 3: The cost of delivering our services

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

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	<p>Gippsland Southern Health Service applies material judgement when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Gippsland Southern 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.</p> <p>Employee benefit liabilities are classified as a non-current liability if Gippsland Southern 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.</p>
Measuring employee benefit liabilities	<p>Gippsland Southern Health Service applies material judgement when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>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.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> • 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 22% and 86% • discounting at the rate of 4.348%, as determined with reference to market yields on government bonds at the end of the reporting period.

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial year ended 30 June 2024

Note 3.1 Expenses from transactions

	Total 2024 \$'000	Total 2023 \$'000
Salaries and wages	29,322	27,907
On-costs	8,192	7,347
Agency expenses	3,432	2,203
Fee for service medical officer expenses	3,018	2,788
Workcover premium	926	995
Total employee expenses	44,890	41,240
Drug supplies	282	251
Medical and surgical supplies (including Prostheses)	1,530	1,635
Diagnostic and radiology supplies	369	277
Other supplies and consumables	1,789	1,553
Total supplies and consumables	3,970	3,716
Finance costs	33	9
Total finance costs	33	9
Other administrative expenses	2,950	2,456
Total other administrative expenses	2,950	2,456
Fuel, light, power and water	693	625
Repairs and maintenance	978	899
Maintenance contracts	370	283
Medical indemnity insurance	470	466
Expenditure for capital purposes	48	20
Total other operating expenses	2,559	2,293
Total operating expense	54,402	49,714
Depreciation and amortisation	4,623	4,630
Total depreciation and amortisation	4,623	4,630
Bad and doubtful debt expense	16	4
Total other non-operating expenses	16	4
Total non-operating expense	4,639	4,634
Total expenses from transactions	59,041	54,348

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 premiums.

Supplies and consumables

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

Finance costs

Finance costs include:

- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases* .

Other operating expenses

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

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

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

Non-operating expenses

Other non-operating expenses generally represent expenditure outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

Gippsland Southern Health Service
 Notes to the Financial Statements
 for the financial year ended 30 June 2024

Note 3.2 Other economic flows included in net result

	Total 2024 \$'000	Total 2023 \$'000
Net gain/(loss) on disposal of property plant and equipment	-	12
Total net gain/(loss) on non-financial assets	-	12
Net gain/(loss) arising from revaluation of long service liability	49	19
Total other gains/(losses) from other economic flows	49	19
Total gains/(losses) from other economic flows	49	31

How we recognise other economic flows

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

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

Net gain/(loss) on non-financial assets

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

- net gain/(loss) on disposal of non-financial assets
- any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Note 3.3 Employee benefits and related on-costs

	Total 2024 \$'000	Total 2023 \$'000
Current employee benefits and related on-costs		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	72	91
	72	91
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	3,315	2,841
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	524	454
	3,839	3,295
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months ⁱ	752	525
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	3,555	3,279
	4,307	3,804
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months ⁱ	624	485
Unconditional and expected to be settled after 12 months ⁱⁱ	645	565
	1,269	1,050
Total current employee benefits and related on-costs	9,487	8,240
Non-current provisions and related on-costs		
Conditional long service leave	467	518
Provisions related to employee benefit on-costs	74	79
Total non-current employee benefits and related on-costs	541	597
Total employee benefits and related on-costs	10,028	8,837

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

Note 3.3 (a) Employee benefits and related on-costs

	Total 2024 \$'000	Total 2023 \$'000
Current employee benefits and related on-costs		
Unconditional accrued days off	83	103
Unconditional annual leave entitlements	4,415	3,757
Unconditional long service leave entitlements	4,989	4,380
Total current employee benefits and related on-costs	9,487	8,240
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	541	597
Total non-current employee benefits and related on-costs	541	597
Total employee benefits and related on-costs	10,028	8,837
Attributable to:		
Employee benefits	8,685	7,708
Provision for related on-costs	1,343	1,129
Total employee benefits and related on-costs	10,028	8,837

Note 3.3 (b) Provision for related on-costs movement schedule

	Total 2024 \$'000	Total 2023 \$'000
Carrying amount at start of year	1,129	1,030
Additional provisions recognised	769	558
Revaluation impact of changes in discount rate	5	2
Amounts incurred during the year	(560)	(461)
Carrying amount at end of year	1,343	1,129

How we recognise employee benefits

Employee benefit recognition

Employee benefits are accrued for employees in respect of accrued days off, annual leave and long service leave for services rendered to the reporting date.

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.

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as 'current liabilities' because Gippsland Southern Health Service does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for annual leave and accrued days off are measured at:

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

Note 3.3 (b) Provision for related on-costs movement schedule (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 the Gippsland Southern 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 measured at:

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

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

Termination benefits

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

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

	Paid contribution for the year		Contribution Outstanding at Year-end	
	Total 2024 \$'000	Total 2023 \$'000	Total 2024 \$'000	Total 2023 \$'000
Defined benefit plans:ⁱ				
Aware Super	4	4	-	-
Defined contribution plans:				
Aware Super	1,384	1,559	108	-
Hesta	961	1,020	90	-
Other	692	612	79	-
Total	3,041	3,195	277	-

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 Gippsland Southern 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 Gippsland Southern Health Service to the superannuation plans in respect of the services of current Gippsland Southern Health Service's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Gippsland Southern 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 DTF discloses the State's defined benefits liabilities in its disclosure for administered items. However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Gippsland Southern Health Service.

