

Annual Report

2025 - 2026

Delivering the best health outcomes
for the West Gippsland community

WEST GIPPSLAND HEALTHCARE GROUP

Welcome

This Annual Report presents the activities, achievements and performance of West Gippsland Healthcare Group Annual Report 2025–26 for the period 1 July 2025 to 30 June 2026, together with the organisation's audited financial statements.

We provide a broad range of emergency, acute, subacute, maternity, paediatric, community health, allied health, residential aged care and support services across West Gippsland. Our services are delivered from our main hospital campus in Warragul, community health locations in Warragul, Rawson and Trafalgar, residential aged care facilities in Warragul and Trafalgar and the Warragul Linen Service.

During 2025–26, we continued to respond to the needs of a rapidly growing community while strengthening access to care, workforce capability, quality and safety, organisational sustainability and regional partnerships. The launch of our Strategic Plan 2025–2028 established a renewed purpose, Connecting to care at every stage of life and our promise of Connected quality care.

This Annual Report reflects the commitment of our staff, volunteers, medical workforce, Board, consumers, partners and supporters, whose contributions enable us to deliver safe, high-quality and person-centred care to the communities we serve.

This report is available online at www.wghg.com.au/publications.

Printed copies are available by contacting our Public Relations Coordinator on 03 5623 0600.

Cover details: Emma, Acting Nurse Unit Manager

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Graphic Design and Print: Dragons Ink

Acknowledgements: West Gippsland Healthcare Group acknowledges the funding support provided by the Victorian Government.

We acknowledge the traditional owners of the land on which our services are located, and we pay our respects to Elders past, present and emerging.

Thank you to the staff, volunteers, patients and supporters of the West Gippsland Healthcare Group.

ABN: 39 261 883 406



***Photo:** Josh, Hospital attendant with Pauline, porter*



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REPORT OF OPERATIONS 2025-26

Declaration in report of operations – Responsible Bodies Declaration

Declaration in the Report of Operations
In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for West Gippsland Healthcare Group for the year ending 30 June 2026.



Jo-Anne Moorfoot
Board Chair
West Gippsland Healthcare Group
9 October 2026



Shannon Wight
Chief Executive Officer
9 October 2026

Manner of establishment

West Gippsland Healthcare Group (WGHG) is a public hospital established under the Health Services Act 1988 (Victoria). Governed by a Board of Directors appointed by the Governor in Council, WGHG is responsible for providing high quality, safe and accessible healthcare services to the communities of West Gippsland and surrounding regions. WGHG delivers a broad range of acute, subacute, residential aged care, community health, allied health and support services across its catchment.

Relevant Minister(s)

The responsible Ministers for the reporting period were:

Minister for Health **Minister for Ambulance Services**	The Hon Mary-Anne Thomas MP (1 July 2025 to 15 April 2026)
Minister for Health **Minister for Ambulance Services** **Minister for Water**	Hon Harriet Shing MP (15 April 2026 to 30 June 2026)
Minister for Health Infrastructure	The Hon Melissa Horne MP (1 July 2025 to 30 June 2026)
Minister for Mental Health **Minister for Ageing**	The Hon Ingrid Stitt MP (1 July 2025 to 30 June 2026)
Minister for Disability **Minister for Children**	The Hon Lizzie Blandthorn MP (1 July 2025 to 30 June 2026)



***Photo:** Abby, Registered Midwife with Liz, Maternity Nurse Unit Manager*

Message

from the Board Chair and Chief Executive Officer

On behalf of the Board of Directors, Executive and staff of West Gippsland Healthcare Group (WGHG), we are pleased to present the Report of Operations for the year ending 30 June 2026.

As we reflect on the year, we are incredibly proud of what our organisation has achieved. Against a backdrop of increasing demand for healthcare services, our people have continued to demonstrate exceptional commitment, compassion and professionalism in providing high-quality care to our community.

This year marked an important milestone for WGHG with the launch of our Strategic Plan 2025–2028. Developed in partnership with our community, consumers, staff, volunteers and partners, the plan provides a clear direction for the future and reflects our renewed purpose of Connecting to care at every stage of life. Through our promise of Connected quality care, we are strengthening the relationships, partnerships and systems that will enable us to meet the changing health needs of our growing region.

Demand for our services continues to increase as our community grows. Throughout 2025–26, our teams worked tirelessly to improve access to care, enhance patient flow and strengthen the quality and safety of services. We exceeded planned surgery activity targets, achieved significant improvements in areas such as stroke care, expanded workforce capability across several clinical specialties and successfully maintained accreditation against the National Safety and Quality Health Service Standards. These achievements reflect the dedication of our people and their commitment to delivering safe, person-centred care every day.

A key focus this year has been investing in our workforce. We know that a skilled, engaged and supported workforce is fundamental to achieving the best outcomes for our patients and community. Through leadership development programs, implementation of SuccessFactors, expansion of specialty practice pathways and the development of a new Culture Roadmap, we have continued to strengthen capability, leadership and organisational culture across WGHG.

We also continued to deepen our commitment to Aboriginal health, cultural safety and community partnership. The launch of our Aboriginal Employment Plan, strong participation in Health Yarns and community events, and continued investment in cultural safety education are helping create a more inclusive, culturally safe and responsive health service.

The year also saw significant progress in strengthening the foundations of our organisation. Investment in digital technology, cyber security, facilities, environmental sustainability initiatives and workforce accommodation projects has enhanced organisational capability and helped position WGHG for future growth.

As part of the Victorian health system reforms, WGHG continues to play an active role within the Gippsland Local Health Service Network (GLHSN). We are committed to working collaboratively with our regional partners to improve access, strengthen workforce sustainability and ensure people can receive safe, high-quality care as close to home as possible.

During 2025–26, the Gippsland Local Health Service Network made substantial progress in delivering its four priority areas, with most key milestones achieved and remaining initiatives progressing as planned. Performance against the Network's Outcomes Framework indicates that all Year 1 measures have been achieved or remain on track within agreed timeframes. Significant achievements included the successful establishment of the Network and the development of the Gippsland Local Health Service Network Strategic Plan and Workforce Plan 2026–2028. These important regional plans provide a coordinated roadmap for service planning, workforce development and collaborative action, strengthening the ability of Gippsland health services to respond collectively to current and future healthcare needs and improving access to care for communities across the region.

While we celebrate the achievements of the past year, we recognise that the challenges facing regional healthcare continue. Population growth, increasing service demand, workforce pressures and ageing infrastructure require ongoing focus and innovation. We will continue to advocate strongly for the infrastructure, services and investment required to support the future healthcare needs of the West Gippsland community.

Most importantly, we thank our staff, volunteers, medical workforce, consumers, partners, auxiliaries, donors and supporters. Your dedication, generosity and commitment enable us to deliver connected quality care to the communities we serve.

Together, we remain focused on our purpose and excited about the opportunities ahead as we continue to shape a strong, sustainable and connected future for healthcare in West Gippsland.



Jo-Anne Moorfoot
Board Chair
September 2026



Shannon Wight
Chief Executive Officer
September 2026



Photo: *Brooke, Clinical Support Midwife*

Our story

West Gippsland Healthcare Group provides emergency, acute medical and surgical, obstetric, paediatric, community and aged care services to the community in Baw Baw Shire and from across Gippsland and outer Melbourne.

Baw Baw Shire is a rapidly growing community with the population estimated to be 62,784 in 2025 (ABS ERP 2025), with West Gippsland Healthcare Group employing more than 1726 people to provide services to meet our community's expanding healthcare needs.

Our main hospital campus is in Warragul with Allied and Community Health hubs in Warragul, Rawson and Trafalgar, and residential aged care facilities in Warragul and Trafalgar. The organisation also operates the Warragul Linen Service.

Our service delivery responsibilities cross rural, urban residential and agricultural areas. Through our partnerships, we build our knowledge and capability so our community can receive care close to home.

Our Purpose: Connecting, to care at every stage of life

Our purpose is the reason we exist and is the foundation for every decision we make.

Our Promise: Connected quality care

Our promise is our mission. It is our commitment to each other, our patients, our residents, our community, and our partners. It is something they can count on every day as we grow, improve, and shape our future together.

Our Values

Our values in action help us connect and define our standard, guiding our work, decision-making and culture.



We are leaders for today and tomorrow

- We embrace positive change to shape our future
- We grow future leaders through learning and education
- We learn from today for a better tomorrow
- We are responsible for social, financial and environmental sustainability

We put people first

- We care for everyone's wellbeing and focus on keeping each other safe
- We embrace differences and create an equitable and welcoming environment
- We provide care with integrity, compassion and respect
- We are accountable for our actions

We are better when we connect

- We work together to provide better care
- We build connection through listening and responding with kindness
- We partner with people in their care
- We strengthen care and our community by partnering beyond our walls

We improve every day

- We pursue excellence through continuous improvement
- We use the best evidence to provide quality care and services
- We continuously improve our standard of care by translating research into innovative practice
- We minimise waste.



Photo: West Gippsland Hospital is located on Landsborough Street, Warragul.

Our Services

Aged Care Services
- Andrews House Aged Care
- Cooinda Lodge Aged Care
- Community Aged Care and Respite Services

Allied and Community Health
- Aboriginal Community Development
- Aboriginal Health Liaison
- Counselling Services (Children and Family services Counselling and Case Management, Generalist and Family Violence Counselling)
- Child Safe and Family Violence Program
- Cognitive Dementia and Memory Service (CDAMS)
- Community Allied Health Team (CAHT)
- Continence Assessment and Treatment Service
- Diabetes Nurse Education
- First Call – Central Intake Service
- Health Promotion
- National Disability Insurance Scheme (NDIS) Program
- Rawson Community Health Service
- Wellness and Re-ablement
- Home and Community Care Program for Young People
- Allied Health and Community Rehabilitation Service
- Cardiac Rehabilitation Service
- Dietetics
- Occupational Therapy
- Physiotherapy
- Social Work
- Speech Pathology

Business Units
- Cafeteria
- Warragul Linen Service

Consulting Suites
- General Surgery
- General Surgery – Breast
- General Surgery – Thyroid
- Gynaecology
- Gynae Oncology
- Obstetrics
- Orthopaedics
- Paediatrics
- Paediatrics - Behavioural
- Thoracics
- Urology
- Vascular

Continuing and Complex Care
- Geriatric Evaluation and Management (GEM) – Subacute Care
- Transitional Care Program – Subacute Care
- Hospital Admission Risk Program
- Post-Acute Care
- Residential In Reach

Contract Services
- Endoscopy
- Pathology
- Pharmacy
- Radiology

Home Nursing Service
- District Nursing Service
- Hospital in the Home (HITH)
- Palliative Care Nursing
- McGarth Breast Care Nurse
- Infusion Clinic

Hospital (Acute)
- Anaesthesia
- Breastfeeding Support
- Cardiology
- Day Surgery
- Diabetes Education
- Ear and Nose Throat Surgery
- Emergency Medicine
- Gastroenterology
- General Medicine
- Haemodialysis
- High Dependency Care
- Midwifery
- Neonatology
- Oncology
- Ophthalmology
- Orthopaedic Surgery
- Paediatric Medicine
- Paediatric Surgery
- Pain Management
- Palliative Care (inpatients)
- Pre-Admission
- Renal Medicine

Support Services
- Administration
- Activity Based Funding (Casemix)
- Central Sterile Supply Department
- Consumer Engagement and Volunteering
- Contract Management
- Environment Services
- Facilities Maintenance
- Finance and Salary Packaging
- Food Services
- Health Information Services
- Human Resources
- Infection Control
- Information, Communications and Technology
- Learning and Development
- Library
- Occupational Health and Safety
- Quality and Safety Unit
- Public Relations, Fundraising and Donations
- Reception (Hospital)
- Security and Car Parking
- Supply and Purchasing
- Health Safety and Wellbeing

Our Governance and Structure

Organisational Structure and Chart

WGHG's Board of Directors is appointed by the Governor-in-Council on the recommendation of the Minister for Health in accordance with the Health Services Act 1988.

