GIPPSLAND SOUTHERN
Health Service








GIPPSLAND SOUTHERN
HEALTH SERVICE

ANNUAL REPORT 2024–25

INCORPORATING:

LEONGATHA MEMORIAL HOSPITAL
KORUMBURRA HOSPITAL

ACKNOWLEDGEMENT OF COUNTRY

Gippsland Southern Health Service acknowledges the Traditional Custodians of the lands on which we operate – the Bunurong and Gunaikurnai peoples of the Kulin Nation.

We pay our respects to Elders past and present, and honour their deep, enduring connection to land, waters, culture and community.

We are committed to listening, learning, and walking alongside Aboriginal and Torres Strait Islander peoples in a spirit of reconciliation and respect.

ABOUT THIS REPORT

This Annual Report presents the operational and financial performance of Gippsland Southern Health Service (GSHS) for the period 1 July 2024 to 30 June 2025. It outlines key achievements, strategic initiatives and the ways we are delivering high-quality, person-centred care to the South Gippsland community.

The report includes audited financial statements and satisfies the statutory reporting requirements of the *Health Services Act 1988 (Vic)* and the *Financial Management Act 1994 (Vic)*.

GSHS was formed in 1992 following the amalgamation of Leongatha Memorial Hospital and Korumburra Hospital. Today, we provide a broad range of acute, subacute, aged care, community and allied health services across South Gippsland.

We are committed to transparency, community accountability and continuous improvement, sharing how we are working towards a healthier, more connected Gippsland.

This report is available online at www.gshs.com.au/publications. Printed copies can be requested by contacting our Executive Assistant team on (03) 5667 5664.

OUR STORY

GSHS has deep roots in the South Gippsland region, shaped by the communities we serve and the values we share. From Korumburra to Leongatha and beyond, we are proud to deliver care that is local, responsive, and community-driven. As we move into a new era of collaboration and reform, we remain committed to preserving what matters most: strong local services, trusted relationships, and better health outcomes for all.

This commitment is grounded in our vision – *that the South Gippsland community has access to the care and support it needs* – and driven by our mission: *We are building a healthier community in South Gippsland, together*.

These foundations inform every element of our Strategic Plan, guiding decisions, shaping reforms, and ensuring our services continue to reflect the unique needs of our region.

LOOKING AHEAD

As we prepare to transition into the Bayside Health merger in January 2026, GSHS does so with clarity, cohesion, and a deep sense of purpose. Our identity, values and culture remain strong, and are recognised as assets in this next phase of state-wide reform.

We have built trust with our community, and commit to maintaining this strong connection. Staff voice is embedded in every decision we make. Local care is not just available, it's safer, stronger, and shaped by those who use and deliver it.

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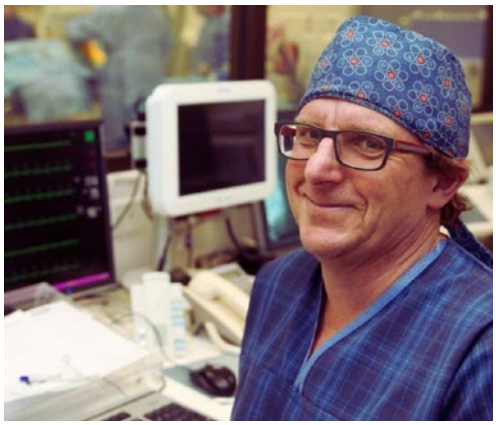
GIPPSLAND SOUTHERN HEALTH SERVICE REPORT OF OPERATIONS

RESPONSIBLE BODIES DECLARATION

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

Athina Georgiou
CHAIR, BOARD OF DIRECTORS
15 September 2025



MESSAGE FROM THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER

The 2024–2025 year was a dynamic year of sector change and challenges requiring significant leadership and decision making, a large amount of work focused on how to ensure the very best for our community to continue to grow and thrive into the future.

The year also saw our clinical teams continue to deliver care that was not only high quality, but ensured a good health experience for consumers and their carers. GSHS achieved full compliance with the National Safety and Quality Health Service Standards, National Disability Insurance Scheme (NDIS), Aged care and food safety standards reflecting our strong culture of safety and continuous improvement. Community confidence remained high, with 100% of patients reporting a positive experience.

Our Urgent Care Centres saw a 57.3% year-on-year increase in presentations – a signal of growing results in meeting the needs of residents and holiday makers in the South Gippsland area. Cardiac, cancer, and maternity services were redesigned to support delivery closer to home, including telehealth-integrated survivorship care.

Improvements in clinical indicators such as readmission rates and infection control benchmarks confirmed our ongoing commitment to quality translates to improving outcomes.

We stewarded our resources with diligence and discipline. Agency nursing and locum usage was reduced to very low levels, and creditor payment times and patient fee collections remained within target. Our wards operated above activity targets, reflecting improved access to care for our community.

Our people remain our greatest strength. We delivered our Workforce Plan and increased our flexible work strategies, supporting adaptability and wellbeing. The People Matter Survey tells a story with 81% of staff feeling included, and 80% experienced collaboration.

We are proud to have embedded cultural safety. Our Aboriginal Cultural Safety Plan, developed in partnership with our Aboriginal Liaison Officer, laid strong foundations. Volunteers, peer support leaders, and values award recipients continued to enrich our service with purpose and care.

To ensure we are connecting with our community in a number of ways we have increased our platforms for connection. This year saw a significant uplift in our digital engagement, reflecting a more mature and responsive communications approach. Across Facebook, Instagram and LinkedIn, our targeted social media strategy increased content reach by 38.6%, website visits by 85.8%, and community interactions by 260.3%. This surge in online engagement was the result of strategic timing, audience-driven content, and a consistent tone of voice that prioritised clarity, relevance and connection. Importantly, it positioned GSHS as a more accessible, transparent health service embedded in the lives of the community it serves.

We brought care out of buildings and into community life. Education partnerships expanded, with increased student placements and leadership development pipelines.

Snake Bite First Aid sessions were fully booked across multiple sites, a powerful sign of demand for place-based, practical health literacy. We expanded the education sessions to include First Responder training for teens, alongside Ambulance Victoria, Headspace,

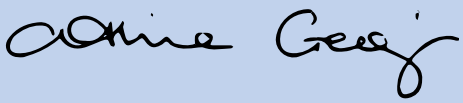
and community groups. Our staff were recognised in Rural Workforce Awards as a result of their contributions in this leadership space.

In January 2026, GSHS will become part of Bayside Health. The decision to undertake this voluntary merger is both proactive, strategic and has been carefully considered by the Board of Directors. It reflects our commitment to both the health service and the South Gippsland Community to ensure that they have access to strong health services into the future. This is an exciting time, as together with the other four health services (Alfred Health, Peninsula Health, KooWeeRup Health and Bass Coast Health) our Board and Executive team are working on a design that will make all our communities healthier.

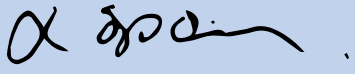
ACKNOWLEDGMENTS

On behalf of the Board and Executive, we extend our deepest thanks to our staff, volunteers, consumer representatives and community partners. Your passion, professionalism and care have made this year one of meaningful progress and impact.

To our community: thank you for your trust, your feedback, and your unwavering support. Everything we do is for you and your families. To our colleagues and collaborators across the Gippsland region, thank you for continuing to walk alongside us as we build a stronger, healthier South Gippsland.



Athina Georgiou
Board Chair



Louise Sparkes
Chief Executive Officer

WHO WE ARE?

ABOUT GIPPSLAND SOUTHERN HEALTH SERVICE

Gippsland Southern Health Service (GSHS) is a trusted regional health provider delivering high-quality, person-centred care to the people of South Gippsland. We operate across two hospital campuses in Leongatha and Korumburra, alongside three residential aged care facilities and an extensive network of home and community-based services.

Grounded in our community and committed to local care, GSHS supports patients and families through all life stages; from birthing and urgent care, to chronic disease management, aged care and palliative end of life support.

OUR PURPOSE

To build a healthier South Gippsland community by providing accessible, high-quality care that responds to local needs, fosters trust, and strengthens community connection.

OUR VISION

Our vision is that the South Gippsland community has access to the care and support that responds to its needs.

OUR VALUES

Our values are:

EXCELLENCE

We hold ourselves to the highest standards. Through evidence-based care, innovation, and continual learning, we strive to deliver outstanding health outcomes.

RESPECT

We treat every person with dignity and kindness, valuing diverse voices and experiences.

EMPATHY

We listen deeply and act with compassion. Understanding others' perspectives helps us deliver care that feels personal, not just clinical.

ACCOUNTABILITY

We take responsibility for our actions and decisions – individually and collectively – ensuring transparency, trust, and improvement.

INCLUSIVE

We embrace diversity and create spaces where everyone feels welcome, safe, and seen.

COLLABORATION

We work together to solve problems, share knowledge, and achieve better health outcomes for all members of our community.

OUR CATCHMENT AND COMMUNITY

GSHS serves a diverse rural population across South Gippsland, including Korumburra, Leongatha, Mirboo North and surrounding districts. Our services are shaped by strong community partnerships, active consumer involvement, and a deep understanding of rural health needs and strengths.

YEAR IN REVIEW

2024–2025 was a year of strong delivery and deep connection for Gippsland Southern Health Service. Despite sector-wide pressures, our commitment to safe, person-centred and community-led care remained unwavering. Together with our teams and partners, we delivered on strategic goals while continuing to build for the future.

EXCELLENCE IN CLINICAL GOVERNANCE

Our clinical teams consistently upheld high standards across acute, subacute and aged care services, achieving 100% positive patient experience results and maintaining falls and pressure injury rates below national targets. Our full accreditation under the National Safety and Quality Health Service Standards affirmed the strength of our governance and risk systems. This was underpinned by a refreshed Clinical Governance Framework aligned with Victorian standards, and the introduction of the SPECial Strategy – a shared organisational definition of Safe, Person-centred, Effective, and Connected care – embedded across education, reviews, and staff debriefs.

New nurse-led cancer survivorship pathways and multidisciplinary transition care were launched, expanding access to care options in home, clinic and virtual settings. In addition, targeted investment through residential aged care improvement projects reinforced safe and connected care across all settings. In aged care, reforms placed residents and families at the centre of care.

Initiatives such as the Reconciliation Menu, possum skins in Maternity, and Indigenous artwork on breast screening signage reflected a deeper embedding of culturally safe practices. Feedback from patients and families reflected confidence in the quality and humanity of our services.

Our evolving Urgent Care Centre model continued to improve access to timely care, allowing more people to receive treatment close to home. Presentations increased by 57% year-on-year, a clear indicator of both rising community trust and improved service responsiveness. This growth was enabled by extended after-hours coverage and the successful transition to a salaried medical workforce, which enhanced continuity, clinical oversight and patient experience.

Alongside this, our strengthened patient pathways supported the repatriation of patients for post-acute, palliative and transitional care. By expanding these options, we enabled individuals to recover or receive support in familiar surroundings. Together, these changes reflect a more accessible, integrated and person-centred system – grounded in timely care, local capability and strategic workforce investment.

This year was defined by strong governance, sound financial stewardship and operational maturity. We delivered key reforms in workforce sustainability and strengthened clinical capacity through targeted infrastructure and systems investments. Notably, we achieved a significant reduction in agency nursing while strategically operating above our National Weighted Activity Unit (NWAU) targets to enable access to services for our community and a growth agenda for 2025–2026. This reflected our ability to meet increased demand and ensure timely access to care for our community.

These achievements were made possible through deliberate planning, strategic workforce redesign and a commitment to keeping services local. Governance maturity was further demonstrated through executive-led merger preparation and our alignment with the Department of Health's Virtual Care Operational Framework – positioning us to lead confidently through the next phase of system-wide reform.

A STRONGER WORKFORCE

Our people are the heart of our service. We continued building a workplace that is inclusive, supportive and connected. This year, we embedded our salaried medical workforce model that significantly improved clinical continuity, reduced reliance on locum staffing, and enhanced access to care across urgent and inpatient settings.

We finalised our Workforce Plan and delivered improvements to our Learning Management System, making training more accessible and trackable across teams. Access to structured leadership programs – including Department Head development and peer-led sessions – further expanded capability across disciplines, fostering a culture of shared responsibility, resilience and professional growth. Our gender equity actions and volunteer strategy reinforced this commitment to an engaged and diverse workforce, with more opportunities to lead, contribute and thrive at every level.

People Matter Survey results showed high scores in inclusion (81%) and collaboration (80%), with ten staff-led action planning workshops shaping improvements in communication, wellbeing and career development. Staff safety was also highlighted through organisation-wide recognition, and flexible work was enhanced through a revised policy that embedded equity and adaptability into every role.

The development of our Aboriginal Cultural Safety Plan marked an important step in our journey towards reconciliation, equity and culturally safe care. The plan was supported by practical initiatives including First Nations-branded staff uniforms, and a structured intake process in urgent care that connects Aboriginal patients with liaison support from first contact.

Staff across GSHS also participated in new learning and leadership opportunities, including the Maggie Beer Aged Care Mentorship Program, paediatric and urgent care training, and the onboarding of six graduate nurses and over 160 student placements, strengthening our pipeline and workforce capability for the future.

COMMUNITY ENGAGEMENT

Our connection to the community remained strong and authentic. We co-hosted community forums, expanded volunteer opportunities, and increased visibility through joint health education initiatives in partnership with Ambulance Victoria, Headspace, and other local organisations, promoting both community engagement and access to health literacy.

In a time of significant health reform, we attended community meetings, including with Leongatha and Korumburra community groups. These sessions provided a direct and transparent channel to share updates, listen to local concerns, and address uncertainty about system-wide changes, with honesty and respect. This commitment to face-to-face dialogue ensured that communication remained community-centric, responsive, and grounded in trust, particularly for those most impacted by upcoming changes.

PARTNERSHIPS

New partnerships were established to explore a social enterprise model for the Blue House in Korumburra, and early literacy was championed through the Dolly Parton Imagination Library, bringing literacy improvements and meaningful connection to families across the region.

In a year of transition, we celebrated identity and place through *Five Faces, One Heartbeat,* a locally made animated film capturing the people and spirit of GSHS. Social connection also grew digitally, with a sharp rise in social media views reflecting community interest in our programs, reforms, and everyday stories. Community participation also strengthened across design, reform and engagement, reflecting trust built through openness, co-design and continuity.

Our performance against the Statement of Priorities 2024–2025 reflects a health service that is strategic, responsible and people-focused at every level.

As a Board and Executive, we are proud of what GSHS has delivered; grounded in strategy, driven by values and made possible by our people.

PURPOSE AND FUNCTIONS

Gippsland Southern Health Service provides a comprehensive range of health services to the community within the South Gippsland Shire.

The mission of Gippsland Southern Health Service is to build a healthier community in South Gippsland, together.

The health-related activities that the organisation provides include:

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

ESTABLISHMENT AND RESPONSIBLE MINISTERS

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

The responsible Ministers for the reporting periods 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)

SIGNIFICANT CHANGES IN KEY INITIATIVES AND EXPECTATIONS FOR THE FUTURE

The health service's key initiatives are principally driven by the Statement of Priorities (SoP), developed in line with Department of Health guidelines. Achievement against those priorities is disclosed separately in this report.

Expectations for the future are anchored in the objectives set out in our updated Strategic Plan. Each year, we will review our performance against these goals and adjust our approach as needed, ensuring responsiveness to a changing environment and a continued focus on the evolving healthcare needs of our community. We are developing clear metrics of success to provide both quantitative and qualitative evidence of our impact under each strategic pillar.

As always, we will remain connected to the voices of our community, staff and care partners – improving our engagement, strengthening our systems, and building a healthier South Gippsland, together.

Looking ahead, we welcome the opportunities of a positive future within Bayside Health from 1 January 2026, ensuring that our community has increased access to coordinated, equitable care across the region.

OUR SERVICES

ACUTE CARE

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

COMMUNITY SERVICES

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

COMMUNITY SERVICES (CONTINUED)

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

RESIDENTIAL CARE

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

OUTPATIENT CARE

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

DIAGNOSTIC SERVICES

- Audiology
- Medical Imaging
- Pathology

STAFF SERVICES

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

A LOCAL HEALTH SERVICE WITH REGIONAL VISION

GSHS continues to grow as a resilient, responsive and reform-ready health service – combining the strength of local care with regional collaboration and system leadership, in readiness for integration into the Bayside merger from January 2026.

As we deliver on our Strategic Plan 2021–2026, we remain focused on what matters most: safer care, empowered people, stronger partnerships and healthier communities.

OUR HISTORY

Gippsland Southern Health Service was born from a shared community vision to protect and strengthen healthcare access across South Gippsland. What began as a practical unification of Leongatha Memorial Hospital and Korumburra hospital has grown into a bold, values-led health service. It is grounded in rural identity, driven by local purpose and anchored in community trust.

Today, GSHS provides more than care. It offers connection. With over 500 staff, volunteers and clinicians, we serve a growing catchment through integrated services shaped by the needs and culture of our community. Whether at a hospital bedside, a home visit, an urgent care centre or a community outreach program, our work reflects the people we care for and the generations who built the foundations we stand on.

Our identity has strengthened over time. In 2024–2025, GSHS embedded the shift to a salaried medical model. This reduced our reliance on short-term locum staffing and created a more sustainable future for regional care. We delivered education programs that empower local families, deepened Aboriginal-led cultural safety initiatives and maintained high standards of patient experience and clinical safety.

Relationships with groups like the Leongatha RSL and the Leongatha Historical Society have been instrumental in preparing for the installation of our World War II Memorial and Hospital History honour boards – a tribute to those who came before us. These partnerships reflect our ongoing commitment to preserving local legacy, even as we prepare for integration into the Bayside Health merger. We believe that the strength of our future lies in remembering where we've come from.

The Lyrebird Auxiliary also continues to play a vital role in this story – their tireless fundraising and longstanding support remain a cornerstone of our community connection and care capability.

These milestones were made possible by strong governance, a united workforce and a firm belief in the capability of rural healthcare. As we continue to evolve, GSHS remains grounded in the values of Respect, Empathy, Inclusiveness, Accountability, Excellence and Collaboration. These values reflect not only who we are but the people and places we serve.

We honour our history by continuing to show up: consistently, compassionately and close to home.

