ANNUAL REPORT

2024-2025

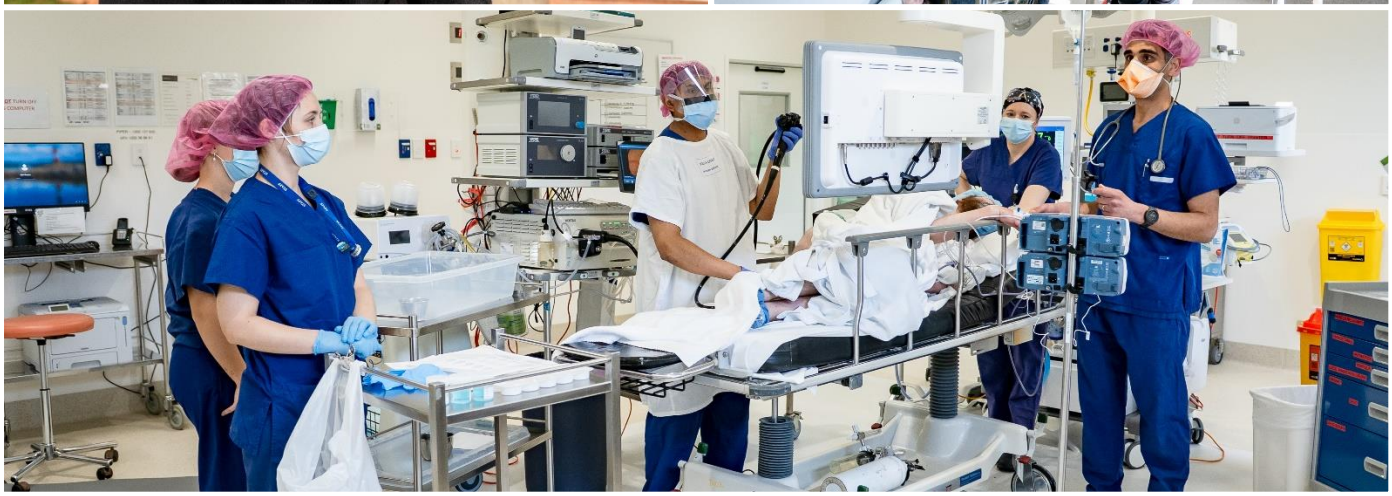
South Gippsland Hospital

Adaptability Trust Excellence Accountability Mutual respect









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Accessibility

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Section 1: Overview

Responsible Body's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for South Gippsland Hospital for the year ending 30 June 2025.

Damon Stynes, Board Chair
South Gippsland Hospital, Foster
25 September 2025

Acknowledgements

South Gippsland Hospital acknowledges Aboriginal and Torres Strait Islander people as the Traditional Custodians of the land and acknowledges and pays respect to their Elders, past and present.

South Gippsland Hospital celebrates, values and includes people of all backgrounds, genders, sexualities, cultures, bodies and abilities.

Establishment and Relevant Ministers

South Gippsland Hospital, classified as a small rural health service (SRHS), is an integrated hospital, centre and home-based community service providing a broad range of acute and primary care services. It is closely associated with the Foster and Toora Medical Centres which provide the medical practitioner services.

The combined experience and skills of the doctors and hospital staff and the range of services provided by the organisation has led to a significant number of people accessing the services of South Gippsland Hospital from outside the recognised catchment boundaries.

South Gippsland Hospital was established in 1907 as a private institution and continued as such until 1937 when it was embraced by the community as a local hospital. It gained public hospital status in 1941, when it was incorporated under the Hospital and Charities Act.

South Gippsland Hospital is a Public Hospital and is an incorporated body listed under Schedule 1 of the Health Services Act 1988 (Vic).

The hospital building has 16 inpatient beds, a birthing suite, an operating theatre, medical imaging facilities and an Urgent Care Centre.

The Community Health Centre was opened in June 2001 and provides the perfect setting for primary health services which continue to expand.

In 2020, a new state of the art operating theatre was opened to support elective surgery and emergency obstetric surgery. Additionally, the Banksia Centre was refurbished to accommodate the Social Support Groups and Centre Based Respite Program.

The responsible Ministers for the reporting period were:

Minister for Health **Minister for Ambulance Services**	The Hon. Mary-Anne Thomas (1 July 2024 to 30 June 2025)
Minister for Health Infrastructure	The Hon. Mary-Anne Thomas (1 July 2024 to 19 December 2024) The Hon. Melissa Horne (From 19 December 2024 to 30 June 2025)
Minister for Mental Health **Minister for Ageing**	The Hon. Ingrid Stitt (1 July 2024 to 30 June 2025)
Minister for Disability/Minister for Children	The Hon. Lizzie Blandthorn (1 July 2024 to 30 June 2025)

Our Vision, Strategic focus and Core Values

OUR VISION

Delivering the best and safest health care for our community

OUR STRATEGIC FOCUS

Four interconnected areas of:

1. Caring and quality services
2. Valuing all our people
3. Purposeful positive partnerships

Underpinned by

4. Sound and aligned funding

Our Core Values

Accountability:
accepting responsibility for our actions.

Trust:
acting with integrity and being able to count on each other.

Excellence:
doing our best at all times and looking for ways to improve.

Adaptability:
being flexible and accepting of new ideas and change for the better.

Mutual respect:
treating others the way we want to be treated.

Overview of our services

South Gippsland Hospital is located in the township of Foster at the gateway to Wilson's Promontory National Park.

Foster has a population of approximately 2,000 people, and the official catchment area of the health service has approximately 7,000 people.

The South Gippsland Hospital offers acute and community care from hospital-based, centre-based and home-based settings.

Acute Care

- Maternity Care
- Medical Imaging
- Inpatient Care
- Palliative Care
- Pathology
- Pre-Anaesthetic Clinic
- Surgical Care (including Obstetrics and Gynaecology, Urology, Endoscopy and General Surgery)
- Urgent Care Centre

Community Care

- Transition Care Program
- Home Care Package Program
- Volunteer and Community Engagement Program
- Intake Service
- Community Nursing:
  - Day Respite Program
  - Diabetes Education
  - District Nursing
  - McGrath Breast Care
  - Regional Continence Care
  - Regional Wound Care
  - Stoma Care
- Clinics:
  - Nail Care
  - Sexual and Reproductive Health
  - Wound Care
  - Youth Assist
- Allied Health Service:
  - Allied Health Assistants
  - Counselling
  - Dietetics
  - Exercise Physiology
  - Falls Prevention
  - General Rehabilitation Group
  - Mobility and Exercise Groups (Moovers)
  - Occupational Therapy
  - Physiotherapy
  - Podiatry
  - Positive Ageing
  - Social Work
  - Social Support Group

Section 2: Year in review

Chair and CEO's Combined Report

On behalf of the Board of Management and the Executive Management Team we are pleased to present the Annual Report for South Gippsland Hospital, 2024-2025.

Person-centred care underpins safe, high quality health care at South Gippsland Hospital (SGH). Our Vision is to deliver the best and safest health care for our community. Our approach is based on clear purpose, strategy and strong leadership. We value our people and their wellbeing and invest in developing their capability. We focus on outcomes that support the individual needs and choices of our patients, staff and our community.

The year in review

It has been another successful year. We have sustained high performance in quality and clinical governance, workplace culture and patient satisfaction.

Our financial and operational performance in 2024-2025 met the benchmarks against which we are measured within the Statement of Priorities issued by the Department of Health.

We secured funding from various sources that allowed us to invest in a number of significant improvements to buildings, infrastructure and services.

The details of our performance in 2024-2025 can be found in this Annual Report.

Organisational changes

At the governance level, we welcomed Janette Fitzgerald and Paul O'Sullivan to the SGH Board in July 2024, following the departure of Dr David Pollard.

Our Executive team welcomed Lilli Lush to the interim Director of Nursing role in March 2025.

Highlights of our work in 2024-2025

High quality services delivered by our valued people

This was another year where our health care team continued to deliver high quality care within the hospital, people's homes, and in our Community Health and Banksia Centres.

In February 2025, SGH was accredited to the National Safety and Quality Health Service Standards after a short notice visit. The assessors stated in their report that SGH has established health service systems, processes, and practices that promote effective service provision and services. Furthermore, Models of Care, policies, procedures and clinical pathways reflect evidence best practice, legislative requirements and patient centred care.

Our People Matter Survey (PMS) and Victorian Health Experience Survey (VHES) results were again consistently better than peer and State benchmarks, reflecting the very positive workplace culture at SGH. With results again above 90% for the PMS, our performance betters that of many of our peer health services and State averages for health service performance.

We were pleased to be informed that 84% of staff gave a positive response to patient safety questions in the PMS. Even more pleasing is that specifically 94% of staff would recommend a friend or relative to be treated as a patient here.

In response to the question "Overall, how would you rate the overall care you received from the hospital", SGH consistently scored 100% in each quarterly VHES report received during the year. This is an exceptional result and reflects the dedication and competence of all our staff.

We appreciate the time our patients take to provide us with feedback. Some of the comments from the VHES survey include:

> *"I was treated with thoughtful care and consideration for the duration of my stay. All my interactions with the professional staff were friendly and supportive. Faultless." (Oct 2024)*
>
> *"It was great at every step of the way. The staff were warm, welcoming, caring and competent." (Oct 2024)*
>
> *"Looked after me exceptionally well. Beautiful food. Great nurses." (Jan 2025)*
>
> *"Cared for me very well, I was kept well informed until my procedure & afterwards. Extremely friendly & caring staff." (March 2025)*
>
> *"They were so helpful. Whenever I had questions or was unsure about something as a first time mum they went out of their way to get me answers. They cared for me so well during our stay." (March, 2025)*

We all owe gratitude to every one of our staff and volunteers for the expertise and dedication they bring to the health service every day. Every person contributes to SGH's excellent reputation and the outstanding level of care it provides to our community.

Service Activity

SGH has continued to service the communities of Cornet Inlet by maintaining and growing services through 2024-2025. The following statistics are provided to get a sense of the volume of care provided.

Our Perioperative Services Unit has undertaken a consistent level of surgical lists (n=108) to provide 732 procedures to our local community and in addition allowed us to support Latrobe Regional Health in managing their planned surgery list to provide an additional 28 procedures.

There were 862 admissions, excluding births, which totalled an additional 35 for the year. The maternity service also supported women to attend 271 antenatal clinic visits, and 272 domiciliary care visits, post birthing.

Our Urgent Care Centre has been attended more than ever, with 3,343 visits. Most were unplanned (n=2,948), however some planned visits occurred due to an effective partnership with the Foster Medical Centre General Practitioners (n=395). We have also continued our effective partnership with Northern Health's Victorian Virtual Emergency Department (VVED) to support our Urgent Care Centre after hours with 155 consultations. This arrangement assists SGH in the management of non-urgent presentations after hours. This continues to be a valuable support to the on call General Practitioner and well received by both members of our community and its visitors.