Board Functions:

The Board's functions are to:

- Set directions and oversee the CEO's management of WGHG
- Ensure services provided by WGHG comply with the Act requirements and WGHG's aim, vision, mission and values.
- Board governance is achieved through:
  - strategic planning
  - effective Chief Executive Officer management
  - service agreements funding
  - local policy setting
  - regular reviews of WGHG by-laws and strategic plans

Board Committees:

- The Board of Directors meets 11 times a year. Board Directors are active members of committees that help monitor WGHG operations. The committees and members are:
- Finance, Audit and Risk Committee: Justin Brook, Robert Barr, Joshua Chikuse and Felix Pintado
- Quality and Safety Committee: Sara Brentnall, Sue Blake, Roderick McRae and Jo-Anne Moorfoot
- Governance and Remuneration Committee: Jo-Anne Moorfoot, Joshua Chikuse, Sarah Lukies and Felix Pintado
- The Board establishes working groups as needed.



***Photo:** April, Acting Nurse Unit Manager*

Our Governance and Structure

Board of Directors 2025-26:



Jo-Anne Moorfoot

BAppSc, GradDipBA, GAICD, CertProjMan

Position: Board Chair

Member of: Quality and Safety Committee, and Governance and Remuneration Committee



Felix Pintado

Adjunct Associate Professor

MHA, GDHSM, DipEd, BTheol, FACHSM, MAICD

Position: Deputy Board Chair

Member of: Quality & Safety Committee, Finance, Audit & Risk Committee, Governance & Remuneration Committee



Joshua Chikuse

AGIA, ACIS, BEnv, MAppSc. Environmental Management Sector

Position: Board Director

Member of: Finance, Audit and Risk Committee, and Governance and Remuneration Committee



Justin Brook

BCom, CAANZ, Registered Company Auditor, GAICD Virtual CFO, Advisory and External Audit Director

Position: Board Director

Member of: Finance, Audit and Risk Committee (Chair)



Robert Barr
BBus(Acc) Dip AICD, FCPA, GAICD

Position: Board Director
Member of: Finance, Audit and Risk Committee



Sara Brentnall
BAppSc(Physio) PGDip (Musc) PGDip (Manip) MScMed (Pain Managt) GAICD

Position: Board Director
Member of: Quality and Safety Committee (Chair)



Sarah Lukies
MBA LLB BBUS Senior Legal & Governance Counsel

Position: Board Director
Member of: Governance and Remuneration Committee



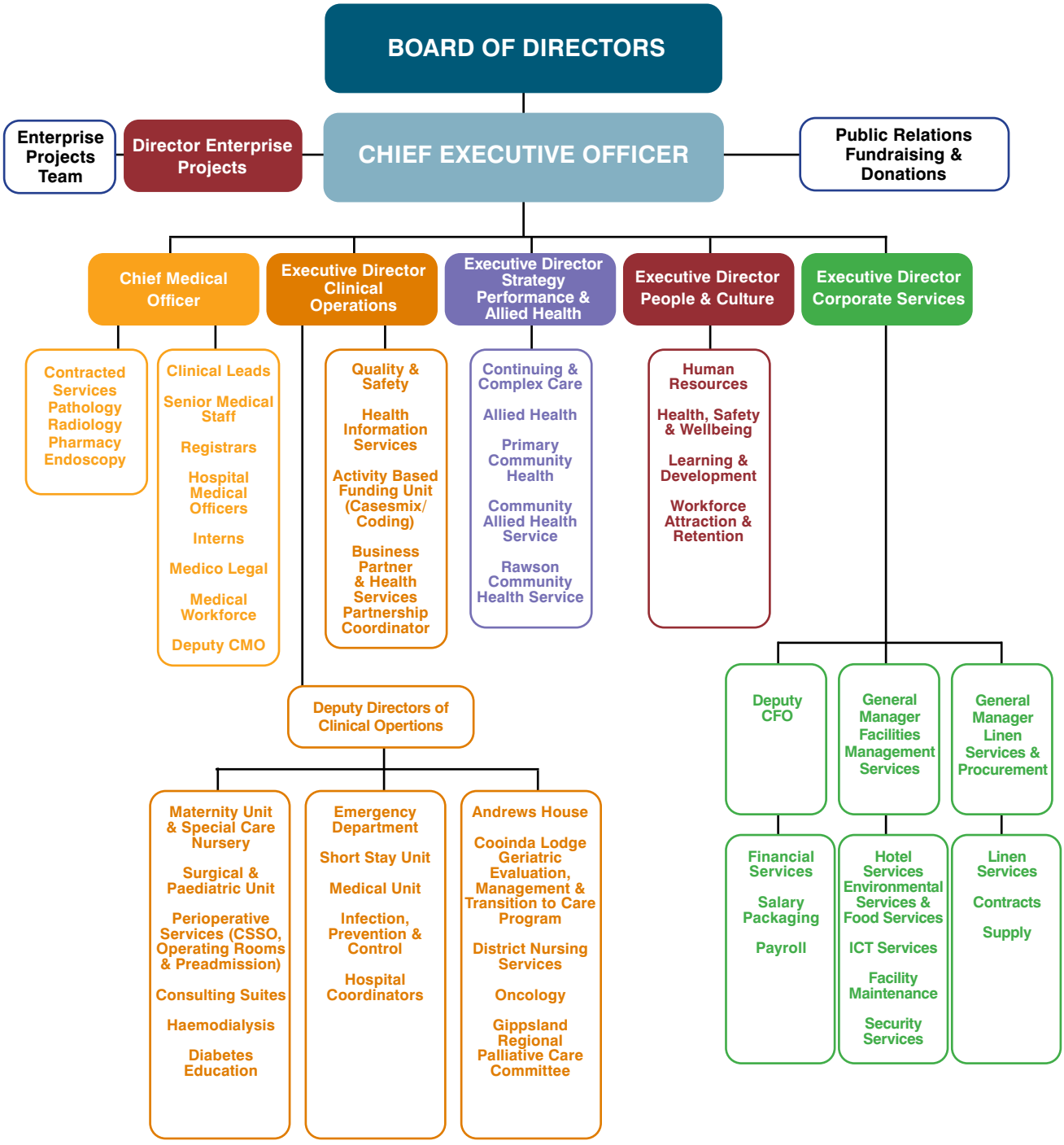
Dr Roderick McRae
FAMA, FAMZCA, MBBS(Hons), BMedSc (Hons), MBioeth, JD, PGDipPCCE Qualified Anaesthetist and Intensive Care Physician

Position: Board Director
Member of: Quality and Safety Committee



Sue Blake
B App Sc (Physiotherapy), Grad Dip Health Admin, GAICD

Position: Board Director
Member of: Quality and Safety Committee


BOARD OF DIRECTORS
Enterprise Projects Team
Director Enterprise Projects
CHIEF EXECUTIVE OFFICER
Public Relations Fundraising & Donations
Chief Medical Officer
Executive Director Clinical Operations
Executive Director Strategy Performance & Allied Health
Executive Director People & Culture
Executive Director Corporate Services
Contracted Services
Pathology
Radiology
Pharmacy
Endoscopy
Clinical Leads
Senior Medical Staff
Registrars
Hospital Medical Officers
Interns
Medico Legal
Medical Workforce
Deputy CMO
Quality & Safety
Health Information Services
Activity Based Funding Unit (Casesmix/ Coding)
Business Partner & Health Services Partnership Coordinator
Continuing & Complex Care
Allied Health
Primary Community Health
Community Allied Health Service
Rawson Community Health Service
Human Resources
Health, Safety & Wellbeing
Learning & Development
Workforce Attraction & Retention
Deputy Directors of Clinical Opertions
Maternity Unit & Special Care Nursery
Surgical & Paediatric Unit
Perioperative Services (CSSO, Operating Rooms & Preadmission)
Consulting Suites
Haemodialysis
Diabetes Education
Emergency Department
Short Stay Unit
Medical Unit
Infection, Prevention & Control
Hospital Coordinators
Andrews House
Cooinda Lodge Geriatric Evaluation, Management & Transition to Care Program
District Nursing Services
Oncology
Gippsland Regional Palliative Care Committee
Deputy CFO
General Manager Facilities Management Services
General Manager Linen Services & Procurement
Financial Services
Salary Packaging
Payroll
Hotel Services Environmental Services & Food Services
ICT Services
Facility Maintenance
Security Services
Linen Services
Contracts
Supply

Our Achievements



Executive Director of People and Culture

Cathy Portelli

BNurs MBA MAHRI MACN (Assoc)

The Executive Director People and Culture provides strategic leadership for West Gippsland Healthcare Group's workforce, organisational culture, health, safety and wellbeing, and leadership and workforce development, ensuring the organisation continues to attract, develop and support a skilled and engaged workforce. During 2025-26, the People and Culture portfolio delivered a range of significant initiatives that strengthened organisational capability, enhanced the employee experience, advanced equity and inclusion and supported a safe, healthy and future ready workforce.