Leongatha Campus		Korumburra Campus	
		1892	First full time doctors commence at Korumburra
1919	St Mary's Hospital established by Dr Pern	1919	The Influenza pandemic of 1919 brought council to the unexpected role of a health service provider. The Korumburra state school was taken over as an emergency isolation hospital
		1920	Sister Cross opened a private hospital in Gordan St Korumburra
		1921	Sister Woulsdale, through the effort of Dr Barrett, opened a private hospital in a house in Radovick Street for a short time
		1925–1941	Sister Russell opened a private hospital in Jumbunna Road, known as "Gowan Braes"
		1926	Korumburra received its first fully equipped motor ambulance
		1932	Korumburra Bush Nursing Hospital was opened
1942	St Mary's hospital in Leongatha reopened	1934	A hospital insurance scheme with group and individual membership was implemented and a Hospital Charity Fund was established. The fund was for indigent persons who receive hospital treatment and are not in a position to pay for it
		1951	First triplets are born at Korumburra Hospital
1958	Woorayl District Memorial hospital opened by Governor Sir Dallas Brooks	1961	The Hospital was accepted to the Register of the Hospitals' and Charities Commission on December 11, 1961 – it is now a public hospital
1962	Radiology services commenced	1964	The Matron's flat was completed
1971	Jean McRae Wing opened	1966	Meals on wheels commenced
1972	District Nursing services commenced	1971	District Nursing services commenced
1982	Helipad installed	1979	Nursing home opened
1983	Koorooman House opened	1984	A report by the Health Commission of Victoria – "Plan Lanceout" recommended the Korumburra District Hospital be closed
1986	The Department of Health asked the Boards of Management from the Woorayl (Leongatha), Korumburra and South Gippsland (Foster) Hospitals to merge as a prelude to the possible rationalisation of services provided to form an "area health board"		
1992	Amalgamation of Leongatha Memorial Hospital and Korumburra Hospital takes place to form Gippsland Southern Health Service • The Korumburra District Hospital was to lose its acute status and become a high-grade assessment and rehabilitation hub with emphasis on geriatric care • Woorayl District Memorial Hospital was to be set up as a base centre offering upgraded surgical, obstetric, paediatric and accident and emergency services		
1993	Major refurbishment of Leongatha campus		
1995	Hillside Lodge was officially opened at Korumburra		
2000	Chemotherapy services commenced at Leongatha		
2013	New building opens at Leongatha		
2018	Opening of the Integrated Primary Care Centre (IPCC) at Leongatha		
2024	Introduction of a new medical workforce model for the Leongatha campus, directly employing or contracting medical staff.		
2025	Intention to merge announced February 2025 – Bayside Health.		

GOVERNANCE

Gippsland Southern Health Service is governed by an experienced and community-minded Board of Directors, appointed by the Governor-in-Council on the recommendation of the Minister for Health under the *Health Services Act 1988* (Vic).

The Board is responsible for ensuring that GSHS meets its legislative obligations and delivers high-quality, safe, and sustainable care aligned with our mission, values, and community priorities.

OBJECTIVES AND FUNCTIONS OF THE BOARD

The GSHS Board is accountable for:

- Overseeing the health service's strategy, operations and performance
- Ensuring compliance with all relevant legislation, including the *Health Services Act 1988*
- Maintaining alignment with the Victorian Department of Health policy and funding frameworks
- Supporting a culture of safety, inclusion, and continuous improvement
- Stewarding financial sustainability and risk management
- Appointing, managing and evaluating the Chief Executive Officer
- Monitoring clinical governance and quality care delivery
- Actively engaging with community, staff, and stakeholders

The Board sets the strategic direction of the organisation and monitors implementation through robust reporting frameworks, strong executive partnership, and data-informed review.

GOVERNANCE STRUCTURE AND SUBCOMMITTEES

To support effective oversight, the Board delegates specific responsibilities to a number of standing subcommittees. These subcommittees provide focused leadership and advice to ensure organisational performance across key areas.

GSHS Board Subcommittees include:

- **Finance, Audit and Risk Committee (FAR)**
  Oversees financial performance, audit functions, internal controls, and risk management.
- **Clinical Quality and Safety Committee**
  Monitors safety, quality, accreditation, and clinical performance indicators.
- **Community Advisory Committee**
  Ensures meaningful consumer voice and community representation at every level of the organisation.
- **Board Performance and Remuneration Committee**
  Supports board capability, succession planning, director performance, and executive remuneration matters.

Each subcommittee is chaired by a Board Director and includes members with relevant experience and expertise. Reports from subcommittees are regularly reviewed at Board meetings.

APPROACH TO GOVERNANCE

GSHS embraces a modern, evidence-informed approach to governance that supports agility, transparency and reform-readiness. Board Directors engage in regular development and are supported through structured governance documentation, policy review, and risk-aligned reporting dashboards.

The Board's oversight and local leadership ensures that GSHS continues to meet its legislative duties while delivering safe, person-centred care that is responsive to the South Gippsland community.

BOARD COMMITTEE REPRESENTATION

Board Membership: Athina Georgiou (Chair), Gwendoline Scheffer (Deputy Chair), Linda McCrorey (Deputy Chair), Jill Walsh, Jill Linklater, Chris McLoughlin, Rajan Sawant, Tony Peterson

GSHS SUB-COMMITTEE MEMBERSHIP

Finance, Audit & Risk Committee (FAR): Rajan Sawant (Chair), Tony Peterson, Gwendoline Scheffer, Jill Walsh, Athina Georgiou

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

Board Performance and Executive Renumeration: Athina Georgiou (Chair), Jill Linklater, Linda McCrorey, Rajan Sawant

Community Advisory Committee: Gwendoline Scheffer (Chair), Tony Peterson, Linda McCrorey, Athina Georgiou

NEW COMMITTEE APPOINTMENTS

- Linda McCrorey commenced on CQ & S Committee: OCT 2024
- Linda McCrorey commenced on CAC Committee: DEC 2024
- Jill Walsh commenced FAR Committee: FEB 2025
- Linda McCrorey commenced on BP & ER Committee: MAR 2025

COMMITTEE DEPARTURES

- Chris McLoughlin resigned from the BP & ER Committee: DEC 2025

BOARD ATTENDANCE 2024–2025

Directors	Board Meetings Attended / Board Meeting Held
Athina Georgiou	10/11
Gwendoline Scheffer	10/11
Chris McLoughlin	9/11
Linda McCrorey	9/11
Jill Walsh	9/11
Tony Peterson	8/11
Jill Linklater	9/11
Rajan Sawant	9/11

BOARD OF DIRECTORS

MS ATHINA GEORGIOU
BOARD CHAIR

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

Chair of Board Performance and Executive Remuneration Committee

Ms Athina Georgiou brings more than two decades of executive leadership to her role as Chair of the Gippsland Southern Health Service Board, underpinned by a deep commitment to public health, social equity and system reform. With a career spanning senior roles across both the public and not-for-profit sectors, Ms Georgiou is recognised for her strategic foresight, integrity, and ability to lead through complexity.

A former Chief Executive in public health, Ms Georgiou has a strong track record in organisational transformation, policy development, and executive mentoring. She is particularly passionate about allied health, and brings extensive experience in financial, clinical and human resource governance.

Since joining the GSHS Board in 2017, Ms Georgiou has played a critical role in strengthening oversight structures and ensuring the health service remains accountable to the communities it serves. She initially contributed to the Clinical Governance and Quality Improvement Committee, later joining the Audit and Finance Committee, and was appointed Chair in 2019. Her leadership is defined by a values-led approach and a strong belief in community stewardship.

Ms Georgiou holds a Master of Business Leadership from RMIT and a Master of Education from the University of Melbourne. She is a Fellow of the Australasian College of Health Service Management and a Graduate of the Australian Institute of Company Directors. A proud alumna of the Leadership Victoria Experience Bank, Ms Georgiou continues to shape high-performing boards through purpose-driven governance and collaborative leadership.

MS GWENDOLINE SCHEFFER
DEPUTY CHAIRPERSON

BA, LLB, MBA, Grad Dip Education, Cert IV in Workplace Training, ASLIV (FamLaw)

Chair Community Advisory Committee

Ms Gwendoline Scheffer is an experienced legal and governance professional with more than four decades of practice in family law, legal consultancy, and strategic advisory. Admitted as a Barrister and Solicitor in 1981, Ms Scheffer became an Accredited Specialist in Family Law in 1990 and has maintained a strong presence in the legal sector ever since.

Ms Scheffer spent her early legal career with prominent Melbourne firms before founding her own consultancy, where she provided strategic counsel across legal practice, change management, and business development. Her areas of expertise include personal injury, property law, wills and estates, and enduring powers of attorney, with a particular focus on family law.

Since relocating to South Gippsland in 2012, Ms Scheffer has become an active member of the local community. She joined the Gippsland Southern Health Service Board in 2020 and brings valuable expertise in governance, policy, and advocacy. In addition to her board duties, she volunteers with the local Citizens Advice Bureau, reinforcing her commitment to community engagement and access to justice.

Ms Scheffer holds a Bachelor of Arts, Bachelor of Laws and Master of Business Administration, as well as postgraduate qualifications in education and workplace training. As Deputy Chairperson, she contributes to strengthening strategic oversight, embedding legal rigour in decision-making, and championing the rights and wellbeing of the South Gippsland community.

MS CHRIS MCLOUGHLIN
BOARD DIRECTOR

BSW (hons) MAICD

Ms Chris McLoughlin brings over 30 years of leadership and organisational development experience across health, manufacturing, and consulting sectors. With a foundation in social work, Ms McLoughlin's career has spanned front-line community services through to senior executive roles, underpinned by a passion for workplace culture, system improvement, and people-centred leadership.

Ms McLoughlin leads a diverse portfolio including Human Resources, Organisation Development, Redesigning Care, Education and Innovation, and Library Services. Her work focuses on enabling large-scale transformation through strategic alignment, culture change, and team development.

Ms McLoughlin's professional expertise spans executive leadership, strategic planning, group facilitation, coaching, and change management. Her ability to shape collaborative, values-led environments has made her a sought-after leader in complex settings.

Appointed to the Gippsland Southern Health Service Board in 2020, Ms McLoughlin plays a key role in strengthening organisational culture and strategic governance, contributing to a health service that is as committed to its people as it is to its patients.

MS LINDA MCCROREY
DEPUTY CHAIRPERSON

BA (Psych), GradCertQIPHC, GAICD
Chair Clinical Quality and Safety Committee

Ms Linda McCrorey is a seasoned consultant and governance leader with more than 40 years of experience across the community and health sectors. Beginning her career as an Enrolled Nurse in East Gippsland, Ms McCrorey has dedicated her professional life to advancing quality, safety and equity in care.

Today, she serves as a trusted advisor to not-for-profit and community service organisations, working across health, aged care, disability and Aboriginal services. Ms McCrorey's consultancy is grounded in deep sectoral knowledge, a commitment to service accessibility, and a passion for continuous improvement.

For over two decades, Ms McCrorey has been a national accreditation assessor, supporting services to deliver high-quality, safe and person-centred care. She also brings extensive board experience, serving as an independent member on multiple governance bodies.

Appointed to the Gippsland Southern Health Service Board, Ms McCrorey contributes particular expertise in clinical governance, risk oversight and regulatory compliance. She holds a Bachelor of Arts in Psychology, a Graduate Certificate in Quality Improvement in Patient Care Safety, and is a Graduate of the Australian Institute of Company Directors.

MS JILL LINKLATER
BOARD DIRECTOR

RN, BScN, MHA, GAICD, Grad. Dip. Health Medical law

Ms Jill Linklater is an accomplished registered nurse and health leader with a distinguished international career spanning Australia, Canada, and the Middle East. With deep experience in both executive and clinical roles across metropolitan, rural and remote health services, Ms Linklater has also served in senior health policy positions at both state and federal levels of government.

Ms Linklater is a recognised expert in clinical governance and a consumer advocate, with specialised skills in the systems and processes for quality consumer centred

care and safety. Her consultancy work spans public and private healthcare, aged care, and disability services, where she applies her expertise as an experienced board director, quality auditor, and accreditation assessor.

Ms Linklater is a Fellow of the Australian College of Nursing and the Governance Institute of Australia. In 2001, she was awarded the Federation Centenary Medal for her services to medicine and the community – a testament to her enduring impact on the health sector and her commitment to improving outcomes for all.

Appointed to the Gippsland Southern Health Service Board in July 2022, Ms Linklater brings strategic insight and lived experience to her governance role, with a strong focus on consumer-centred care.

MS JILL WALSH
BOARD DIRECTOR

B.App.Sc (Pod), LLM

Ms Jill Walsh is an experienced health professional and strategic leader with over two decades of service in senior clinical and executive roles across the public and private health sectors. A practising podiatrist, Ms Walsh also holds qualifications in business and law, which complement her strong background in operational leadership and governance.

Known for her systems thinking and collaborative leadership style, Ms Walsh has successfully led large-scale redesign initiatives that strengthen workforce structures and improve health service performance. Her work consistently focuses on embedding quality, safety, and accountability across complex health environments.

Since joining the Gippsland Southern Health Service Board in 2019, Ms Walsh has contributed actively to clinical governance as a member of the Clinical Quality and Safety Committee. Her expertise helps ensure that care delivery at GSHS remains responsive, evidence-based, and patient-centred.

MR RAJAN SAWANT
BOARD DIRECTOR

FCPA, FGIA, FCG, GAICD, BCom
Chair Finance Audit and Risk Committee

Mr Rajan Sawant is a senior finance executive and governance professional with more than 25 years of international experience across multinational corporations. He brings deep commercial acumen, strategic insight, and a global perspective to his role as a Board Director at Gippsland Southern Health Service.

With a strong track record in driving profitability, financial sustainability, and operational performance, Mr Sawant has led high-performing teams and executed commercial strategies across diverse sectors and geographies. He is recognised for his ability to

lead cross-functional teams, foster innovation, and guide transformation in complex operating environments.

Mr Sawant is a Fellow of CPA Australia, the Governance Institute of Australia, and the Chartered Governance Institute. He is also a Graduate of the Australian Institute of Company Directors and holds a Bachelor of Commerce.

At GSHS, Mr Sawant contributes strategic financial oversight and governance expertise, supporting the organisation's commitment to value-based care and sustainable rural health delivery.

MR TONY PETERSON
BOARD DIRECTOR

BEng (Civil), Dip Project Management, MBA, Cert Engagement (IAP2 Australasia), Grad LGPro Emerging Leaders Program

Mr Tony Peterson is a highly experienced civil engineer and infrastructure leader with more than 30 years of expertise spanning infrastructure planning, design, construction, and asset management in both public and private sectors.

Currently serving as Director of Sustainable Infrastructure at South Gippsland Shire Council, Mr Peterson plays a pivotal role in guiding the region's planning and environmental sustainability agenda. His leadership is marked by a deep commitment to sustainable regional development and inclusive stakeholder engagement.

With a technical foundation in engineering and project management, complemented by a Master of Business Administration, Mr Peterson offers a rare combination of operational, strategic, and community-focused skills. He holds credentials in engagement from IAP2 Australasia and is a graduate of the LGPro Emerging Leaders Program.

At Gippsland Southern Health Service, Mr Peterson contributes vital infrastructure, planning, and sustainability expertise – helping to ensure the health service's facilities and systems are fit for the future.

EXECUTIVE TEAM

MS LOUISE SPARKES
CHIEF EXECUTIVE OFFICER

RN, Master of Nursing, AFCHSM, MBA (Candidate)

Ms Louise Sparkes is an experienced healthcare executive and registered nurse with over three decades of leadership in Victoria's public health system. She is widely recognised for her commitment to high-quality, safe, and community-focused care, with a strong personal and professional focus on equity, access, and rural health outcomes.

Ms Sparkes commenced as Chief Executive Officer of Gippsland Southern Health Service in February 2023, bringing to the role a proven track record in clinical governance, strategic transformation, and system-wide reform.

Prior to joining GSHS, Ms Sparkes held a series of senior leadership roles at Bass Coast Health, including Chief Operating Officer and Deputy CEO. During this time, she oversaw major service redesign and led the successful commissioning of the Wonthaggi Hospital Expansion. She also served as Interim Executive Director of the Gippsland Health Services Partnership at Latrobe Regional Hospital, guiding collaboration across the region.

Ms Sparkes holds a Master of Nursing and is an Associate Fellow of the Australasian College of Health Service Management. She is currently completing her Master of Business Administration, further strengthening her executive capability and strategic acumen.

DR ANGELA WILLIAMS
EXECUTIVE DIRECTOR MEDICAL SERVICES

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

Dr Angela Williams is a highly credentialled medical leader with an extensive background in clinical governance, medico-legal practice, and executive health management. As Executive Director Medical Services at Gippsland Southern Health Service, Dr Williams plays a critical role in ensuring the safety, quality, and effectiveness of medical care across the organisation.

With qualifications in medicine, public health, health management, law, and forensic medicine, Dr Williams brings a multidisciplinary perspective to clinical leadership. She is a Fellow of both the Faculty of Forensic and Legal Medicine (UK) and the Faculty of Clinical Forensic Medicine (RCPA), and is an Associate Fellow Royal Australian College of Medical Administrator. She holds postgraduate credentials in law and governance.

In her role, Dr Williams oversees regulatory compliance, credentialing, and medical workforce strategy, working closely with the Executive Director of Clinical Services and broader Executive Team to uphold excellence in patient care. Her leadership supports a culture of accountability, continuous improvement, and interprofessional collaboration.

MS JENNY DEMPSTER
EXECUTIVE DIRECTOR CLINICAL SERVICES

BAppSci (Advanced Clinical Nursing), GradCert Nephrology Nursing, MPH (Service Administration)

Ms Jenny Dempster is a highly respected clinical leader and registered nurse with deep expertise in health service delivery, nursing leadership, and operational excellence. As Executive Director Clinical Services and Chief Nursing Officer at Gippsland Southern Health Service, Ms Dempster is responsible for ensuring the delivery of high-quality, safe and responsive clinical care across the organisation.

With a career grounded in advanced nursing practice and strengthened by postgraduate qualifications in nephrology and public health administration, Ms Dempster brings a values-led and outcomes-driven approach to clinical leadership. She works in close partnership with the Executive Director Medical Services and Executive Team to oversee strategic planning, quality systems, and workforce capability across all clinical programs.

Ms Dempster is known for her commitment to person-centred care, clinician engagement, and continuous improvement, ensuring that the voice of both patients and providers informs every aspect of care delivery at GSHS.

MR JASON O'REILLY
EXECUTIVE DIRECTOR FINANCE AND CORPORATE SERVICES

BBus (Accounting), CPA

Mr Jason O'Reilly is a highly experienced finance executive and public health leader with over 20 years of sector experience. He joined Gippsland Southern Health Service in 2004 as an Assistant Accountant while undertaking his CPA program and has progressed through roles including Accountant and Finance Manager to his current position as Executive Director Finance and Corporate Services.