Our Transition Care Program (bed based and home based) has continued to support elderly members in our community (n=26) with complex needs to remain at home, or transition to more supported care.

The Positive Ageing Service (PAS) engaged 146 individual clients and 18 clients attended groups, equating to 887 hours of service delivery. The innovative model, in its second year, follows the Wagner Model of Chronic Illness Care to improve self-efficacy by consumers partnering with a range of allied health disciplines to develop many unique and creative early intervention strategies for people living with chronic disease. Over 2024-2025 PAS also offered group intervention delivering the Foodies Program - a 2-week workshop focusing on nutrition for older people led by our Dietitian, and Healthier Ways Forward, a 6-week program integrating exercise and dietary advice led by our Dietitian and Exercise Physiologist.

The Home Care Package program grew further to support an additional 15 clients from the 2023-2024 period, to reach 136 clients.

There was a total of 18,029 Commonwealth Home Support Program (CHSP) service hours provided through community nursing, allied health, social support and Day Respite Service (DRS).

Allied Health Services continue to deliver a dynamic mix of individualised and group-based services. One of the more popular Exercise and Mobility Groups 'Moovers' established an outreach option over 2024-2025 to ensure a broader range of the Corner Inlet community could access this program.

In its third year, the partnership with the Royal Flying Doctor Service Community Transport program has become a key service that enables access to health-related services across the region. Close to 3,000 transports were provided to members of the community and 98,800km travelled in doing so.

There was a total of 3,889 hours of care provided by the District Nursing Service.

Workforce

Our Workforce Strategy was refreshed in January 2025 to articulate our focused and sustained approach to ensuring we have the right people, doing the right job, with the right tools, to continue to serve the Corner Inlet Communities, in both our Acute and Community Care service settings, now and well into the future. Our workforce model is underpinned by effective partnerships, led by a dedicated Board and operational leadership team, who place not only our clients and patients front of mind when making decisions, but also consider our people who are resourced and valued, our staff.

Central to the Workforce Strategy are two overarching macro strategies of retaining and growing our own and being a magnet organisation. The introduction of an employee value proposition shines a spotlight on just how good it is to work at SGH and all of this combines to having the key ingredients for a successfully engaged and thriving workforce to achieve the vision of the organisation.

Our workplace culture continues to be strong with many positive indicators evidenced in the PMS.

- 95% of staff indicated that SGH encourages respectful workplace behaviours.
- 94% of staff indicated that SGH encourages employees to act in ways that are consistent with human rights.
- 93% of staff indicated that people in their workgroup treat each other with respect.
- 90% of staff indicated that their manager models the SGH values.
- 92% of staff indicated that their manager treats them with dignity and respect.

Looking forward:

Our current Strategic Plan (2023-2025) will be extended through to the end of 2026, as it continues to provide a clear path for advancing our vision. It helps us make decisions about how we deliver the health services our community needs, not only now, but in the years to come. It gives us a very clear framework for delivering the measurable objectives we have set for SGH. Importantly, our strategy recognises how quickly the healthcare environment in Victoria can change.

We are positive about contributing to the Gippsland Local Health Service Network in a collaborative way and now that the priorities are set for the Network, we will look to align our strategy when our next strategic plan is defined.

A summary of our Strategic Plan can be found on page 6.

Our proven track record of exceptional performance and effective collaboration over a number of years stands SGH in good stead for the future.

We will continue our work with our partners on a coordinated approach to ensuring our community can access healthcare within the Region.

Acknowledgements:

We express our appreciation and give thanks to the following individuals and groups for their valued contribution to our health service:

- Our executive management team for their expert leadership and management in another challenging year: Claire Kent, Director of Nursing (Acute Care); Lilli Lush, Interim Director of Nursing (Acute Care); Samantha Park, Director of Community Care; Margaret Kuhne (Acting roles – Director of Nursing & Director Community Care), Martin Schack, Facilities Manager; Shianne Murray, Human Resources Manager; Jackie Goodman, Quality & Risk Manager; Fiona Dalgleish, Board Secretary;
- Dr Yohan Nathan, Chief Medical Officer;
- Our colleagues at Foster Medical Centre for their clinical support of our health service;
- Our contractors and partner service providers, particularly Ambulance Victoria, Royal Flying Doctor Service, Duesburys, Bass Coast Health Pharmacy, Latrobe Regional Health Biomedical team, Gippsland Southern Health Service Aboriginal Liaison, and Monash Health Pathology;
- The Commonwealth and State Department of Health;
- Our health precinct partners Foster Medical Centre, Prom Country Aged Care, South Gippsland Radiology and Manna Gum Community House;
- Our volunteers for their support of our health service, our patients and our staff;
- Members of our community and our service and other local organisations for their generous financial support;
- The Hospital Auxiliary for their outstanding and continued contribution. This year the members of the Auxiliary funded $56,708 worth of medical equipment;
- The members of the Board of Management for their leadership and for contributing their time and expertise to our continued focus on ensuring a high standard of health services for our community.
- Our community, for putting their trust in us to deliver an exceptional level of safe and high-quality care.

The very positive feedback we receive from those who come to South Gippsland Hospital tells us how much the expertise of every person who works here is recognised and valued by our community. The high regard in which this health service is held is a wonderful and well-deserved reflection of the exceptional level of service and care delivered by every person here.

Damon Stynes
Chair, Board of Management
2024-2025

Paul Greenhalgh
Chief Executive Officer
2024-2025

Statement of Priorities Outcomes

Part A: Strategic Priorities

In 2024-2025 South Gippsland Hospital has contributed to the achievement of the Victorian Government's commitments by:

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	
MA2 Strengthen all clinical governance systems, as per the Victorian Clinical Governance Framework, to ensure safe, high-quality care, with a specific focus on building and maintaining a strong safety culture, identifying, reporting, and learning from adverse events, and early, accurate recognition and management of clinical risk to and deterioration of all patients.	
Health Service Deliverables	**Achievements/Outcome**
MA2 Improve paediatric patient outcomes by implementing the "ViCTOR track and trigger" observation chart and escalation system whenever children have observations taken.	ACHIEVED SGH had "VICTOR track and trigger" in place at the commencement of 2024-2025 and introduced an internal audit process to ensure staff compliance with the use of the system. An overall compliance rate of 87% was achieved across 11 categories, 7 of which achieved 100%.
Goal	
MA4 Identify and develop clinical service models where face to face consultations can be substituted by virtual care wherever possible (using telehealth, remote monitoring), whilst ensuring strong clinical governance, safety surveillance and patient choice.	
Health Service Deliverables	**Achievements/Outcome**
MA4 Adopt the Department of Health 'Virtual Care Operational Framework' and formulate governance and procedures to align with those outlined within the Framework.	ACHIEVED SGH policy reviewed and updated to reflect the Department of Health 'Virtual Care Operational Framework'.
MA4 Ensure technology used for clinical engagement interactions remains secure through compliance with the Gippsland Health Alliance policy and guidelines.	ONGOING SGH is complaint with the Gippsland Health Alliance policy and guidelines to ensure technology used for clinical engagement interactions remains secure.

Operate within budget	
Ensure prudent and responsible use of available resources to achieve optimum outcomes.	
Goal	
MB1 Develop and implement a health service Budget Action Plan (BAP) in partnership with the Department to manage cost growth effectively to ensure the efficient operation of the health service.	
Health Service Deliverables	**Achievements/Outcome**
MB1 Deliver on the key initiatives as outlined in the Budget Action Plan.	ACHIEVED SGH achieved a modest surplus and met the actions within the Budget Action Plan.
MB1 Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.	ONGOING SGH undertook a business review of the Home Care Packages program, with plans for more analysis in other program areas. There are opportunities within the Gippsland Local Health Service Network for efficiency gains.

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	
MC2, 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	**Achievements/Outcome**
MC3 Partner with Aboriginal community-controlled health organisations, respected Aboriginal leaders and Elders, and Aboriginal communities to deliver healthcare improvements.	ONGOING Through a partnership with Gippsland Southern Health Service several key initiatives were undertaken to improve the experience for Aboriginal and Torres Strait Islander people accessing healthcare.
MC3 Promote a culturally safe welcoming environment with Aboriginal cultural symbols and spaces demonstrating, recognising, celebrating and respecting Aboriginal communities and culture.	ONGOING A Torres Strait Islander flag, an acknowledgement plaque and a Bunjil Wooden sculpture have been erected in addition to community celebration events during NAIDOC week and on reconciliation day.

Goal	
MC4 Expand the delivery of high-quality cultural safety training for all staff to align with the Aboriginal and Torres Strait Islander cultural safety framework. This training should be delivered by independent, expert, community-controlled organisations or a Kinaway or Supply Nation certified Aboriginal business.	
Health Service Deliverables	**Achievements/Outcome**
MC4 Implement mandatory cultural safety training and assessment for all staff in alignment with the Aboriginal and Torres Strait Islander cultural safety framework, and developed and/or delivered by independent, expert, and community-controlled organisations, Kinaway or Supply Nation certified Aboriginal businesses.	ONGOING SGH updated its mandatory training policy to ensure all staff undertake cultural safety training.

A stronger workforce	
There is an increased supply of critical roles that support 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 experiences 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	**Achievements/Outcome**
MD1 Deliver programs to improve employee experience across four initial focus areas: leadership, safety and wellbeing, flexibility, and career development and agility.	ONGOING The SGH Workforce Strategy was refreshed to ensure elements of this deliverable were captured.
MD1 Implement and/or evaluate new/expanded programs that uplift workforce flexibility such as a flexibility policy for work arrangements.	ACHIEVED The Flexible Work Arrangements (FWA) Policy and Procedure was reviewed and the introduction of FWA monitoring and reporting to the Operational Management team. Since July 2023, FWAs have lifted from 8.1% to 14.1% of the workforce (June 2025).

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	
ME2 Engage in integrated planning and service design approaches while assuring consistent and strong clinical governance with partners to connect the system to deliver seamless and sustainable care pathways and build sector collaboration.	
Health Service Deliverables	**Achievements/Outcome**
ME2 Reviewing specialist workforce requirements at a regional level and developing a shared workforce model, including coordinating efforts to attract and retain workforce at a regional level.	NOT ACHIEVED The Gippsland Local Health Service network has this work scheduled for FY 2025-2026, coinciding with a clinical services plan and the release of the Victorian Role Delineation Framework.