Key achievements in 2025-26:

- Achieved 45% participation rate in the People Matter Survey, accompanied by an increase in the Employee Engagement Index, demonstrating growing workforce engagement and providing valuable insights to inform ongoing organisational improvement.
- Developed WGHG's Culture Roadmap, establishing a clear, organisation-wide framework to strengthen workplace culture, align behaviours with organisational values, enhance employee engagement and wellbeing, and support the delivery of high-quality, person-centred care. The roadmap provides a long-term approach to embedding a connected, inclusive and high-performing culture across the organisation.
- Submitted WGHG's second Gender Equality Action Plan (GEAP) 2026–2030, outlining strategic actions to advance gender equality, reduce barriers to participation and leadership, and meet obligations under the Gender Equality Act 2020.
- Launched the Aboriginal Employment Plan 2025–2028, providing a clear roadmap to increase Aboriginal employment, strengthen cultural safety and build meaningful partnerships with Aboriginal communities.
- Developed and implemented the Manager Development Program, equipping current, new and aspiring managers with the knowledge, skills and confidence to effectively lead people, support performance and foster positive workplace cultures.
- Expanded the Transition to Specialty Practice Program to include Paediatrics, creating additional career development pathways for nurses while supporting workforce capability in critical clinical specialties.
- Redesigned the Senior Leadership Team forums, introducing a more strategic and collaborative leadership model that strengthens organisational alignment, cross-directorate collaboration, leadership capability and collective ownership of strategic priorities.
- Introduced a professional development program for Executive and Clinical Leaders, supporting leadership excellence, strategic thinking, organisational performance and a consistent approach to leading change across WGHG.
- Continued to strengthen health, safety and wellbeing practices by maintaining a strong focus on preventing occupational violence and aggression (OVA), implementing initiatives to address employee burnout and psychosocial risks, and expanding wellbeing programs that support the physical, psychological and emotional health of our people. This work reinforces WGHG's commitment to providing a safe, healthy and supportive workplace where employees can thrive.
- Undertook an independent external evaluation of Emergency Management, providing assurance over current emergency management arrangements while identifying opportunities to strengthen governance, preparedness, training and organisational resilience.
- Implemented SuccessFactors, delivering a contemporary, integrated workforce management system that streamlines people processes, improves workforce data and reporting, enhances the employee experience and provides a strong foundation for future workforce planning.



Executive Director of Clinical Operations

Maree Fellows

Executive Acute Services/Chief Nurse and Midwife RN, RM, BN

The Executive Director of Clinical Operations is responsible for all clinical units in the hospital, two aged care residential facilities and same day services such as dialysis, day surgery, oncology and community-based nursing services. The role also covers Health Information Services, Quality and Safety and the Activity Based Funding Unit.

The Clinical Operations portfolio continued to deliver high-quality, person-centred care across hospital, community, aged care and specialist services, with a strong focus on innovation, service improvement, patient safety and clinical excellence. Throughout 2025–26, teams worked collaboratively to strengthen care pathways, enhance patient outcomes and improve access to services for the communities served by West Gippsland Healthcare Group. These achievements reflect the dedication and professionalism of staff who consistently strive to provide safe, effective and compassionate care.

Key achievements in 2025–26:

- Exceeded annual perioperative activity targets and secured ongoing funding for the Patient Support Unit, while introducing initiatives to improve theatre efficiency, waiting list management and pre-operative care.
- Enhanced maternity services through improved discharge planning, strengthened workforce capability, the recruitment of additional Clinical Educators and achievement of the VMIA Incentivising Better Patient Safety Program.
- Expanded paediatric capability through the introduction of a Transition to Specialty Practice Program, implementation of the Paediatric Admission Criteria Procedure and participation in the Safer Care for Kids initiative.
- Achieved significant improvements in stroke care within the Emergency Department, reducing door-to-CT times from 34 minutes to 12 minutes through the introduction of a dedicated stroke algorithm.
- Strengthened multidisciplinary cancer care through the co-location of oncology clinical roles and the introduction of dedicated support for patients receiving oral chemotherapy.
- Introduced innovative models of care across aged care and community services, including a Resident Buddy System, a central Clinical Hub at Cooinda Lodge, mobile clinical documentation technology and the integration of Continuing Complex Care and District Nursing services into a seven-day multidisciplinary model.
- Undertook substantial work to implement the Strengthened Aged Care Standards, which came into effect in November 2025.
- Achieved successful three-year accreditation against the National Safety and Quality Health Service Standards and completed NDIS surveillance auditing, demonstrating an ongoing commitment to quality and safety.
- Enhanced clinical governance through targeted recruitment, implementation of a Clinical Governance Report for Executive and Board oversight, and continued improvement of quality and risk management systems.
- Advanced key digital and safety initiatives, including electronic medical record enhancements, paediatric medication management improvements and implementation of Safer Care Victoria programs to improve patient outcomes across the organisation.

This year's achievements demonstrate Clinical Operations' commitment to continually improving care, strengthening clinical governance and delivering better health outcomes for the communities of West Gippsland.



Chief Medical Officer

Dr Letitia Clark

MBBS, FRACGP, AFRACMA, DipRGA, DipCH

The Chief Medical Officer (CMO) oversees junior and senior medical staff, provides high level medical advice, and helps foster optimal working relationships between medical staff and the Executive to achieve high-quality patient care.

Key achievements in 2025–26:

- Developed and implemented a Deputy Chief Medical Officer role to enable succession planning and increase medical leadership for WGHG
- Introduced a new breast cancer localisation technology – funded by the Girl's Day Out, this allows women to have breast cancer localisation done without using an uncomfortable and more invasive hookwire technique.
- West Gippsland Healthcare Group gained accreditation for 4 PGY2 roles, providing excellent general experience for 2nd year doctors in emergency, medicine, paediatrics, obstetrics and gynaecology and including our first junior doctor rotation to a GP clinic (Foster Medical Centre).
- Reviewed Morbidity and Mortality meetings across the units and have introduced a more structured process to review and learn from incidents.
- Participated in several Safer Care Victoria projects, including Safer Medicines at Transition of Care, for which the team received an award for collaboration.
- The first group of doctors participating in the Workplace Based Assessment program of the Australian Medical Council completed their assessments with a 100% pass rate.
- Maintained accreditation for Rural Generalist Anaesthetics training and Specialist Obstetric and Gynaecology training.
- Trained Rural Generalists in Obstetrics, Anaesthetics, Paediatric and Emergency Medicine, and specialty trainees in Obstetrics, Medicine, General Surgery, Emergency Medicine and Paediatrics.



Interim Chief Financial Officer

Steve Warr

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

Key achievements for 2025-26:

Supporting the health and wellbeing of our people by:

- Introducing an onsite mobile barista service and expanding healthy meal options within the café, improving staff wellbeing, accessibility and convenience.
- Implementing new Hotel Services and Environmental Services structures to strengthen leadership, enhance operational support and improve service delivery.
- Expanding the Facilities Maintenance team through the establishment of dedicated Facilities Coordinator and Clinical Asset Coordinator roles, increasing capability to support organisational assets and infrastructure.

Advancing digital capability and innovation by:

- Commencing the organisation wide rollout of Microsoft 365, providing modern collaboration, communication and productivity tools for staff.
- Delivering mandatory Cyber Security Training across the workforce and implementing CareSync Exchange to strengthen cyber resilience and enable secure health information sharing.
- Enhancing the patient and resident experience through upgraded patient entertainment systems, digital noticeboards, Emergency Department information displays and the introduction of VicKey for surgical admissions.

Strengthening infrastructure and organisational resilience by:

- Delivering refurbishment and upgrade projects across key facilities, including the Cafeteria, Trafalgar Op Shop, Cooinda Lodge, Learning and Development and the Mary Sargent Building.
- Upgrading the main site generator and introducing SMS alert functionality to improve business continuity and organisational resilience during power interruptions.
- Successfully awarding the tender for the Korumburra Warragul Road workforce accommodation redevelopment and securing Regional Health Infrastructure Fund funding to replace the main site Fire Indicator Panel.
- Completing a comprehensive clinical asset audit and progressing workforce accommodation initiatives to support future service delivery and workforce attraction and retention.

Driving environmental sustainability by:

- Delivering waste reduction and recycling initiatives, including the Bin Rejuvenation Project, expanded recycling programs and the introduction of reusable clinical products, reducing landfill, improving environmental outcomes and delivering ongoing cost savings.



Executive Director of Strategy, Performance and Allied Health

Belinda Brookes
B App Sci (Physio), MBA

The Executive Director Strategy, Performance and Allied Health is responsible for shaping and driving strategic, innovative, responsive, values-based organisational change and culture. This role oversees admitted, non-admitted and community-based Allied and Community Health Services. It facilitates development and delivery of West Gippsland Healthcare Group's strategic plan and other enterprise strategies, strategic service plans, corporate governance frameworks including enterprise risk, strategic partnerships, continuous improvement and consumer engagement, ensuring WGHG achieves its strategic and performance goals.

Key achievements for 2025-26:

- Developed and launched the West Gippsland Healthcare Group Strategic Plan 2025-2028.
- Strengthened corporate governance through revision of the WGHG committee structure and evolution of the Enterprise Risk Management Framework and reporting.
- Completed actions on the Partnering with Consumers Action Plan 2023-2025 and developed the Partnering with Community Plan 2026-2029, with increased consumer participation on organisational committees a key outcome.
- Strengthened Aboriginal health engagement through monthly Health Yarns and a successful Aboriginal Health Expo attended by 55 community members, connecting participants with WGHG services and partner agencies.
- Achieved Allied and Community Health service targets and received positive consumer feedback, with 100% of respondents reporting they were very satisfied or satisfied with the care provided.
- Established the Antenatal Social Work Clinic with 58 referrals received and 33 women and families actively engaged. Care and support included assistance with financial hardship, transport and family violence safety planning.
- Expanded local access to Video-fluoroscopy Swallow Studies through a weekly clinic, reducing the need for external transfers for swallowing assessment and timely clinical decision-making, supporting care closer to home.
- Established Strong Start, a six-week online parent education program delivered by the Allied Health Paediatric Team to support families across development, behaviour, communication, nutrition and movement.
- Commenced the Osteoarthritis Hip and Knee Service (OAHKS) in early 2026, providing assessment, treatment planning, education and supervised exercise for people with hip or knee osteoarthritis.
- Delivered a broad range of health promotion initiatives across healthy eating, Food Share Baw Baw, Heart Foundation walking groups, youth mental health, vaping reduction and Healthy Choices policy implementation.
- Fostered strong regional partnerships and local collaboration across family services, family violence and community-based programs to support integrated care and broader access for vulnerable groups.
- Introduced additional workforce capacity, including weekend Allied Health Assistants and further NDIS and VCAT assessment and care coordination, to improve continuity of care, patient flow, and discharge planning to support optimal patient outcomes.

Significant Changes and Future Priorities

Significant changes and expectations for the future

As demand for health services across West Gippsland continues to increase, WGHG remains focused on building a sustainable health service capable of meeting the future needs of the community. During 2025-26, the organisation continued to strengthen service delivery, workforce capability, financial sustainability and partnerships across the health sector.

In 2026-27 and beyond, key priorities will include enhancing access to care, supporting the delivery of contemporary models of care, advancing digital and infrastructure projects, strengthening Aboriginal health and cultural safety initiatives, growing the healthcare workforce and maintaining a strong focus on quality, safety and patient experience. WGHG will continue to work collaboratively with government, health service partners and the local community to ensure healthcare services remain accessible, responsive and sustainable for future generations.

Aboriginal Cultural Safety Initiatives

West Gippsland Healthcare Group (WGHG) continued to strengthen its commitment to Aboriginal cultural safety through leadership, community partnerships, workforce initiatives and staff education. The Aboriginal Cultural Safety Committee provided governance oversight of key initiatives, including implementation of the Aboriginal Employment Plan (AEP), cultural safety improvements, community engagement activities and policy development.