In this role, Mr O'Reilly serves as both Chief Financial Officer (CFO) and Chief Procurement Officer (CPO), overseeing financial management, corporate services, procurement, business operations, and facilities across the organisation. His leadership provides essential oversight of financial risk, strategic resource planning, and organisational sustainability.

With a Bachelor of Business (Accounting) and CPA accreditation, Mr O'Reilly is known for his integrity, operational insight, and commitment to enabling quality care through sound financial stewardship and service support.

KIMBERLEY ROBERTS
EXECUTIVE DIRECTOR PEOPLE, CULTURE & EXPERIENCE (JULY 2024 – NOVEMBER 2024)

B.Mgmt (HR), GradDip HR, M.HR, Foundations of Directorship (AICD)

Ms Kimberley Roberts provided dedicated leadership to the People, Culture & Experience portfolio at GSHS during a period of important transition and strategic alignment. Drawing on her extensive expertise in human resources and organisational development, Ms Roberts championed initiatives to strengthen workforce capability, employee engagement, and leadership development.

Ms Roberts' tenure saw a renewed focus on values-led culture and contemporary HR practices across the health service. In November 2024, Ms Roberts commenced parental leave, after which Mr Nathan Williams assumed the role of Executive Director.

MR NATHAN WILLIAMS
EXECUTIVE DIRECTOR PEOPLE, CULTURE & EXPERIENCE (NOVEMBER 2024 – CURRENT)

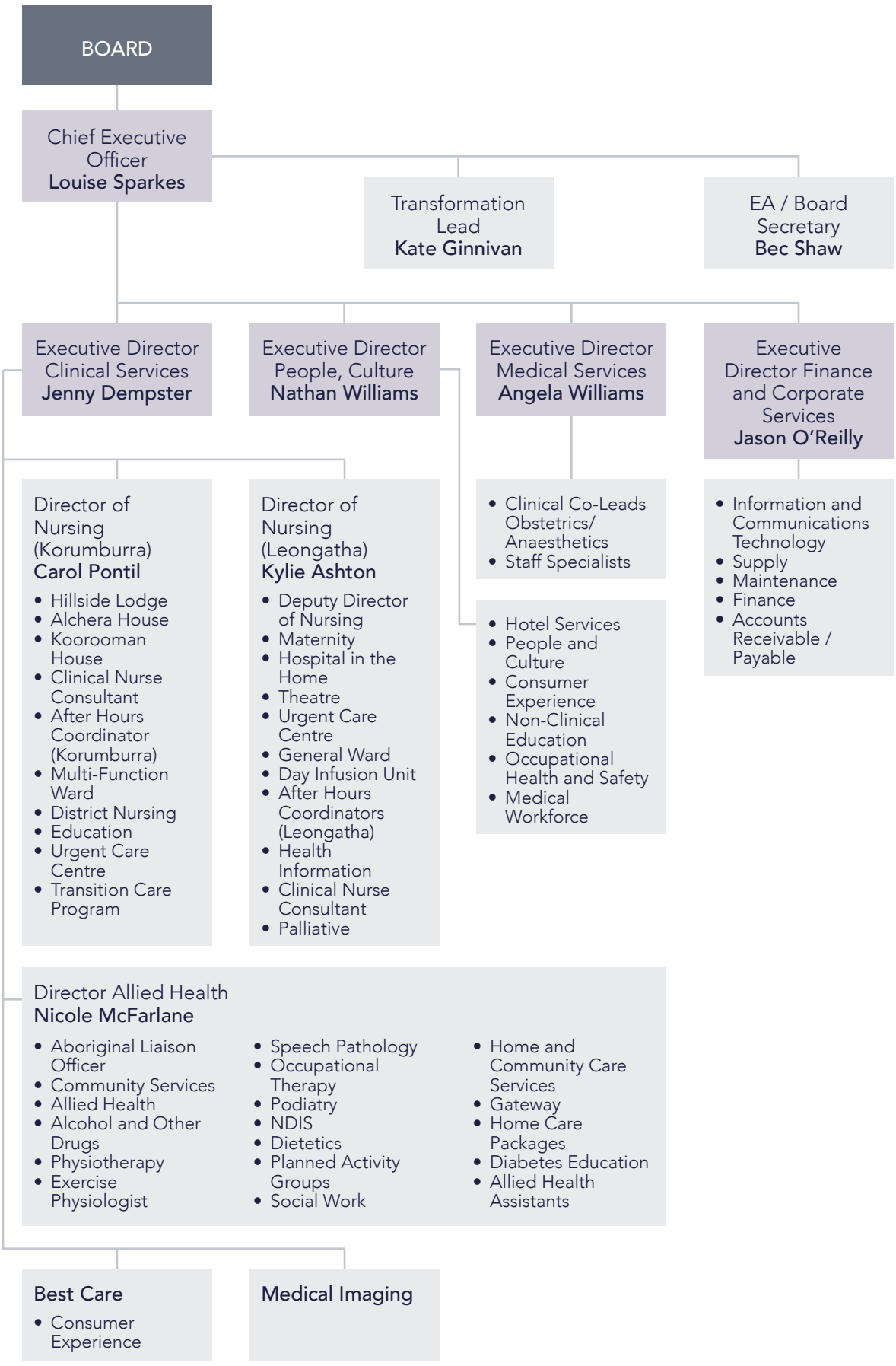
Grad Dip Psychology, Bachelor Intl Hotel & Tourism Management

Mr Nathan Williams brings a broad spectrum of leadership experience in human resources, workforce development and business operations across both the public and private sectors. As Executive Director People, Culture & Experience, Mr Williams leads a multidisciplinary portfolio that includes Human Resources, Payroll, Non-Clinical Education, Hotel Services, Consumer Experience and Occupational Health & Safety.

With qualifications in psychology and international hospitality management, Mr Williams is known for his strategic mindset, and ability to foster high-performing workplace cultures. His role is pivotal to ensuring staff engagement, wellbeing, and workforce capability, critical enablers of safe, patient-centred care.

Through a collaborative approach and deep understanding of organisational dynamics, Mr Williams supports GSHS to build and sustain a resilient, skilled, and values-aligned workforce across all service areas.

ORGANISATIONAL CHART



ACHIEVEMENTS FOR THE REPORTING PERIOD

CLINICAL SERVICES

Across 2024–2025, the Clinical Services portfolio led transformative improvements in care quality, safety and access across acute, urgent, aged care and community settings. Guided by evidence, equity and staff voice, these achievements represent a clear shift towards connected, person-centred care that is designed for and with the people of South Gippsland.

Maternity
This year, GSHS strengthened its commitment to safe and supported birthing by establishing a dedicated Midwifery Unit Manager. Previously managed under the broader General Ward structure, midwifery services now benefit from focused leadership and a fully recruited, highly skilled workforce. This role has brought renewed focus to midwifery practice, enabling more responsive support for families throughout pregnancy, birth and early parenting.

Urgent Care
GSHS's embedded medical model has delivered stronger continuity and faster access for over 5,000 urgent care presentations this year. Notably, 88% of ambulance arrivals were transferred within 40 minutes – making GSHS one of the highest-performing services in the region on this benchmark. With median treatment times across all triage categories within the 4-hour target, our Urgent Care Centre is providing timely, reliable care when it matters most.

Radiology
In May 2025, GSHS proudly launched routine breast screening appointments in partnership with BreastScreen Victoria – transitioning from a monthly mobile service to in-hospital access for more than 20 women each week. The response has been overwhelmingly positive, with local residents embracing the convenience and comfort of receiving care close to home.

Cancer Services
A highlight of the year was the expansion of GSHS's innovative Cancer Survivorship Program. Developed in collaboration with the Gippsland Regional Integrated Cancer Service, this nurse-led, community-based model delivers tailored survivorship support via in-home, clinic and telehealth options. The program has been recognised at national forums – including The Cancer Oncology Society of Australia 2024 – and is reshaping survivorship models across Victoria. Most importantly, it's changing lives, with consumer feedback affirming its impact on wellbeing, independence and dignity.

Education and Workforce Development
Workforce sustainability begins with education, and GSHS continues to invest in future talent. This year, six registered nurse graduates commenced supported development pathways, while over 160 undergraduate placements provided meaningful clinical experience across our facilities. Our education team also facilitated region-wide training in Advanced Life Support, paediatrics, urgent care skills, and escalation frameworks, embedding best practice at every level.

Aged Care and Reform Readiness
GSHS remains committed to reimagining aged care through both infrastructure and experience. Grants from state and commonwealth programs supported improvements to Koorooman House and dining spaces, while the beloved "Friends of Hillside Lodge"

funded a new craft and horticulture shed – co-designed with residents for greater lifestyle choice. Staff workshops, consumer engagement, and a focus on dining and lifestyle are laying strong foundations for the November 2025 Aged Care Standards reforms. GSHS's leadership in this space was recognised at the 2024 Public Sector Residential Aged Care Services Conference.

Transition Care Program
The establishment of three dedicated transition care beds at Korumburra marks a key milestone in supporting older people to regain independence after hospital stays. These short-term, multidisciplinary programs combine low-intensity therapy, social work, and personal care – helping more people return home with confidence and capability.

Accreditations
GSHS retained full accreditation across all major standards, including:

- NDIS Provider status for disability support
- Commonwealth Home Support and Home Care Package Programs
- National Safety and Quality Health Service Standards, re-accredited in February 2025 by the Australian Council on Healthcare Standards
- Aged Care Commission
  - Audited and compliant with vaccination standards for residents in GSHS Aged Care Homes August 2024
  - Audited and compliant with Registered Nurse 24/7 presence and total 'Care Minutes' requirements 2025

These outcomes reflect rigorous internal systems, staff commitment, and continuous review.

Quality and Clinical Governance
The Clinical Services team has worked closely with the Board and Quality Unit to embed a robust governance framework aligned with Safer Care Victoria. Major quality reports have been refined for stronger oversight, while our clinical data on falls and pressure injuries remains consistently below benchmark thresholds. Participation in two SCV-led improvement projects – focusing on delirium prevention and venous thromboembolism – has upskilled teams and deepened our safety culture. Strengthened Morbidity and Mortality review processes in urgent care, maternity, surgery and medicine further support reflective practice and continuous learning.

Research
In partnership with Latrobe Regional Health's research team, GSHS has built governance structures to enable safe and meaningful research activity. A series of audit-based studies will commence in 2025–26 across acute and aged care, marking the beginning of a growing research culture grounded in real-world improvement.

MEDICAL SERVICES

2024–2025 was a defining year for Medical Services at GSHS, marked by stabilisation of the medical workforce, enhanced care continuity and deeper integration of clinical leadership across programs. These achievements reflect a strong commitment to sustainability, access and whole-of-community engagement.

Workforce Reform and Roster Innovation
This year, the medical team celebrated the first full year of the salaried medical workforce model. The introduction of formalised roster patterns, supported by a full quota of co-leads, brought clarity, predictability and improved work–life balance for clinicians – creating the foundations for safer, more consistent care. The establishment of a dual specialist–generalist structure across services – with physician and GP coverage on the Ward, and Emergency Physician and GP presence in Urgent Care – further strengthened multidisciplinary oversight and enhanced the patient experience. These reforms also laid the groundwork for employing junior medical staff in the future, embedding sustainability into the rural medical model of care at GSHS.

Locum Reduction and Continuity of Care
A significant milestone was achieved with a 70% reduction in reliance on locum cover. This improvement not only delivered greater cost efficiency but also fostered stronger team cohesion, more predictable service delivery, and deeper trust within the community. By embedding salaried medical staff across ward and urgent care services, GSHS has ensured that patients receive consistent care from a dedicated team who know the service and the region.

Urgent Care Access and Growth
Expanded after-hours coverage and strengthened medical staffing enabled a major uplift in Urgent Care Centre activity, with presentations increasing by 57% year-on-year. The introduction of consistent rosters and the specialist–generalist model improved responsiveness and reduced waiting times, while the continued use of My Emergency Doctor (MED) provided virtual support when required. Together, these initiatives ensured that local residents and visitors could access reliable, high-quality urgent care closer to home.

Community Engagement and Education
Medical leadership extended beyond internal workforce reforms into community-focused initiatives. The establishment of the Senior Medical Advisory Committee provided a strong platform for medical leadership and co-designed service delivery. The medical program also fostered trainee placements through the Australian College of Rural and Remote Medicine, building a pipeline of rural practitioners. These initiatives were complemented by a multidisciplinary community education series, which connected clinicians with the public, strengthened relationships, and built local health literacy.

Together, these achievements represent a medical program that is clinically strong, structurally sound, and deeply embedded in the fabric of local care. The Medical Services portfolio continues to enable excellence across the organisation by investing in people, presence and long-term sustainability.

FINANCE AND CORPORATE SERVICES

The 2024–2025 year marked a period of disciplined stewardship and forward planning across the Finance and Corporate Services portfolio. In a landscape defined by demand, reform and operational pressure, the portfolio's strategic focus enabled GSHS to deliver key milestones in financial governance, resource management and long-term sustainability.

Governance and Compliance
Strong systems oversight was affirmed through successful audits of both the GSHS Risk Management Framework and annual compliance with the Standing Directions issued under the *Financial Management Act 1994*. These outcomes reflect mature internal controls and a proactive approach to managing organisational risk, resilience and accountability.

Budget Development and Performance
Clear alignment between planning and performance was demonstrated through the development of GSHS's operational and capital expenditure budgets. These frameworks not only guided decision-making across services but also supported the achievement of above-target activity results. In partnership with the Activity Committee, the portfolio contributed to GSHS exceeding its National Weighted Activity Unit (NWAU) target – ensuring more people accessed timely care close to home.

Fleet Strategy Implementation
2024–2025 also marked the beginning of a strategic transition to the Department of Treasury and Finance (DTF) VicFleet model. Implementation of a new fleet management and replacement strategy began this year, positioning GSHS to benefit from more efficient, sustainable, and fit-for-purpose transport solutions that support care delivery across our rural catchment.

Together, these achievements reflect a portfolio that is enabling better care through smart investment, operational clarity and an unwavering focus on value. The Finance and Corporate Services team continues to play a critical role in ensuring GSHS is financially sustainable, reform-ready and responsive to the needs of the South Gippsland community.

PEOPLE CULTURE AND EXPERIENCE

Across 2024–2025, the People, Culture & Experience portfolio drove key improvements that strengthened workforce sustainability, enhanced employee engagement, and delivered measurable uplift in both staff and consumer experience. From onboarding and grievance resolution to food services and digital enablement, these achievements reflect a deliberate shift toward smarter systems, safer work environments, and a culture grounded in dignity and care.

Workforce
This year, GSHS recorded a significant reduction in agency and locum staffing. Through the successful recruitment and onboarding of both local and international nurses and the implementation of an employee-first medical model, the organisation strengthened continuity of care while reducing reliance on temporary staffing; a win for both workforce culture and clinical safety.

Staff Engagement and Development
More than 50 employees participated in 10+ People Matters action planning workshops following the 2024 survey. These sessions created space for genuine dialogue and resulted in targeted actions across communication, career development, and wellbeing, all of which were adopted and implemented at the organisational level. Professional development opportunities were expanded, with both internally designed programs (e.g., Department Heads Leadership, Dealing with Distressed Callers) and supported access to external training, supporting capability at every level.

Digital Transformation
Key manual and paper-based processes were transitioned to digital platforms, enabling better visibility and efficiency. The People & Culture team introduced a Learning Management System with real-time compliance reporting, while the Consumer Experience team transitioned a significant portion of outgoing invoices to email, improving both workflow *and* customer responsiveness.

Occupational Health and Safety (OHS)
Time to complete investigations into OHS matters and employee grievances improved significantly this year, contributing to a safer, more accountable workplace culture and a 15% reduction in lost time for workers compensation claims and a 12% reduction in Occupational Violence and Aggression (OVA) incidents. These gains reflect stronger systems and clearer responsibilities, aligned with our commitment to early resolution and staff wellbeing.

Hotel Services and Aged Care Experience
Hotel Services advanced food and dining quality through participation in the Maggie Beer Foundation Mentorship Program and the implementation of a resident satisfaction questionnaire co-designed with Flinders University. These initiatives supported a more personalised, consumer-informed approach to mealtimes across aged care.

Consumer Experience
Continuous improvement remained a strong focus for the Consumer Experience team. Key highlights included refreshed patient information handbooks, enhanced digital messaging, and the coordination of over 2,000 theatre discharge packs. This practical measure improved workflow and patient experience at a critical touchpoint in care.

OUR PEOPLE

STAFFING PROFILE

Labour Category	JUNE Current Month FTE		Average Monthly FTE	
	2025	2024	2025	2024
Nursing	147.26	135.52	142.30	132.53
Administration and Clerical	51.91	50.61	51.01	47.46
Medical Support	39.42	28.46	40.60	38.46
Hotel and Allied Services	50.52	52.38	50.30	53.55
Medical Officers	0.00	0.53	0.00	0.42
Hospital Medical Officers	0.03	3.99	0.48	0.85
Sessional Clinicians	5.06	0.00	3.83	0.00
Ancillary Staff (Allied Health)	31.39	42.81	32.14	35.41
TOTALS	**325.59**	**314.29**	**320.66**	**308.68**

EMPLOYMENT & CONDUCT PRINCIPLES

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

OCCUPATIONAL VIOLENCE

Occupational Health & Safety Statistics	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	114
Number of occupational violence incidents reported per 100 FTE	35.5
Percentage of occupational violence incidents resulting in a staff injury, illness, or condition	1%

DEFINITIONS OF OCCUPATIONAL VIOLENCE

- Occupational violence – any incident where an employee is abused, threatened, or assaulted in circumstances arising out of, or in the course of their employment.
- Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- Accepted Workcover claims – accepted Workcover claims that were lodged in 2024–2025.
- Lost time – is defined as greater than one day.
- Injury, illness, or condition – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

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

Occupational Health & Safety Statistics	2022–2023	2023–2024	2024–2025
The number of reported hazards/incidents for the year per 100 FTE	46.30	45.03	56.75
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.69	2.91	2.49
The average cost per WorkCover claim for the year ('000)	$16,715	$16,067.19	$15,056.76

REPORTING REQUIREMENTS

GENDER EQUALITY ACT 2020

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

Objects of the Act:

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

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

- Promotion and celebration of events that reflect our diverse community (e.g. International Women's day, NAIDOC week and Reconciliation Action Week).
- Delivery of cultural competency training in an attempt to educate staff on ways to respond to racism.
- Refreshed signage promoting culturally safe language and interpretation services.
- Improvements in data gathering processes for employees and patients.

SOCIAL PROCUREMENT ACTIVITIES AND COMMITMENTS

GSHS did not have any social procurement activities to report for 2024–25, however, it remains committed to engaging social procurement suppliers and will review the requirements of the Social Framework in future years to consider the social impacts of purchases through their procurement processes. No expenditure was incurred on studies or reviews related to social procurement during the reporting period.