Part B: Performance Priorities

High quality and safe care

Key performance indicator	Target	Result
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	97%
Adverse events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event	All RCA reports submitted within 30 business days	N/A
Patient Experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	100%
Aboriginal Health		
The gap between the number of Aboriginal patients who discharged against medical advice compared to non-Aboriginal patients	0%	*

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

Strong Governance, Leadership and Culture

Key performance indicator	Target	Result
Organisational Culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	80%	84%

Effective Financial Management

Key performance indicator	Target	Result
Operating result ($m)	0.00	0.02
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.5
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	5% movement in forecast revenue and expenditure forecasts	Not Achieved

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

Part C: Activity and Funding

South Gippsland Hospital funding summary for 1 July 2024 – 30 June 2025

Funding Type	2024-2025 Activity Achievement
Small Rural	
Small rural acute	19
Small rural primary health & HACC	1, 217
Small rural other specified funding	171

Section 3: Governance and organisational structure

Board of Management

The Board oversees the strategic direction and management of South Gippsland Hospital and ensures that all services provided are consistent with the health service's by-laws, the Health Services Act 1988 and any applicable Victorian and Commonwealth legislation.

Board Members

(as at 30 June 2025)

Damon Stynes, Chair
BCom, BA, FTIA
Appointed 2021

Jamie Sutherland,
Deputy Chair
BPD, BPC, GAICD, AAMC
Appointed 2018

Dr Judith Bennett
PhD, BA(Hons), LLB, MBA(MBS), MComm, GAICD
Appointed 2019

Ass Prof Noel Cranswick
Associate Professor,
PhD, MPH, MHSc (PHP)
Appointed 2023

Jan Fitzgerald
BCom (Melb), Grad Dip Env Stud (Macq), CPA, GAIC

Appointed 2024

Dr Michelle Kermode
BA MNS MPH PhD
Appointed 2023

Dr Kate Maxfield
MBBS (Hons), DipLibArts, PGDipDAD
Appointed 2023

Paul O'Sullivan
B Agr Sci (Melb), Dip Ag Eco (UNE)
Appointed 2024

Audit and Risk Management Committee

(as at 30 June 2025)

Dr Judith Bennett, Chair

Damon Stynes

Craig Panagiris
B Comm, FCA
(Independent Member)

Sue Pilkington
Grad Dip Occ Haz Mgt CFSIA, FRMIA, ChOHSP, GAICD
(Independent Member)

Executive Management

(as at 30 June 2025)

Chief Executive Officer
Paul Greenhalgh B Nsg, G Cert Health Promotion, Dip Bus Mgt
Appointed 2020

Director, Nursing (Acute Care)
Claire Kent Masters Int Health Mgmt, B Nsg, G Cert Critical Care (Emergency)
Appointed 2020

Director, Nursing (Acute Care) – Interim
Lilli Lush
From March 2025

Director, Community Care
Samantha Park, BSc, MS (Prelim), Grad Dip Adolescent Health and Welfare
Appointed 2015

Chief Medical Officer
Dr Yohan Nathan FRACMA, MBBS, BBiomedSc, MPH & MHA
Appointed 2022

Manager, Quality & Risk
Jackie Goodman, BAppSc. OT, Grad Cert. Health Service Mgmt, Grad Dip. Quality Mgmt in Health Care
Appointed 2023

Manager, Human Resources
Shianne Murray
Appointed June 2012

Manager, Facilities
Martin Schack
Appointed 2019

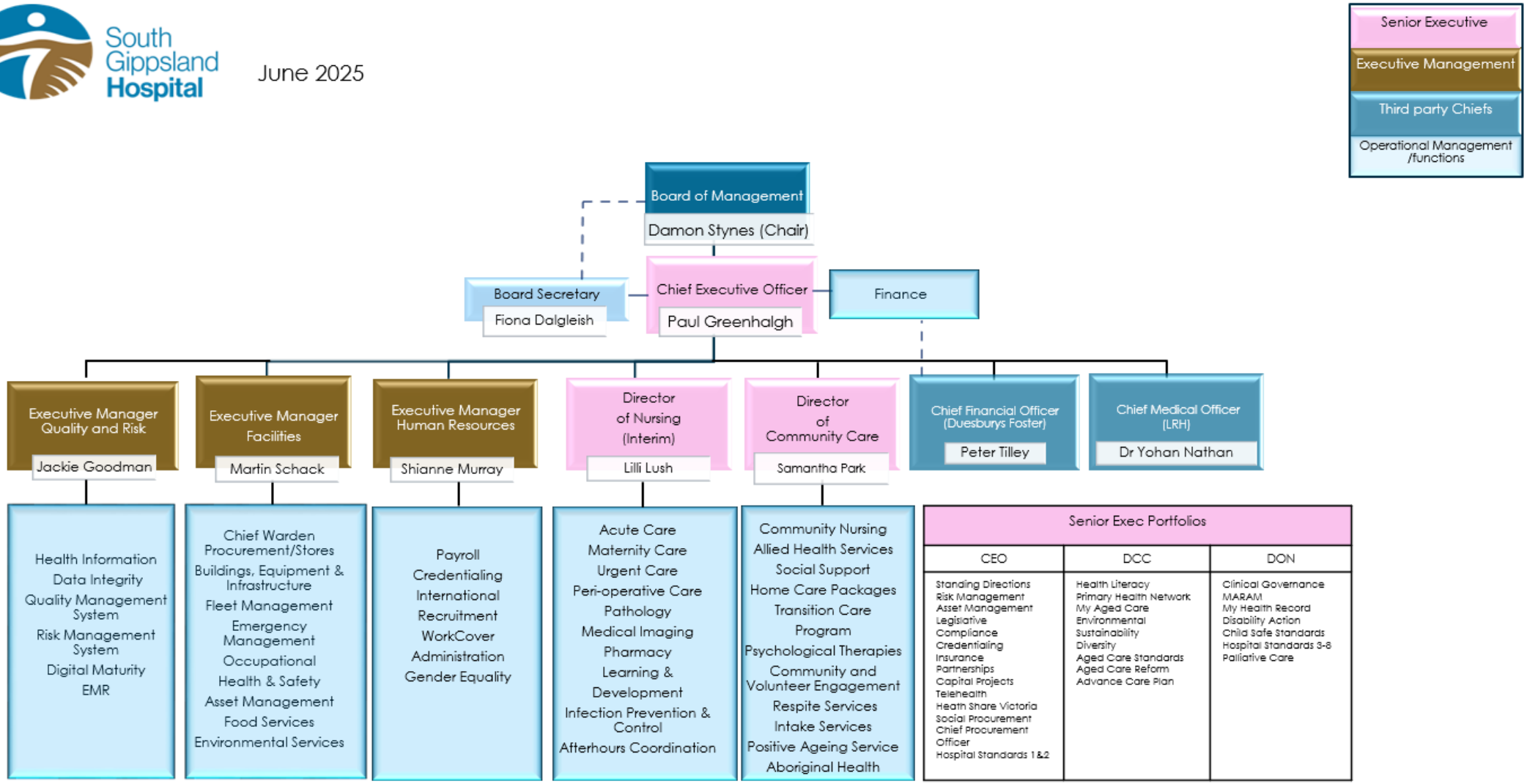
Note:

Act. Director, Community Care
January 2025
Act. Director, Nursing
February 2025
Margaret Kuhne RN, BN, Grad Cert Health Service Mgmt, Grad Cert Infection Control

Organisational chart

South Gippsland Hospital

June 2025



Section 4: Workforce data

Incorporating both the hospitals values and public sector values, South Gippsland Hospital has in place the appropriate employment and conduct principles. All staff have been correctly classified in workforce data collections.

Workforce data

Hospitals labour category	JUNE Current Month FTE		Average Monthly FTE	
	2024	2025	2024	2025
Nursing	44.37	49.37	48.34	50.80
Administration and Clerical	18.02	21.89	18.50	22.14
Medical Support	0.58	0.58	0.86	0.76
Hotel and Allied Services	12.44	12.17	11.42	13.42
Medical Officers	0.00	0.00	0.00	0.00
Hospital Medical Officers	0.00	0.00	0.00	0.00
Sessional Clinicians	0.00	0.00	0.00	0.00
Ancillary Staff (Allied Health)	22.55	26.91	21.29	29.77

Occupational health and safety

South Gippsland Hospital meets all certification performance indicators in relation to Occupational Health and Safety requirements. It maintains an Occupational Health and Safety framework to manage a safe work environment, roles and responsibilities, the OH&S Committee, incident management and return to work programs.

Occupational Health and Safety Statistics	2022-2023	2023-2024	2024-2025
The number of reported hazards/incidents for the year per 100 FTE	8	13.5	14.62
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1	0.9	0.86
The average cost per WorkCover claim for the year	$13,588.00	$3,934.71	$3,782.65

Occupational violence

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

Occupational violence statistics	2024-2025
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	15
Number of occupational violence incidents reported per 100 FTE	12.9
Percentage of occupational violence incidents resulting in a staff injury, illness, or condition	0

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 a planned or unplanned Code Grey, it must be included.
- **Accepted WorkCover claims** – claims accepted and lodged in 2024-2025.
- **Lost time** - defined as greater than one day.
- **Injury, illness, or condition** - includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Section 5: Summary of financial results

Significant changes in financial position during the year

There are no significant changes in financial position of SGH noted.

Summary of operational and budgetary objectives

In 2024-2025, SGH achieved the targets established under the Statement of Priorities. The hospital recorded a deficit of $929,397 after capital items. The operating result is a surplus of $20,760 before capital purpose income and depreciation. Capital purpose income of $229,043, was received during the financial year with depreciation write-offs totalling $1,235,033.

Events occurring after balance date which may significantly affect SGH operations in subsequent reporting periods

At the date of this report, management is not aware of any events that have occurred subsequent to balance date that may have material impact on the results of the next reporting period.

Summary of financial results

	2025 $	2024 $	2023 $	2022 $	2021 $
OPERATING RESULT*	20,760	-228,622	118,151	236,600	199,449
Total revenue	16,751,160	16,232,758	15,305,283	14,186,293	10,905,428
Total expenses	17,724,890	16,138,529	15,465,305	13,482,076	10,892,830
Net result from transactions	-973,730	94,229	-160,022	704,217	12,598
Total other economic flows	44,333	63,329	-15,558	9,041	2,357
Net result	-929,397	157,558	-175,580	713,258	14,955
Total assets	26,909,292	27,639,475	14,515,187	13,179,240	12,555,678
Total liabilities	3,684,781	3,485,567	3,620,653	3,088,184	3,657,694
Net assets/Total equity	**23,224,511**	24,153,908	10,894,534	10,091,056	8,897,984

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

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

	2024-2025 ($)
OPERATING RESULT	20,760
Capital purpose income	229,043
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	5,811
State supply items consumed up to 30 June 2024	-5,811
Assets received free of charge	11,500
Depreciation and amortisation	-1,235,033
Net result from transactions	-973,730

Consultancies information

Details of consultancies (under $10,000)

In 2024-2025, there were no consultancies where the total fees payable to the consultants were less than $10,000.

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

In 2024-2025, there were no consultancies where the total fees payable to the consultants were $10,000 or greater.

Information and communication technology (ICT) expenditure

For the 2024-2025 reporting period, South Gippsland Hospital had a total ICT expenditure of $823,240 (excl. GST), with the details shown below.