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

Defined contribution superannuation plans

Defined contribution (i.e. accumulation) superannuation plans 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 Gippsland Southern Health Service are disclosed above.

Note 4: Key assets to support service delivery

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

Structure

- 4.1 Property, plant & equipment**
- 4.2 Right-of-use assets**
- 4.3 Revaluation surplus**
- 4.4 Depreciation and amortisation**
- 4.5 Inventories**
- 4.6 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	Gippsland Southern 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. Gippsland Southern Health Service applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Identifying indicators of impairment	At the end of each year, Gippsland Southern Health Service 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: <ul style="list-style-type: none"> ▪ 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.

Note 4.1 Property, plant and equipment

Note 4.1 (a) Gross carrying amount and accumulated depreciation

	Total 2024 \$'000	Total 2023 \$'000
Land at fair value - Freehold	7,074	6,935
Total land at fair value	7,074	6,935
Buildings at fair value	106,963	66,152
Less accumulated depreciation	-	(3,774)
Total buildings at fair value	106,963	62,378
Site improvements at fair value	2,780	1,328
Less accumulated depreciation	-	(71)
Total site improvements at fair value	2,780	1,257
Total buildings and improvements	109,743	63,635
Total land and buildings	116,817	70,570
Plant and equipment at fair value	3,250	3,120
Less accumulated depreciation	(2,189)	(2,052)
Total plant and equipment at fair value	1,061	1,068
Motor vehicles at fair value	915	920
Less accumulated depreciation	(915)	(914)
Total motor vehicles at fair value	-	6
Computer equipment at fair value	1,273	1,103
Less accumulated depreciation	(893)	(827)
Total computer equipment at fair value	380	276
Furniture and fittings at fair value	310	275
Less accumulated depreciation	(207)	(190)
Total furniture and fittings at fair value	103	85
Total plant and equipment	1,544	1,435
Medical equipment at fair value	8,347	8,091
Less accumulated depreciation	(6,185)	(5,751)
Total medical equipment at fair value	2,162	2,340
Total plant, equipment, furniture, fittings and vehicles at fair value	3,706	3,775
Work in Progress - At Cost	345	6
Total Work in Progress	345	6
Total property, plant and equipment	120,868	74,351

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

	Note	Land \$'000	Buildings \$'000	Site Improvements \$'000	Works in Progress \$'000	Plant & equipment \$'000	Medical Equipment \$'000	Total \$'000
Balance at 1 July 2022		6,935	66,152	446	704	1,488	2,401	78,126
Additions		-	-	-	201	232	408	841
Disposals		-	-	-	-	-	-	-
Revaluation increments/(decrements)		-	-	-	-	-	-	-
Net transfers between classes		-	-	883	(899)	16	-	-
Depreciation	4.4	-	(3,774)	(72)	-	(301)	(469)	(4,616)
Balance at 30 June 2023	4.1 (a)	6,935	62,378	1,257	6	1,435	2,340	74,351
Additions		-	1	-	339	395	277	1,012
Disposals		-	-	-	-	-	-	-
Revaluation increments/(decrements)		139	47,542	2,433	-	-	-	50,114
Net Transfers between classes		-	816	(816)	-	-	-	-
Depreciation	4.4	-	(3,774)	(94)	-	(286)	(455)	(4,609)
Balance at 30 June 2024	4.1 (a)	7,074	106,963	2,780	345	1,544	2,162	120,868

Land and Buildings Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Gippsland Southern Health Services land, buildings and site improvements to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2024.

Note 4.1 (b) 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 Gippsland Southern 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.

Subsequent measurement

Items of property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

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

Further information regarding fair value measurement is disclosed in Note 7.4.

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, Gippsland Southern 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%, Gippsland Southern Health Service would obtain an interim independent valuation prior to the next scheduled independent valuation.

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

Revaluation (Continued)

An independent valuation of Gippsland Southern Health Service's land, buildings and site improvements was performed by the VGV on 30 June 2024. The valuation, which complies with Australian Valuation Standards, was determined by 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.

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 surplus 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.

Gippsland Southern Health Service
 Notes to the Financial Statements
 for the financial year ended 30 June 2024

Note 4.2 Right-of-use assets

Note 4.2(a) Gross carrying amount and accumulated depreciation

	Total 2024 \$'000	Total 2023 \$'000
Right of use plant, equipment, furniture, fittings and vehicles at fair value	118	130
Less accumulated depreciation	(37)	(23)
Total right of use plant, equipment, furniture, fittings and vehicles at fair value	81	107
Total right of use plant, equipment, furniture, fittings and vehicles at fair value	81	107
Total right of use assets	81	107

Note 4.2(b) Reconciliations of the carrying amounts by class of asset

	Note	Right-of-use - PE, FF&V \$'000	Total \$'000
Balance at 1 July 2022		135	135
Disposals		(14)	(14)
Depreciation	4.4	(14)	(14)
Balance at 30 June 2023	4.2(a)	107	107
Additions		-	-
Disposals		(12)	(12)
Depreciation	4.4	(14)	(14)
Balance at 30 June 2024	4.2(a)	81	81

How we recognise right-of-use assets

Initial recognition

When a contract is entered into, Gippsland Southern 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.