REVIEWS AND STUDY EXPENDITURE

GSHS undertook a review of the Central Sterile Supply Department (CSSD) at the Leongatha campus to assess infrastructure compliance with current and emerging standards, including AS5369 and VHBA engineering guidelines. The review was conducted by STEAM Consulting and included analysis of air-handling systems, equipment needs, endoscope reprocessing integration, and sterile storage infrastructure.

BUILDING ACT 1993

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

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

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

MAJOR WORKS PROJECTS (GREATER THAN $50,000)

Hillside Lodge Shed and Fencing
Funded entirely through the generosity of the Friends of Hillside Lodge Op-Shop, GSHS completed construction of The Hillside Shed for use by residents and families for activities and gatherings totalling $154,979 (excluding GST). Development of *The Shed* will enhance resident engagement and wellbeing at Hillside Lodge. Alongside this project, the Op-Shop fully funded new fencing around the entirety of the Hillside Lodge facility at a cost of $76,500 (excluding GST).

MINOR WORKS AND INFRASTRUCTURE ENHANCEMENTS

While no other major works exceeding $50,000 were undertaken during the reporting period, a detailed *Theatre Infrastructure Review* to inform future upgrades to the Central Sterile Services Department (CSSD) has been initiated and an application for RHIF funding has been submitted.

This initiative demonstrates GSHS's ongoing commitment to safe, person-centred environments and proactive infrastructure planning, even within modest investment thresholds.

Number of building permits, occupancy permits, or certificates of final inspection issued in relation to buildings owned: One (1)

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

- Pervidi Maintenance Program

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

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

NATIONAL COMPETITION POLICY

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

APPLICATION AND OPERATION OF PUBLIC INTEREST DISCLOSURES ACT 2012

The *Public Interest Disclosures Act 2012* provides for the disclosure of improper conduct by public bodies and public officials and the protection for those who come forward with a disclosure. It also provides for the investigation of disclosures that meet legislative definition of a protected disclosure. The Health Service has an established policy that complies with the *Public Interest Disclosures Act 2012*. There were no complaints made under the Act against Gippsland Southern Health Service or its staff for 2024–2025.

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

ADDITIONAL INFORMATION ON REQUEST

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

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- Details of publications produced by the entity about itself, and how these can be obtained;
- Details of changes in prices, fees, charges, rates, and levies charged by the entity;
- Details of any major external reviews carried out on the entity;
- Details of major research and development activities undertaken by the entity;
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- Details of assessments and measures undertaken to improve the occupational health and safety of employees;

- A general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- A list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- Details of all consultancies and contractors including:
  - consultants/contractors engaged;
  - services provided; and
  - expenditure committed to for each engagement

CARERS RECOGNITION ACT 2012

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

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

The Health Service has taken all practical measures to comply with its obligations under the Act.

These include

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community (e.g. distributing printed material about the Act at community events or service points; providing links to state government resource materials on our website; providing digital and/or printed information about the Act to our partner organisations)
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act (e.g. developing and implementing a staff awareness strategy about the principles in the Act and what they mean for staff; induction and training programs offered by the organisation include discussion of the Act and the statement of principles therein)
- considering the care relationships principles set out in the Act when setting policies and providing services (e.g. reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act; developing a satisfaction survey for distribution at assessment and review meetings between workers, carers and those receiving care)
- implementing priority actions in *Recognising and supporting Victoria's carers: Victorian carer strategy 2018–22*.

FREEDOM OF INFORMATION ACT

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

During 2024–2025, Gippsland Southern Health Service received 31 applications all of which were from the general public, apart from 2 requests from MPs.

Gippsland Southern Health Service made 31 FOI decisions during the 12 months ended 30 June 2025.

There were 30 decisions made within the statutory time periods. Of the decisions made outside the statutory time period, 1 was made within a further 45 days with 0 decisions made in greater than 45 days. A total of 30 FOI access decisions were made where access to documents was granted in full or granted in part, with 1 denied in full. No decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant.

During 2024–2025, one request was subject to a complaint / internal review by Office of the Victorian Information Commissioner which was closed. No requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

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

Chief Executive Officer
Private Bag 13
LEONGATHA VIC 3953

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

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

LOCAL JOBS FIRST ACT 2023

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

Departments and public sector bodies are required to apply the Local Jobs first policy in all projects valued at $3 million or more in Metropolitan Melbourne or for state-wide projects, or $1 million or more for projects in regional Victoria. MPSG applies to all construction projects valued at $20 million or more. The Health Service did not commence or complete any contracts during 2024–2025 that require disclosure under the *Local Jobs First Act 2003*.

OTHER REPORTING REQUIREMENTS

SAFE PATIENT CARE ACT 2015

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

DETAILS OF INDIVIDUAL CONSULTANCIES

DETAILS OF CONSULTANCIES (UNDER $ 10,000)

In 2024–2025 there were three consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2024–2025 in relation to these consultancies is $13,500 (excl GST).

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

In 2024–2025, there were three consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2024–25 in relation to these consultancies is $43,320 (excl GST).

CONSULTANCIES OVER $10,000

Consultant	Purpose of consultancy	Start date / End date	Total approved project fee	Expenditure 2024–2025	Future expenditure
Future Leadership Pty Ltd	Leadership Coaching	1-Jul-24 / 30-Jun-25	$50,000	$18,250	$0
Steam Consulting Pty Ltd	Review Theatre Infrastructure	1-Dec-24 / 31-Jan-25	$14,900	$14,900	$20,000
Graylin Pty Ltd	Mock Audit – Accreditation	1-Jul-24 / 31-Oct-24	$10,170	$10,170	$0

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

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

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

For the 2024–25 reporting period, Gippsland Southern Health Service had a total of $2,918,666 (excluding GST) with the details shown below.

DETAILS OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

Business As Usual (BAU) ICT Expenditure	**Non-Business As Usual (non-BAU) ICT Expenditure**		
Total (excluding GST)	Total = Operational Expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational Expenditure (excluding GST) (a)	Capital Expenditure (excluding GST) (b)
$2,111,970	$806,696	$689,164	$117,532

- **Business As Usual (BAU) expenditure** – includes all remaining ICT expenditure other than non-BAU ICT expenditure and typically relates to ongoing activities to operate and maintain the current ICT capability.
- **Non-Business as Usual (Non-BAU) expenditure** – is a subset of ICT expenditure that relates to extending or enhancing current ICT capabilities and are usually run as projects.

ENVIRONMENTAL DATA REPORTING

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

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

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

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

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

GREENHOUSE GAS EMISSIONS	Jul-24 to Jun-25	Jul-23 to Jun-24	Jul-22 to Jun-23
G1 Total Scope 1 (direct) greenhouse gas emissions (CO2-e(t))			
Carbon Dioxide	494.10	474.33	476.97
Methane	0.76	0.75	0.76
Nitrous Oxide	0.79	0.67	0.69
Total	**495.66**	**475.76**	**478.41**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (CO2-e(t))	**380.36**	**376.44**	**377.46**
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (CO2-e(t))	**115.30**	**99.32**	**100.95**
Medical/Refrigerant gases			
Total Scope 1 (direct) greenhouse gas emissions (CO2-e(t))	**495.66**	**475.76**	**478.41**
G2 Total Scope 2 (indirect electricity) greenhouse gas emissions (CO2-e(t))			
Electricity	1,190.09	1,155.13	1,215.16
Total Scope 2 (indirect electricity) greenhouse gas emissions (CO2-e(t))	**1,190.09**	**1,155.13**	**1,215.16**
G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (CO2-e(t))			
Commercial air travel			
Waste emissions (WR5)	183.13	183.43	194.47
Indirect emissions from Stationary Energy	191.14	171.83	185.86
Indirect emissions from Transport Energy	28.85	24.93	25.33
Paper emissions			
Water emissions	14.93	16.17	17.77

GREENHOUSE GAS EMISSIONS (continued)	Jul-24 to Jun-25	Jul-23 to Jun-24	Jul-22 to Jun-23
Any other Scope 3 emissions			
Total Scope 3 greenhouse gas emissions (CO2-e(t))	418.09	396.37	423.43
G(Opt) Net greenhouse gas emissions (CO2-e(t))			
Gross greenhouse gas emissions (G1 + G2 + G3) (CO2-e(t))	2.103.83	2,027.25	2,117.00
Total gross reported greenhouse gas emissions per bed-day (t CO2-e/OBD)	0.06	0.05	0.06
Any Reduction Measures Offsets purchased (EL4-related)			
Any Offsets purchased			
Net greenhouse gas emissions (CO2-e(t))	2,103.83	2,027.25	2,117.00
ELECTRICITY USE	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**Jul-22 to Jun-23**
EL1 Total electricity consumption segmented by source (MWh)			
Purchased	1,803.14	1,756.26	1,768.91
Self-generated	205.83	206.59	219.43
EL1 Total electricity consumption (MWh)	2,008.97	1,962.85	1,988.34
EL2 On site-electricity generated (MWh) segmented by:			
Consumption behind-the-meter			
Solar Electricity	205.83	206.59	219.43
Total Consumption behind-the-meter (MWh)	205.83	206.59	219.43
Exports			
EL2 Total On site-electricity generated (MWh)	205.83	206.59	219.43
EL3 On-site installed generation capacity (kW converted to MW) segmented by:			
Diesel Generator	0.89	0.89	0.89
Solar System	0.20	0.20	0.20
EL3 Total On-site installed generation capacity (MW)	1.09	1.09	1.09
EL4 Total electricity offsets segmented by offset type (MWh)			
RPP (Renewable Power Percentage in the grid)	330.25	329.47	332.56
EL4 Total electricity offsets (MWh)	330.25	329.47	332.56
STATIONARY ENERGY	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**Jul-22 to Jun-23**
F1 Total fuels used in buildings and machinery segmented by fuel type (MJ)			
Natural gas	7,381,350.80	7,305,253.40	7,325,005.40
F1 Total fuels used in buildings (MJ)	7,381,350.80	7,305,253.40	7,325,005.40
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (CO2-e(t))			
Natural gas	380.36	376.44	377.46
F2 Greenhouse gas emissions from stationary fuel consumption (CO2-e(t))	380.36	376.44	377.46

TRANSPORTATION ENERGY	Jul-24 to Jun-25	Jul-23 to Jun-24	Jul-22 to Jun-23
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type (MJ)			
Non-executive fleet – Gasoline	894,039.30	906,529.20	893,646.00
Petrol	**894,039.30**	**906,529.20**	**893,646.00**
Non-executive fleet – Diesel	400,567.70	539,948.10	575,526.00
Diesel	**400,567.70**	**539,948.10**	**575,526.00**
Total energy used in transportation (vehicle fleet) (MJ)	**1,294,607.00**	**1,446,477.30**	**1,469,172.00**

T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category					
Vehicle category	Total	Fuel Type – Internal combustion engine	Proportion of fleet	Fuel Type – Hybrid	Proportion of fleet
Road vehicle	27	23	88.18%	4	14.80%
Non-Road Vehicle	0	N/A	N/A	N/A	N/A

T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (CO2-e(t))			
Non-executive fleet – Gasoline	60.46	61.30	60.43
Petrol	**60.46**	**61.30**	**60.43**
Executive fleet – Diesel	28.20		
Non-executive fleet – Diesel	26.64	38.02	40.52
Diesel	**54.84**	**38.02**	**40.52**
Total Greenhouse gas emissions from transportation (vehicle fleet) (CO2-e(t))	**115.30**	**99.32**	**100.95**

T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)	
Total distance travelled by commercial air travel	4,248

T(opt1) Total vehicle travel associated with entity operations (1,000 km)		
Total vehicle travel associated with entity operations (1,000 km)	465.95	465.95

T(opt2) Greenhouse gas emissions from vehicle fleet (CO2-e(t) per 1,000 km)		
CO2-e(t) per 1,000 km	0.21	0.22

TOTAL ENERGY USE	Jul-24 to Jun-25	Jul-23 to Jun-24	Jul-22 to Jun-23
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)			
Total energy usage from stationary fuels (F1) (MJ)	7,381,350.80	7,305,253.40	7,325,005.40
Total energy usage from transport (T1) (MJ)	1,672,925.20	1,446,477.30	1,469,172.00
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**9,054,276.00**	**8,751,730.70**	**8,794,177.40**
E2 Total energy usage from electricity (MJ)			
Total energy usage from electricity (MJ)	7,232,299.64	7,066,255.53	7,158,021.50
E3 Total energy usage segmented by renewable and non-renewable sources (MJ)			
Renewable	1,929,889.29	1,929,814.44	1,987,137.44
Non-renewable (E1 + E2 - E3 Renewable)	14,356,686.35	13,888,171.79	13,965,061.47
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD (MJ/Aged Care OBD)	524.31	501.13	568.74
Energy per unit of LOS (MJ/LOS)	1,471.22	1,402.65	1,472.60
Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD)	386.55	369.22	410.28
Energy per unit of Separations (MJ/Separations)	3,404.86	3,319.06	3,633.47
Energy per unit of floor space (MJ/m2)	914.27	899.12	906.10
WATER USE	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**Jul-22 to Jun-23**
W1 Total units of metered water consumed by water source (kL)			
Potable water (kL)	9,125.04	9,638.30	10,492.56
Total units of water consumed (kL)	**9,125.04**	**9,638.30**	**10,492.56**
W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD (kL/Aged Care OBD)	0.33	0.34	0.41
Water per unit of LOS (kL/LOS)	0.92	0.94	1.07
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.24	0.25	0.30
Water per unit of Separations (kL/Separations)	2.13	2.23	2.63
Water per unit of floor space (kL/m2)	0.57	0.60	0.66

WASTE AND RECYCLING	Jul-24 to Jun-25	Jul-23 to Jun-24	Jul-22 to Jun-23
WR1 Total units of waste disposed of by waste stream and disposal method (kg)			
Landfill (total)			
General waste – skips	132,327.00	132,494.79	140,940.00
Offsite treatment			
Clinical waste – incinerated	746.61	777.50	279.50
Clinical waste – sharps	563.64	565.32	569.40
Clinical waste – treated	7,500.03	7,516.20	7,890.02
Recycling/recovery (disposal)			
Cardboard	22,605.00	22,669.82	23,430.00
Paper (confidential)	9,061.63	9,081.95	7,485.70
Total units of waste disposed (kg)	**172,803.91**	**173,105.58**	**180,594.62**
WR1 Total units of waste disposed of by waste stream and disposal method (%)			
Landfill (total)			
General waste	76.58%	76.54%	78.04%
Offsite treatment			
Clinical waste – incinerated	0.43%	0.45%	0.15%
Clinical waste – sharps	0.33%	0.33%	0.32%
Clinical waste – treated	4.34%	4.34%	4.37%
Recycling/recovery (disposal)			
Cardboard	13.08%	13.10%	12.97%
Paper (confidential)	5.24%	5.25%	4.15%
WR2 Percentage of office sites covered by dedicated collection services for each waste stream			
Printer cartridges	100%	100%	100%
Batteries	100%	100%	100%
e-waste	0%	0%	0%
Soft plastics	0%	0%	0%
WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per patient treated ((kg general waste)/PPT)	3.14	3.06	3.59
Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT)	0.21	0.20	0.22
Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT)	0.75	0.73	0.79
WR4 Recycling rate (%)			
Weight of recyclable and organic materials (kg)	31,666.63	31,751.78	30,915.70
Weight of total waste (kg)	172,803.91	173,105.58	180,594.62
Recycling rate (%)	18.33%	18.34%	17.12%
WR5 Greenhouse gas emissions associated with waste disposal (CO2-e(t))			
CO2-e(t)	183.16	183.43	194.47

NORMALISATION FACTORS	Jul-24 to Jun-25	Jul-23 to Jun-24	Jul-22 to Jun-23
1000km (Corporate)		465.95	465.95
1000km (Non-emergency)			
Aged Care OBD	27,872.00	28,678.00	25,465.00
ED Departures	0.00	0.00	0.00
FTE	322.00	312.00	301.00
LOS	9,933.00	10,246.00	9,835.00
OBD	37,805.00	38,924.00	35,300.00
PPT	42,097.00	43,254.00	39,286.00
Separations	4,292.00	4,330.00	3,986.00
TotalAreaM2	15,984.00	15,984.00	15,984.00

Notes

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

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

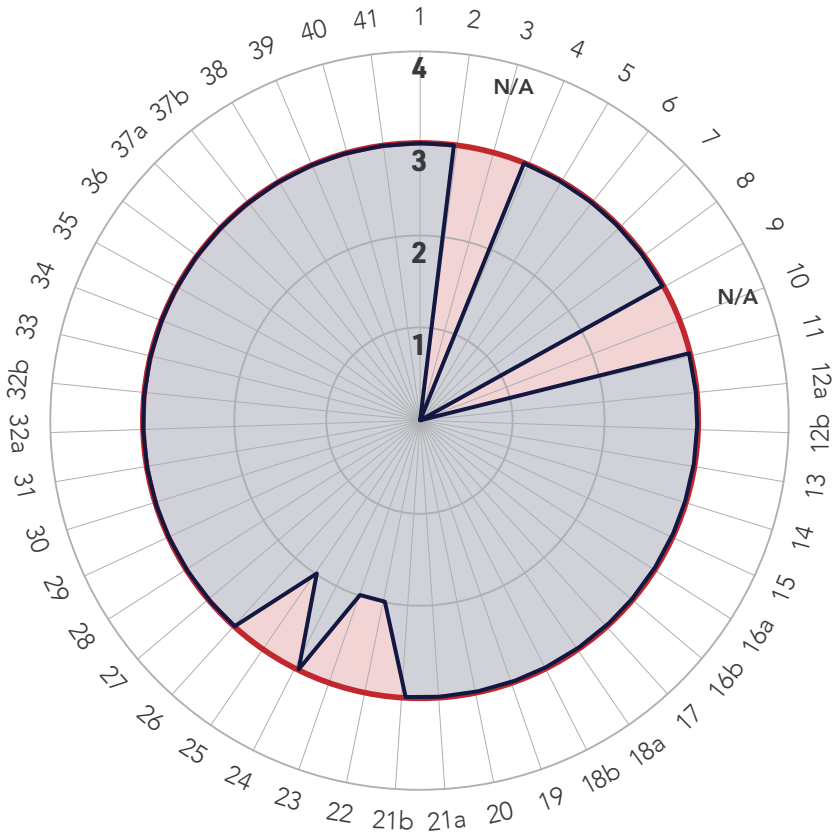
Billing for many services (eg. Electricity, Gas, Water) is received quarterly resulting in the need for estimates to be used in preparation of annual data. This may result is minor variances to reported volumes for prior financial years.