($)

All operational ICT expenditure	*ICT expenditure related to projects to create or enhance ICT capabilities*		
Business as Usual (BAU) ICT expenditure (Total)	Non-Business as Usual (non-BAU) ICT expenditure (Total = Operational expenditure and capital expenditure)	Operational expenditure	Capital expenditure
759,721	**63,519**	**0**	**63,519**

Social Procurement Framework

South Gippsland Hospital is 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.

SOCIAL PROCUREMENT ACTIVITIES AND COMMITMENTS	
Reporting period:	2024-2025
Number of social benefit suppliers engaged during the reporting period:	4
Total amount spent with social benefit suppliers (direct spend) during the reporting period ($ GST exclusive):	6,412

Procurement complaints

There were nil procurement complaints received during 2024-2025.

Section 6: Other information and disclosures

The Annual Report of South Gippsland Hospital is prepared in accordance with Victorian legislation.

A summary of the legislative obligations and required disclosures of South Gippsland Hospital is detailed below.

Freedom of Information Act 1982

The *Freedom of Information Act 1982* (the FOI Act) gives people the right to access information held by South Gippsland Hospital. Applications for access to information and records are processed in accordance with the FOI Act under delegation from the Chief Executive Officer. Health Services charge a fee for FOI requests. Applicants may request a waiver or reduction of the application fee if payment would cause hardship to the applicant.

What can be accessed?

Access may be in the form of requesting access to copies of patient health records or inspecting the patient health record (in the presence of the Chief Medical Officer or delegate).

How is information accessed?

Applications must be made in writing to the CEO on an application form submitted to South Gippsland Hospital, 87 Station Road Foster, Victoria 3960.

The request to either view the record or obtain a copy must be clear.

Records are only provided to a person other than the patient if written authority from the patient is given, or if evidence is provided relating to a Medical treatment decision maker, Legal Guardianship, or if the person requesting is the direct Next of Kin (in the case of a deceased person).

Records may also be made available in accordance with due legal process, e.g., as evidence in a legal action before a court.

Costs & Requirements

During 2024-2025, the application fee was $32.70 (as per the Department of Treasury and Finance Indexation of fees and penalties), with additional fees for photo-copying and postage.

Applications are sent with proof of identity documents (e.g., a copy of driver's license or passport).

Summary of Freedom of Information (FOI) requests for 2024-2025

During 2024-2025, South Gippsland Hospital received six FOI applications (from insurers / legal entities on behalf of individuals).

South Gippsland Hospital made six FOI decisions during the 12 months ended 30 June 2025, with all decisions being made within the statutory time periods.

Of the total decisions made, six applicants (all) were granted access to documents in full.

During 2024-2025, nil requests were subject to a complaint/internal review by the Office of the Victorian Information Commissioner.

Further Information

The Office of the Victorian Information Commissioner can be contacted for further information - https://ovic.vic.gov.au or Ph. 1300 006 842.

If an applicant is not satisfied with the decision regarding the release of information, they have the right to seek a review from the Victorian Information Commissioner.

Building Act 1993

All buildings and maintenance provisions of South Gippsland Hospital comply with the *Building Act 1993*, which encompasses the Building Code.

SGH has mechanisms in place to ensure that buildings conform with the building standards and major works with a value greater than $50,000 are overseen by a Board Planning Sub Committee. There was one building permit issued. The Executive Committee

reports to the Board Planning Sub-Committee on the mechanisms for inspection, scheduling, and carrying out of maintenance works on existing buildings as articulated in the SGH Asset Management Plan. There have been no emergency orders and building orders issued in relation to buildings.

Public Interest Disclosures Act 2012

South Gippsland Hospital endorses the provisions of the *Public Interest Disclosure Act 2012* which encourages and facilitates disclosure of improper conduct by public officers, public bodies and protects persons who make these disclosures. This is detailed on our website and included in the SGH Fraud, Corruption and other losses Policy. There have been no disclosures notified to the Independent Broad-based Anti-Corruption Committee (IBAC) under section 21(2).

Statement on National Competition Policy

South Gippsland Hospital complies with all Government policies regarding competitive neutrality requirements and has implemented policies and programs to ensure compliance with the National Competition Policy, including compliance with the requirements of the policy statement 'Competitive Neutrality Policy Victoria' and any subsequent reforms. There were no known competitive neutrality complaints made against SGH during 2024-2025.

Carers Recognition Act 2012

South Gippsland Hospital applies the principles of the *Carers Recognition Act 2012* to the care and services we provide. The *Carers Recognition Act 2012* recognises, promotes and values the role of carers. Staff are encouraged to consider and promote the care relationship principles, as outlined in the supporting document, the 'Victorian Charter Supporting People in Care Relationships'.

South Gippsland Hospital 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 by providing links to state government resource materials on our website.
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act at induction to the organisation, including discussion of the Act and the statement of principles.
- considering the care relationships principles set out in the Act when setting policies and providing services such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act.

Safe Patient Care Act 2015

South Gippsland Hospital has no matters to report in relation to its obligations under Section 40 of the *Safe Patient Care Act 2015*.

Local Jobs First Act 2003

No projects undertaken by South Gippsland Hospital during 2024-25 met the threshold for Local Jobs First Policy application. As such, no Local Industry Development Plans were required or submitted.

Gender Equality Act 2020

South Gippsland Hospital as a defined entity understands its role in gender equality and welcomes these legislative obligations to address known issues within the sphere of gender equality.

The South Gippsland Hospital 2021–2025 Gender Equality Action Plan represents a commitment to strengthen our existing workplace culture, where diversity and equality is respected and valued. We have worked, and will continue to work, with representatives from across the organisation to consider and make recommendations to the South Gippsland Hospital Board, relating to gender equality.

We commenced this important journey when the 2021 People Matter Survey results were

released, alongside our Gender Audit data, and acknowledge that there is a need for ongoing monitoring and review of the actions within the plan. As at 30 June 2024, 24 actions have been completed, 10 are in progress and 2 are not started/overdue.

South Gippsland Hospital recognises that gender equality in the workplace has a flow on effect to our consumers and more broadly throughout the community we serve. By continuing to build a vibrant and inclusive workplace culture that values difference and diversity, we are investing in the wellbeing of our staff and the local community.

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by the health service and are available on request to the relevant Ministers, Members of Parliament and the public, subject to the provisions of the *Freedom of Information Act 1982*.

The following information must be retained and made available upon request:

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

This information is available on request from:

Chief Executive Officer
South Gippsland Hospital
87 Station Road
Foster VIC 3960
Phone: 03 5683 9777

Environmental Performance

South Gippsland Hospital operates from one site in the township of Foster in the South Gippsland Shire. There is a main hospital building, a Community Health Centre and a Respite and Administrative building at this location.

South Gippsland Hospital's commitment to Environmental Sustainability is reflected in the wide-ranging initiatives undertaken to minimise our service impacts on the environment.

Over 2024-2025 this has included:

- Improved and increased waste management such as:
    - recycling of all cardboard and co-mingled products
    - blister pack recycling
    - ongoing participation in the Victoria Container Deposit Scheme
    - comprehensive environmentally-safe pharmaceutical waste collection
    - metal instrument scrap metal recycling
    - reuse and reduction of single use materials
    - composting of green waste where possible (15m^3 per annum)
- Energy efficient processes such as:
    - replacement of old style fluorescent exit and emergency lighting with LEDs
    - the approval of an additional 30kW of solar panels to existing roof space
    - ongoing use of the Victorian Virtual Emergency Department (VVED) (reducing emissions from decreased transportation, energy, material use and waste)
    - widespread use of native vegetation in surrounding gardens, creation of mulch from fallen trees
    - re-purposing of building materials and use of donated and recycled items when possible

FRD24 Report of environmental data: South Gippsland Hospital (1 July 2024 to 30 June 2025)

Electricity production and consumption

MWh = Megawatt hours

EL1 Total electricity consumption

Electricity source	2024–25 MWh	2023–24 MWh	2022–23 MWh
Purchased	493.66	478.94	369.60
Self-generated	26.73	26.82	27.13
EL1 Total electricity consumption	**520.39**	**505.76**	**396.73**

EL2 On-site electricity generated

Electricity generation	2024–25 MWh	2023–24 MWh	2022–23 MWh
Consumption behind-the-meter			
Solar electricity	26.73	26.82	27.13
Total consumption behind-the-meter	**26.73**	**26.82**	**27.13**
Electricity exported			
Solar electricity	0.00	0.00	
Total electricity exported	0.00	**0.00**	
EL2 Total on-site electricity generated	**26.73**	**26.82**	**27.13**

EL3 On-site installed generation capacity (kW converted to MW)

Generation source	2024–25 MW	2023–24 MW	2022–23 MW
Diesel generator	0.16	0.16	0.16
Solar system	0.03	0.03	0.03
EL3 Total on-site installed generation capacity	**0.19**	**0.19**	**0.19**

EL4 Total electricity offsets

Offset type	2024–25 MWh	2023–24 MWh	2022–23 MWh
RPP (Renewable power percentage in the grid)	90.57	90.04	69.49
EL4 Total electricity offsets	**90.57**	**90.04**	**69.49**

Stationary fuel use

F1 Total fuels used in buildings and machinery

Fuel type	2024–25 MJ	2023–24 MJ	2022–23 MJ
LPG	741,290.80	822,425.70	630,094.70
F1 Total fuels used in buildings	**741,290.80**	**822,425.70**	**630,094.70**

F2 Greenhouse gas emissions from stationery fuel consumption

Fuel type	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e	2022–23 Tonnes CO_2-e
LPG	44.92	49.84	38.18
F2 Greenhouse gas emissions from stationary fuel consumption	**44.92**	**49.84**	**38.18**

Transportation

T1 Total energy used in transportation (vehicle fleet)

Fuel type and vehicle category	2024–25 MJ	2023–24 MJ	2022–23 MJ
Executive fleet – E10	277,072.20	224,023.60	
Petrol (E10)	**277,072.20**	**224,023.60**	
Executive fleet – diesel	247,048.00	283,517.00	
Diesel	**247,048.00**	**283,517.00**	
Total energy used in transportation	**524,120.20**	**507,540.60**	

T2 Number and proportion of vehicles

N/A

T3 Greenhouse gas emissions from vehicle fleet

Fuel type and vehicle category	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e	2022–23 Tonnes CO_2-e
Executive fleet – E10	16.87	13.64	
Petrol (E10)	**16.87**	**13.64**	
Executive fleet – diesel	17.39	19.96	
Diesel	**17.39**	**19.96**	
Total greenhouse gas emissions in transportation	**34.27**	**33.61**	

T4 Total distance travelled by commercial air travel (passenger kilometres)

Travel type	2024–25 pkm	2023–24 pkm	2022–23 pkm
Commercial air travel for business purposes by entity staff on commercial or charter aircraft	0	0	