Significant progress was made in developing and implementing the Aboriginal Employment Plan, with a focus on increasing Aboriginal workforce participation, strengthening career pathways and supporting culturally safe employment practices. Recruitment activities included traineeship and cadetship opportunities, as well as planning for an Inclusion Advisor role to support future workforce initiatives. While no eligible applications were received for the Aboriginal Cadetship positions despite targeted promotion through appropriate recruitment channels and community networks, this has highlighted an opportunity to further strengthen partnerships, broaden engagement with Aboriginal communities, and continue building pathways to increase future participation in the program. WGHG will continue to work with educational institutions and Aboriginal communities to promote future opportunities and strengthen pathways into health careers.

Partnerships with Aboriginal communities remained a key priority. Through Health Yarns, the Aboriginal Health Expo, community events, and initiatives such as the Aboriginal Heart Walking Group, WGHG continued to strengthen relationships and improve access to culturally responsive healthcare services. Activities aligned with National Reconciliation Week, NAIDOC Week and other community-led events further enhanced engagement and cultural visibility across the organisation.

WGHG maintained a strong focus on workforce cultural capability. Aboriginal Cultural Safety Training achieved high participation rates, with 95% compliance among mandatory staff groups and 83% across the broader workforce. Training includes online learning featuring local Kurnai Elders and organisational leadership, supported by face-to-face cultural awareness education delivered by the Aboriginal Liaison Officer during staff orientation.

WGHG continues to strengthen its cultural safety capability through active participation in statewide Aboriginal cultural safety initiatives. The organisation has contributed to the development and consultation process for the Victorian Aboriginal Cultural Awareness and Cultural Safety eLearning module, led by the Department of Health in partnership with the Victorian Aboriginal Community Controlled Health Organisation (VACCHO). The new module will establish a consistent baseline of cultural safety knowledge across Victorian health services while complementing local education and cultural learning programs. Consultation activities highlighted opportunities to enhance culturally responsive care through earlier engagement of the Aboriginal Hospital Liaison Officer, improved use of Aboriginal identification information to support care delivery, strengthened discharge planning and follow-up processes, and initiatives aimed at reducing the number of people leaving the Emergency Department before receiving care. Adoption of the statewide module will further support WGHG's commitment to embedding cultural safety across all levels of the organisation, building workforce capability, and improving healthcare experiences and outcomes for Aboriginal and Torres Strait Islander peoples. Together, these initiatives demonstrate WGHG's ongoing commitment to improving cultural safety, strengthening partnerships with Aboriginal communities, creating meaningful employment pathways and delivering culturally responsive healthcare services.

Workforce Data/Employment and Conduct Principles

Our Workforce

WGHG is committed to fostering a fair, inclusive and transparent workplace where employment decisions are based on merit and underpinned by equity. These principles guide all aspects of the employee lifecycle, including recruitment, selection, career development, promotion, learning and retention.

Our policies, values and Code of Conduct promote a culture of respect, integrity and accountability, supported by clear processes for raising and resolving workplace concerns. We also recognise and celebrate the valuable contributions of our people through a range of staff recognition initiatives that reinforce our organisational values and culture.

During 2025-26, WGHG employed 1,726 people, representing an average monthly workforce of 904.89 full-time equivalent (FTE). Nursing services continued to comprise the largest employee group. Workforce data collection processes remained robust, ensuring all employees were accurately classified to support effective workforce planning, reporting and compliance.



Above: *Liz, Nurse Unit Manager and Brooke, Clinical Support Midwife*

	June current month FTE		Average monthly FTE	
Labour Category	**2025**	**2026**	**2025**	**2026**
Nursing	374.13	384.39	367.71	377.13
Administration and Clerical	131.21	139.09	128.23	134.87
Medical Support	28.37	26.21	32.67	29.03
Hotel and Allied Services	197.64	205.42	196.11	201.44
Medical Officers	4.34	1.00	2.84	1.00
Hospital Medical Officers	43.71	50.74	46.95	48.56
Sessional Clinicians	29.14	31.29	27.97	30.02
Ancillary Staff (Allied Health)	76.23	85.70	81.35	82.84
Total	**884.77**	**923.84**	**883.83**	**904.89**

Workforce inclusion policy

In accordance with the Gender Equality Act 2020, WGHG continues to work towards meeting its obligations and achieving the targets set by its Gender Equality Plan (GEAP).

During 2025–26, WGHG continued to strengthen its commitment to workforce inclusion and gender equality through a range of targeted initiatives and measurable outcomes. Women's representation in senior leadership roles increased, flexible work arrangements became more widely utilised, and workforce data collection was enhanced to improve the monitoring and reporting of gender equality outcomes.

Education and awareness initiatives also reinforced a culture of respect, contributing to a reduction in reports of sexual harassment and supporting a safe, inclusive and respectful workplace for all employees.

WGHG also continued to strengthen diversity, equity and inclusion through meaningful community partnerships, LGBTQIA+ inclusion initiatives and the implementation of Aboriginal employment pathways. These initiatives reinforced the organisation's commitment to creating a culturally safe, inclusive and welcoming workplace while supporting greater workforce participation and ensuring all employees feel respected, valued and able to contribute.

Occupational Health and Safety

Occupational Health, Safety and Wellbeing

WGHG is committed to creating a workplace where people feel safe, supported and empowered to perform at their best. During 2025–26, the organisation continued to strengthen its focus on staff health, safety and wellbeing through the appointment of a dedicated Director Health, Safety and Wellbeing. The creation of this role reflects WGHG's recognition that the health, safety and wellbeing of our workforce is a strategic priority and fundamental to delivering connected quality care for our community.

Throughout the year, WGHG maintained a strong focus on injury prevention, workplace safety and employee wellbeing through targeted risk management, workforce wellbeing initiatives and continuous improvement activities.

WorkCover and Return to Work Outcomes

WGHG's return-to-work performance remained strong during the year, with outcomes comparable to, and in some areas exceeding, industry benchmarks. Early intervention, proactive case management and meaningful suitable duties enabled employees recovering from work-related and non-work-related injuries to remain connected to the workplace while supporting safe and sustainable recovery. These outcomes demonstrate the organisation's commitment to supporting employee wellbeing while minimising the personal and organisational impacts of workplace injury. Although the number of lost-time WorkCover claims per 100 FTE increased slightly during the year, WGHG continued to achieve positive return-to-work outcomes through a collaborative and supportive approach.

Occupational Health and Safety data

Category	2023-24	2024-25	2025-26
Reported hazards or incidents per 100 FTEs	47.71	24.14	47.26
Standard claims lost time per 100 FTEs	131.21	123.94	2.01
Average cost per claim. (Includes payments to date and outstanding claims costs estimated advised by WorkSafe)	$103,541	$45,055	$79,499

**The 2023-24 and 2024–25 Standard claims lost time per 100 FTEs total has been corrected due to a printing error in the previous annual report.*

Manual Handling

As part of our commitment to preventing workplace injuries, WGHG undertook a hazardous manual handling improvement project across several high-risk work areas. Using wearable body sensor technology, staff movements and physical demands associated with workplace tasks were assessed to better understand exposure to musculoskeletal injury risks. The resulting data provided valuable insights into work activities that place the greatest physical demands on staff, enabling the organisation to identify, prioritise and implement targeted risk reduction strategies. This evidence-based approach will inform future initiatives aimed at reducing risk and improving staff safety.

Health and Wellbeing Initiatives

WGHG continued to invest in initiatives that support workforce wellbeing and inclusion. As part of the Victorian Government's Free Pads and Tampons in Public Places Program, WGHG installed pad and tampon vending machines across staff and public areas. Supporting menstrual health and hygiene is an important part of fostering a safe, inclusive and respectful workplace. WGHG is proud to contribute to this important Department of Health initiative, helping improve access to essential hygiene products while promoting dignity, equity and wellbeing for staff, consumers and visitors.

Emergency Management and Business Continuity

To strengthen organisational resilience, WGHG completed a review of its Emergency Management and Business Continuity System. The review provided valuable insights into current strengths and opportunities for improvement across emergency preparedness, response and recovery arrangements. Outcomes from the review were used to develop a targeted improvement roadmap that will guide the enhancement of emergency management and business continuity capabilities over the next 12 months. This work helps ensure WGHG can effectively respond to disruptions and continue delivering essential services to the community during times of emergency.

Occupational Violence reporting

Occupational Violence and Aggression

Occupational violence and aggression (OVA) remained a key area of focus during 2025–26. WGHG continued to strengthen prevention, reporting and response processes to support the safety of staff. While reported incidents increased during the year, importantly no WorkCover claims arising from occupational violence were recorded.

During the year, WGHG reviewed its occupational violence and aggression training program to ensure training remains contemporary, practical and responsive to the diverse environments in which staff work. As part of this review, the organisation trialled an occupational violence prevention training program focusing on Positive Behaviour Support with a view to evaluate its suitability for broader implementation. The approach focuses on understanding the underlying causes of behaviours of concern and equipping staff with practical strategies to prevent escalation, improve communication and support safe interactions.

Feedback from participants was positive. This success of the pilot has supported plans to expand the program and explore opportunities to tailor training to the specific needs of acute, residential aged care and community-based services.



Above: *Dr Mohan Govindarajah, Emergency Physician, and Dr Trisha Chakraborrty, Senior Medical Staff Emergency Department*

Category	2025-26
OVA cause claims per 100 FTEs accepted by WorkCover	**0**
OVA lost time injury caused claims per 1M hours worked accepted by WorkCover	**0**
OVA incidents reported	**89**
OVA incidents reported per 100 FTEs	**9.84**
OVA incidents resulting in a staff injury, illness or condition percentage	**44%**

Definitions

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

Incident: an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during a planned or unplanned Code Grey, it must be included.

Accepted WorkCover claims: claims accepted and lodged in 2025-26.

Lost time: defined as greater than one day.

Injury, illness, or condition: includes all reported harm because of the incident, regardless of whether the employee required time off work or submitted a claim.

Financial Summary

Table 6 Financial Information

	2026 $000	2025 $000	2024 $000	2023 $000	2022 $000
Operating Result	**55**	**1,530**	**(7,240)**	**-**	**-**
Total Revenue	194,361	184,340	160,254	155,139	142,640
Total Expenses	203,188	193,124	175,047	161,692	148,258
Net Result from Transactions	**(8,827)**	**(8,784)**	**(14,793)**	**(6,553)**	**(5,618)**
Total Other Economic Flows	397	242	161	(240)	(671)
Net Result	**(8,430)**	**(8,542)**	**(14,632)**	**(6,793)**	**(6,289)**
Total Assets	135,926	149,010	143,834	111,632	117,056
Total Liabilities	68,019	72,673	58,955	52,178	50,809
Total Equity	**67,907**	**76,337**	**84,879**	**59,454**	**66,247**

Reconciliation between the Net result from transactions reported in the model to the Operating result as agreed in the Statement of Priorities

	2026 $000
Net operating result	**55**
Capital and specific items	
Capital purpose income	3,288
COVID 19 State Supply Arrangements	
- Assets received free of charge or for nil consideration under the State Supply	5
State supply items consumed up to 30 June 2026	(5)
Expenditure for capital purpose	(546)
Depreciation and amortisation	(11,624)
Net result from transactions	**(8,827)**

Significant changes in financial position during the year

The reduction in our net asset position as at 30 June 2026 of $8.43m to $67.90m reflected the comprehensive loss recorded for the year.