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK (AMAF) MATURITY ASSESSMENT [FRD 22]

The following sections summarise the Health Service's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework).

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

GSHS ASSET MANAGEMENT MATURITY



LEGEND

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

LEADERSHIP AND ACCOUNTABILITY (REQUIREMENTS 1–19)

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

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

PLANNING (REQUIREMENTS 20–23)

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

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

ACQUISITION (REQUIREMENTS 24 AND 25)

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

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

OPERATION (REQUIREMENTS 26–40)

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

DISPOSAL (REQUIREMENT 41)

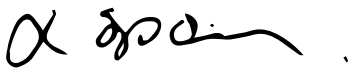
The Health Service has met its target maturity level in this category.



ATTESTATIONS

DATA INTEGRITY

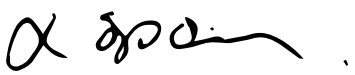
I, Louise Sparkes, certify that Gippsland Southern Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Gippsland Southern Health Service has critically reviewed these controls and processes during the year.



Louise Sparkes
Chief Executive Officer
Leongatha
15 September 2025

CONFLICT OF INTEREST

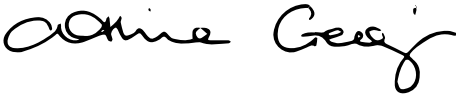
I, Louise Sparkes, certify that Gippsland Southern Health Service has put in place appropriate internal controls and processes to ensure that it has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have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



Louise Sparkes
Chief Executive Officer
Leongatha
15 September 2025

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

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



Athina Georgiou
Board Chair
Leongatha
15 September 2025

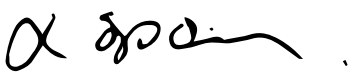
INTEGRITY, FRAUD AND CORRUPTION

I, Louise Sparkes, certify that Gippsland Southern Health Service has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Gippsland Southern Health Service during the year.

Louise Sparkes
Chief Executive Officer
Leongatha
15 September 2025

COMPLIANCE WITH HEALTH SHARE VICTORIA (HSV) PURCHASING POLICIES

I, Louise Sparkes, certify that Gippsland Southern Health Service has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the *Health Services Act 1988* (Vic) and has critically reviewed these controls and processes during the year.



Louise Sparkes
Chief Executive Officer
Leongatha
15 September 2025

FINANCIAL REPORT

FINANCIAL SUMMARY

Gippsland Southern Health Service recorded an operating deficit of $2.8 million for 2024–25. This result was driven by a conscious decision of the Board and Executive management to continue supporting and providing services to the community at levels above the reduced NWAU activity targets set by the Department of Health. While this approach placed additional pressure on staffing and consumable costs, it ensured community needs were met and has been acknowledged by the Department, with growth funding needs recognised and reflected in the 2025–26 allocation.

INCOME AND EXPENDITURE

Total revenue and income from transactions increased by 4.93% to $57.9 million (2023–24: $55.1 million). Expenditure, however, grew at a faster pace, increasing by 11.27% to $67.4 million (2023–24: $60.5 million).

Employee expenses rose by 8.24%, from $44.9 million to $48.6 million. This increase reflected enterprise agreement wage growth and the first full year of the new medical model of employed doctors, which added to the salaries and wages base and drove associated increases in WorkCover premiums and superannuation.

Agency costs, once adjusted to exclude services to Home Care Package clients (which are fully funded), decreased significantly from $2.9 million in 2023–24 to $1.4 million in 2024–25. Importantly, nursing agency usage has been minimal. In the medical workforce, a reduced allocation of $415,000 has been set aside in 2025–26 to cover essential locum/agency requirements only.

Depreciation and amortisation increased significantly from $4.6 million to $7.3 million, following the prior year's property revaluation.

It should also be noted that the end-of-year result was materially impacted by actuarial adjustments to the long service leave provision, as determined using the Department of Health's LSL model. This follows an unadjusted error in the 2023–24 audited accounts. While significant in accounting terms, this adjustment is non-operational in nature and does not reflect day-to-day revenue or expenditure outcomes.

ACTIVITY PERFORMANCE

Gippsland Southern Health Service delivered 3,985 NWAU against a target of 3,744, achieving 106.4% of its activity target. For much of the year, performance tracked at close to 115%, before some activity was consciously redirected into other service streams such as HACC and CHSP to optimise outcomes against broader non-activity-based measures.

In line with the Department of Health's additional throughput policy, this above-target activity will result in an approximate prior year funding adjustment of $180,776, to be received in 2025–26. While the additional throughput payment is capped and does not reflect the full value of the services delivered (which equates to an estimated $2.0 million of activity), it nonetheless recognises the organisation's commitment to meeting local demand despite reduced funded targets.

BALANCE SHEET AND CASH FLOW

The balance sheet remains sound, with net assets of $113.6 million (2023–24: $123.1 million). Cash and cash equivalents decreased by $2.3 million to $20.0 million, primarily due to higher employee and supplier costs. Current liabilities rose modestly to $26.3 million (2023–24: $25.0 million), including refundable accommodation deposits of $11.4 million (2023–24: $11.0 million). Despite these movements, the organisation maintains adequate liquidity to meet its obligations.

OUTLOOK

While the 2024–25 operating result reflected the impact of elevated service demand beyond initial funding allocations, the Board's decision to maintain service levels has already been validated through the Department's recognition of over-activity and increased NWAU allocations for 2025–26. With ongoing focus on workforce stabilisation and efficiency, the organisation is positioned to move towards a more sustainable financial outcome in future years.

Jason O'Reilly
Executive Director
Finance & Corporate Services

Rajan Sawant
Chair
Finance, Audit & Risk Committee

OPERATING RESULTS – SUMMARY

	2025 $'000	2024 $'000	2023 $'000	2022 $'000	2021 $'000
OPERATING RESULT *	**(2,820)**	**(1,933)**	**0**	**117**	**0**
Total Revenue	57,860	55,140	52,681	48,683	45,660
Total Expenses	67,350	60,531	55,824	51,283	49,215
Net Result from Transactions	**(9,490)**	**(5,391)**	**(3,143)**	**(2,600)**	**(3,555)**
Total other economic flows	19	33	31	83	33
Net result	**(9,471)**	**(5,358)**	**(3,112)**	**(2,517)**	**(3,522)**
Total Assets	139,924	148,091	99,642	100,593	98,523
Total Liabilities	26,311	25,007	21,314	19,153	22,197
Net Assets/Total Equity	113,613	123,084	78,328	81,440	76,326

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

RECONCILIATION BETWEEN THE NET RESULT FROM TRANSACTIONS TO THE STATEMENT OF PRIORITIES OPERATING RESULTS

	2025 $'000
Net Operating Result*	**(2,820)**
Capital Purpose Income	753
Specific Income	0
COVID-19 State Supply Arrangements	
– Assets received free of charge or for nil consideration under the State Supply	46
– State supply items consumed up to June 30	(61)
Assets received free of charge	
Expenditure for capital purposes	(103)
Depreciation	(7,305)
Finance costs (other)	
Net Result from transactions	**(9,490)**

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

REPORTING FOR OUTCOMES FROM STATEMENT OF PRIORITIES 2024–25

PART A: STRATEGIC PRIORITIES

Gippsland Southern Health Service contributed to the Statement of Priorities 2024–2025 through the following strategic priorities:

EXCELLENCE IN CLINICAL GOVERNANCE	
We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.	
GOAL	
MA1 Develop strong and effective relationships with consumer and clinical partners to drive service improvements as per the Partnering in healthcare framework.	
Health Service Deliverables	Achievements/Outcome
Ongoing development of CAC committee and embedding of Care opinion feedback platform to enhance the community voice and relationships with consumers.	The development of the Community Advisory Committee into a larger, more active, feedback-driven body supported deeper engagement, particularly in service planning and health reform priorities. The committee's insights directly informed how we engage, plan and improve services, ensuring community input was not only welcomed but embedded at every level. The embedding of the Care Opinion platform has significantly improved how we listen and respond to our community. Feedback received via the platform highlighted a marked cultural shift from transactional service delivery to compassionate, culturally responsive, person-centred care. Patients spoke of feeling "surrounded by care and professional expertise," while families praised the holistic and dignified support their loved ones received. These stories now inform staff debriefs, service planning and workforce training, elevating community voice as a lever for clinical quality and whole-of-service improvement. Importantly, negative feedback has also been a catalyst for positive change. One patient shared their distress after waiting five hours in the Urgent Care Centre without updates or support. While acknowledging the triage process, they expressed that better communication could have helped them make informed choices or seek care elsewhere. In response, GSHS undertook a review of our waiting room communication protocols. This led to targeted improvements in how we keep patients informed of wait times and triage priorities – reinforcing our commitment to transparency, empathy and timely care.
Further strengthen effective relationships with consumers by providing opportunities for consumer representatives to be part of some formal internal committees.	Consumer Representatives were integrated into clinical governance committees, where lived experience shaped the way we identify risks, design models of care, and evaluate service delivery. Their presence across strengthened empathy-driven leadership and affirmed our values-based approach to 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**
Strengthen clinical governance systems that support safe care, including clear recognition, escalation, and addressing clinical risk and preventable harm via the GSHS Best care strategy.	GSHS strengthened clinical governance systems through the continued rollout of our Best Care Strategy, with a focus on clear recognition and escalation processes to identify clinical risk early and reduce preventable harm. We refreshed and formally adopted our Clinical Governance Framework, aligning it with the Victorian Clinical Governance Framework (2024). The updated framework clearly defines how every role at GSHS contributes to delivering safe, high-quality care. It embeds shared accountability and continuous improvement across five clinical domains: leadership, workforce, partnering with consumers, clinical care, and safety. To support best care every day, GSHS introduced the SPECial Strategy, co-designed by staff to define what high-quality care looks like at GSHS. SPECial stands for: ■ **Safe** – safety is everyone's responsibility ■ **Person-centred** – respecting individual needs and culture ■ **Effective** – care that is evidence-based and outcomes-focused ■ **Connected** – seamless coordination across teams and services This strategy is now embedded across education, practice and review cycles, giving all staff a shared language and focus for clinical excellence.
Improve paediatric patient outcomes by implementing the "ViCTOR track and trigger" observation chart and escalation system whenever children have observations taken.	Gippsland Southern Health Service routinely audits the use of ViCTOR charts to ensure appropriate monitoring and timely escalations of clinical responses as needed.

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), while ensuring strong clinical governance, safety surveillance and patient choice.	
Health Service Deliverables	**Achievements/Outcome**
Embed the Department of Health 'Virtual Care Operational Framework' and formulate governance and procedures to align with those outlined within the Framework.	Gippsland Southern Health Service has embedded the Department of Health's Virtual Care Operational Framework within the Urgent Care Centre's Model of Care. Governance is shared across Executive Medical, Nursing, and Finance leadership, with oversight integrated into NSQHS standing committees. Monthly meetings with virtual health providers feed into morbidity and mortality reviews, enabling timely, in-the-moment feedback and ensuring that virtual care upholds the same standards of safety, quality, and effectiveness as face-to-face services. This governance structure supports continuous improvement, financial accountability, and equitable access to virtual care across the region. A key component of this implementation is the use of the My Emergency Doctor service to support after-hours care at both Korumburra and Leongatha Urgent Care Centres. With an average of 46 calls per month, this virtual model ensures timely clinical assessment and advice when on-site medical coverage is limited – improving access, throughput, and safety for our community.

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**
Deliver on the key initiatives as outlined in the Budget Action Plan.	GSHS' Budget Action Plan improved financial governance, disciplined resource management and a commitment to sustainable local care. A major achievement was the significant reduction of agency nursing across the organisation, improving both cost control and workforce stability.
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.	Data analytics enabled targeted decisions around clinical resource allocation, while performance metrics identified inefficiencies and areas of waste, particularly in staffing models and service utilisation. These insights informed changes to perioperative and Urgent Care departmental staffing, improving access, equity, and care delivery closer to home. The service consistently exceeded activity targets, achieving 108% against a BAP target of 104%, reflecting our commitment to timely care and alignment between operational performance and strategic priorities.

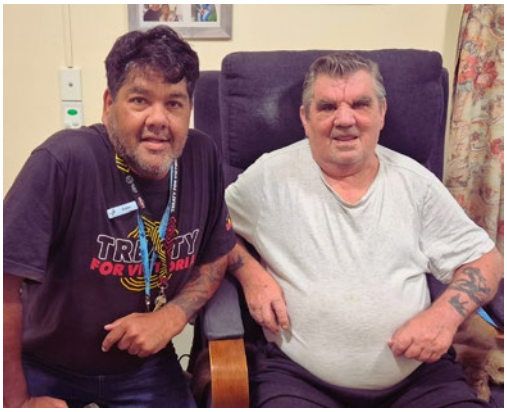
IMPROVING EQUITABLE ACCESS TO HEALTHCARE & WELLBEING

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

GOAL	
MC1 Address service access issues and equity of health outcomes for priority communities, including LGBTIQA+ communities, multicultural communities, people with disability and rural and regional people, including more support for primary, community, home-based and virtual care, and addiction services.	
Health Service Deliverables	**Achievements/Outcome**
Partner with Aboriginal community-controlled health organisations, respected Aboriginal leaders and Elders, and Aboriginal communities to deliver healthcare improvements.	Gippsland Southern Health Service deepened our commitment to improving access and equity for Aboriginal and Torres Strait Islander peoples. Guided by our Aboriginal Cultural Safety Plan, we worked closely with our Aboriginal Liaison Officer to ensure that cultural connection and community voice were embedded across our sites and systems.
Plans to identify and prioritise the health, wellbeing and service needs of the Aboriginal catchment population and service users – including improved patient identification, discharge planning and outpatient care.	GSHS updated our Urgent Care Centre intake processes to enable Aboriginal patients to better identify their cultural background and connect directly with our ALO – a critical change designed to foster trust, visibility and culturally safe care from the first point of contact. This work was championed at the highest levels of the organisation, with our CEO and executive team actively leading the cultural safety agenda across both governance and service design.

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**
Promote a culturally safe welcoming environment with Aboriginal cultural symbols and spaces demonstrating, recognising, celebrating and respecting Aboriginal communities and culture.	GSHS continued to establish Aboriginal and Torres Strait Islander communities as partners in shaping how care is delivered. This included initiatives such as the Reconciliation Menu in aged care, First Nations–branded scrubs for staff, Indigenous artwork on breast screening infrastructure, and the introduction of possum skins in our maternity service; each a culturally resonant marker of safety, respect and identity in our care settings.

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**
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.	Gippsland Southern Health Service consolidated implementation of mandatory cultural safety training for all staff, aligned with the Aboriginal and Torres Strait Islander Cultural Safety Framework. Training was delivered via our Kineo professional development platform. All staff were required to complete four core modules on Aboriginal Cultural Awareness, ensuring consistent understanding and reflection across the organisation. To complement this formal training, First Nations staff contributed an 'Indigenous Word of the Week' to internal communications, educating colleagues on pronunciation, meaning and contextual usage. This initiative promoted everyday cultural learning and reinforced the visibility of Aboriginal language and identity across our health service.



A STRONGER WORKFORCE

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**
Deliver programs to improve employee experience across four initial focus areas: leadership, safety and wellbeing, flexibility, and career development and agility.	GSHS delivered a coordinated suite of initiatives to improve staff experience across leadership, wellbeing, flexibility and professional growth. Our updated Workforce Plan and Flexible Work Procedure supported new ways of working, while targeted programs enhanced capability and connection. People Matter Survey results demonstrated strong outcomes in inclusion (81%) and collaboration (80%), with ten action planning workshops enabling more than 50 employees to co-design improvements focused on communication, career development and wellbeing. The speed and quality of grievance and OHS investigations also improved significantly, reinforcing a safer and more responsive work environment. We continued to invest in learning through both internal and external opportunities. These included in-house programs such as "Dealing with Distressed Callers" and Department Heads Leadership sessions, as well as a new Learning Management System that allows real-time tracking of training compliance. Hospitality teams participated in the Maggie Beer Mentorship Program, with a tailored food satisfaction questionnaire developed in partnership with Flinders University, leading to improved mealtime experiences in aged care.
Implement and/or evaluate new/expanded programs that uplift workforce flexibility such as a flexibility policy for work arrangements.	GSHS refreshed our Flexible Working Arrangements Procedure in 2025 to ensure that every role at GSHS can accommodate some form of flexibility. The updated procedure outlines a wide range of adaptable options – from shift swaps and compressed work weeks to remote work and transition-to-retirement plans. These changes were designed to support individual needs without compromising care quality, team cohesion or operational delivery. The revised approach affirms our commitment to equity, trust and a safe, diverse workplace where flexibility is embedded, not exceptional.

GOAL	
MD2 Explore new and contemporary models of care and practice, including future roles and capabilities.	
Health Service Deliverables	**Achievements/Outcome**
Pilot, implement or evaluate new and contemporary models of care and practice, including future roles and building capability for multidisciplinary practice.	Gippsland Southern Health Service accelerated the design and implementation of contemporary care models to meet evolving community needs. Our salaried medical workforce model improved continuity and after-hours coverage, while reducing reliance on agency and locum staffing. This translated directly to urgent care access, with a 57.3% year-on-year increase in presentations and a high performance in ambulance transfer times. GSHS formalised Co-Director roles in Anaesthetics and Obstetrics, strengthening clinical leadership and shared accountability. The maternity service also underwent significant redesign, with a dedicated Midwifery Unit Manager now leading a fully recruited, skilled workforce, elevating both clinical practice and family-centred care. The development of a distinct Maternity and Ward Model clarified role delineation and improved responsiveness, while our Transition Care Program in Korumburra introduced improved access to care closer to home. Service expansion in cancer care through the nurse-led Survivorship Program, and to imaging with the launch of routine breast screening services in partnership with BreastScreen Victoria. Our education team delivered training in ALS, paediatrics and urgent care, while onboarding six graduate nurses and supporting over 160 undergraduate placements. These achievements reflect not only new models of care, but deeper integration, local access and a future-focused approach to health workforce sustainability and service design.

MOVING FROM COMPETITION TO COLLABORATION

Share knowledge, information and resources with partner health and wellbeing services and care providers.

GOAL	
ME1 Partner with other organisations (e.g., community health, ACCHOs, PHNs, General Practice, and private health) to drive further collaboration and build a more integrated system.	
Health Service Deliverables	**Achievements/Outcome**
Engage local ACCHO groups in the identification and delivery of initiatives that improve Aboriginal cultural safety.	GSHS actively worked with First Nations members to improve cultural safety and local health outcomes. Our Aboriginal Cultural Safety Plan was developed in collaboration with local leaders.