Total energy use

E1 Total energy usage from fuels

Fuel type	2024–25 MJ	2023–24 MJ	2022–23 MJ
Total energy usage from stationary fuels (F1)	741,290.80	822,425.70	630,094.70
Total energy usage from transport (T1)	524,120.20	507,540.60	
Total energy usage from fuels	**1,265,411.00**	**1,329,966.30**	**630,094.70**

E2 Total energy usage from electricity

Energy type	2024–25 MJ	2023–24 MJ	2022–23 MJ
Total energy usage from electricity	1,873,419.62	1,820,721.47	1,428,222.90

E3 Total energy usage by renewable and non-renewable sources

Source	2024–25 MJ	2023–24 MJ	2022–23 MJ
Renewable	449,968.07	443,083.85	347,803.45
Non-renewable (E1 + E2 - E3 Renewable)	2,688,862.54	2,804,138.21	1,808,171.25

E4 Units of stationary energy used (normalised): (F1+E2)/normaliser

Normalised measure	2024–25	2023–24	2022–23
Energy per unit of LOS [MJ/LOS]	811.27	727.94	603.08
Energy per unit of bed-day (LOS + Aged Care OBD) [MJ/OBD]	811.27	727.94	603.08
Energy per unit of Separations [MJ/Separations]	2,951.14	2,983.24	2,232.45
Energy per unit of floor space [MJ/m^2]	1,137.33	1,149.69	895.31

Data limitations, explanatory notes and/or opportunities for further improvement:

- OBD – occupied bed day: the total number of bed days of all admitted patients accommodated during the reporting period, taken from a count of the number of inpatients at about midnight each day.
- Separations – an admitted patient's episode of care (their total hospital stay from admission to discharge, transfer or death)

Sustainable buildings and infrastructure

B1 Environmentally sustainable design

Nil newly completed entity-owned buildings during the reporting period.

B2 New entity leases to preference higher-rated offices

Nil newly completed entity-owned buildings during the reporting period.

B3 NABERS energy (National Australian Built Environment Rating System) ratings of newly completed/occupied office buildings and substantial tenancy fit-outs

Nil newly completed entity-owned buildings during the reporting period.

B4 Environmental performance ratings (e.g. NABERS, Green Star, or ISCAIS rating scheme) of newly completed Entity-owned non-office building or infrastructure projects or upgrades with a value over $1 million

Nil newly completed entity-owned buildings during the reporting period.

B5 Environmental performance ratings achieved for Entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted

N/A

Further sustainable buildings and infrastructure indicators

Rating scheme	2024–25	2023–24	2022–23
NABERS Energy (effective per calendar year)	3.5 star	3.5 star	
NABERS Water (effective per calendar year)	5 star	5 star	

Water consumption

W1 Total units of metered water consumed by water source

Water source	2024–25 kl	2023–24 kl	2022–23 kl
Potable water	4,520.64	4,370.48	2,349.60
Total water consumption	**4,520.64**	**4,370.48**	**2,349.60**

W2 Units of metered water consumed (normalised)

Normalised measure	2024–25	2023–24	2022–23
Water per unit of LOS [kL/LOS]	1.40	1.20	0.69
Water per unit of bed-day (LOS+Aged Care OBD) [kL/OBD]	1.40	1.20	0.69
Water per unit of Separations [kL/Separations]	5.10	4.93	2.55
Water per unit of floor space [kL/m2]	1.97	1.90	1.02

Waste and recycling

WR1 Total units of waste disposed

Waste stream and disposal method	2024–25 kg (%)	2023–24 kg (%)	2022–23 kg (%)
Landfill			
General waste - bins	0.00	10,419.00 (25%)	
General waste - skips	17,748.00 (56%)	16,704.00 (40%)	
Total landfill	**17,748.00 (56%)**	**27,123.00 (65%)**	
Offsite treatment			
Clinical waste – incinerated	1,368.54 (4%)	1,743.35 (4%)	
Clinical waste – sharps	35.47 (0.1%)	27.52 (0.1%)	
Clinical waste – treated	50.84 (0.2%)	52.48 (0.1%)	
Total offsite treatment	**1,454.85 (5%)**	**1,823.35 (4%)**	
Recycling/recovery (disposal)			
Cardboard	6,930.00 (22%)	8,844.00 (21%)	
Commingled	5,491.20 (17%)	3,569.28 (9%)	
Total recycling/recovery (disposal)	**12,421.20 (39%)**	**12,413.28 (30%)**	
Total units of waste disposed	**31,624.05**	**41,359.63**	

WR2 Percentage of office sites covered by dedicated collection services for each waste stream

Waste stream	2024–25	2023–24	2022–23
Printer cartridges	Not available	Not available	
Batteries	Not available	Not available	
e-waste	Not available	Not available	
Soft plastics	Not available	Not available	

WR3 Total units of waste disposed (normalised)

Normalised measure	2024–25 kg/PPT	2023–24 kg/PPT	2022–23 kg/PPT
Total waste to landfill per patient treated [(kg general waste)/PPT]	4.32	6.00	
Total waste to offsite treatment per patient treated [(kg offsite treatment)/PPT]	0.35	0.40	
Total waste recycled and reused per patient treated [(kg recycled and reused)/PPT]	3.02	2.75	

WR4 Recycling rate

	2024–25	2023–24	2022–23
Calculation inputs			
Recyclable and organic materials [kg]	12,421.20	12,413.28	
Total waste [kg]	31,624.05	41,359.63	
Recycling rate [%]	**39.28%**	**30.01%**	

WR5 Greenhouse gas emissions associated with waste disposal

Emissions source	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e	2022–23 Tonnes CO_2-e
Waste disposal	**24.39**	**36.90**	

Greenhouse gas emissions

G1 Total Scope One (direct) greenhouse gas emissions

Emission source	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e	2022–23 Tonnes CO_2-e
GHG emissions from stationary fuel (F2)	**44.92**	**49.84**	**38.18**
GHG emissions from vehicle fleet (T3)	**34.27**	**33.61**	
F2 and T3 by greenhouse gas			
Carbon dioxide	78.70	82.92	37.93
Methane	0.16	0.18	0.13
Nitrous Oxide	0.33	0.35	0.13
Total F2 and T3	**79.19**	**83.45**	**38.18**
Medical/refrigerant gases			
Nitrous oxide	1.79	1.79	
Total medical/refrigerant gases	**1.79**	**1.79**	
Total Scope 1 (direct) greenhouse gas emissions	**80.98**	**85.23**	**38.18**

G2 Total Scope Two (indirect electricity) greenhouse gas emissions

Emission source	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e	2022–23 Tonnes CO_2-e
Electricity	325.63	315.01	253.90
Total Scope 2 (indirect electricity) greenhouse gas emissions	**325.63**	**315.01**	**253.90**

G3 Total Scope Three (other indirect) greenhouse gas emissions

Emission source	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e	2022–23 Tonnes CO_2-e
Commercial air travel	0.00	0.00	
Waste emissions (WR5)	24.39	36.90	
Indirect emissions from stationary energy	59.20	55.50	45.44
Indirect emissions from transport energy	8.56	8.37	
Paper emissions	not available	not available	
Any other Scope 3 emissions	7.39	7.33	3.98
Total Scope 3 greenhouse gas emissions	**99.54**	**108.11**	**49.42**

Net greenhouse gas emission indicators

Scope	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e	2022–23 Tonnes CO_2-e
Scope One	80.98	85.23	38.18
Scope Two	325.63	315.01	253.90
Scope Three	99.54	108.11	49.42
Subtotal	**506.15**	**508.35**	**341.50**
Any reduction measures offsets purchased (EL4-related)	0.00	0.00	
Any offsets purchased	0.00	0.00	
Net greenhouse gas emissions	**506.15**	**508.35**	**341.50**

Normalisation factors

Factor type	2024–25	2023–24	2022–23
1000km (Corporate)			
1000km (non-emergency)			
Aged Care OBD			
ED Departures	0.00	0.00	0.00
FTE	109.00	100.00	96.00
LOS	3,223.00	3,631.00	3,413.00
OBD	3,223.00	3,631.00	3,413.00
PPT	4,109.00	4,517.00	4,335.00
Separations	889.00	886.00	922.00
TotalAreaM2	2,299.00	2,299.00	2,299.00

Section 7: Attestations and Declarations

Financial Management Compliance attestation – SD 5.1.4

I, DAMON STYNES, on behalf of the Responsible Body, certify that the South Gippsland Hospital has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Damon Stynes
Board Chair
South Gippsland Hospital, Foster
25 September 2025

Data Integrity Declaration

I, PAUL GREENHALGH, certify that South Gippsland Hospital has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. South Gippsland Hospital has critically reviewed these controls and processes during the year.

Paul Greenhalgh
Chief Executive Officer
South Gippsland Hospital, Foster
25 September 2025

Conflict of Interest Declaration

I, PAUL GREENHALGH, certify that South Gippsland Hospital 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 South Gippsland Hospital 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.

Paul Greenhalgh
Chief Executive Officer
South Gippsland Hospital, Foster
25 September 2025

Integrity, Fraud and Corruption Declaration

I, PAUL GREENHALGH, certify that South Gippsland Hospital has put in place appropriate internal controls and processes to ensure that Integrity, fraud, and corruption risks have been reviewed and addressed at South Gippsland Hospital during the year.

Paul Greenhalgh
Chief Executive Officer
South Gippsland Hospital, Foster
25 September 2025

Compliance with HealthShare Victoria (HSV) Purchasing Policies

I, PAUL GREENHALGH, certify that South Gippsland Hospital 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.

Paul Greenhalgh
Chief Executive Officer
South Gippsland Hospital, Foster
25 September 2025

Appendix 1: Disclosure Index

The annual report of the South Gippsland Hospital 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*
Standing Directions and Financial Reporting Directions		
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Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	5-6
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FRD 22	Nature and range of services provided	7
FRD 22	Activities, programs, and achievements for the reporting period	8-10
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FRD 22	Disclosure of government advertising expenditure	N/A
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FRD 22	Asset Management Accountability Framework	N/A
FRD 22	Disclosure of emergency procurement	N/A
FRD 22	Disclosure of social procurement activities under the Social Procurement Framework	22
FRD 22	Disclosure of procurement complaints	22
FRD 22	Disclosure of reviews and study expenses	N/A
FRD 22	Disclosure of grants and transfer payments	N/A
FRD 22	Application and operation of *Freedom of Information Act 1982*	23
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FRD 22	Statement on National Competition Policy	24
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FRD 22	Additional information available on request	25
FRD 24	Environmental data reporting	26-34
FRD 25	Local Jobs First Act 2003 disclosures	24
Compliance attestation and declaration		
SD 5.1.4	Financial Management Compliance attestation	35
SD 5.2.3	Declaration in Report of Operations	5
	Attestation on Data Integrity	35
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	Compliance with Health Share Victoria (HSV) Purchasing Policies	36
Other reporting requirements		
	Reporting of outcomes from Statement of Priorities 2024-2025	12-16
	Occupational Violence reporting	19-20
	Reporting obligations under the *Safe Patient Care Act 2015*	24
	Reporting of compliance regarding Car Parking Fees (if applicable)	N/A

Financial statements		
Declaration		
SD 5.2.2	Declaration in financial statements	42
Other requirements under Standing Directions 5.2		
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SD 5.2.1(b)	Compliance with Model Financial Report	42
Other disclosures as required by FRDs in notes to the financial statements [(a)(b)]		
FRD 11	Disclosure of Ex gratia Expenses	N/A
FRD 103	Non-Financial Physical Assets	55
FRD 110	Cash Flow Statements	46
FRD 112	Defined Benefit Superannuation Obligations	52
FRD 114	Financial Instruments – general government entities and public non-financial corporations	61
Legislation		
Freedom of Information Act 1982 (Vic) (FOI Act)		23
Building Act 1993		23-24
Public Interest Disclosures Act 2012		24
Carers Recognition Act 2012		24
Local Jobs Act 2003		24
Financial Management Act 1994 [(b)]		25

Notes:

(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.