Gippsland Southern 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 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 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).

Further information regarding fair value measurement is disclosed in Note 7.4.

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial year ended 30 June 2024

Note 4.3 Revaluation Surplus

	Total 2024 \$'000	Total 2023 \$'000
Balance at the beginning of the reporting period	41,631	41,631
Revaluation increment		
- Land	4.1 (b) 139	-
- Buildings	4.1 (b) 47,542	-
- Site Improvements	4.1 (b) 2,433	-
Total revaluation increment	50,114	-
Balance at the end of the Reporting Period*	91,745	41,631
* Represented by:		
- Land	5,473	5,334
- Buildings	89,820	42,278
- Site Improvements	4,040	1,607
	99,333	49,219

Note 4.4 Depreciation

	Total 2024 \$'000	Total 2023 \$'000
Depreciation		
Property, plant and equipment		
Buildings	3,774	3,774
Site Improvements	94	72
Plant and equipment	140	144
Motor vehicles	5	30
Medical equipment	455	469
Computer equipment	124	112
Furniture and fittings	17	15
Total depreciation - property, plant and equipment	4,609	4,616
Right-of-use assets		
Right of use - plant, equipment, furniture, fittings and motor vehicles	14	14
Total depreciation - right-of-use assets	14	14
Total Depreciation	4,623	4,630
Total depreciation and amortisation	4,623	4,630

How we recognise depreciation

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

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

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

	2024	2023
Buildings		
- Structure shell building fabric	15 to 50 years	15 to 50 years
- Site engineering services and central plant	15 to 21 years	15 to 21 years
Central Plant		
- Fit Out	10 to 25 years	10 to 25 years
- Trunk reticulated building system	11 to 30 years	11 to 30 years
Site improvements	15 to 50 years	15 to 50 years
Plant and equipment	3 to 18 years	3 to 18 years
Medical equipment	2 to 15 years	2 to 15 years
Computers and communication	2 to 10 years	2 to 10 years
Furniture and fitting	5 to 20 years	5 to 20 years
Motor Vehicles	4 to 5 years	4 to 5 years

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

Note 4.5 Inventories

	Total 2024 \$'000	Total 2023 \$'000
Medical and surgical consumables at cost	29	25
Pharmacy supplies at cost	73	74
General stores at cost	40	47
Total inventories	142	146

How we recognise inventories

Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets. Inventories are measured at the lower of cost and net realisable value.

Note 4.6: Impairment of assets

How we recognise impairment

At the end of each reporting period, Gippsland Southern 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 Gippsland Southern 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, Gippsland Southern 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, Gippsland Southern Health Service estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Gippsland Southern Health Service did not record any impairment losses against Property, Plant and Equipment for the year ended 30 June 2024 (30 June 2023:Nil).

Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Gippsland Southern Health Service's operations.

Structure

5.1 Receivables

5.2 Contract assets

5.3 Payables

5.4 Contract liabilities

5.5 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	Gippsland Southern 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.
Measuring deferred capital grant income	Where Gippsland Southern 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. Gippsland Southern 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.
Measuring contract liabilities	Gippsland Southern 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.

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial year ended 30 June 2024

Note 5.1 Receivables

Notes	Total 2024 \$'000	Total 2023 \$'000
Current receivables		
Contractual		
Inter hospital debtors	53	71
Trade receivables	322	362
Patient fees	562	543
Allowance for impairment losses - Patient Fees	(38)	(38)
Accrued revenue	62	7
Amounts receivable from governments and agencies	175	24
Total contractual receivables	1,136	969
Statutory		
GST receivable	95	101
Total statutory receivables	95	101
Total current receivables	1,231	1,070
Non-current receivables		
Contractual		
Long service leave - Department of Health	2,361	1,984
Total contractual receivables	2,361	1,984
Total non-current receivables	2,361	1,984
Total receivables	3,592	3,054
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	3,592	3,054
Provision for impairment	38	38
GST receivable	(95)	(101)
Total financial assets classified as receivables	7.1(a) 3,535	2,991

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

	Total 2024 \$'000	Total 2023 \$'000
Balance at the beginning of the year	38	38
Increase in allowance	16	4
Amounts written off during the year	(16)	(4)
Balance at the end of the year	38	38

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, including debtors that relates to goods and services and accrued revenue from Government agencies. These receivables are classified as financial instruments and are categorised as ‘financial assets at amortised costs’. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, 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. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

Impairment losses of contractual receivables

Refer to Note 7.2 (a) for Gippsland Southern Health Service’s contractual impairment losses.