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**
Undertake joint clinical service plans with an agreed approach to coordinating the delivery of health services at a regional level as opposed to individual health service planning e.g. Residential In Reach (RIR) program.	GSHS played a proactive role in merger preparedness across the Bayside network. Nominated executive leaders are providing input into the Merger Working Groups and actively contributing to system design, clinical planning and workforce modelling. Formal service planning is set to commence in late 2025 as part of the Bayside LHSN. To ensure our rural identity remained visible and valued, we produced Five Faces, One Heartbeat – a short animated film capturing the essence of our service and the characteristics of both our workforce and local community. We also engaged directly with our community through Probus forums and community stakeholder meetings, fostering transparency and trust during a period of change. In parallel, we maintained and strengthened existing partnerships across the Gippsland region to ensure continuity of care. These relationships enabled shared service planning, joint education initiatives and more connected models of care – laying a strong foundation for smoother transitions and system-wide collaboration. As a proud member of the South Gippsland Coast Partnership, GSHS participated in a suite of coordinated training programs that supported more than 380 staff across four health services. From paediatric and palliative care to leadership development and psychological safety, these initiatives built shared capability and reinforced our collective commitment to a responsive, skilled and resilient workforce. Further, our collaboration with the South Coast Prevention Team has deepened our focus on proactive, place-based approaches. Through joint projects such as the Family Violence Health Justice Partnership, Perinatal Equity planning, and the development of subregional Aboriginal health promotion networks, we continue to align efforts across agencies to address root causes of health inequity. These efforts are not only enhancing care locally – they are shaping an integrated, equitable and prevention-focused future across the catchment.

Health Service Deliverables	Achievements/Outcome
Reviewing specialist workforce requirements at a regional or sub-regional level and developing a shared workforce model, including coordinating efforts to attract and retain workforce at a regional or sub-regional level.	GSHS continued to strengthen specialist workforce capability across our region through a mix of innovation, collaboration and reform-aligned planning. Attracting and sustaining a skilled specialist workforce remains a challenge in regional settings. In response, we successfully embedded a salaried medical workforce model, reducing reliance on locum staffing and improving consistency of care. This model has not only enhanced Urgent Care access and safety, but also helped position GSHS as an employer of choice for medical professionals seeking stability and connection. GSHS also contributed to the development of a shared subregional workforce model through the South Gippsland Coast Partnership. This work included a structured review of workforce gaps, collaborative forecasting, and coordinated recruitment efforts across four health services. Shared clinical education calendars, peer-to-peer onboarding strategies, and cross-service orientation materials were also implemented – laying the groundwork for improved role mobility, strengthened career pathways, and a more sustainable specialist workforce pipeline. These efforts reflect a shift from competition to collaboration, enabling regional health services to attract and retain expertise where it's needed most.

PART B: PERFORMANCE PRIORITIES

HIGH QUALITY AND SAFE CARE

Key Performance Measure	Target	Actual Achievement
Infection Prevention and Control		
Percentage of healthcare workers immunised for influenza	94%	96%
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	NA
Aged Care		
Public sector residential aged care services overall star rating	Minimum rating of 3 stars	4 stars
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%	0%

STRONG GOVERNANCE, LEADERSHIP AND CULTURE

Key Performance Measure	Target	Actual Achievement
Organisational Culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	80%	73%

TIMELY ACCESS TO CARE

Key Performance Measure	Target	Actual Achievement
Specialist Clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within the recommended timeframe	100%	99.3%

EFFECTIVE FINANCIAL MANAGEMENT

Key Performance Measure	Target	Actual Achievement
Operating result ($M)	0.00	($2.82M)
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.03
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance < $250,000	Not achieved.

PART C: ACTIVITY

Funding Type	2024–25 Activity Achievement
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	3,954
Acute Admitted	
Acute admitted DVA	17
Acute admitted TAC	6
Subacute/Non-Acute, Admitted & Non-admitted	
Subacute – DVA	8
Aged Care	
Residential Aged Care	27,534
HACC	5,973
Mental health and Drug Services	
Drug Services	604
Primary Health	
Community Health / Primary Care Programs	3,417

DISCLOSURE INDEX

The Annual Report of Gippsland Southern Health Service is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page Reference
Standing Directions and Financial Reporting Disclosures		
Report of Operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	17
FRD 22	Purpose, functions, powers, and duties	16
FRD 22	Nature and range of services provided	18
FRD 22	Activities, programs, and achievements for the reporting period	33
FRD 22	Significant changes in key initiatives and expectations for the future	17
Management and structure		
FRD 22	Organisational structure	32
FRD 22	Workforce data / employment and conduct principles	38
FRD 22	Occupational Health and Safety	39
Financial and other information		
FRD 22	Summary of the financial results for the year	57
FRD 22	Significant changes in financial position during the year	57
FRD 22	Operational and budgetary objectives and performance against objectives	57
FRD 22	Subsequent events	57
FRD 22	Details of consultancies under $10,000	45
FRD 22	Details of consultancies over $10,000	45
FRD 22	Disclosure of ICT expenditure	46
FRD 22	Asset Management Accountability Framework	52
FRD 22	Reviews and Studies expenditure	40
FRD22	Disclosure of social procurement activities under the Social Procurement Framework	40
FRD 22	Application and operation of *Freedom of Information Act 1982*	44
FRD 22	Compliance with building and maintenance provisions of *Building Act 1993*	41
FRD 22	Application and operation of *Public Interest Disclosure Act 2012*	42
FRD 22	Statement on National Competition Policy	42
FRD 22	Application and operation of *Carers Recognition Act 2012*	43
FRD 22	Additional information available on request	42
FRD 24	Environmental data reporting	47
FRD 25	*Local Jobs First Act 2003* disclosures	44

Legislation	Requirement	Page Reference
Compliance attestation and declaration		
SD 5.1.4	Financial Management Compliance attestation	55
SD 5.2.3	Declaration in Report of Operations	8
	Attestation on Data Integrity	55
	Attestation on managing Conflicts of Interest	55
	Attestation on Integrity, fraud, and corruption	56
	Compliance with HealthShare Victoria (HSV) Purchasing Policies	56
Other Reporting Requirements		
	Reporting of outcomes from Statement of Priorities 2023–2024	60
	Occupational Violence reporting	38
	Reporting obligations under the *Safe Patient Care Act 2015*	45
Financial Statements		
Declaration		
SD 5.2.2	Declaration in financial statements	73
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	80
SD 5.2.1(a)	Compliance with Standing Directions	73
SD 5.2.1(b)	Compliance with Model Financial Reports	73
Other disclosures as required by FRDs in notes to the financial statements (a)(b)		
FRD11	Disclosure of Ex gratia Expenses	N/A
FRD 103	Non-Financial Physical Assets	134
FRD 110	Cash Flow Statements	78
FRD 112	Defined Benefit Superannuation Obligations	94
FRD 114	Financial Instruments – general government entities and public non-financial corporations	122
Legislation		
Freedom of Information Act 1982 (Vic) (*FOI Act*)		44
Building Act 1993		41
Public Interest Disclosure Act 2012		42
Carers Recognition Act 2012		43
Local Jobs Act 2003		44
Financial Management Act 1994 (b)		8

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.

Financial Statements
Financial Year ended 30 June 2025

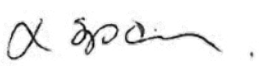
Board member's, accountable officer's, and chief finance & accounting officer's declaration

The attached financial statements for Gippsland Southern Health Service have been prepared in accordance with Direction 5.2 of the Standing Directions of the 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 the financial position of Gippsland Southern Health Service 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 15th September, 2025.

Board member	**Accountable Officer**	**Chief Finance & Accounting Officer**
		
Athina Georgiou	Louise Sparkes	Jason O'Reilly
Chair	Chief Executive Officer	Chief Finance and Accounting Officer
Leongatha 15th September, 2025	Leongatha 15th September, 2025	Leongatha 15th September, 2025

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Gippsland Southern Health Service

Opinion	I have audited the financial report of Gippsland Southern Health Service (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 their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and 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.
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.

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

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

Simone Bohan
as delegate for the Auditor-General of Victoria

MELBOURNE
18 September 2025

Comprehensive Operating Statement
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

	Note	2025 $'000	2024 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1	47,147	41,087
Other sources of income	2.1	10,199	13,494
Non-operating activities		514	559
Total revenue and income from transactions		**57,860**	**55,140**
Expenses from transactions			
Employee expenses	3.1	(48,597)	(44,890)
Finance costs	6.1	(2)	(1)
Depreciation and amortisation	4.1(a), 4.2	(7,305)	(4,623)
Other operating expenses	3.1	(11,446)	(11,017)
Total expenses from transactions		**(67,350)**	**(60,531)**
Net result from transactions - net operating balance		**(9,490)**	**(5,391)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		14	-
Net gain/(loss) on financial instruments		-	(16)
Other gain/(loss) from other economic flows		5	49
Total other economic flows included in net result		**19**	**33**
Net result		**(9,471)**	**(5,358)**
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus		-	50,114
Total other comprehensive income		**-**	**50,114**
Comprehensive result		**(9,471)**	**44,756**

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

Balance Sheet
Gippsland Southern Health Service
As at 30 June 2025

	Note	2025 $'000	2024 $'000
Financial assets			
Cash and cash equivalents	6.2	20,023	22,322
Receivables	5.1	3,971	3,592
Contract assets	5.2	426	649
Total financial assets		**24,420**	**26,563**
Non-financial assets			
Prepayments		419	437
Inventories	5.3	127	142
Property, plant and equipment	4.1	114,958	120,949
Total non-financial assets		**115,504**	**121,528**
Total assets		**139,924**	**148,091**
Liabilities			
Payables	5.4	3,206	3,846
Contract liabilities	5.5	8	68
Borrowings	6.1	246	81
Employee benefits	3.1(b)	11,415	10,028
Other liabilities	5.6	11,436	10,984
Total liabilities		**26,311**	**25,007**
Net assets		**113,613**	**123,084**
Equity			
Property, plant and equipment revaluation surplus		99,333	99,333
Restricted specific purpose reserve		113	113
Contributed capital		24,787	24,787
Accumulated surplus/(deficit)		(10,620)	(1,149)
Total equity		**113,613**	**123,084**

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

Cash Flow Statement
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

	Note	2025 $'000	2024 $'000
Cash flows from operating activities			
Operating grants from State Government		32,022	29,496
Operating grants from Commonwealth Government		15,585	14,435
Capital grants from State Government		246	452
Capital grants from Commonwealth Government		15	-
Commercial activities, patient and hospital fees received		5,884	5,886
Donations and bequests received		7	-
GST received from ATO		1,665	1,491
Interest and investment income received		1,033	1,040
Other receipts		2,415	1,146
Total receipts		**58,872**	**53,946**
Payments to employees		(41,670)	(37,156)
Payments to suppliers and consumables		(12,631)	(11,669)
Finance costs		(2)	(33)
GST paid to ATO		(1,620)	(1,485)
Other payments		(4,691)	(3,626)
Total payments		**(60,614)**	**(53,969)**
Net cash flows from/(used in) operating activities		**(1,742)**	**(23)**
Cash flows from investing activities			
Proceeds from sale of non-financial assets		37	-
Purchase of non-financial assets		(1,129)	(1,000)
Other Capital Receipts		89	100
Capital donations and bequests received		37	269
Net cash flows from/(used in) investing activities		**(966)**	**(631)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(43)	(25)
Repayment of accommodation deposits		(3,083)	(5,081)
Receipt of accommodation deposits		3,535	7,139
Net cash flows from/(used in) financing activities		**409**	**2,033**
Net increase/(decrease) in cash and cash equivalents held		**(2,299)**	**1,379**
Cash and cash equivalents at beginning of year		22,322	20,943
Cash and cash equivalents at end of year	6.2	**20,023**	**22,322**

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

Statement of Changes in Equity
Gippsland Southern Health
For the Financial Year Ended 30 June 2025

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Surplus/(Deficit)	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2023	**49,219**	**113**	**24,787**	**4,209**	**78,328**
Net result for the year	-	-	-	(5,358)	(5,358)
Other comprehensive income for the year	50,114	-	-	-	50,114
Balance at 30 June 2024	**99,333**	**113**	**24,787**	**(1,149)**	**123,084**
Net result for the year	-	-	-	(9,471)	(9,471)
Balance at 30 June 2025	**99,333**	**113**	**24,787**	**(10,620)**	**113,613**

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

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

Structure

Note 1 About this Report

These financial statements represent the financial statements of Gippsland Southern Health Service for the year ended 30 June 2025.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation

These general purpose financial statements have been prepared in accordance with the Financial Management Act 1994 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 Gippsland Southern Health Service.

The financial statements have been prepared on a going concern basis (refer to Note 1.6 Economic Dependency).

The financial statements are presented in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of Gippsland Southern Health Service on 15th September, 2025.

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

Note 1.2 Joint arrangements

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

Gippsland Southern Health Service has the following joint arrangements:

- Gippsland Health Alliance (GHA)

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

Note 1.3 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 identified at the beginning of each section where applicable and relate to the following disclosures:

- Note 2.1 Revenue and income from transactions
- Note 3.1 Expenses incurred in the delivery of services
- Note 4.1 Property, plant and equipment
- Note 4.2 Depreciation and amortisation
- Note 4.3 Impairment of assets
- Note 5.1 Receivables
- Note 5.2 Contract assets
- Note 5.4 Payables
- Note 5.5 Contract liabilities
- Note 5.6 Other liabilities
- Note 6.1(a) Lease liabilities
- Note 7.4 Fair value determination

Note 1.4 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 2022-10: *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*	Reporting periods beginning on or after 1 January 2024. In accordance with FRD 103, Gippsland Southern Health Service will apply Appendix F of AASB 13 prospectively, in the next formal asset revaluation or interim revaluation (whichever is earlier).	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 18: *Presentation and Disclosure in Financial Statements*	Reporting periods beginning on or after 1 January 2028.	Adoption of this standard is not expected to have a material impact.

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

Note 1.5 Reporting Entity

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

Gippsland Southern Health Service's principal address is:

Koonwarra Road
Leongatha, Victoria 3953

Note 1.6 Economic dependency

Gippsland Southern 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. Gippsland Southern 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 Gippsland Southern 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

Gippsland Southern Health Service's overall objective is to provide quality health service and to be a leading regional healthcare provider delivering timely, accessible, integrated and responsive services to the Gippsland community. Gippsland Southern Health Service is predominantly funded by grant funding for the provision of outputs. Gippsland Southern Health Service also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	Gippsland Southern Health Service applies material judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criterion is met, the contract/funding agreement is treated as a contract with a customer, requiring Gippsland Southern Health Service to recognise revenue as or when the health service transfers promised goods or services to the beneficiaries. If this criterion is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Gippsland Southern Health Service applies material judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining timing of capital grant income recognition	Gippsland Southern Health Service applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.
Assets and services received free of charge or for nominal consideration	Gippsland Southern Health Service applies material judgement to determine the fair value of assets and services provided free of charge or for nominal value. Where a reliable market value exists it is used to calculate the equivalent value of the service being provided. Where no reliable market value exists, the service is not recognised in the financial statements.

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

Note 2.1 Revenue and income from transactions

	Note	2025 $'000	2024 $'000
Revenue from contracts with customers	2.1(a)	47,147	41,087
Other sources of income	2.1(b)	10,199	13,494
Total revenue and income from transactions		**57,346**	**54,581**

Note 2.1(a) Revenue from contracts with customers

	2025 $'000	2024 $'000
Government grants (State) - Operating	26,000	20,544
Government grants (Commonwealth) - Operating	15,310	14,622
Patient and resident fees	3,740	3,893
Commercial activities [1]	2,097	2,028
Total revenue from contracts with customers	**47,147**	**41,087**

Gippsland Southern Health Service disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:		
At a point in time	45,050	39,059
Over time	2,097	2,028
Total revenue from contracts with customers	**47,147**	**41,087**

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

How we recognise revenue from contracts with customers

Government operating 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 Gippsland Southern Health Service's goods or services. Gippsland Southern Health Services funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Commonwealth Residential Aged Care Grants	Funding is provided for the provision of care for aged care residents within facilities at Gippsland Southern Health Service. The performance obligations include provision of residential accommodation and care from nursing staff and personal care workers. Revenue is recognised at the point in time when the service is provided within the residential aged care facility.
Home Care Package Grants	The organisation receives Commonwealth grants for home care package clients with revenue recognised as funds are expended. These performance obligations have been selected as they align with the Commonwealth Government Aged Care Act 1997.The Health Service exercises judgement over whether performance obligations are met. This is measured by reference to financial reports detailing expenditure and available funds for each home care package client.
Commonwealth Home Support Program (CHSP) Grants	The organisation contracts with the Commonwealth for the provision of home support to clients over 65 years of age. The contract specifies the services and targets which the organisation measures against in terms of its performance obligations. Measurement is based on service and target outputs derived from the organisation's reporting software.
National Disability Insurance Scheme (NDIS)	The organisation receives funding from the Commonwealth NDIS to support costs associated with disability services provided to eligible clients. The NDIS has pricing arrangements in place that enables the organisation to claim funding based on services provided to its client base. Measurement is based on service outputs derived from the organisation's reporting software.

Patient and resident fees

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

Private practice fees

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

Commercial activities

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

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

Note 2.1(b) Other sources of income

	Note	2025 $'000	2024 $'000
Government grants (State) - Operating		6,675	9,570
Government grants (State) - Capital		246	452
Government grants (Commonwealth) - Capital		15	-
Other capital purpose income		89	100
Capital donations		37	269
Assets received free of charge or for nominal consideration	2.1(c)	54	54
Salary and other recoveries		832	793
Other income from operating activities		1,584	1,646
Interest Income		667	610
Total other sources of income		**10,199**	**13,494**
Non-operating activities			
Rental income		148	129
Capital interest		366	430
Total other sources of income		**514**	**559**
Total other sources of income		**10,713**	**14,053**

How we recognise other sources of income

Government grants

Gippsland Southern 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 Gippsland Southern Health Service has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, Gippsland Southern 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 Gippsland Southern 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 Gippsland Southern Health Service's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Rental income

Rental income is recognised on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the pattern of use of the underlying asset.

Interest Income

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

Note 2.1(c) Fair value of assets and services received free of charge or for nominal consideration

	2025 $'000	2024 $'000
Cash donations and gifts	7	-
Other Services	47	54
Total fair value of assets and services received free of charge or for nominal consideration	**54**	**54**

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

Donations and bequests

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

Personal protective equipment

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

Contributions of resources

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

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

Non-cash contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Gippsland Southern Health Service which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements with the DH.