(b) Refer to the Model financial statements section (Part two) for further details.

Appendix 2: Victorian Auditor-General's Office (VAGO) – Independent auditor's report

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of South Gippsland Hospital

Opinion	I have audited the financial report of South Gippsland Hospital (the health service) which comprises the: • balance sheet as at 30 June 2025 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and Australian Accounting Standards – Simplified Disclosures.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Other information	The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2025, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

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Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.
Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service's internal control. • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board. • conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Auditor's responsibilities for the audit of the financial report *continued*	I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
1 October 2025

Simone Bohan
as delegate for the Auditor-General of Victoria

Appendix 3: Financial statements for the financial year ended 30 June 2025

South Gippsland Hospital Board Members, Accountable Officers and Chief Finance & Accounting Officer's declaration

The attached financial statements for the South Gippsland Hospital have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance 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 2025 and financial position of South Gippsland Hospital at 30 June 2025.

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 25 September 2025

Damon Stynes
Board Chair

Foster

25 September 2025

Paul Greenhalgh
Accountable Officer

Foster

25 September 2025

Peter Tilley
Chief Finance & Accounting Officer

Foster

25 September 2025

Detailed financial statements

South Gippsland Hospital for the financial year ended 30 June 2025

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South Gippsland Hospital
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2025

	Note	2025 $	2024 $
Revenue and income from transactions			
Revenue from contracts with customers	2.1 (a)	5,234,247	4,679,340
Other sources of income	2.1 (b)	10,696,616	10,411,681
Share of revenue from joint operations	8.6	820,297	1,141,737
Total revenue and income from transactions		**16,751,160**	**16,232,758**
Expenses from transactions			
Employee expenses	3.1(a)	(12,917,052)	(12,005,510)
Depreciation and amortisation	4.1(a), 4.1(b)	(1,235,033)	(674,562)
Other operating expenses	3.1(c)	(2,751,689)	(2,650,231)
Other non operating expenses	3.1(c)	(5,261)	(2,366)
Share of expenses from joint operations	8.6	(815,855)	(805,860)
Total Expenses from transactions		**(17,724,890)**	**(16,138,529)**
Net result from transactions - net operating balance		**(973,730)**	**94,229**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		44,333	37,645
Other gain/(loss) from other economic flows		-	25,684
Total other economic flows included in net result		**44,333**	**63,329**
Net result		**(929,397)**	**157,558**
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus		-	13,101,816
Total other comprehensive income		**-**	**13,101,816**
Comprehensive result		**(929,397)**	**13,259,374**

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

South Gippsland Hospital
Balance Sheet
As at 30 June 2025

	Note	2025 $	2024 $
Financial assets			
Cash and cash equivalents	6.1	1,681,908	1,843,637
Receivables	5.1	1,844,563	1,786,523
Contract assets		116,635	34,336
Total financial assets		**3,643,106**	**3,664,496**
Non-financial assets			
Inventories		117,884	103,653
Property, plant and equipment	4.1	22,394,738	23,170,597
Share of assets in joint operations	8.6	753,564	700,729
Total non-financial assets		**23,266,186**	**23,974,979**
Total assets		**26,909,292**	**27,639,475**
Liabilities			
Payables	5.2	608,290	697,961
Contract liabilities		9,312	49,004
Borrowings		253,706	184,121
Employee benefits	3.1(b)	2,677,860	2,466,774
Other liabilities		-	487
Share of liabilities in joint operations	8.6	135,613	87,220
Total liabilities		**3,684,781**	**3,485,567**
Net assets		**23,224,511**	**24,153,908**
Equity			
Reserves		18,167,482	18,167,482
Contributed capital		3,086,756	3,086,756
Accumulated surplus/(deficit)		1,970,273	2,899,670
Total equity		**23,224,511**	**24,153,908**

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

South Gippsland Hospital
Cash Flow Statement
For the Financial Year Ended 30 June 2025

	Note	2025 $	2024 $
Cash Flows from operating activities			
Operating grants from State Government		9,380,722	8,442,434
Operating grants from Commonwealth Government		1,068,318	1,206,596
Capital grants from State Government		53,302	668,063
Donations and bequests received		86,709	48,261
GST received from ATO		110,946	312,784
Interest and investment income received		134,017	131,988
Other receipts		4,846,753	4,067,279
Total receipts		**15,680,767**	**14,877,405**
Payments to employees		(12,537,859)	(11,960,558)
Payments to suppliers and consumables		(784,435)	(875,897)
Finance costs		(6,289)	(4,234)
GST paid to ATO		(272,853)	(322,222)
Other payments		(2,071,545)	(1,632,242)
Total payments		**(15,672,981)**	**(14,795,153)**
Net cash flows from/(used in) operating activities		**7,786**	**82,252**
Cash Flows from investing activities			
Proceeds from sale of non-financial assets		72,955	63,895
Purchase of non-financial assets		(370,949)	(927,836)
Capital donations and bequests received		175,741	236,664
Net cash flows from/(used in) investing activities		**(122,253)**	**(627,277)**
Cash flows from financing activities			
Repayment of borrowings		(47,262)	(120,892)
Receipt of borrowings		-	56,853
Net cash flows from/(used in) financing activities		**(47,262)**	**(64,039)**
Net increase/(decrease) in cash and cash equivalents held		**(161,729)**	**(609,064)**
Cash and cash equivalents at beginning of year		1,843,637	2,452,701
Cash and cash equivalents at end of year	6.1	**1,681,908**	**1,843,637**

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

South Gippsland Hospital
Statement of Changes in Equity
For the Financial Year Ended 30 June 2025

	Property, Plant and Equipment Revaluation Surplus $	Contributed Capital $	Accumulated Surplus/(Deficit) $	Total $
Balance at 1 July 2023	**5,065,666**	**3,086,756**	**2,742,112**	**10,894,534**
Net result for the year	-	-	157,558	157,558
Other comprehensive income for the year	13,101,816	-	-	13,101,816
Balance at 30 June 2024	**18,167,482**	**3,086,756**	**2,899,670**	**24,153,908**
Net result for the year	-	-	(929,397)	(929,397)
Other comprehensive income for the year	-	-	-	-
Balance at 30 June 2025	**18,167,482**	**3,086,756**	**1,970,273**	**23,224,511**

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

South Gippsland Hospital
Notes to the Financial Statements
For the financial year ended 30 June 2025

Structure

Note 1 About this Report

These financial statements represent the consolidated financial statements of the South Gippsland Hospital for the year ended 30 June 2025.

The Health Service is a not-for-profit entity established as a public agency in 1937 under the *Health Services Act 1998 (Vic)* . A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

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 AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 Application of Tiers of Australian Accounting Standards (FRD 101).

The Health Service is a Tier 2 entity in accordance with FRD 101. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. The Health Service's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1). As the Health Service is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 July 2024.

These general purpose financial statements have been prepared in accordance with the FMA and applicable Australian Accounting Standards (AASs), which include interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions* , 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 Health Service.

The financial statements have been prepared on a going concern basis (refer to Note 1.4 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 the South Gippsland Hospital on Thursday 25 September 2025.

Note 1.2 Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

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

Revisions to 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 judgements and estimates used, and any changes thereto, are disclosed within the relevant accounting policy.

Note 1.3 Reporting Entity

The Health Service's principal address is:
87 Station Road
Foster, Victoria 3960

Note 1.4 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 the Health Services operations and on that basis, the financial statements have been prepared on a going concern basis.

Note 2 Funding delivery of our services

The Health Service's overall objective is to provide quality health services and programs that support and enhance the wellbeing of all Victorians.

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

Structure

2.1 Revenue and income from transactions

Note 2.1 Revenue and income from transactions

	Note	2025 $	2024 $
Revenue from contracts with customers	2.1(a)	5,234,247	4,679,340
Other sources of income	2.1(b)	10,696,616	10,411,681
Total revenue and income from transactions		**15,930,863**	**15,091,021**

Note 2.1(a) Revenue from contracts with customers

	2025 $	2024 $
Government grants (State) - Operating	200,896	184,737
Government grants (Commonwealth) - Operating	1,190,309	1,136,160
Patient and resident fees	497,650	606,648
Catering	75,626	80,540
Management fees	2,755,985	2,219,430
Transitional care program	513,781	451,825
Total revenue from contracts with customers	**5,234,247**	**4,679,340**

How we recognise revenue from contracts with customers

Government grants

Revenue from government operating grants that are enforceable and contain sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15.

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

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

Government grant	Performance obligation
Operational Commonwealth Grants for Home Support Programs	The performance obligations for the funding are to provide adequate assistance to enable patients to continue to live independently at home. Revenue is recognised when the service is delivered.
Home Care Package (HCP) Management Fees	The performance obligations are to manage their package funds, organise relevant services required. The Health Service charges a management fee to the clients for this service. Revenue is recognised when the service is delivered.

Patient and resident fees

Patient and resident fees are charges incurred by patients for services they receive. Patient and resident fees are recognised under AASB 15 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.

Note 2.1(b) Other sources of income

	Note	2025 $	2024 $
Government grants (State) - Operating		9,411,724	8,339,025
Government grants (State) - Capital		53,302	760,749
Interest Income		134,017	131,988
Capital donations		175,741	236,664
Assets received free of charge or for nominal consideration		104,020	89,117
Other income from operating activities		817,812	854,138
Total other sources of income		**10,696,616**	**10,411,681**

How we recognise other sources of income

Government grants

The Health Service recognises income of not-for-profit entities under AASB 1058 where it has been earned under arrangements that are either not enforceable or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations or that are not enforceable, is recognised when the Health Service has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the Health Service recognises any related contributions by owners, increases in liabilities, decreases in assets or revenue (related amounts) in accordance with other Australian Accounting Standards. Related amounts may take the form of:

* contributions by owners, in accordance with AASB 1004 *Contributions*
* revenue or contract liability arising from a contract with a customer, in accordance with AASB 15
* a lease liability in accordance with AASB 16 *Leases*
* a financial instrument, in accordance with AASB 9 *Financial Instruments*
* a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets.*

Capital grants

Where the Health Service receives a capital grant it recognises a liability, equal to the financial asset received less amounts recognised under other Australian Accounting Standards.