Operational and budgetary objectives and performance against objectives

WGHG recorded an operating profit of $0.055m for the 2025-26 financial year, which was favourable to the annual budget target of $0m as set under the Statement of Priorities (SOP) with the Department of Health (Vic). The favourable operating result for the year was attributed several key initiatives including a reduction of external agency use and the recognition of additional activity throughput over and above statement of priorities NWAU performance target.

Details of consultancies under $10,000

In 2025-26, there was 1 consultancy where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2025-26 in relation to these consultancies is $3,850 (excl. GST).

Details of consultancies over $10,000

In 2025-26, there were 5 consultancies where the total fees payable to the consultants were greater than $10,000. The total expenditure incurred during 2025-26 in relation to these consultancies is $376,000 (excl. GST).



Above: *Dr Trisha Chakraborrty and Dr Claire, Hospital Medical Officers*

Consultant	Purpose of Consultancy	Start	End	Total approved project fee (excluding GST) $'000	Expenditure 2025-26 (excluding GST) $'000
Senate SHJ Consultancy	Strategic advice and stakeholder engagement -HSV Statewide linen tender - Warragul Linen Service	Jul-25	Ongoing	76	76
Rachel Pirani T/A Creative Change Consulting	Advice on governance systems and processes and the development of the new Strategic Plan for WGHG	Jul-25	Dec-25	132	132
Mayfield Advisory Pty Ltd	Finance Servicess	Mar-26	Ongoing	55	-
Redgum Continuity Pty Ltd	Emergency Management Capability Review	Mar-26	Ongoing	99	99

Financial Summary

Disclosure of ICT expenditure

For the 2025-26 reporting period, West Gippsland Healthcare Group had a total ICT expenditure of $4.55m with the details shown below.

Business As Usual (BAU) ICT expenditure $'000	ICT expenditure related to projects to create or enhance ICT capabilities $'000		
Total (exc GST)	Total = Operational expenditure and Capital Expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
4,502	**53**	0	53

Asset Management Accountability Framework

Completion of the Financial Management Compliance Attestation constitutes attestation to compliance with AMAF; therefore a separate AMAF statement is not required in the annual report.

Social Procurement Framework

WGHG's Social Procurement Strategy (SPS) builds on our connections with our people and community, realising the potential to deliver value beyond the goods or services being procured. By Incorporating social considerations into procurements helps create opportunities for WGHG to advance our organisational objectives.

Our SPS provides a scalable approach with an initial focus on four core objectives:

1. Opportunities for Victorian Aboriginal people
2. Opportunities for disadvantaged Victorians
3. Sustainable Victorian social enterprise and Aboriginal business sectors
4. Sustainable Victorian regions

During 2025-26, WGHG undertook the following activities that supported the SPS:

- Inclusion of social procurement contract clauses and requirements in tenders released during the year.
- Gained insights into prospective suppliers and the extent to which they have policies in place that support the Victorian Government objectives.
- Key procurement staff continue to work with HealthShare Victoria in building SPS capability and learnings through committees of practice. WGHG continues to monitor its social procurement spending activities with suppliers annually.

For 2025/26, direct spending with registered social enterprises was $41.03. Despite WGHG having a strong commitment to local procurement and procuring a range of goods and services from local suppliers, unfortunately many of these businesses are not registered social enterprises.



Photo: *Sabine and Codey, Hospital Cleaning Staff*

Disclosure of Emergency Procurements

The following procurement activities were undertaken in response to the Mary Sargeant Building emergency to support the continuation of patient services and restore affected facilities. In accordance with emergency procurement requirements, the goods and services procured, associated expenditure and contracts awarded are detailed below.

Nature of emergency (i.e. short description of the emergency)	Date of activation	Summary of goods and services procured under new contracts	Total spend on goods and services in response to the emergency	Number of new contracts awarded valued at $100,000 (incl. GST) or more
Mary Sargeant Building Works	16 October 2025	• Portable Clinical Screens for continuation of patient services • Initial Pipe fix and Mould Assessment • Soil Sampling and testing for Asbestos • Demolition and Re-fit internal • Asbestos Remediation • New internal and external walls and services • Relocation of Patient services	$825,000 (a)	1



Disclosure of Procurement Complaints

During the 2025–26 reporting period, West Gippsland Healthcare Group did not receive any complaints relating to procurement activities.

Disclosures required under legislation

Reviews and Study Expenses

N/A

Grants and transfer payments

N/A– West Gippsland Healthcare Group did not administer any grants, transfer payments or

Commercial-in-Confidence grants in 2025-2026.

Application and operation of Freedom of Information Act 1982

Members of the public can make a Freedom of Information (FOI) request by submitting a completed FOI application form to the Freedom of Information Officer, West Gippsland Healthcare Group, via foi@wghg.com.au or contact via phone on (03) 5623 0611. An application fee of $34.50 applies, with additional access charges payable where applicable. FOI application forms, information about the application process, and details of any additional fees and charges are available at main reception or on the West Gippsland Healthcare Group website at this address - https://wghg.com.au/patient-information/freedom-of-information/

Enquiries regarding Freedom of Information requests may be directed to West Gippsland Healthcare Group's Health Information Services team. Contact can be made through the hospital's main reception on 5623 0611, or in person via main reception during business hours.

Freedom of Information Act

During 2025-2026, WGHG received 248 FOI applications. Of these requests 1 was from Members of Parliament and nil requests were from the media.

Most requests (143) were made by TAC, Worksafe, solicitors and insurance companies on behalf of patients, and the remainder were directly requested by the public.

WGHG made 232 FOI decisions during the 12 months ended 30 June 2026. This is an increase of 10.71% to the applications received in the previous financial year.

There were 232 decisions made within the statutory period. None of these decisions were made outside of the statutory time.

Of the decisions made, 196 granted access to documents in full, 6 granted access in part and nil were denied access in full, 16 requests were withdrawn by the applicant, and 14 requests contained no documents.

Nil decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant.

Of requests finalised, the average number of days it took to decide a request was 17 days out of the statutory time for finalised requests.

During 2025-26, 1 request was subject to complaint/internal review by the Office of the Victorian Information Commissioner. Nil requests progressed to the Victorian Civil an Administrative Tribunal (VCAT).

Full Access	196
Partial Access	6
Denied	0
Withdrawn	16
No Documents	14
Not yet finalised	16
Total	248

*** (including additional 16 not finalised and reported last year)*

Compliance with building and maintenance provisions of Building Act 1993

Building Act 1993 Statement of Compliance

WGHG continues to manage and maintain its infrastructure, plant and equipment to ensure a safe environment that supports contemporary models of care and hospital operations. This is achieved through a proactive schedule of maintenance, inspections, audits and risk assessments, as well as reactive maintenance.

Throughout 2025–26, WGHG progressed several initiatives to improve the condition and functionality of its facilities. Major works included upgrades to the Op Shop at Trafalgar, improvements to the cafeteria, staff office spaces, upgrades within the Learning and Development Building, and a range of maintenance, compliance and asbestos remediation projects across the organisation. Remediation works associated with the Mary Sargeant Haemodialysis Wing also commenced during the reporting period.

No building permits, occupancy permits or certificates of final inspection were issued in relation to buildings owned by WGHG during 2025–26.

All existing buildings remained compliant with the standards in effect at the time of their construction. No emergency or building orders were issued that required evacuation or urgent rectification.

WGHG public health sites are subject to annual Essential Safety Measures reporting and compliance certification. The organisation maintained full compliance with these requirements during 2025–26.

In accordance with the Department of Health's Capital Development Guidelines, Series 7: Fire Risk Management (August 2013), WGHG is required to undertake comprehensive fire safety audits every five years. The most recent fire safety audit was completed in 2024–25 and identified several opportunities for improvement across the organisation's facilities. The identified actions continue to be managed through the organisation's capital works, maintenance and risk management programs.

Application and operation of Public Interest Disclosures Act 2012

WGHG complies with the Public Interest Disclosure Act 2012 and has a policy available to staff on the WGHG intranet or via the Executive Office. The Chief Executive Officer is the Public Interest Disclosure Coordinator for the purpose of the Public Interest Disclosure Act. There were no complaints made under the Act against WGHG or its staff for 2025-26.

Statement on National Competition Policy

It is Government policy that the costing policies of publicly funded organisations should reflect any competitive advantage available to the private sector. During 2025-26, WGHG maintained compliance with the requirements under the Competitive Neutrality Policy Victoria, there were no complaints made against West Gippsland Healthcare Group in 2025-26.

Application and operation of Carers Recognition Act 2012

WGHG has taken all practical measures to comply with its obligations under the Carers Recognition Act 2012 (the Act). These include:

- promoting the principles of the Carers Recognition Act 2012 to people in care relationships and the wider community through consumer feedback mechanisms and a strengthened REACH program through the introduction of the kid's helpline. WGHG's second Gender Equality Action Plan (GEAP) 2026–2030 outlines strategic actions to advance gender equality, reduce barriers to participation and leadership, and meet obligations under the Gender Equality Act 2020. The GEAP, together with the Diversity, Equity and Inclusion Plan and dedicated resourcing, provides the framework for embedding gender equity across the organisation. WGHG continues to support and promote Flexible Work Arrangements, enabling greater workforce participation, inclusion, wellbeing and work-life balance for employees
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act via our orientation processes, manager development programs and senior leadership forums.
- considering the care relationships principles set out in the Act when setting policies and providing services such as flexible working arrangements and leave provisions.
- implementing priority actions in Victorian Carer Strategy 2025-2035.

Summary of the entity's environmental performance – FRD 24

For the purposes of reporting environmental data by government entities under FRD 24, West Gippsland Healthcare Group (WGHG) is classified as a Level 3a (sub-regional hospital) tiered reporting entity.

Some 2025–26 environmental reporting data includes estimates generated through the Department of Health Environmental Data Management System (EDMS) where complete source data was not available at the time of reporting.

Activity data has been derived from the following sources:

- Utility data – For the 2025–26 Annual Report, WGHG transitioned to the Department of Health Environmental Data Management System (EDMS), improving the consistency of environmental monitoring and reporting.
- Waste data – Client usage reports and invoice data provided by contracted waste service providers.
- Paper data – Reports generated from the PaperCut print management system.
- Fuel data – Fuel consumption data sourced from Ampol fuel records.

Environmental Performance

Greenhouse Gas Emissions

G1 Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	2024	2025	2026
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (t CO2-e)	707.00	738.00	743.27
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (t CO2-e)	86.00 (exc WLS diesel)	391.00 (inc WLS diesel	424.75 (inc WLS diesel)
G1 Total (stationary and vehicle)	**793.0**	***1129.0**	**1168.00**
G2 Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	2,570.00	2,581.00	2,675.74
G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (t CO2-e)	750.00	861.00	886.14
Total	***4113.00**	**4571.00**	**4729.90**

*The 2024–25 G1 total has been corrected from 800 to 1,129 due to a printing error in the previous annual report.