Note 5.2 Contract assets

	Total 2024 \$'000	Total 2023 \$'000
Current		
Contract assets	649	669
Total contract assets	649	669

Note 5.2(a) Movement in contract assets

	Total 2024 \$'000	Total 2023 \$'000
Balance at the beginning of the year	669	13
Add: Additional costs incurred that are recoverable from the customer	649	669
Less: Transfer to trade receivable or cash at bank	(669)	(13)
Total contract assets	649	669
* Represented by:		
- Current assets	649	669
	649	669

How we recognise contract assets

Contract assets relate to the Gippsland Southern Health Service's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. Contract assets are expected to be recovered during the next financial year.

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial year ended 30 June 2024

Note 5.3 Payables

	Total 2024 \$'000	Total 2023 \$'000
Current payables		
Contractual		
Trade creditors	1,382	417
Accrued salaries and wages	652	608
Accrued expenses	524	635
Amounts payable to governments and agencies	699	1,146
Total contractual payables	3,257	2,806
Total current payables	3,257	2,806
Total payables	3,257	2,806
<i>(i) Financial liabilities classified as payables (Note 7.1(a))</i>		
Total payables	3,257	2,806
Total financial liabilities	3,257	2,806

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 Gippsland Southern Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables**, including Goods and Services Tax (GST) payable (if any). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.4 Contract liabilities

Current

Contract liabilities

Total current contract liabilities

Total 2024 \$'000	Total 2023 \$'000
68	282
68	282

Note 5.4(a) Movement in contract liabilities

Opening balance of contract liabilities

Grant consideration for sufficiently specific performance obligations received during the year

Revenue recognised for the completion of a performance obligation

Total contract liabilities

Total 2024 \$'000	Total 2023 \$'000
282	-
68	282
(282)	-
68	282

*** Represented by:**

- Current contract liabilities

68	282
68	282

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of activity based services.

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

Maturity analysis of payables

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

Note 5.5 Other liabilities

	Total 2024 \$'000	Total 2023 \$'000
Current monies held in trust		
Refundable accommodation deposits	10,984	8,926
GHA Other current liabilities	589	357
Total current monies held in trust	11,573	9,283
Total other liabilities	11,573	9,283
* Represented by:		
- Cash assets	6.2 10,984	8,926
	10,984	8,926

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 Gippsland Southern Health Service upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

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

Note 6: How we finance our operations

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

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	<p>Gippsland Southern Health Service applies material judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> ▪ 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	<p>Gippsland Southern Health Service applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>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.</p> <p>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.</p>

Material judgements and estimates (continued)

Material judgements and estimates	Description
Discount rate applied to future lease payments	<p>Gippsland Southern 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, Gippsland Southern 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.</p> <p>For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 2.0% and 5.0%.</p>
Assessing the lease term	<p>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 Gippsland Southern Health Service is reasonably certain to exercise such options.</p> <p>Gippsland Southern Health Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> ▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. ▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Total 2024 \$'000	Total 2023 \$'000
Current borrowings		
Lease liability ⁽ⁱ⁾	26	28
Total current borrowings	26	28
Non-current borrowings		
Lease liability ⁽ⁱ⁾	55	78
Total non-current borrowings	55	78
Total borrowings	81	106

ⁱ Secured by the assets leased.

How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly raised through lease liabilities and other interest-bearing arrangements.

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

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

Note 6.1 (a) Lease liabilities

Gippsland Southern Health Service's lease liabilities are summarised below:

	Total 2024 \$'000	Total 2023 \$'000
Total undiscounted lease liabilities	85	109
Less unexpired finance expenses	(4)	(3)
Net lease liabilities	81	106

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

	Total 2024 \$'000	Total 2023 \$'000
Not longer than one year	27	30
Longer than one year but not longer than five years	58	79
Minimum future lease liability	85	109
Less unexpired finance expenses	(4)	(3)
Present value of lease liability	81	106
* Represented by:		
- Current liabilities	26	28
- Non-current liabilities	55	78
	81	106

How we recognise lease liabilities

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

To apply this definition, Gippsland Southern 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 Gippsland Southern Health Service and for which the supplier does not have substantive substitution rights
- Gippsland Southern 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 Gippsland Southern Health Service has the right to direct the use of the identified asset throughout the period of use and
- Gippsland Southern 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.

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

Type of asset leased	Lease term
Leased plant, equipment, furniture, fittings and vehicles	1 to 4 years

Note 6.1 (a) Lease liabilities (continued)

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 Gippsland Southern Health Services incremental borrowing rate. Our lease liability has been discounted by rates of between 2% to 5%.

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

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee and
- payments arising from purchase and termination options reasonably certain to be exercised.

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

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 an increase in recognised lease liabilities and right-of-use assets of \$Nil.

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 fixed payments.

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

Note 6.2 Cash and Cash Equivalents

	Total 2024 \$'000	Total 2023 \$'000
Cash on hand (excluding monies held in trust)	1	1
Cash at bank (excluding monies held in trust)	3,001	5,205
Cash at bank - CBS (excluding monies held in trust)	8,336	6,811
Total cash held for operations	11,338	12,017
Cash at bank - CBS (monies held in trust)	10,984	8,926
Total cash held as monies in trust	10,984	8,926
Total cash and cash equivalents	22,322	20,943

7.1 (a)

How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity date of three months or less).