Note 3 The cost of delivering our services

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

Structure

3.1 Expenses incurred in the delivery of services

Key judgements and estimates	Description
Classifying employee benefit liabilities	Gippsland Southern Health Service applies material judgment when classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Gippsland Southern Health Service does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Gippsland Southern Health Service has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	Gippsland Southern Health Service applies material judgment when measuring its employee benefit liabilities. The health service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate: • an inflation rate of 4.25%, reflecting the future wage and salary levels • durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 22% and 86%. • discounting at the rate of 4.203%, as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1 Expenses incurred in the delivery of services

	Note	2025 $'000	2024 $'000
Employee expenses	3.1(a)	48,597	44,890
Other operating expenses	3.1(c)	11,446	11,017
Total expenses incurred in the delivery of		**60,043**	**55,907**

Note 3.1(a) Employee expenses

	2025 $'000	2024 $'000
Salaries and wages	37,946	34,196
Oncosts	5,258	4,244
Agency expenses	2,068	3,432
Fee for service medical officer expenses	3,325	3,018
Total employee expenses	**48,597**	**44,890**

How we recognise employee expenses

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

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

Note 3.1(b) Employee related provisions

	2025 $'000	2024 $'000
Current employee benefits and related on-costs		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months[i]	86	72
	86	72
Annual leave		
Unconditional and expected to be settled wholly within 12 months[i]	3,525	3,315
Unconditional and expected to be settled wholly within 12 months[ii]	564	524
	4,089	3,839
Long service leave		
Unconditional and expected to be settled wholly within 12 months[i]	849	752
Unconditional and expected to be settled wholly within 12 months[ii]	4,033	3,555
	4,882	4,307
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled wholly within 12 months[i]	735	624
Unconditional and expected to be settled wholly within 12 months[ii]	758	645
	1,493	1,269
Total current employee benefits and related on-costs	**10,550**	**9,487**
Non-current employee benefits and related on-costs		
Conditional long service leave	743	467
Provisions related to employee benefit on-costs	122	74
Total non-current employee benefits and related on-costs	**865**	**541**
Total employee benefits and related on-costs	**11,415**	**10,028**

[i] The amounts disclosed are nominal amounts.

[ii] The amounts disclosed are discounted to present values.

Provision for related on-costs movement schedule

	2025 $'000	2024 $'000
Carrying amount at start of year	1,343	1,129
Additional provisions recognised	844	769
Amounts incurred during the year	(573)	(560)
Net gain/(loss) arising from revaluation of long service liability	1	5
Carrying amount at end of year	**1,615**	**1,343**

How we recognise employee benefits

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

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

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as current liabilities because Gippsland Southern Health Service does not have an unconditional right to defer 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 Gippsland Southern Health Service expects to wholly settle within 12 months or
- present value – if Gippsland Southern Health Service does not expect to wholly settle within 12 months.

Long service leave

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

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

The components of this current LSL liability are measured at:

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

Conditional LSL is measured at present value and is disclosed as a non-current liability. 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.

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

Note 3.1(c) Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Defined benefit plans:[i]				
First State Super	-	4	-	-
Defined contribution plans:				
First State Super	1,676	1,384	-	108
Hesta	1,296	961	-	90
Other	1,032	692	-	79
Total	**4,004**	**3,041**	**-**	**277**

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

How we recognise superannuation

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

Defined benefit superannuation plans

A defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Gippsland Southern Health Service to the superannuation plans in respect of the services of current Gippsland Southern Health Service's staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

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

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

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

Defined contribution superannuation plans

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

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

Note 3.1(d) Other operating expenses

	2025 $'000	2024 $'000
Other operating expenses		
Drug supplies	303	282
Medical and surgical supplies (including Prostheses)	1,542	1,496
Diagnostic and radiology supplies	643	368
Other supplies and consumables	1,673	1,825
Fuel, light, power and water	696	689
Repairs and maintenance	1,357	1,402
Maintenance contracts	368	371
Medical indemnity insurance	503	470
GHA member contribution	877	879
Share of GHA expenditure	1,476	1,507
Other administration expenses	2,008	1,728
Total other operating expenses	**11,446**	**11,017**

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.

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 Gippsland Southern Health Service. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue and recording a corresponding expense.

Note 4 Key assets to support service delivery

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

Structure

4.1 Property, plant & equipment
4.2 Depreciation and amortisation
4.3 Impairment of assets

Material judgements and estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	Gippsland Southern Health Service assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease, in which case the useful life reverts to the estimated useful life of the underlying asset. Gippsland Southern Health Service applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Identifying indicators of impairment	At the end of each year, Gippsland Southern Health Service assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: • If an asset's value has declined more than expected based on normal use • If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset • If an asset is obsolete or damaged • If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life • If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health services applies material judgement and estimate to determine the recoverable amount of the asset.

Note 4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Land at fair value - Crown	7,074	7,074	-	-	7,074	7,074
Buildings at fair value	109,975	109,743	(6,531)	-	103,444	109,743
Works in progress at cost	320	345	-		320	345
Plant, equipment and vehicles at fair value	15,090	14,213	(10,970)	(10,426)	4,120	3,787
Total property, plant and equipment	**132,459**	**131,375**	**(17,501)**	**(10,426)**	**114,958**	**120,949**

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.

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

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

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

	Land $'000	Buildings $'000	Works in progress $'000	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2023	**6,935**	**63,635**	**6**	**3,856**	**74,432**
Additions	-	1	339	672	1,012
Revaluation increments/(decrements)	139	49,975	-	-	50,114
Depreciation	-	(3,868)	-	(741)	(4,609)
Balance at 30 June 2024	**7,074**	**109,743**	**345**	**3,787**	**120,949**
Additions	-	208	108	1,021	1,337
Disposals	-	-	-	(23)	(23)
Net transfers between classes	-	24	(133)	109	-
Depreciation	-	(6,531)	-	(774)	(7,305)
Balance at 30 June 2025	**7,074**	**103,444**	**320**	**4,120**	**114,958**

Land and Buildings Carried at Valuation

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, Gippsland Southern 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 managerial revaluation or the next scheduled independent revaluation, which is planned to be undertaken in 2029, in accordance with Gippsland Southern Health Service's revaluation cycle.

Note 4.1(b) Right-of-use assets included in property, plant and equipment

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

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Plant, equipment and vehicles at fair value	219	118	(3)	(37)	216	81
Total right-of-use assets	**219**	**118**	**(3)**	**(37)**	**216**	**81**

	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2023	**107**	**107**
Disposals	(12)	(12)
Depreciation	(14)	(14)
Balance at 30 June 2024	**81**	**81**
Additions	208	208
Disposals	(58)	(58)
Depreciation	(15)	(15)
Balance at 30 June 2025	**216**	**216**

How we recognise right-of-use assets

Initial recognition

When Gippsland Southern Health Service enters a contract, which provides the health service 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 (refer to Note 6.1 for further information) the contract gives rise to a right-of-use asset and corresponding lease liability which is recognised at the lease commencement date.

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.

Gippsland Southern Health Service has applied the exemption permitted under FRD 104 Leases, consistent with the optional relief in AASB 16.Aus25.1. Under this exemption, Gippsland Southern 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 7.4.

Note 4.2 Depreciation and amortisation

	2025 $'000	2024 $'000
Depreciation		
Buildings at fair value	6,418	3,774
Leasehold improvements at fair value	113	94
Plant, equipment and vehicles at fair value	774	755
Total depreciation	**7,305**	**4,623**
Total depreciation and amortisation	**7,305**	**4,623**

How we recognise depreciation

All buildings, plant and equipment and other non-financial physical assets 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	15 to 50 years	15 to 50 years
-Site engineering services and central plant	15 to 21 years	15 to 21 years
Central Plant		
-Fit out	10 to 15 years	10 to 15 years
-Truck retuculated building system	11 to 30 years	11 to 30 years
Site Improvements	15 to 50 years	15 to 50 years
Plant and equipment	3 to 18 years	3 to 18 years
Medical Equipment	2 to 15 years	2 to 15 years
Computers and communication	2 to 10 years	2 to 10 years
Furniture and fitting	5 to 20 years	5 to 20 years
Motor vehicle	4 to 5 years	4 to 5 years

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

Notes to the Financial Statements
Gippsland Southern Health Service
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Note 4.3 Impairment of assets

How we recognise impairment

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

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

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

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

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

Gippsland Southern Health Service did not record any impairment losses for the year ended 30 June 2025 (30 June 2024: Nil).

Note 5 Other assets and liabilities

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

Structure

5.1 Receivables
5.2 Contract assets
5.3 Inventories
5.4 Payables
5.5 Contract liabilities
5.6 Other liabilities

Material judgements and estimates

This section contains the following material judgements and estimates:

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

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

Notes to the Financial Statements
Gippsland Southern Health Service
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Note 5.1 Receivables

	Note	2025 $'000	2024 $'000
Current receivables			
Contractual			
Inter hospital debtors		119	53
Trade receivables		390	322
Patient fees		515	562
Allowance for impairment losses		(38)	(38)
Accrued revenue		77	62
Amounts receivable from governments and agencies		2	175
Total contractual receivables		**1,065**	**1,136**
Statutory			
GST receivable		50	95
Total statutory receivables		**50**	**95**
Total current receivables		**1,115**	**1,231**
Non-current receivables			
Contractual			
Long service leave - Department of Health		2,856	2,361
Total contractual receivables		**2,856**	**2,361**
Total non-current receivables		**2,856**	**2,361**
Total receivables		**3,971**	**3,592**
(i) Financial assets classified as receivables			
Total receivables		3,971	3,592
GST receivable		(50)	(95)
Total financial assets classified as receivables	7.1	**3,921**	**3,497**

How we recognise receivables
Receivables consist of:

- **Contractual receivables**, include debtors that relate to the provision of 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**, include 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 5.1(a) Movement in the allowance for impairment losses of contractual receivables

	2025 $'000	2024 $'000
Balance at the beginning of the year	38	38
Increase/(Decrease) in allowance	-	16
Amounts written off during the year	-	(16)
Balance at the end of the year	**38**	**38**

Impairment losses of contractual receivables
Refer to Note 7.2(a) for Gippsland Southern Health Service's contractual impairment losses.

Note 5.2 Contract assets

	2025 $'000	2024 $'000
Current		
Contract assets	426	649
Total current contract assets	**426**	**649**
Total contract assets	**426**	**649**

Note 5.2(a) Movements in contract assets

	2025 $'000	2024 $'000
Balance at the beginning of the year	649	669
Add: Additional costs incurred that are recoverable from the customer	(649)	649
Less: Transfer to revenue recognition	426	(669)
Total contract assets	**426**	**649**

How we recognise contract assets

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

Note 5.3 Inventories

	2025 $'000	2024 $'000
Current inventories		
Pharmacy supplies at cost	57	73
General stores at cost	70	69
Total inventories	**127**	**142**

How we recognise inventories

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

Inventories are measured at the lower of cost and net realisable value.

Note 5.4 Payables

	Note	2025 $'000	2024 $'000
Current payables			
Contractual			
Payables		572	1,382
Accrued salaries and wages		794	652
Accrued expenses		1,220	1,113
Amounts payable to governments and agencies		620	699
Total contractual payables		**3,206**	**3,846**
Total current payables		**3,206**	**3,846**
Total payables		**3,206**	**3,846**
(i) Financial liabilities classified as payables			
Total payables		3,206	3,846
Total financial liabilties classified as payables	7.1	**3,206**	**3,846**

How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Gippsland Southern Health Service prior to the end of the financial year that are unpaid.

- **Statutory payables,** including Goods and Services Tax (GST) payable are recognised and measured similarly to contractual payables but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.5 Contract liabilities

	2025 $'000	2024 $'000
Current		
Contract liabilities	8	68
Total current contract liabilities	**8**	**68**
Total contract liabilities	**8**	**68**

Note 5.5(a) Movement in contract liabilities

	2025 $'000	2024 $'000
Opening balance of contract liabilities	68	282
Add: grant consideration for sufficiently specific performance obligations received during the year	8	68
Less: revenue recognised in the reporting period for the completion of a performance obligation	(68)	(282)
Total contract liabilities	**8**	**68**

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of activity based services. The balance of contract liabilities was lower than the previous reporting period due to higher levels of activity in specific programs.

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

Maturity analysis of payables

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

Note 5.6 Other liabilities

	Note	2025 $'000	2024 $'000
Current monies held in trust			
Refundable accommodation deposits		11,436	10,984
Total current monies held in trust		**11,436**	**10,984**
Total other liabilities		**11,436**	**10,984**
*** Represented by:**			
- Cash assets	6.2	11,436	10,984
		11,436	**10,984**

How we recognise other liabilities

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to Gippsland Southern Health Service upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home.

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

Note 6 How we finance our operations

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

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

Structure

6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure
6.4 Non-cash financing and investing activities

Material judgements and estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Gippsland Southern Health Service applies material judgement to determine if a contract is or contains a lease by considering if the health service: • has the right-to-use an identified asset • has the right to obtain substantially all economic benefits from the use of the leased asset and • can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Gippsland Southern Health Service applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Gippsland Southern Health Service discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Gippsland Southern Health Service uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 0.76% and 5.32%.

Key judgements and estimates	Description
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Gippsland Southern Health Service is reasonably certain to exercise such options. Gippsland Southern Health Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Note	2025 $'000	2024 $'000
Current borrowings			
Lease liability[i]	6.1(a)	56	26
Total current borrowings		**56**	**26**
Non-current borrowings			
Lease liability[i]	6.1(a)	190	55
Total non-current borrowings		**190**	**55**
Total borrowings	7.1	**246**	**81**

[i] Secured by the assets leased.

How we recognise borrowings

Borrowings refer to interesting bearing liabilities raised through lease liabilities.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost and recognised at the fair value of the consideration received directly attributable to transaction costs and subsequently measured at amortised cost using the effective interest method.

Maturity analysis

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

Interest expense

	2025 $'000	2024 $'000
Interest on lease liabilities	2	1
Total interest expense	**2**	**1**

Interest expense includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short term and long-term borrowings, interest component of lease repayments and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest expense is recognised in the period in which it is incurred.

Gippsland Southern Health Service recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

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

Note 6.1(a) Lease liabilities

	2025 $'000	2024 $'000
Current lease liabilities		
Lease liability	56	26
Total current lease liabilities	**56**	**26**
Non-current lease liabilities		
Lease liability	190	55
Total non-current lease liabilities	**190**	**55**
Total lease liabilities	**246**	**81**

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

	2025 $'000	2024 $'000
Not longer than one year	67	27
Longer than one year but not longer than five years	206	58
Minimum future lease liability	**273**	**85**
Less unexpired finance expenses	(27)	(4)
Present value of lease liability	**246**	**81**

How we recognise lease liabilities

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

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

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

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

Leased plant, equipment, furniture, fittings and vehicles	1 to 3 years

Initial measurement
The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Gippsland Southern Health Services incremental borrowing rate. Our lease liability has been discounted by rates of between 0.7% to 5.32%.

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

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

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

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

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of $Nil.

Subsequent measurement

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

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

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

Note 6.2 Cash and Cash Equivalents

	Note	2025 $'000	2024 $'000
Cash on hand (excluding monies held in trust)		1	1
Cash at bank (excluding monies held in trust)		3,467	3,001
Cash at bank - CBS (excluding monies held in trust)		5,119	8,336
Total cash held for operations		**8,587**	**11,338**
Cash at bank (monies held in trust)		11,436	10,984
Total cash held as monies in trust		**11,436**	**10,984**
Total cash and cash equivalents	7.1	**20,023**	**22,322**

Note 6.3 Commitments for expenditure

30 June 2025	Less than 1 year $'000	1-5 Years $'000	Over 5 years $'000	Total $'000
Operating expenditure commitments	649	558	52	1,259
Total commitments (inclusive of GST)	**649**	**558**	**52**	**1,259**
Less GST recoverable				(114)
Total commitments (exclusive of GST)				**1,145**

30 June 2024	Less than 1 year $'000	1-5 Years $'000	Over 5 years $'000	Total $'000
Capital expenditure commitments	583	-	-	583
Operating expenditure commitments	569	513	141	1,223
Total commitments (inclusive of GST)	**1,152**	**513**	**141**	**1,806**
Less GST recoverable				(164)
Total commitments (exclusive of GST)				**1,642**

How we disclose our commitments

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

Expenditure commitments

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

Note 6.4 Non-cash financing and investing activities

	2025 $'000	2024 $'000
Acquisition of plant and equipment by means of leases	208	-
Total non-cash financing and investing activities	**208**	**-**

Note 7 Risks, contingencies and valuation judgements

Gippsland Southern Health Service is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the health service is related mainly to fair value determination.

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use. In determining the highest and best use, Gippsland Southern Health Service has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets. Gippsland Southern Health Service uses a range of valuation techniques to estimate fair value, which include the following: • Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Gippsland Southern Health Service's [specialised land, non-specialised land, non-specialised buildings and investment properties] are measured using this approach. Where assets are held to meet Community Service Obligations (CSOs), such as the delivery of public health services, adjustments may be made to reflect the reduced marketability or alternative use of these assets, in recognition of the operational restrictions and obligations attached to them. • Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Gippsland Southern Health Service's [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach.

Key judgements and estimates	Description
Measuring fair value of non-financial assets	• Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Gippsland Southern Health Service does not this use approach to measure fair value. The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, the health service applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes: • Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Gippsland Southern Health Service does not categorise any fair values within this level. • Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Gippsland Southern Health Service categorises non-specialised land and right-of-use concessionary land in this level. • Level 3, where inputs are unobservable. Gippsland Southern Health Service categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

Note 7.1 Financial instruments

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

Financial instruments: Categorisation

30 June 2025	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual financial assets				
Cash and cash equivalents	6.2	20,023	-	20,023
Receivables and contract assets	5.1	3,921	-	3,921
Total financial assets [i]		**23,944**	**-**	**23,944**
Financial liabilities at amortised cost				
Payables	5.4	-	3,206	3,206
Borrowings	6.1	-	246	246
Other financial liabilities - Refundable Accommodation Deposits	5.6	-	11,436	11,436
Total financial liabilities [i]		**-**	**14,888**	**14,888**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. GST payable).

Financial instruments: Categorisation

30 June 2024	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Financial assets at amortised cost				
Cash and cash equivalents	6.2	22,322	-	22,322
Receivables and contract assets	5.1	3,497	-	3,497
Total financial assets [i]		**25,819**	**-**	**25,819**
Financial liabilities at amortised cost				
Payables	5.4	-	3,846	3,846
Borrowings	6.1	-	81	81
Other financial liabilities - Refundable Accommodation Deposits	5.6	-	10,984	10,984
Total financial liabilities [i]		**-**	**14,911**	**14,911**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. GST payable).