Normalised greenhouse gas emissions	2024	2025	2026
Emissions per unit of floor space (kgCO2e/m2)	163.96	169.90	188.52
Emissions per unit of separations (kgCO2e/separations)	212.76	205.95	223.68
Emissions per unit of bed-day (LOS+Aged Care Cooinda Lodge only) (kgCO2e/OBD)	84.65	83.48	90.47

Stationary energy

Electricity and gas consumption data is reported for the main hospital site, including the Warragul Linen Service.

In previous financial years, energy consumption data was sourced from supplier invoices. For 2025–26, WGHG transitioned to reporting through the Department of Health Environmental Data Management System (EDMS), improving the consistency of environmental reporting.

Due to changes in the data source and calculation methodology, 2025–26 energy figures are not directly comparable with previous years.

Total stationary energy purchased by energy type	2024	2025	2026
EL1 Electricity (GJ)	12,035	12,343	*12,419
F1 Natural Gas (GJ)	46,156	48,276	*50,492
F1 Total fuels used in buildings (MJ)	**58,191**	**60,619**	***62,911**

*2025–26 figures have been estimated using the historical reporting methodology to support comparison with previously published results.

Normalised stationary energy consumption	2024	2025	2026
Energy per unit of floor space (MJ/m2)	2.32	2.42	1.149
Energy per unit of Separations (MJ/ Separations)	3.01	2.94	1.363
Energy per unit of Aged Care OBD (MJ/Aged Care OBD)	1.20 (Cooinda only)	1.90 (Cooinda only)	1.028 (inc both Cooinda and Andrews House)

Total floor space at the main hospital site has remained unchanged over the three-year period of performance reporting. Energy performance across patient activity normalisation unit metrics continues to improve.

*The 2025–26 figures have been calculated using revised energy reporting data and should not be directly compared with previous years.

Water use

For 2025–26 reporting, WGHG transitioned to reporting water consumption through EDMS. The reported result includes supplier data and EDMS-generated estimates where complete source data was not available.

W1 Total units of metered water consumed by water source (kL)	2024	2025	2026
Potable water (kL)	35,066.00	34,131.00	28,626.16
Total units of water consumed (kL)	35,066.00	34,131.00	28,626.16
Normalised water consumption (Potable + Class A)	2024	2025	2026
Water per unit of floor space (kL/m2)	1.31	1.36	1.14
Water per unit of Separations (kL/ Separations)	1.69	1.66	1.35
Water per unit of Aged Care OBD (kL/Aged Care OBD) *(reflecting eden suite data)*	1.250.50	0.49	1.02

* The 2025–26 result includes EDMS-generated estimates where complete supplier data was not available at the time of reporting

Environmental Performance

Waste and recycling

Significant progress was made in waste reduction and resource recovery during 2025–26 through implementation of the bin refresh program, expansion of recycling initiatives and improved waste segregation practices. Based on actual contractor invoice data, the Cleanaway recycling diversion rate increased to 30.12%, compared with 26.90% in 2024–25.

Waste (tonnes)	2024	2025	2026
Total waste generated (clinical waste+ general waste+ recycling waste)	271.00	286.00	311.22
Total waste to landfill generated (clinical waste+ general waste)	216.00	214.00	217.60
Total waste to landfill per patient treated ((kg clinical waste+ kg general waste)/PPT)	2.01	1.88	1.88
Landfill (total) (kg)	195,619.50	203,949.32	183,909.18
Offsite treatment (Clinical Waste) (kg)	18,685.07	18,631.67	32,149.54
Recycling/recovery (disposal) (kg)	65,420.53	44,153.33	89,413.27
Total units of waste disposed (kg)	**281,243.10**	**266,734.33**	**306,636.42**
Recycling rate % (recycling / (general waste+ recycling))	21.60%	26.90%	30.12%

Paper

Paper consumption data is sourced from PaperCut, the print management system used across WGHG's printer fleet. Due to a change in the calculation methodology, 2025–26 results are not directly comparable with previous years.

Paper (reams)	2024	2025	2026
Actual data from paper cut, note 2024 is average based on 10 months data Total reams of paper	5,484	5,553	6736.02
Adjusted to reflect update to ream totals Reams of paper per FTE	6	6	7.29

*2025–26 figures were calculated using PaperCut data. Due to a change in the calculation methodology, the result is not directly comparable with previous years.

Transportation energy

Transportation energy data is sourced from Ampol fuel records and includes fuel consumption from corporate fleet vehicles and the Warragul Linen Service truck. Differences in reporting scope between years may affect comparability.

Fuel (Kilo litres)	2024	2025	2026
T1 Non-Executive Fleet - Petrol	38	11	41.42
Non-executive fleet – Gasoline (MJ)	1,240,003.20	919,155.90	1,308,830.90
T2 Non-Executive Fleet - Diesel	139	160	5.03
Non-executive fleet – Diesel (MJ)	33,257.90	96,299.40	179,420.70
Non-emergency transport (Health service operated) - Diesel (WLS truck diesel)		4,693,879.50	4,596,160.00
Total energy used in transportation (vehicle fleet) (MJ)	**1,273,261.10**	**5,709,334.80**	**6,084,411.60**

*Transportation energy is based on Ampol fuel records. WLS truck reporting has changed across prior years and may affect comparability.

Normalisers (for information only)	2024	2025	2026
Aged Care OBD	27,793.00	29,188.00	28,020.00
Aged Care OBD Cooinda Lodge only	10,832.00	10,832.00	10,832.00
ED Departures	22,607.00	24,158.00	25,067.00
FTE	880.00	891.00	923.84
LOS	37,766.00	39,984.00	41,446.00
OBD	65,559.00	69,172.00	69,466.00
PPT	107,501.00	113,928.00	115,679.00
Separations	19,335.00	20,598.00	21,146.00
TotalAreaM2	**25,089.00**	**25,089.00**	**25,089.00**

Additional information available on request

In compliance with the requirements of the Standing Directions 2018 under the Financial Management Act 1994, WGHG has retained information relating to the matters listed below. This information is available on request to the relevant Ministers, Members of Parliament and the public, subject to the provisions of the Freedom of Information Act 1982.

- 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 WGHG about itself and how these can be obtained;
- details of changes in prices, fees, charges, rates and levies charged by WGHG;
- details of any major external reviews carried out on WGHG;
- details of major research and development activities undertaken by WGHG;
- 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 to develop community awareness of WGHG 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 WGHG and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by WGHG, the purpose of each committee and the extent to which the purpose has been achieved; and
- details of all consultancies and contractors, including consultants or contractors engaged, services provided and expenditure committed for each engagement.

Requests for this information may be directed to:

Freedom of Information
Health Information Services
Phone: (03) 5623 0611
Email: FOI@wghg.com.au

Local Jobs First Act disclosures

WGHG is required to disclose certain information on any Local Jobs First Standard projects (LJFSP) that either commenced and/or completed during the reporting period. A LJFSP is a project with a budget value of $1m or more in regional Victoria.

During the 2025-2026 reporting period, the commencement of a 5 Unit development was registered with the Industry Capability Network. The Project is ongoing set for completion in 2027. The construction met the threshold for Local Jobs First Policy application. As such, a Local Industry Development Plan has been submitted.

The 5 Unit Development procurement activity remains in progress as at 30 June 2026. Summary information is provided in the table below:

ICN Reference Number 2026/A-LJF30738A

Project / Tender Name	Construction	5 Unit Development Student Staff Accommodation (3 Korumburra Rd)
Total Value	$1.65M	$1.65M
Contract Term	1 May 2026 to March 2027	1 May 2026 to March 2027
Percentage (%) of local content committed (Statewide)	93.4722% Building minimum local content	7.0%
First Commitment report due	October 2026	October 2026
Local LIDP Employment commitments:		
Standard Employees (AEE)*	-2	30.56% MPSG
Apprentices	-0	-0
Trainees	-0	-0
Cadets	-0	-0
TOTAL	**2**	**30.56%**

*AEE – Annualised Employee Equivalent (AEE)

Disclosure index

The annual report of WGHG 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.

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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.



***Photo:** Sabine and Codey, Hospital Cleaning Staff*

Attestations

Financial Management Compliance attestation

I, Jo-Anne Moorfoot, on behalf of the Responsible Body, certify that West Gippsland Healthcare Group has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Jo-Anne Moorfoot
Board Chair
West Gippsland Healthcare Group
24 September, 2026

Data Integrity

I, Shannon Wight, certify that West Gippsland Healthcare Group has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. West Gippsland Healthcare Group has critically reviewed these controls and processes during the year.



Shannon Wight
Chief Executive Officer
West Gippsland Healthcare Group
24 September, 2026

Conflict of Interest

I, Shannon Wight, certify that West Gippsland Healthcare Group 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 West Gippsland Healthcare Group 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.



Shannon Wight
Chief Executive Officer
West Gippsland Healthcare Group
24 September, 2026

Integrity, fraud and corruption

I, Shannon Wight, certify that West Gippsland Healthcare Group has put in place appropriate internal controls and processes to ensure that Integrity, fraud, and corruption risks have been reviewed and addressed at West Gippsland Healthcare Group during the year.



Shannon Wight
Chief Executive Officer
West Gippsland Healthcare Group
24 September, 2026

Safe Patient Care Act 2015

During 2025–26, WGHG had no matters to report in relation to its obligations under section 40 of the Safe Patient Care Act 2015.

Car parking fees (where applicable)

Not applicable.

HealthShare Victoria Purchasing Policies Attestation

I, Shannon Wight, on behalf of West Gippsland Healthcare Group, certify that West Gippsland Healthcare Group has no material compliance deficiency with respect to the HealthShare Victoria Purchasing Policies as required by the Health Services Act 1988 (Vic). While instances of non-material non-compliance have been identified during the reporting period, West Gippsland Healthcare Group has an agreement in place with HealthShare Victoria to address and rectify these issues. These instances do not constitute material non-compliance and have not had a significant impact on procurement governance or operational integrity. West Gippsland Healthcare Group has implemented appropriate internal controls, which have been critically reviewed throughout the year.



Shannon Wight
Chief Executive Officer
West Gippsland Healthcare Group
24 September, 2026

Statement of Priorities

Part A – Deliverables

Innovate and improve access and care

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

Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care.