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 and are subject to insignificant risk of changes in value.

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

Note 6.3 Commitments for expenditure

	Total 2024 \$'000	Total 2023 \$'000
Capital expenditure commitments		
Less than one year	583	-
Total capital expenditure commitments	583	-
Operating Expenditure Commitments - Maintenance Service Contracts		
Less than one year	569	518
Longer than one year but not longer than five years	513	483
Five years or more	141	228
Total operating expenditure commitments	1,223	1,229
Total commitments for expenditure (exclusive of GST)	1,806	1,229
Less GST recoverable from Australian Tax Office	(164)	(112)
Total commitments for expenditure (exclusive of GST)	1,642	1,117

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

How we disclose our commitments

Our commitments relate to expenditure and short term and low value leases.

Expenditure commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed 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 projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet.

Note 7: Risks, contingencies and valuation uncertainties

Gippsland Southern 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 health service is related mainly to fair value determination.

Structure

- 7.1 Financial instruments**
- 7.2 Financial risk management objectives and policies**
- 7.3 Contingent assets and contingent liabilities**
- 7.4 Fair value determination**

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	<p>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.</p> <p>In determining the highest and best use, Gippsland Southern 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.</p>

Material judgements and estimates (continued)

Material judgements and estimates	Description
Measuring fair value of non-financial assets	<p>Gippsland Southern Health Service uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> ▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Gippsland Southern 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 Gippsland Southern 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. Gippsland Southern Health Service does not use this approach to measure fair value. <p>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.</p> <p>Subsequently, the health service applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> ▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Gippsland Southern 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. Gippsland Southern Health Service categorises non-specialised land and right-of-use concessionary land in this level. ▪ Level 3, where inputs are unobservable. Gippsland Southern Health Service categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial 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 Gippsland Southern 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*.

Note 7.1 (a) Categorisation of financial instruments

		Financial Assets at Amortised Cost	Financial Liabilities at Amortised Cost	Total
	Note	\$'000	\$'000	\$'000
Total				
30 June 2024				
Contractual Financial Assets				
Cash and Cash Equivalents	6.2	22,322	-	22,322
Receivables	5.1	3,535	-	3,535
Total Financial Assets¹		25,857	-	25,857
Financial Liabilities				
Payables	5.3	-	3,257	3,257
Borrowings	6.1	-	81	81
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	10,984	10,984
Other Financial Liabilities - Other monies held in trust	5.5	-	589	589
Total Financial Liabilities¹		-	14,911	14,911

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial year ended 30 June 2024

Note 7.1 (a) Categorisation of financial instruments (continued)

	Note	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
Total				
30 June 2023				
Contractual Financial Assets				
Cash and cash equivalents	6.2	20,943	-	20,943
Receivables	5.1	2,991	-	2,991
Total Financial Assetsⁱ		23,934	-	23,934
Financial Liabilities				
Payables	5.3	-	2,806	2,806
Borrowings	6.1	-	106	106
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	8,926	8,926
Other Financial Liabilities - Other monies held in trust	5.5	-	357	357
Total Financial Liabilitiesⁱ		-	12,195	12,195

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

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when Gippsland Southern Health Service becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Gippsland Southern 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.

Note 7.1 (a) Categorisation of financial instruments (continued)

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 Gippsland Southern 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.

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

- cash and deposits
- receivables (excluding statutory receivables)

Note 7.1 (a) Categorisation of financial instruments (continued)

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.

Gippsland Southern 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).

Offsetting financial instruments

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

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

Note 7.1 (a) Categorisation of financial instruments (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
- Gippsland Southern 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
- Gippsland Southern 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 Gippsland Southern Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Gippsland Southern 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

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

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

As a whole, Gippsland Southern 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.

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

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. Gippsland Southern 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 Gippsland Southern Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Gippsland Southern 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, Gippsland Southern 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, Gippsland Southern 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 Gippsland Southern 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 Gippsland Southern 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 Gippsland Southern Health Service's credit risk profile in 2023-24.

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial year ended 30 June 2024

Note 7.2 (a) Credit risk (continued)

Impairment of financial assets under AASB 9

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

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

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

Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contractual receivables at amortised cost

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

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

Note 7.2 (a) Contractual receivables at amortised cost

	Note	Current	Less than 1 month	1-3 months	3 months -1 year	1-5 years	Total
30 June 2024							
Expected loss rate		0.0%	0.0%	4.0%	9.0%	0.9%	
Gross carrying amount of contractual receivables	5.1	832	117	24	164	2,399	3,536
Loss allowance		-	-	(1)	(15)	(22)	(38)
30 June 2023							
Expected loss rate		0.0%	0.0%	2.0%	10.5%	1.1%	
Gross carrying amount of contractual receivables	5.1	689	65	51	141	2,022	2,968
Loss allowance		-	-	(1)	(15)	(22)	(38)

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial year ended 30 June 2024

Note 7.2 (a) Contractual receivables at amortised cost

Statutory receivables and debt investments at amortised cost

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

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, 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.