Income is recognised in accordance with AASB 1058 progressively as the asset is constructed which aligns with the 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.

Note 3 The cost of delivery of 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 costs associated with the provision of services are disclosed.

Structure

3.1 Expenses incurred in the delivery of services

Note 3.1 Expenses incurred in the delivery of services

	Note	2025 $	2024 $
Employee expenses	3.1(a)	12,917,052	12,005,510
Other operating expenses	3.1(c)	2,751,689	2,650,231
Total expenses incurred in the delivery of services		**15,668,741**	**14,655,741**

Note 3.1(a) Employee expenses

	2025 $	2024 $
Salaries and wages	11,588,677	10,745,978
Defined contribution superannuation expense	1,238,598	1,123,554
External contract staff	4,487	85,025
Fee for service medical officer expenses	85,290	50,953
Total employee expenses	**12,917,052**	**12,005,510**

How we recognise employee expenses

Employee expenses include salaries and wages, fringe benefits tax, leave entitlements, termination payments, WorkCover payments and agency expenses.

The amount recognised in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The defined benefit plan(s) provides benefits based on year of service and final average salary. The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans. The Health Service does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead the Health Service accounts for contributions to these plans as if they were defined contribution plans.

The Department of Treasury and Finance discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability.

Note 3.1(b) Employee related provisions

	2025 $	2024 $
Current provisions for employee benefits		
Accrued days off	11,481	9,882
Annual leave	931,008	870,207
Long service leave	1,045,334	1,053,327
Provision for on-costs	263,605	244,992
Total current provisions for employee benefits	**2,251,428**	**2,178,408**
Non-current provisions for employee benefits		
Long service leave	376,787	256,138
Provision for on-costs	49,645	32,228
Total non-current provisions for employee benefits	**426,432**	**288,366**
Total provisions for employee benefits	**2,677,860**	**2,466,774**

How we recognise employee-related provisions
Employee related provisions 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 the Health Service does not have an unconditional right to defer settlement 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 the Health Service expects to wholly settle within 12 months or
* present value – if the Health Service does not expect to wholly settle within 12 months.

Long service leave
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 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 the Health Service expects to wholly settle within 12 months or
* present value – if the Health Service does not expect to wholly settle within 12 months.

Conditional LSL is measured at present value and is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

Provisions
Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Note 3.1(c) Other operating expenses

	2025 $	2024 $
Other operating expenses		
Drug supplies	76,589	78,159
Medical and surgical supplies (including Prostheses)	288,228	293,695
Diagnostic and radiology supplies	63,926	61,266
Other supplies and consumables	383,210	437,271
IT expenses	609,271	554,277
Finance costs	6,289	4,234
Fuel, light, power and water	148,356	140,294
Repairs and maintenance	143,113	59,284
Maintenance contracts	141,067	93,748
Medical indemnity insurance	123,228	119,921
Workcover	132,786	194,339
Expenditure for capital purpose	18,890	11,328
Consultancy and contractors	263,788	218,349
Staff training and development	89,468	55,807
Other administration expenses	263,480	328,259
Total other operating expenses	**2,751,689**	**2,650,231**
Bad and doubtful debt expense	5,261	2,366
Total other non-operating expenses	**5,261**	**2,366**
Total other operating and non operating expenses	**2,756,950**	**2,652,597**

How we recognise other operating expenses

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

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.

The following lease payments are recognised on a straight-line basis:
* short term leases – leases with a term of twelve months or less, and
* low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than $10,000.

Variable lease payments that are not included in the measurement of the lease liability, i.e. variable lease payments that do not depend on an index or a rate such as those based on performance or usage of the underlying asset, are recognised in the Comprehensive Operating Statement (except for payments which have been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occurs. The Health Service's variable lease payments during the year ended 30 June 2025 was nil.

Other operating expenses
Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

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

Notes to the Financial Statements
South Gippsland Hospital for the financial year ended 30 June

Note 4 Key assets to support service delivery

The 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 the Health Service to be utilised for delivery of services.

Structure

4.1 Property, plant and equipment
4.2 Depreciation and amortisation

Note 4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
	$	$	$	$	$	$
Land at fair value - Freehold	960,000	960,000	-	-	960,000	960,000
Buildings at fair value	19,907,617	19,731,722	(792,790)	-	19,114,827	19,731,722
Plant, equipment and vehicles at fai	5,323,653	5,096,472	(3,003,742)	(2,659,304)	2,319,911	2,437,168
Works in progress at cost	-	41,707	-	-	-	41,707
Total property, plant and equipmer	**26,191,270**	**25,829,901**	**(3,796,532)**	**(2,659,304)**	**22,394,738**	**23,170,597**

How we recognise property, plant and equipment

Items of property, plant and equipment are initially measured at cost, and are subsequently measured at fair value less accumulated depreciation and impairment. 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.

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

	Land	Buildings	Works in progress	Plant, equipment and vehicles	Total
	$	$	$	$	$
Balance at 1 July 2024	**960,000**	**19,731,722**	**41,707**	**2,437,168**	**23,170,597**
Additions	-	176,901	-	310,895	487,796
Disposals	-	-	-	(28,622)	(28,622)
Net transfers between classes	-	(850)	(41,707)	42,557	-
Depreciation	-	(792,946)	-	(442,087)	(1,235,033)
Balance at 30 June 2025	**960,000**	**19,114,827**	**-**	**2,319,911**	**22,394,738**

Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that the movements were not material (less than or equal to 10%). As such, an independent revaluation was not required per FRD 103. In accordance with FRD 103, the Health Service has elected to apply the practical expedient in FRD 103 Non-Financial Physical Assets and has therefore not applied the amendments to AASB 13 *Fair Value Measurement* . The amendments to AASB 13 will be applied at the next scheduled independent revaluation, which is planned to be undertaken in 2029, in accordance with the Health Service's revaluation cycle.

Note 4.1(b) Right-of-use assets

The following tables are right-of-use assets included in the plant and equipment balance, presented by subsets of plant and equipment.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
	$	$	$	$	$	$
Plant, equipment and vehicles at fair value	347,586	328,544	(92,376)	(140,826)	255,210	187,718
Total right-of-use assets	**347,586**	**328,544**	**(92,376)**	**(140,826)**	**255,210**	**187,718**

Reconciliations of the carrying amounts of each class of asset

	Plant, equipment and vehicles	Total
	$	$
Balance at 1 July 2024	**187,718**	**187,718**
Additions	145,470	145,470
Disposals	(28,622)	(28,622)
Depreciation	(49,356)	(49,356)
Balance at 30 June 2025	**255,210**	**255,210**

How we recognise right-of-use assets
Initial recognition
When the Health Service enters a contract, which provides the health services with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset 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.

Subsequent measurement
Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use assets 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.

The Health Service has applied the exemption permitted under FRD 104 *Leases*, consistent with the optional relief in AASB 16.Aus25.1. Under this exemption, the Health Service is not required to apply fair value measurement requirements to right-of-use assets arising from leases with significantly below-market terms and conditions, where those leases are entered into principally to enable the entity to further its objectives.

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 7.3.

Note 4.1(c) Impairment of property, plant and equipment

The recoverable amount of the primarily non-financial physical assets of the Health Service, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 *Impairment of Assets* does not apply to such assets that are regularly revalued.

Note 4.2 Depreciation and amortisation

How we recognise depreciation

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

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

How we recognise amortisation

Amortisation is the systematic allocation of the depreciable amount of an asset over its useful life.

Useful lives of non-current assets

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

	2025	2024
Buildings		
- Structure shell building fabric	25 to 50 years	50 years
- Fit out	25 to 50 years	25 years
- Combined Fit out and Trunk Reticulated Building System	25 to 50 years	30 years
- Site Engineering Services and Central Plant	35 to 40 years	35 to 40 years
Plant and equipment'	10 to 20 years	10 to 20 years
Motor vehicles	3 to 10 years	3 to 10 years
Medical equipment	5 to 15 years	5 to 15 years
Furniture and fittings	10 to 10 years	10 to 10 years
Other equipment	5 to 15 years	5 to 15 years

Note 5 Other assets and liabilities

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

Structure

5.1 Receivables
5.2 Payables

Note 5.1 Receivables

	Note	2025 $	2024 $
Current receivables			
Contractual			
Inter hospital debtors		166,702	154,896
Trade receivables		576,006	524,639
Patient fees		57,730	123,653
Allowance for impairment losses		(3,188)	(3,079)
Accrued revenue		26,504	40,118
Total contractual receivables		**823,754**	**840,227**
Statutory			
GST receivable		26,998	28,459
Total statutory receivables		**26,998**	**28,459**
Total current receivables		**850,752**	**868,686**
Non-current receivables			
Contractual			
Long service leave - Department of Health		993,811	917,837
Total contractual receivables		**993,811**	**917,837**
Total non-current receivables		**993,811**	**917,837**
Total receivables		**1,844,563**	**1,786,523**
(i) Financial assets classified as receivables			
Total receivables		1,844,563	1,786,523
GST receivable		(26,998)	(28,459)
Total financial assets classified as receivables	7.1	**1,817,565**	**1,758,064**

How we recognise receivables

Receivables consist of:

* **Contractual receivables**, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds 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.

Note 5.2 Payables

	Note	2025 $	2024 $
Current payables			
Contractual			
Trade creditors		113,067	105,879
Accrued salaries and wages		333,124	249,187
Accrued expenses		32,934	68,568
Superannuation		114,907	116,027
Inter hospital creditors		10,194	10,118
Amounts payable to governments and agencies		4,064	148,182
Total contractual payables		**608,290**	**697,961**
Statutory			
GST payable		-	-
Total statutory payables		**-**	**-**
Total current payables		**608,290**	**697,961**
Total payables		**608,290**	**697,961**
(i) Financial liabilities classified as payables			
Total payables		608,290	697,961
Total financial liabilties classified as payables	7.1	**608,290**	**697,961**

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 Health Service prior to the end of the financial year that are unpaid.
* Statutory payables, including Goods and Services Tax (GST) payable 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.