Deliverable	Outcomes (Achieved/ Not Achieved/Ongoing)
Demonstrate high quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes	**Ongoing** The WGHG *Partnering with Consumers Action Plan 2023-2025* was completed with key achievements including an increase in number and diversity of consumers joining organisational committees, implementation of ward Care Boards and production of a Youth Patient Journey video by the WGHG Youth Representative Group to provide children and young people with information regarding what to expect when coming to hospital. The *WGHG Partnering with Community Plan 2026-2029 was endorsed by the Board of Directors.*
Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers.	**Ongoing** WGHG implemented a new Adverse Events Committee for multi-disciplinary review of serious incidents recommendations and reviews. Morbidity and Mortality meetings were improved across units to support engagement and consistency focusing on system issues and opportunities for improvement, with clearer governance for recommendations. Sentinel events from the previous 12 months were presented at a Grand Round, including findings and recommendations, to increase visibility and enhance shared learnings and promote no blame culture. WGHG has started work to implement a "speaking up for safety" framework across the Gippsland Local Health Service Network. The 2026 People Matter Survey showed "safe to speak up" had improved by 6% compared with 2024 results, and communication regarding psychological safety issues had improved by 7%.
Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	**Ongoing** WGHG continued to strengthen its organisational approach to workforce education through the implementation of a comprehensive training framework that supports mandatory, role-specific and professional development learning. The implementation of the SuccessFactors Performance and Goals module will allow for a consistent, organisation-wide approach to performance and development, strengthening accountability, supporting meaningful performance conversations and better aligning individual goals with organisational priorities. Together with enhanced learning management and reporting capabilities, these improvements provide a strong foundation for continuous learning, workforce capability development and ongoing organisational improvement.

Goal

Improve access to timely emergency care by implementing system-wide patient flow strategies that reduce emergency department wait times and improve ambulance-to-hospital transfer times.

Deliverable	Outcomes (Achieved/ Not Achieved/Ongoing)
Implement initiatives that support early discharge of patients to appropriate settings to improve timely patient access to care.	**Ongoing** A waiting room nurse role has been introduced in the Emergency Department during busy evening periods to support patient care and experience. A review of workflow through Emergency Department and Medical ward was conducted with improvements being implemented to support timely access to care and discharge. A working group was established to review the impact of junior medical staff rostering on timely access to care and patient flow, with several improvements initiated.

Goal

Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint.

Implement and scale theatre optimisation initiatives in planned surgery, for example same-day surgery and same-day surgery by default models of care, criteria-led discharge, monitoring of theatre measures, and high-throughput approaches such as high-intensity theatre lists.	**Achieved** Theatre optimisation initiatives were implemented including development of a theatre dashboard to monitor efficiency and performance, supporting data-driven improvements in theatre utilisation. Average length of stay for joint replacement surgeries continued to meet the State average, supporting efficient patient flow and bed utilisation. These initiatives contributed to the Perioperative team exceeding annual planned surgery activity targets. The commencement of a Transition to Specialty Practice Program strengthened perioperative workforce capability.
Proactively manage planned surgery and specialist clinics (or outpatients) waitlists, for example validating and supporting patients into optimal care pathways such as evidenced based alternatives to surgery and optimisation pathways. A particular focus should be applied to long-waiting patients and priority population groups (for example, Aboriginal and Torres Strait Islander patients and under-18 patients).	**Achieved** The rollout of VicKey, an automated waitlist validation tool, strengthened proactive waitlist management through timely patient review and validation. Additional anaesthetic clinics supported the optimisation of complex and long-waiting patients, improving access to planned surgery and contributing to the achievement of planned surgery activity targets.

Prudent, sustainable and effective use of resources

We are innovative and resourceful in balancing improved patient care, operational performance, and system management to ensure a financially secure health system. We invest in a skilled and future-ready workforce, maintaining a modern, safe, and resilient healthcare system for all Victorians.

Goal

Develop and implement initiatives to strengthen financial sustainability. By delivering sustainable, responsible budgets, we can ensure a well-managed, viable, and sustainable health system for the future.

Deliverable	Outcomes (Achieved/ Not Achieved/Ongoing)
Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	**Achieved** Key initiatives outlined within the Budget Action Plan have been achieved. Initiatives included achieving 101% of NWAU performance and 5% reduction of nurse agency costs. 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.

Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.	**Ongoing** Data analytics and performance metrics informed areas of inefficiency and waste with use of nurse agency and enabled evidence-based decisions to contain and reduce agency cost and improve financial sustainability and operational performance.
Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost of service delivery, improve safety, capacity and reduce unnecessary waiting.	**Ongoing** Senior leaders were engaged collectively to identify areas of focus to improve clinical and non-clinical efficiency and effectiveness, with implementation underpinned by the WGHG Improvement Framework.

A stronger workforce

We strive to foster an equitable, skilled and supported workforce that builds professional capabilities to meet current and future roles.

Goal

Position Victoria as a leader in employee experience, capability, and capacity by focusing on future roles and professional development in line with the Victorian Health Workforce Strategy to ensure a regenerative and sustainable workforce.

Deliverable	Outcomes (Achieved/ Not Achieved/Ongoing)
Implement processes to sustain workforce supply and fulfill obligations, including those under the Gender Equality Act 2020 by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care.	**Ongoing** Continued to strengthen workforce sustainability through initiatives that improved the employee experience across leadership, health and safety, flexible work, career development and workforce capability. Progress against the Gender Equality Act 2020 obligations was advanced through targeted actions that supported a more inclusive and equitable workplace, helping to attract, retain and develop our people while ensuring the delivery of safe, high-quality care.
Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	**Ongoing** WGHG continued to strengthen workforce data and analytics capability to support evidence-based decision-making, strategic workforce planning and organisational performance. Improvements to workforce reporting, data quality and analytics enhanced organisational oversight of workforce trends, capability and performance, supporting more informed planning and alignment with Department priorities. While significant progress has been made, this remains an ongoing area of focus. WGHG will continue to mature its workforce analytics capability, further improve data quality and reporting, and strengthen the use of workforce insights to inform future planning and respond to emerging workforce challenges.

Improving Aboriginal health and wellbeing

Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.

Goal

Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture. Address racism and provide Aboriginal people with culturally safe healthcare and referral pathways between mainstream and community-controlled health services.

Deliverable	Outcomes (Achieved/ Not Achieved/Ongoing)
Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	**Ongoing** Aboriginal Cultural Safety education remained a key focus, with strong participation across the workforce supported by a blended approach that combines locally developed online learning, featuring Kurnai Elders and organisational leaders, with face-to-face education delivered as part of staff orientation by the Aboriginal Hospital Liaison Officer. The organisation also contributed to broader sector-wide improvements in cultural safety by participating in the development and consultation of the Victorian Aboriginal Cultural Awareness and Cultural Safety eLearning program, led by the Department of Health in partnership with the Victorian Aboriginal Community Controlled Health Organisation (VACCHO). These initiatives support WGHG's ongoing commitment to fostering a culturally safe, respectful and inclusive environment for Aboriginal and Torres Strait Islander peoples.
Health service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services.	**Ongoing** WGHG Executives met with local Aboriginal Elders and community to discuss community priorities, and approaches that WGHG could take to engage more deeply to hear feedback and discuss opportunities for service improvement. WGHG leaders collaborated with Elders to support a self-determination approach to identifying health and wellbeing needs and strengthening of service delivery.
Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	**Ongoing** Systems for identifying Aboriginal and Torres Strait Islander patients are in place and monitored by the WGHG Aboriginal Cultural Safety Committee. Referral pathways between the WGHG Aboriginal Hospital Liaison Officer and Aboriginal Community Development Worker have been strengthened to support continuity of care and support for Aboriginal and Torres Strait Islander patients when moving between healthcare settings.

Moving from Competition to Collaboration

We are committed to transforming Victoria's health system by partnering with care providers and health services to share knowledge, information, and resources.

Goal

Collaborate within the Local Health Service Network to build a more integrated health system, with better access and experience for patients, strengthened workforce, consistently high quality care, and more sustainable healthcare delivery.

Deliverable	Outcomes (Achieved/ Not Achieved/Ongoing)
Meet all objectives agreed to in the Local Health Service Network Statement of Expectations across priority areas (access, equity and flow, workforce, safety and quality, and shared services).	**Ongoing** The Gippsland Local Health Service Network has made substantial progress in delivering against its four priority areas, with the majority of key milestones achieved and remaining initiatives progressing as planned. Performance against the Outcomes Framework indicates that all Year 1 measures have been achieved or remain on track within agreed timeframes. Significant achievements include the successful establishment of the Network and the development of the GLHSN Strategic Plan and Workforce Plan 2026–2028, which will guide coordinated regional action in the years ahead.

Statement of Priorities

Part B – KPI's

2025-26 SOP Part B
High quality and safe care

Key Performance Measure	Target	Result
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	97%
Adverse events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event	All RCA reports submitted within 30 business days	100%
Aged Care		
Public sector residential aged care services overall star rating (Minimum rating of 3 stars)	100%	100%
Patient Experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	95.8%
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice	0%	0%
Difference between the percentage of Aboriginal patients and non-Aboriginal patients presenting to ED who did not wait to be treated	0%	4%

Strong governance, leadership, and culture

Key Performance Indicator	Target	Result
Organisational Culture		
People Matter Survey – Percentage of staff with an overall positive response to safety culture survey questions **Changes to the 2025-26 Health Sector People Matter Survey has affected the 'Percentage of staff with an overall positive response to safety culture survey questions' measure. Historical results are not directly comparable and should be interpreted with consideration of a break in the time series.*	80%	66%
Planned Surgery		
Percentage of urgency category 1 planned surgery patients admitted within 30 days.	100%	100%
Percentage of all planned surgery patients admitted within the clinically recommended time	94%	84.2%
Number of patients admitted from the planned surgery waiting list	3,700	3,834

Percentage of patients on the waiting list who have waited longer than the clinically recommended time for their respective triage category	9.3%	2%
Optimisation of surgical inpatient length of stay (LOS), including through the use of virtual and home-based pre- and post-operative models of care	1.22	1.23
Emergency Care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	80%	79%
Number of emergency patients with a length of stay (LOS) in the ED greater than 24 hours	Zero	139
Average ED length of stay (LOS) for admitted patients, in minutes	Avg LOS <414 minutes or, if not met, a 5% improvement from the same time last year	696 minutes
Average ED length of stay (LOS) for non-admitted patients, in minutes	Avg LOS <240 minutes or, if not met, a 3% improvement from the same time last year	239 minutes
Specialist Clinics		
Percentage of patients referred by a GP or external specialist who attended a first appointment within the recommended timeframe	95%	97%
Home Based Care		
Percentage of admitted bed days delivered at home	8.4%	9.5%

Effective financial management

Key Performance Indicator	Target	Result
Operating result ($M)	0.00	0.05
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.6
Variance between the forecast and actual operating result (OR) as a percentage of the forecast OR for the current financial year ending 30 Jun	5% movement in forecast revenue and expenditure forecasts	Achieved

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

Statement of Priorities

Part C: Activity and Funding

Funding Type	2025-2026 Activity Achievement
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	20,551 NWAU
Acute Admitted	
Acute admitted DVA	62 NWAU
Acute admitted TAC	6 NWAU
Aged Care	
Residential aged care	27,680
HACC	5763 hours
Primary Health	
Community health / primary care programs	6,704 hours

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



***Photo:** Adele, Allied Health Assistant with Stacey, Podiatrist*



Photo: *Rhiannon, Continence Nurse*

Financial Report

Board Member's, Accountable Officer's, and Chief Finance & Accounting Officer's declaration

The attached financial statements for West Gippsland Healthcare Group 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 2026 and the financial position of West Gippsland Healthcare Group at 30 June 2026.