Note 7.2 (b) Liquidity risk

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

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

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

Gippsland Southern 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 Gippsland Southern Health Service's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

Note 7.2 (b) Payables and borrowings maturity analysis

	Carrying Amount \$'000	Nominal Amount \$'000	Maturity Dates					
			Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	Over 5 years \$'000	
Total								
30 June 2024								
Financial Liabilities at amortised cost								
Payables	3,257	3,257	3,257	-	-	-	-	-
Borrowings	81	81	3	9	24	45	-	-
Other Financial Liabilities - Refundable Accommodation Deposits	10,984	10,984	439	934	4,119	4,943	549	-
Other Financial Liabilities - Patient monies held in trust	589	589	589	-	-	-	-	-
Total Financial Liabilities	14,911	14,911	4,288	943	4,143	4,988	549	-
Total								
30 June 2023								
Financial Liabilities at amortised cost								
Payables	2,806	2,806	2,806	-	-	-	-	-
Borrowings	106	106	3	9	24	70	-	-
Other Financial Liabilities - Refundable Accommodation Deposits	8,926	8,926	357	759	3,347	4,017	446	-
Other Financial Liabilities - Patient monies held in trust	357	357	357	-	-	-	-	-
Total Financial Liabilities	12,195	12,195	3,523	768	3,371	4,087	446	-

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

Note 7.2 (c) Market risk

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

Sensitivity disclosure analysis and assumptions

Gippsland Southern Health Service's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Gippsland Southern 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 1.0% 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. Gippsland Southern 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. Gippsland Southern 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

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 7.4: Fair Value Determination

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:

- 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.

Gippsland Southern Health Service determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels during the period.

Gippsland Southern Health Service monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required. The Valuer-General Victoria (VGV) is Gippsland Southern Health Service's independent valuation agency for property, plant and equipment.

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 material judgement and assumptions in deriving fair value for both financial and non-financial assets.

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

Note 7.4 (a) Fair value determination of non-financial physical assets

	Note	Total carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2024	Level 1 ⁱ	Level 2 ⁱ	Level 3 ⁱ
		\$'000	\$'000	\$'000	\$'000
Non-specialised land		2,831	-	2,831	-
Specialised land		4,243	-	-	4,243
Total land at fair value	4.1 (a)	7,074	-	2,831	4,243
Non-specialised buildings		1,994	-	1,994	-
Specialised buildings		104,969	-	-	104,969
Total buildings at fair value	4.1 (a)	106,963	-	1,994	104,969
Plant and equipment	4.1 (a)	1,061	-	-	1,061
Motor vehicles	4.1 (a)	-	-	-	-
Medical equipment	4.1 (a)	2,162	-	-	2,162
Computer equipment	4.1 (a)	380	-	-	380
Furniture and fittings	4.1 (a)	103	-	-	103
Site Improvements	4.1 (a)	2,780	-	-	2,780
Total plant, equipment, furniture, fittings and vehicles at fair value		6,486	-	-	6,486
Right of use assets	4.2 (a)	81	-	-	81
Total right-of-use assets at fair value		81	-	-	81
Total non-financial physical assets at fair value		120,604	-	4,825	115,779

Note 7.4 (a) Fair value determination of non-financial physical assets

	Note	Total carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2023	Level 1 ⁱ	Level 2 ⁱ	Level 3 ⁱ
		\$'000	\$'000	\$'000	\$'000
Non-specialised land		1,524	-	1,524	-
Specialised land		5,411	-	-	5,411
Total land at fair value	4.1 (a)	6,935	-	1,524	5,411
Non-specialised buildings		1,295	-	1,295	-
Specialised buildings		61,083	-	-	61,083
Total buildings at fair value	4.1 (a)	62,378	-	1,295	61,083
Plant and equipment	4.1 (a)	1,068	-	-	1,068
Motor vehicles	4.1 (a)	6	-	-	6
Medical equipment	4.1 (a)	2,340	-	-	2,340
Computer equipment	4.1 (a)	276	-	-	276
Furniture and fittings	4.1 (a)	85	-	-	85
Site Improvements	4.1 (a)	1,257	-	-	1,257
Total plant, equipment, furniture, fittings and vehicles at fair value		5,032	-	-	5,032
Right of use assets	4.2 (a)	107	-	-	107
Total right-of-use assets at fair value		107	-	-	107
Total non-financial physical assets at fair value		74,452	-	2,819	71,633

ⁱ Classified in accordance with the fair value hierarchy.

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.

Gippsland Southern Health Service has assumed the current use of a non-financial 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.

Note 7.4 (a) Fair value determination of non-financial physical assets

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 the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 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 physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

During the reporting period, Gippsland Southern 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 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 Gippsland Southern Health Service, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of Gippsland Southern Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2024.

Vehicles

The Gippsland Southern 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 amount (depreciated cost).