Notes to the Financial Statements
South Gippsland Hospital for the financial year ended 30 June 2025

Note 6 How we finance our operations

This section provides information on the sources of finance utilised by the Health Service during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the 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 Cash and cash equivalents
6.2 Commitments for expenditure

Note 6.1 Cash and Cash Equivalents

	Note	2025 $	2024 $
Cash on hand (excluding monies held in trust)		300	300
Cash at bank (excluding monies held in trust)		9,719	6,851
Cash at bank - CBS (excluding monies held in trust)		1,671,889	1,835,999
Total cash held for operations		**1,681,908**	**1,843,150**
Cash at bank (monies held in trust)		-	487
Total cash held as monies in trust		**-**	**487**
Total cash and cash equivalents	7.1	**1,681,908**	**1,843,637**

Note 6.2 Commitments for expenditure

As at 30 June 2025 there are no commitments for expenditure (2024:nil).

Notes to the Financial Statements
South Gippsland Hospital for the financial year ended 30 June 2025

Note 7 Finanical instuments, contingencies and valuation judgements

The 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	Contingent assets and contingent liabilities
7.3	Fair value determination

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 the 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* .

30 June 2025	Note	Carrying amount $	Net gain/(loss) $	Total interest income/ $	Fee income/ (expense) $	Impairment loss $
Financial assets at amortised cost						
Cash and cash equivalents	6.1	1,681,908	-	134,017	(2,214)	-
Receivables	5.1	1,817,565	-	-	-	(5,261)
Total financial assets [i]		**3,499,473**	**-**	**134,017**	**(2,214)**	**(5,261)**
Financial liabilities at amortised cost						
Payables	5.2	608,290	-	-	-	-
Borrowings		253,706	-	-	(4,075)	-
Total financial liabilities [i]		**861,996**	**-**	**-**	**(4,075)**	**-**

30 June 2024	Note	Carrying amount $	Net gain/(loss) $	Total interest income/ $	Fee income/ (expense) $	Impairment loss $
Financial assets at amortised cost						
Cash and cash equivalents	6.1	1,843,637	-	131,988	(1,854)	-
Receivables	5.1	1,758,064	-	-	-	(2,366)
Total financial assets [i]		**3,601,701**	**-**	**131,988**	**(1,854)**	**(2,366)**
Financial liabilities at amortised cost						
Payables	5.2	697,961	-	-	-	-
Borrowings		184,121	-	-	(2,380)	-
Total financial liabilities [i]		**882,082**	**-**	**-**	**(2,380)**	**-**

i The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. GST payable and revenue in advance).

How we categorise financial instruments

Financial assets at amortised cost

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

* the assets are held by the 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.

Note 7 Finanical instuments, contingencies and valuation judgements

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.

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

Categories of financial liabilities

Financial liabilities 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.

The 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).

Note 7.2 Contingent assets and contingent liabilities

At balance date, the Board are not aware of any contingent assets or liabilities. (2024: Nil)

Note 7.3 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:

* Financial assets and liabilities at fair value through net result
* Financial assets and liabilities at fair value through other comprehensive income
* Property, plant and equipment and
* 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.

The 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.

The 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 the Health Service's independent valuation agency for property, plant and equipment.

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.

Fair value determination: non-financial physical assets

AASB 2010-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 *Fair Value Measurement by adding Appendix F Australian Implementation Guidance for Not-for-Profit Public Sector Entities* . Appendix F explains and illustrates the application of the principals in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

The last scheduled full independent valuation of all of the Health Service's non-financial physical assets was performed by VGV on 30 June 2024. The annual fair value assessment for 30 June 2025 using VGV indices does not identify material changes in value. In accordance with FRD 103, the Health Service will reflect Appendix F in its next scheduled formal revaluation on 30 June 2029 or interim revaluation process (whichever is earlier). All annual fair value assessments thereafter will continue compliance with Appendix F.

For all assets measured at fair value, the Health Service considers the current use as its highest and best use.

Specialised land and specialised buildings

Specialised land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset.

Note 7.3 Fair value determination

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.

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.

For the Health Service, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation.

Vehicles

Vehicles are valued using the current replacement cost method. The Health Service acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the Health Services who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

Significant assumptions

Description of significant assumptions applied to fair value measurement:

Asset Class	Valuation technique	Significant assumption	Range (weighted average) (i)
Specialised land (Freehold) - Station Road, Foster	Current replacement cost approach	- Cost per square metre - Community Service Obligations Adjustments (ii)	$80/m2 20% CSO
Specialised buildings - Station Road, Foster	Current replacement cost approach	- Cost per square metre - Useful life	$3,500 - $8,500/m2 ($3,900) 30 - 60 years (45 years)
Vehicles	Current replacement cost approach	- Cost per unit - Useful life	$33,000 - $49,000 ($39,000 per unit) 5 years (5 years)
Plant, equipment, furniture and fittings	Current replacement cost approach	- Cost per unit - Useful life	$1,000 - $174,000 ($10,500 per unit) 5 - 10 years (7.5 years)

(i) Illustrations on the valuation techniques and significant assumptions and unobservable inputs are indicate and should not be directly used without consultation with the health services independent valuer

(ii) CSO adjustment of 20% was applied to reduce the market approach value for the Health Service's specialised land.

Notes to the Financial Statements
South Gippsland Hospital for the financial year ended 30 June 2025

Note 8 Other disclosures

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

Structure

Note 8.1 Responsible persons disclosures

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

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 July 2024 to 30 June 2025
Minister for Ambulance Services	1 July 2024 to 30 June 2025
Former Minister for Health Infrastructure	1 July 2024 to 19 December 2024
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	1 July 2024 to 30 June 2025
Minister for Ageing	1 July 2024 to 30 June 2025
The Honourable Lizzy Blandthorn MP:	
Minister for Children	1 July 2024 to 30 June 2025
The Honourable Melissa Horne MP;	
Minster for Health Infrastructure	19 December 2024 to 30 June 2025
Governing Boards	
Mr. Damon Stynes (appointed 2021) (Chair of the Board)	1 Jul 2024 - 30 Jun 2025
Mr. Graeme Baxter (resigned 2024)	1 Jul 2024 - 1 Jul 2024
Mr David Pollard (resigned 2024)	1 Jul 2024 - 1 Jul 2024
Mr. Jamie Sutherland (appointed 2018)	1 Jul 2024 - 30 Jun 2025
Ms. Judith Bennett (appointed 2019)	1 Jul 2024 - 30 Jun 2025
Mr. Noel Cranswick (appointed 2023)	1 Jul 2024 - 30 Jun 2025
Dr. Michelle Kermode (appointed 2023)	1 Jul 2024 - 30 Jun 2025
Ms. Kate Maxfield (appointed 2024)	1 Jul 2024 - 30 Jun 2025
Ms. Jan Fitzgerald (appointed 2024)	1 Jul 2024 - 30 Jun 2025
Mr. Paul O'Sullian (appointed 2024)	1 Jul 2024 - 30 Jun 2025
Accountable Officers	
Mr. Paul Greenhalgh (Chief Executive Officer)	1 Jul 2024 - 30 Jun 2025

Remuneration of Responsible Persons

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

Income Band	2025 No	2024 No
$0,000 - $9,999	9	12
$10,000 - $19,999	1	-
$219,000 - $229,999		1
$240,000 - $249,999	1	-
Total Numbers	**11**	**13**

	2025 $	2024 $
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**292,160**	**247,208**

Amounts relating to the Governing Board Members and Accountable Officer of the 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 8.2 Remuneration of executive officers

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 comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis.

One factor has affected total remuneration payable to executives over the year, as one of the executives is on extended leave and a substitution is in place. This has had a slight impact on remuneration figures.

Remuneration of executive officers
(including Key Management Personnel disclosed in Note 8.3)

	Total Remuneration	
	2025	2024
	$	$
Total remuneration[I]	432,136	317,202
Total number of executives	3	2
Total annualised employee equivalent[II]	2.8	1.8

[I] The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the Health Services under AASB 124 *Related Party Disclosures* and are also reported within Note 8.3 Related Parties.
[II] Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Notes to the Financial Statements
South Gippsland Hospital for the financial year ended 30 June 2025

Note 8.3 Related parties

The 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 –the GHA Joint Venture Alliance and
* all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

Significant transactions with government related entities
The Health Service received funding from the DH of $9,473,313 (2024: $9,383,888), Commonwealth Grants Home Care and Community Care (HACC) of $1,190,309 (2024: $1,136,160) and indirect contributions of $75,974 (2024: $63,177).

The Health Service received funding from the Latrobe Regional Hospital of $513,781 (2024: $451,825) for the Transitional Care Program.

Expenses incurred by the Health Service in delivering services 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 Minister for Finance require the 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.

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

The Board of Directors and the Executive Directors of the Health Service and its controlled entities are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
South Gippsland Hospital	Mr David Pollard	Board Member
South Gippsland Hospital	Mr. Graeme Baxter	Board Member
South Gippsland Hospital	Mr. Jamie Sutherland	Board Member
South Gippsland Hospital	Ms. Judith Bennett	Board Member
South Gippsland Hospital	Mr. Damon Stynes	Board Member
South Gippsland Hospital	Mr. Paul O'Sullivan	Board Member
South Gippsland Hospital	Mr. Noel Cranswick	Board Member
South Gippsland Hospital	Dr. Michelle Kermode	Board Member
South Gippsland Hospital	Ms. Jan Fitzgerald	Board Member
South Gippsland Hospital	Ms. Kate Maxfield	Board Member
South Gippsland Hospital	Mr. Paul Greenhalgh	Chief Executive Officer
South Gippsland Hospital	Ms. Claire Kent	Director of Nursing
South Gippsland Hospital	Ms. Lilli Lush	Director of Nursing (interim 18 Mar 2025 - 30 Jun 2025)
South Gippsland Hospital	Ms. Samantha Park	Director of Community Health

Remuneration of key management personnel
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 Report.

	2025 $	2024 $
Total compensation - KMPs[1]	724,296	564,410

[1] KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Note 8.3 Related parties

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with the 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 2025 (2024: none).

There were no related party transactions required to be disclosed for the Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2025 (2024: none).

Note 8.4 Remuneration of auditors

	2025 $	2024 $
Victorian Auditor-General's Office		
Audit of the financial statements	23,200	22,400
Total remuneration of auditors	**23,200**	**22,400**

Note 8.5 Events occurring after the balance date

There are no events occurring after the Balance Sheet date.

Note 8.6 Joint arrangements

	Principal Activity	Ownership Interest 2025 %	Ownership Interest 2024 %
Gippsland Health Alliance	Information Technology	3.47	3.54

For the year ended 30 June 2025, the Health Service's share of the joint operations financials was:

	2025 $	2024 $
Total revenue and income	820,297	1,141,737
Total expenses	(815,855)	(805,860)
Total net result	**4,442**	**335,877**
Total other economic flows	-	-
Comprehensive result for the year	**4,442**	**335,877**
Total assets	753,564	700,729
Total liabilities	135,613	87,220
Total equity	**617,951**	**613,509**

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date. The Health Service is involved in joint arrangements where control and decision-making are shared with other parties. The Health Service has determined the entities detailed in the above table are joint operations and therefore recognises its share of assets, liabilities, revenues and expenses in accordance with its rights and obligations under the arrangement.