How we categorise financial instruments

Categories of financial assets

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

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

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

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

Financial assets at amortised cost

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

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

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

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

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

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

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

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

Offsetting financial instruments

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

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

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

- the rights to receive cash flows from the asset have expired, or
- Gippsland Southern Health Service retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement or
- Gippsland Southern Health Service has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

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

The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2 Financial risk management objectives and policies

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

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

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

Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2(a) Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Gippsland Southern Health Service's exposure to credit risk arises from the potential default of a counterparty on their contractual obligations resulting in financial loss to Gippsland Southern Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

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

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

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

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

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

There has been no material change to Gippsland Southern Health Service's credit risk profile in 2024-25.

Impairment of financial assets under AASB 9

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

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

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

Contractual receivables at amortised cost

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

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

Note 7.2(a) Expected credit losses

30 June 2025	Note	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate		0.0%	0.0%	6.0%	19.0%	0.8%	
Gross carrying amount of contractual receivables	5.1	851	120	16	78	2,894	**3,959**
Loss allowance		**-**	**-**	**(1)**	**(15)**	**(22)**	**(38)**

30 June 2024	Note	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate		0.0%	0.0%	4.0%	9.0%	0.9%	
Gross carrying amount of contractual receivables	5.1	832	117	24	164	2,399	**3,536**
Loss allowance		**-**	**-**	**(1)**	**(15)**	**(22)**	**(38)**

Statutory receivables and debt investments at amortised cost

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

Gippsland Southern Health Service also has investments in five-year government bonds and debentures.

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

Note 7.2(b) Liquidity risk

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

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

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

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

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

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

				Maturity Dates				
30 June 2025	**Note**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1-3 Months $'000**	**3 Months - 1 Year $'000**	**1 - 5 Years $'000**	**Over 5 Years $'000**
Financial liabilities at amortised cost								
Payables	5.4	3,206	3,206	3,206	-	-	-	-
Borrowings	6.1	246	273	6	12	49	206	-
Other financial liabilities - Refundable Accommodation Deposits	5.6	11,436	11,436	457	972	4,289	5,146	572
Total financial assets [i]		**14,888**	**14,915**	**3,669**	**984**	**4,338**	**5,352**	**572**
30 June 2024								
Financial liabilities at amortised cost								
Payables	5.4	3,846	3,846	3,846	-	-	-	-
Borrowings	6.1	81	81	3	9	24	45	-
Other financial liabilities - Refundable Accommodation Deposits	5.6	10,984	10,984	439	934	4,119	4,943	549
Total financial liabilities [i]		**14,911**	**14,911**	**4,288**	**943**	**4,143**	**4,988**	**549**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. GST payable).

Note 7.2(c) Market risk

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

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 1% up or down and

Interest rate risk

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

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

Note 7.3 Contingent assets and contingent liabilities

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

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 7.4 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Property, plant and equipment
- Right-of-use assets and

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

Valuation hierarchy

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

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

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

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

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

	Note	Total carrying amount 30 June 2025 $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'000
Non-specialised land at fair value		2,831	-	2,831	-
Specialised land at fair value		4,243	-	-	4,243
Total land at fair value	4.1	**7,074**	**-**	**2,831**	**4,243**
Non-specialised buildings at fair value		1,994	-	1,994	-
Specialised buildings at fair value		101,450	-	-	101,450
Total buildings at fair value	4.1	**103,444**	**-**	**1,994**	**101,450**
Plant, equipment and vehicles at fair value	4.1	4,120	-	-	4,120
Total plant, equipment and vehicles at fair		**4,120**	**-**	**-**	**4,120**
Total non-financial physical assets at fair value		**114,638**	**-**	**4,825**	**109,813**

	Note	Total carrying amount 30 June 2024 $'000	Fair value measurement at end of reporting period using: Level 1 $'000	Level 2 $'000	Level 3 $'000
Non-specialised land		2,831	-	2,831	-
Specialised land		4,243	-	-	4,243
Total land at fair value	4.1	**7,074**	**-**	**2,831**	**4,243**
Non-specialised buildings		1,994	-	1,994	-
Specialised buildings		104,969	-	-	104,969
Total buildings at fair value	4.1	**106,963**	**-**	**1,994**	**104,969**
Plant, equipment and vehicles at fair value	4.1	6,567	-	-	6,567
Total plant, equipment and vehicles at fair		**6,567**	**-**	**-**	**6,567**
Total non-financial physical assets at fair value		**120,604**	**-**	**4,825**	**115,779**

[i] Classified in accordance with the fair value hierarchy.

How we measure fair value of non-financial physical assets

The fair value of non-financial physical assets reflects their highest and best use, considering whether market participants would use the asset similarly or sell it for that purpose. This assessment takes into account the asset's characteristics and any physical, legal, or contractual restrictions.

Gippsland Southern Health Service assumes the current use reflects highest and best use unless market or other factors indicate otherwise. Potential alternative uses are only considered when it is virtually certain that restrictions will no longer apply.

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

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

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

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 by adding Appendix F *Australian implementation guidance for not-for-profit public sector entities.* Appendix F explains and illustrates the application of the principles 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 (whichever is earlier).

An independent valuation of Gippsland Southern Health Service's non-financial physical assets was performed by the VGV on 30 June 2024. Fair value assessments have therefore been performed for all classes of assets in this purpose group at 30 June 2025 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 Gippsland Southern Health Service will apply Appendix F of AASB 13 prospectively in its next scheduled formal revaluation in 2029 or interim revaluation process (whichever is earlier). Gippsland Southern Health Service does not expect the impact to be material to the financial statements.

There were no changes in valuation techniques throughout the period to 30 June 2025.

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

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

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

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

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

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

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

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

Vehicles
The Gippsland Southern Health Service acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the health service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

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

Reconciliation of level 3 fair value measurement

	Note	Land $'000	Buildings $'000	Plant, equipment and vehicles $'000
Balance at 1 July 2023		**5,411**	**61,083**	**5,139**
Additions/(Disposals)		-	1	660
Net Transfers between classes		-	816	(816)
Gains/(Losses) recognised in net result				
- Depreciation and amortisation		-	(3,774)	(849)
Items recognised in other comprehensive income				
- Revaluation		(1,168)	46,843	2,433
Balance at 30 June 2024	7.4(b)	**4,243**	**104,969**	**6,567**
Additions/(Disposals)		-	208	998
Net Transfers between classes		-	2,805	(2,672)
Gains/(Losses) recognised in net result				
- Depreciation and Amortisation		-	(6,531)	(774)
Balance at 30 June 2025	7.4(b)	**4,243**	**101,451**	**4,119**

Fair value determination of level 3 fair value measurement

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised land	Market approach	Community Service Obligations Adjustments [(i)]
Specialised buildings	Current replacement cost approach	- Cost per square metre - Useful life
Non-specialised buildings	Current replacement cost approach	- Cost per square metre - Useful life
Plant, equipment, furniture, fittings and vehicles	Current replacement cost approach	- Cost per unit - Useful life

[(i)] A community service obligation (CSO) of 20% was applied to the Gippsland Southern Health Service's specialised land.

Note 8 Other disclosures

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

Structure

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

	Note	2025 $'000	2024 $'000
Net result		(9,471)	(5,358)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets		(14)	-
Depreciation of non-current assets	4.2	7,305	4,623
(Gain)/Loss on revaluation of long service leave liability		(5)	(49)
Capital donations and other capital receipts		(126)	(369)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		(156)	(518)
(Increase)/Decrease in inventories		15	4
(Increase)/Decrease in prepaid expenses		18	(65)
Increase/(Decrease) in payables and contract liabilities		(700)	237
Increase/(Decrease) in monies in trust		-	232
Increase/(Decrease) in employee benefits		1,392	1,240
Net cash inflow from operating activities		**(1,742)**	**(23)**

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

Note 8.2 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 - 30 June 2025
Minister for Ambulance Services	1 July 2024 - 30 June 2025
Minister for Health Infrastructure	1 July 2024 - 19 December 2024
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	1 July 2024 - 30 June 2025
Minister for Ageing	1 July 2024 - 30 June 2025
The Honourable Lizzy Blandthorn MP:	
Minister for Children	1 July 2024 - 30 June 2025
Minister for Disability	1 July 2024 - 30 June 2025
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	19 December 2024 - 30 June 2025
Governing Boards	
Ms A. Georgiou	1 Jul 2024 - 30 Jun 2025
Ms G .Scheffer	1 Jul 2024 - 30 Jun 2025
Ms C. McLoughlin	1 Jul 2024 - 30 Jun 2025
Ms J. Walsh	1 Jul 2024 - 30 Jun 2025
Ms L. McCrorey	1 Jul 2024 - 30 Jun 2025
Mr R. Sawant	1 Jul 2024 - 30 Jun 2025
Mr T. Peterson	1 Jul 2024 - 30 Jun 2025
Ms J. Linklater	1 Jul 2024 - 30 Jun 2025
Accountable Officers	
Ms L. Sparkes (Chief Executive Officer)	1 Jul 2024 - 30 Jun 2025

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

Remuneration of Responsible Persons

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

Income Band	2025 No	2024 No
$0 - $9,999	8	9
$270,000 - $279,999	-	1
$330,000 - $339,999	1	-
Total Numbers	**9**	**10**

	2025 $'000	2024 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**372**	**323**

Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

Note 8.3 Remuneration of executives

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

Remuneration of executives officers
(including Key Management Personnel disclosed in Note 8.4)

	Total Remuneration	
	2025 $'000	2024 $'000
Short-term benefits	861	664
Post-employment benefits	113	60
Other long-term benefits	42	122
Total remuneration [i]	1,016	846
Total number of executives	5	5
Total annualised employee equivalent [ii]	4.12	3.5

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

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

Total remuneration payable to executives during the year included a number of executives who received bonus payments. These bonus payments depend on the terms of individual employment contracts.

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

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

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

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

Termination benefits
Termination of employment payments, such as severance packages.

Other factors

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

Notes to the Financial Statements
Gippsland Southern Health Service
For the Financial Year Ended 30 June 2025

Note 8.4 Related parties

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

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

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

Key management personnel

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

KMPs	Position Title
Ms A. Georgiou	Chair of the Board
Ms G .Scheffer	Board Member
Ms C. McLoughlin	Board Member
Ms J. Walsh	Board Member
Ms L. McCrorey	Board Member
Mr R. Sawant	Board Member
Mr T. Peterson	Board Member
Ms J. Linklater	Board Member
Ms L Sparkes	Chief Executive Officer
Ms A. Williams	Executive Director Medical Services
Ms J. Dempster	Executive Director Clinical Services
Mr N. Williams	Executive Director People, Culture & Experience
Ms K. Roberts	Executive Director People, Culture & Experience (Maternity Leave)
Mr J. O'Reilly	Executive Director Finance & Corporate Services

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 $'000	2024 $'000
Short-term benefits	1,166	947
Post-employment benefits	141	86
Other long-term benefits	81	136
Total[i]	1,388	1,169

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

Significant transactions with government related entities

The Gippsland Southern Health Service received funding from the DH of $32.29 m (2024: $30.06 m) and indirect contributions of $0.64 m (2024: $0.50 m). Balances outstanding as at 30 June 2025 are $0.18 m (2024: ($0.05 m)).

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

Transactions with KMPs and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector 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 Gippsland Southern Health Service, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2025 (2024: none).

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

Except for the transaction listed below, there were no other related party transactions required to be disclosed for the Gippsland Southern Health Service Foundation Board of Directors in 2025 (2024: none).

Note 8.5 Remuneration of Auditors

	2025 $'000	2024 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	41	40
Total remuneration of auditors	**41**	**40**

Note 8.6 Events occurring after the balance sheet date

The Boards of Alfred Health, Peninsula Health, Bass Coast Health, Gippsland Southern Health Service and Kooweerup Regional Health Service have agreed to a voluntary merger to form a new health service, Bayside Health. The public services currently being delivered by each of the merging health services will continue to be delivered in the new merged entity of Bayside Health. Consequently the financial statements of each health service have been prepared on a going concern basis at 30 June 2025.

The Secretary of the Victorian Department of Health provided in principal support for the merger on 14 February 2025. On 28 June 2025, as required by the Health Services Act 1988, The Victorian Minister for Health sent her draft Ministerial Report, outlining a proposal for the voluntary merger, to the Boards for consideration. The Boards jointly responded on 22 July 2025, supporting the Ministerial Report.

The effective date for the merger is 1 January 2026.

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest 2025 %	Ownership Interest 2024 %
Gippsland Health Alliance	Provision of Information Technology Services	6.16	6.42

Gippsland Southern Health Services interest in assets and liabilities of the above joint arrangements are detailed below. The amounts are included in the financial statements under their respective categories:

	2025 $'000	2024 $'000
Current assets		
Cash and cash equivalents	932	878
Receivables	59	75
Prepaid expenses	265	288
Total current assets	**1,256**	**1,241**
Non-current assets		
Property, plant and equipment	81	32
Total non-current assets	**81**	**32**
Total assets	**1,337**	**1,273**
Current liabilities		
Payables	210	98
Other current liabilities	591	603
Lease liabilities	8	-
Total current liabilities	**809**	**701**
Non-current liabilities		
Lease liabilities	4	12
Total non-current liabilities	**4**	**12**
Total liabilities	**813**	**713**
Net assets	**524**	**560**
Equity		
Accumulated surplus	524	560
Total equity	**524**	**560**

Gippsland Southern Health Services interest in revenues and expenses resulting from joint arrangements are detailed below. The amounts are included in the financial statements under their respective categories:

	2025 $'000	2024 $'000
Revenue and income from transactions		
Operating activities	1,371	1,527
Non-operating activities	86	34
Total revenue and income from transactions	**1,457**	**1,561**
Expenses from transactions		
Operating expenses	1,476	1,506
Depreciation	17	24
Total expenses from transactions	**1,493**	**1,530**
Net result from transactions	**(36)**	**31**
Comprehensive result for the year	**(36)**	**31**

Figures obtained from the unaudited Gippsland Health Alliance Joint Venture annual report

Contingent liabilities and capital commitments

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

Note 8.8 Equity

Contributed capital

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

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

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

Property, plant and equipment revaluation surplus

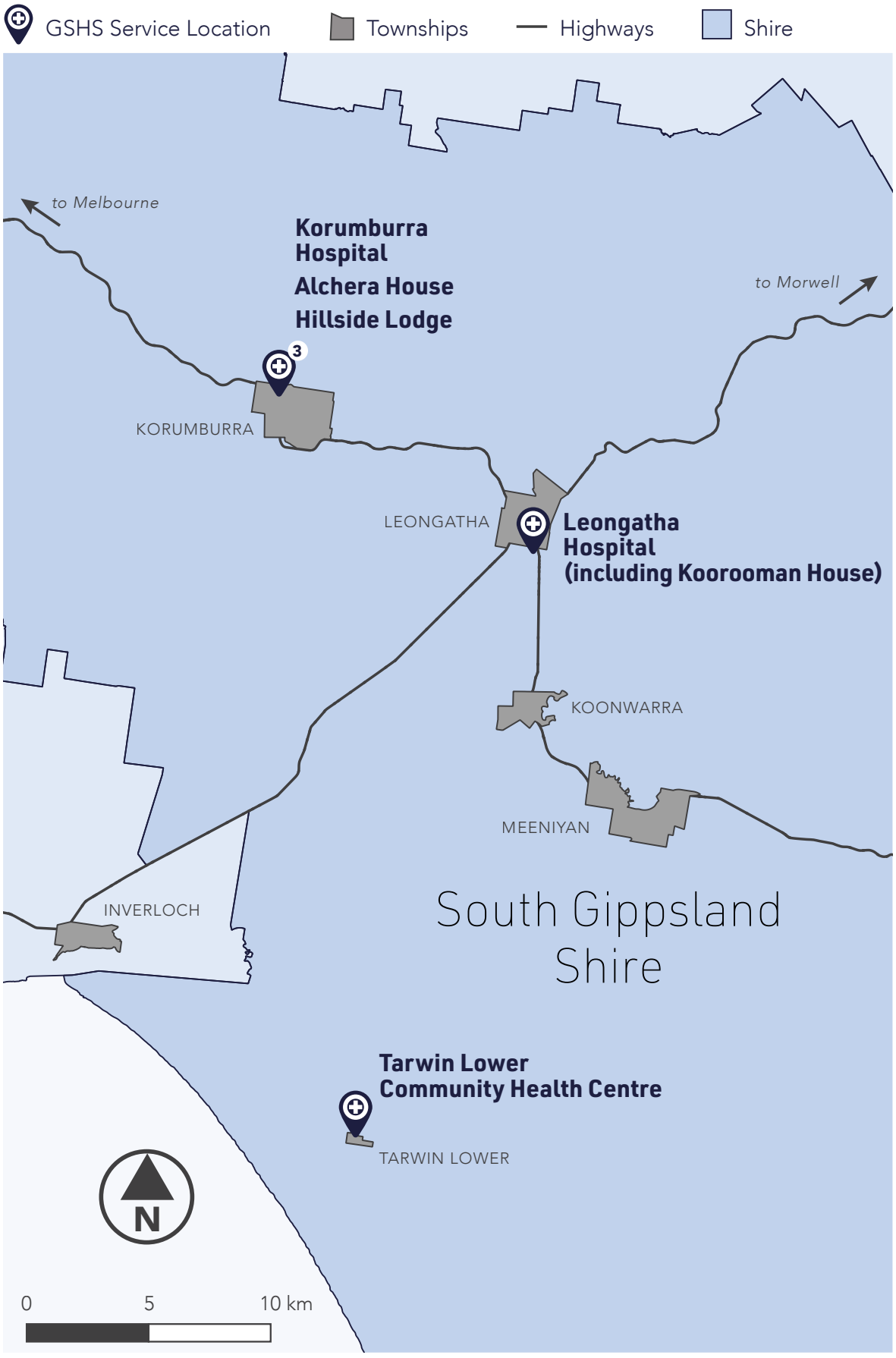
The property, plant and equipment revaluation surplus arises on the revaluation of infrastructure, land and buildings. The revaluation surplus is not normally transferred to the accumulated surpluses/(deficits) on derecognise of the relevant asset.

Restricted specific purpose reserve

Restricted specific purpose reserves are funds where Gippsland Southern Health Service have possession or title to the funds but have no discretion to amend or vary the restriction and/or condition underlying the funds.

MAP OF SERVICE LOCATIONS

KEY



WE ARE BUILDING A HEALTHIER COMMUNITY IN SOUTH GIPPSLAND, TOGETHER