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the current 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

7.4 (b): Reconciliation of level 3 fair value measurement

Total	Note	Land \$'000	Buildings \$'000	Plant, equipment, furniture, fittings and vehicles \$'000	Right-of-use plant, equipment, furniture, fittings and vehicles \$'000
Balance at 1 July 2022		5,411	64,857	4,335	135
Additions/(Disposals)		-	-	640	(14)
Net Transfers between classes		-	-	899	-
Gains/(Losses) recognised in net result					
- Depreciation and amortisation		-	(3,774)	(842)	(14)
Balance at 30 June 2023	7.4 (a)	5,411	61,083	5,032	107
Additions/(Disposals)		-	1	672	(12)
Net Transfers between classes		-	816	(816)	-
Gains/(Losses) recognised in net result					
- Depreciation and Amortisation		-	(3,774)	(835)	(14)
Items recognised in other comprehensive income					
- Revaluation		(1,168)	46,843	2,433	-
Balance at 30 June 2024	7.4 (a)	4,243	104,969	6,486	81

ⁱ Classified in accordance with the fair value hierarchy, refer Note 7.4.

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 ⁽ⁱ⁾
Non-specialised buildings	Market approach	N/A
Specialised buildings	Current replacement cost approach	- Cost per square metre - Useful life
Dwellings	Market approach Current replacement cost approach	N/A - Cost per square - Useful life
Vehicles	Market approach Current replacement cost approach	N/A - Cost per unit - Useful life
Plant and equipment	Current replacement cost approach	- Cost per unit - Useful life

(i) A Community service obligation (CSO) adjustment of 20% was applied to Gippsland Southern Health Service's specialised land.

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 disclosures

8.3 Remuneration of executives

8.4 Related parties

8.5 Remuneration of auditors

8.6 Events occurring after the balance sheet date

8.7 Jointly controlled operations

8.8 Equity

8.9 Economic dependency

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

	Total 2024 \$'000	Total 2023 \$'000
Net result for the year	(5,358)	(3,112)
Non-cash movements:		
(Gain)/Loss on sale or disposal of non-financial assets	3.2 -	(12)
Depreciation and amortisation of non-current assets	4.4 4,623	4,630
Cash inflow from financing activities	(369)	(95)
Assets and services received free of charge	2.2 -	(153)
(Gain)/Loss on revaluation of long service leave liability	3.2 (49)	(19)
Movements in Assets and Liabilities:		
(Increase)/Decrease in receivables and contract assets	(518)	(486)
(Increase)/Decrease in inventories	4	57
(Increase)/Decrease in other assets	(65)	(97)
Increase/(Decrease) in payables and contract liabilities	237	558
Increase/(Decrease) in employee benefits	1,240	517
Increase/(Decrease) in other liabilities	232	335
Net cash inflow from operating activities	(23)	2,123

Note 8.2 Responsible persons disclosures

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

	Period
The Honourable Mary-Anne Thomas MP	
Minister for Health	1 Jul 2023 - 30 Jun 2024
Minister for Health Infrastructure	1 Jul 2023 - 30 Jun 2024
Minister for Ambulance Services	2 Oct 2023 - 30 Jun 2024
The Honourable Gabrielle Williams MP	
Minister for Mental Health	1 Jul 2023 - 2 Oct 2023
Minister for Ambulance Services	1 Jul 2023 - 2 Oct 2023
The Honourable Ingrid Stitt MP	
Minister for Mental Health	2 Oct 2023 - 30 Jun 2024
Minister for Ageing	2 Oct 2023 - 30 Jun 2024
Minister for Multicultural Affairs	2 Oct 2023 - 30 Jun 2024
The Honourable Lizzy Blandthorn MP	
Former Minister for Children	2 Oct 2023 - 30 Jun 2024
Former Minister for Disability	2 Oct 2023 - 30 Jun 2024
Governing Boards	
Ms A. Georgiou	1 Jul 2023 - 30 Jun 2024
Ms G .Scheffer	1 Jul 2023 - 30 Jun 2024
Ms C. Mcloughlin	1 Jul 2023 - 30 Jun 2024
Ms J. Walsh	1 Jul 2023 - 30 Jun 2024
Mr B. Ruyter	1 Jul 2023 - 30 Jun 2024
Mr R. Sawant	1 Jul 2023 - 30 Jun 2024
Mr T. Peterson	1 Jul 2023 - 30 Jun 2024
Ms B. Brennan	1 Jul 2023 - 14 Dec 2023
Ms J. Linklater	1 Jul 2023 - 30 Jun 2024
Accountable Officers	
Ms L. Sparkes (Chief Executive Officer)	1 Jul 2023 - 30 Jun 2024

Note 8.2 Responsible persons disclosures (continued)

Remuneration of Responsible Persons

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

Income Band	Total 2024 No	Total 2023 No
\$0,000 - \$9,999	9	11
\$40,000 - \$49,999	-	1
\$110,000 - \$119,999	-	1
\$120,000 - \$129,999	-	1
\$270,000 - \$279,999	1	-
Total Numbers	10	14

Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	Total 2024 \$'000	Total 2023 \$'000
	\$323	\$337

Amounts relating to the Governing Board Members and Accountable Officer of Gippsland Southern Health Service's controlled entities are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

Note 8.3 Remuneration of executives

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

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	Total Remuneration	
	2024 \$'000	2023 \$'000
Short-term benefits	664	857
Post-employment benefits	60	78
Other long-term benefits	122	48
Termination benefits	-	12
Total remunerationⁱ	846	995
Total number of executives	5	9
Total annualised employee equivalent ⁱⁱ	3.5	6.0

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

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

Total remuneration payable to executives during the year included additional executive officers and a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts. Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:

Short-term Employee Benefits

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

Post-employment Benefits

Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other Long-term Benefits

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

Termination Benefits

Termination of employment payments, such as severance packages.

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 retired, resigned or were retrenched in the past year. This has had a significant impact on remuneration figures for their termination benefits category.

Note 8.4: Related Parties

The Gippsland Southern 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 and personal business interests
- cabinet ministers (where applicable) and their close family members
- jointly controlled operations – A member of the Gippsland Health Alliance and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

Key management personnel

The Board of Directors, Chief Executive Officer and the Executive Directors of Gippsland Southern Health Services are deemed to be KMPs.

KMPs	Position Title
Ms A. Georgiou	Chair of the Board
Ms G .Scheffer	Board Member
Ms C. Mcloughlin	Board Member
Ms J. Walsh	Board Member
Mr B. Ruyter	Board Member
Mr R. Sawant	Board Member
Mr T. Peterson	Board Member
Ms B. Brennan	Board Member
Ms J. Linklater	Board Member
Ms L. Sparkes	Chief Executive Officer
Ms J. Dempster	Executive Director Clinical Services
Ms K. Roberts	Executive Director People, Culture & Experience
Mr G. Howlett	Executive Director Medical Services
Ms A. Williams	Executive Director Medical Services
Mr J. O'Reilly	Executive Director Finance & Corporate Services

Note 8.4: Related Parties (continued)

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.

	Total 2024 \$'000	Total 2023 \$'000
Compensation - KMPs		
Short-term Employee Benefits ⁱ	947	1,185
Post-employment Benefits	86	104
Other Long-term Benefits	136	32
Termination Benefits	-	12
Totalⁱⁱ	1,169	1,333

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

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

Significant transactions with government related entities

Gippsland Southern Health Service received funding from the Department of Health of \$30.06 m (2023: \$32.49 m) and indirect contributions of \$0.50 m (2023: \$0.70 m). Balances payable as at 30 June 2024 are \$0.05 m (2023 receivable \$0.33m)

Expenses incurred by Gippsland Southern 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 the Victorian Managed Insurance Authority.

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with Gippsland Southern 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 Gippsland Southern Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2024 (2023: none).

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial year ended 30 June 2024

Note 8.5: Remuneration of Auditors

Victorian Auditor-General's Office
Audit of the financial statements
Total remuneration of auditors

Total 2024 \$'000	Total 2023 \$'000
40	38
40	38

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial year ended 30 June 2024

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest	
		2024	2023
		%	%
Gippsland Health Alliance	Provision of Information Technology Services	6.42	6.97

Gippsland Southern Health Services interest in the above joint arrangement is detailed below. The amounts are included in the financial statements under their respective categories:

	2024 \$'000	2023 \$'000
Current assets		
Cash and cash equivalents	878	683
Receivables	75	92
Prepaid expenses	288	240
Total current assets	1,241	1,015
Non-current assets		
Property, plant and equipment	32	53
Total non-current assets	32	53
Total assets	1,273	1,068
Current liabilities		
Payables	98	145
Borrowings	13	15
Other Current Liabilities	590	357
Total current liabilities	701	517
Non-current liabilities		
Borrowings	12	22
Total non-current liabilities	12	22
Total liabilities	713	539
Net assets	560	529
Equity		
Accumulated surplus	560	529
Total equity	560	529

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial year ended 30 June 2024

Note 8.7 Joint arrangements (continued)

Gippsland Southern Health Services interest in revenues and expenses resulting from joint arrangements are detailed below:

	2024 \$'000	2023 \$'000
Revenue and income from transactions		
Revenue from Operations	1,527	1,449
Interest Income	34	14
Total revenue and income from transactions	1,561	1,463
Expenses from transactions		
Other Expenses from Continuing Operations	1,506	1,476
Depreciation	24	30
Total expenses from transactions	1,530	1,506
Net result from transactions	31	(43)

Contingent liabilities and capital commitments

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

Gippsland Southern Health Service
Notes to the Financial Statements
for the financial year ended 30 June 2024

Note 8.8: Equity

Contributed capital

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

Specific restricted purpose reserves

The specific restricted purpose reserve is established where Gippsland Southern 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 land, buildings and site improvements. The revaluation surplus is not normally transferred to accumulated surpluses/(deficits) on derecognition of the relevant asset.

Note 8.9: Economic dependency

The Health Service is a public health service governed and managed in accordance with the Health Services Act 1988 and its results form part of the Victorian General Government consolidated financial position. The Health Service provides essential services and is predominantly dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue Health Service operations and on that basis, the financial statements have been prepared on a going concern basis.

Map of Service Locations

Key

-  GSHS Service Location
-  Townships
-  Highways
-  Local Government Area