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 24 September 2026

Felix Pintado
Board Chair

Warragul
24 September 2026

Shannon Wight
Chief Executive Officer

Warragul
24 September 2026

Matt Shears
Chief Finance & Accounting Officer

Warragul
24 September 2026

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of West Gippsland Healthcare Group

Opinion

I have audited the financial report of West Gippsland Healthcare Group (the health service) which comprises the:

- balance sheet as at 30 June 2026
- 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 directors', 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 2026 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.

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

Other information	The Board is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Annual Report, (but does not include the financial report and our auditor's report thereon). Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We 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 and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
6 October 2026

Simone Bohan
as delegate for the Auditor-General of Victoria

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Comprehensive Operating Statement

	Note	2026 $'000	2025 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1(a)	167,046	155,877
Government Grants	2.1(b)	18,444	20,047
Other sources of income	2.1(c)	8,871	8,416
Total revenue and income from transactions		**194,361**	**184,340**
Expenses from transactions			
Employee expenses	3.1(a)	(144,496)	(136,789)
Supplies and consumables	3.1(c)	(22,080)	(20,948)
Depreciation and amortisation	4.1(a), 4.2	(11,623)	(11,589)
Other operating expenses	3.1(d)	(24,989)	(23,798)
Total Expenses from transactions		**(203,188)**	**(193,124)**
Net result from transactions - net operating balance		**(8,827)**	**(8,784)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		29	(18)
Net gain/(loss) on financial instruments		(7)	14
Other gain/(loss) from other economic flows		460	272
Bad and doubtful debt expense		(85)	(26)
Total other economic flows included in net result		**397**	**242**
Net result		**(8,430)**	**(8,542)**
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus		-	-
Total other comprehensive income		**-**	**-**
Comprehensive result		**(8,430)**	**(8,542)**

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

Balance Sheet

For the financial year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Financial assets			
Cash and cash equivalents	6.2	23,991	29,343
Receivables	5.1	8,288	7,648
Contract assets	5.2	1,015	1,636
Investments and other financial assets	5.3	2,054	2,040
Total financial assets		**35,348**	**40,667**
Non-financial assets			
Prepayments		430	924
Inventories	5.5	353	272
Property, plant and equipment	4.1	99,795	107,147
Total non-financial assets		**100,578**	**108,343**
Total assets		**135,926**	**149,010**
Liabilities			
Payables	5.6	18,396	23,309
Contract liabilities	5.7	45	-
Borrowings	6.1	1,694	2,053
Employee benefits	3.1(b)	34,474	33,189
Monies held in trust	5.8	13,410	14,122
Total liabilities		**68,019**	**72,673**
Net assets		**67,907**	**76,337**
Equity			
Property, plant and equipment revaluation surplus		105,489	105,489
Contributed capital		37,079	37,079
Accumulated surplus/(deficit)		(74,661)	(66,231)
Total equity		**67,907**	**76,337**

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

Cash Flow Statement

For the financial year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash Flows from operating activities			
Receipts from Government		157,008	155,854
Commercial activity revenue received		5,132	4,705
GST Received from ATO		4,610	4,483
Other receipts		25,472	21,338
Total receipts		**192,222**	**186,380**
Payments to employees		(129,042)	(116,822)
Payments for supplies and consumables		(22,083)	(20,834)
GST paid to ATO		(1,986)	(1,943)
Other payments		(40,657)	(35,589)
Total payments		**(193,768)**	**(175,188)**
Net cash flows from/(used in) operating activities		**(1,546)**	**11,192**
Cash Flows from investing activities			
Purchase of non-financial assets		(3,838)	(2,243)
Proceeds from sale of financial assets		29	178
Capital donations and bequests received		1,561	489
Net cash flows from/(used in) investing activities		**(2,248)**	**(1,576)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(820)	(782)
Repayment of accommodation deposits		(5,113)	(4,041)
Receipt of accommodation deposits		4,375	6,041
Net cash flows from/(used in) financing activities		**(1,558)**	**1,218**
Net increase/(decrease) in cash and cash equivalents held		**(5,352)**	**10,834**
Cash and cash equivalents at beginning of year		29,343	18,509
Cash and cash equivalents at end of year	6.2	**23,991**	**29,343**

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

Statement of Changes in Equity

For the financial year ended 30 June 2026

	Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated Surplus/(Deficit)	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2024	**105,489**	**37,079**	**(57,689)**	**84,879**
Net result for the year	-	-	(8,542)	(8,542)
Balance at 30 June 2025	**105,489**	**37,079**	**(66,231)**	**76,337**
Net result for the year	-	-	(8,430)	(8,430)
Balance at 30 June 2026	**105,489**	**37,079**	**(74,661)**	**67,907**

Notes to the Financial Statement

West Gippsland Healthcare Group for the financial year ended 30 June 2026

Note 1: Basis of preparation

Structure

1.1 Basis of preparation
1.2 Material accounting estimates and judgements
1.3 Reporting entity
1.4 Economic dependency

Notes to the Financial Statement

West Gippsland Healthcare Group for the financial year ended 30 June 2026

Note 1 About this Report

These financial statements represent the financial statements of West Gippsland Healthcare Group for the year ended 30 June 2026.

West Gippsland Healthcare Group is a not-for-profit entity established initially as the West Gippsland Hospital as a public hospital on 24 May 1988 under the Health Services Act 1988 (Vic). The Act was amended on 20 May 1997 for the change in name to West GIppsland Healthcare Group when services across the community came together under the one entity. A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation

These financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

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

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

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

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of West Gippsland Healthcare Group.

The financial statements have been prepared on a going concern basis (refer to Note 1.4 Economic Dependency).

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of West Gippsland Healthcare Group on 24 September.

Note 1.2 Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

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

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

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

Note 1.3 Reporting Entity

The financial statements include all the controlled activities of West Gippsland Healthcare Group.

West Gippsland Healthcare Group's principal address is:
41 Landsborough Street
Warragul, Victoria 3820

Note 1.4 Economic dependency

West Gippsland Healthcare Group 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. West Gippsland Healthcare Group 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 West Gippsland Healthcare Group's operations and on that basis, the financial statements have been prepared on a going concern basis.

Note 2 Funding delivery of our services

West Gippsland Healthcare Group's overall objective is to provide quality health services to the local West Gippsland and broader Victorian communities. WGHG delivers these services within its role as a sub-regional public hospital and annual priorities are set within the annual Statement of Priorities (SOP) with the Department of Health. West Gippsland Healthcare Group is predominantly funded by grant funding for the provision of outputs. West Gippsland Healthcare Group also receives income from the supply of services.

Significant judgement – Grants revenue

West Gippsland Healthcare Group has made the judgement that amounts received in relation to activity-based NWAU funding are recognised under AASB 15 on the basis that the revenue is recognised as the performance obligations are met.

Structure

2.1 Revenue and income from transactions

Note 2.1 Revenue and income from transactions

	Note	2026 $'000	2025 $'000
Revenue from contracts with customers	2.1(a)	167,046	155,877
Government grants	2.1(b)	18,444	20,047
Other sources of income	2.1(c)	8,871	8,416
Total revenue and income from transactions		**194,361**	**184,340**

Note 2.1(a) Revenue from contracts with customers

	2026 $'000	2025 $'000
Government grants (State) - Operating	130,876	121,301
Government grants (Commonwealth) - Operating	12,967	12,454
Patient and resident fees	3,603	3,820
Commercial activities	19,600	18,302
Total revenue from contracts with customers	**167,046**	**155,877**

How we recognise revenue from contracts with customers

Government grants

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

In contracts with customers, the 'customer' is the funding body, who is the party that promises funding in exchange for West Gippsland Healthcare Group's goods or services. West Gippsland Healthcare Group's 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 West Gippsland Healthcare Group's revenue streams, with information detailed below relating to West Gippsland Healthcare Group's material revenue streams:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU) received from the state.	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 a point in time, which is when a patient is discharged.

Patient and resident fees

Patient and resident fees are charges incurred by patients for services they receive. Patient and resident fees are recognised under AASB 15 at a point in time when the performance obligation, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

Note 2.1(b) Government grants

	2026 $'000	2025 $'000
Government grants (State) - Operating	16,913	17,676
Government grants (State) - Capital	1,531	2,371
Total Government grants	**18,444**	**20,047**

How we recognise Government grants

Government grants

West Gippsland Healthcare Group recognises income for 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 West Gippsland Healthcare Group has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, West Gippsland Healthcare Group 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 West Gippsland Healthcare Group 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 West Gippsland Healthcare Group'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.

Non-cash contributions from the Department of Health

The DH makes some payments on behalf of West Gippsland Healthcare Group as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for West Gippsland Healthcare Group which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Victorian Infrastructure Delivery Authority	The Department of Health made payments to the Victorian Infrastructure Delivery Authority to fund capital works projects during the year ended 30 June 2026, on behalf of West Gippsland Healthcare Group.
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 2.1(c) Other sources of income

	Note	2026 $'000	2025 $'000
Capital donations	2.1(d)	1,561	489
Assets received free of charge or for nominal consideration	2.1(d)	78	195
Other income from operating activities		5,995	6,175
Income from non-operating activities		1,237	1,557
Total other sources of income		**8,871**	**8,416**

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

	2026 $'000	2025 $'000
Cash donations and gifts	1,634	568
Personal protective equipment and other consumables	5	116
Total fair value of assets and services received free of charge or for nominal consideration	**1,639**	**684**

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

Contributions of assets received free of charge or for nominal consideration are recognised at their fair value when West Gippsland Healthcare Group 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 West Gippsland Healthcare Group as a capital contribution transfer.

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

Note 3.1 Expenses incurred in the delivery of services

	Note	2026 $'000	2025 $'000
Employee expenses	3.1(a)	144,496	136,789
Supplies and consumables	3.1(c)	22,080	20,948
Other operating expenses	3.1(d)	24,989	23,798
Total expenses incurred in the delivery of services		**191,565**	**181,535**

Note 3.1(a) Employee expenses

	2026 $'000	2025 $'000
Salaries and wages	117,124	109,738
Superannuation expense [1]	12,799	11,624
Agency expenses	8,703	9,441
Fee for service medical officer expenses	5,870	5,986
Total employee expenses	**144,496**	**136,789**

(1) Defined contribution superannuation expense and defined benefit superannuation expense have been combined.

How we recognise employee expenses

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

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

Note 3.1(b) Employee related provisions

	2026 $'000	2025 $'000
Current provisions for employee benefits		
Accrued days off	193	190
Annual leave	13,794	12,386
Long service leave	13,674	13,929
Provision for on-costs	3,823	3,662
Total current provisions for employee benefits	**31,484**	**30,167**
Non-current provisions for employee benefits		
Long service leave	2,616	2,644
Provision for on-costs	374	378
Total non-current provisions for employee benefits	**2,990**	**3,022**
Total provisions for employee benefits	**34,474**	**33,189**

How we recognise employee-related provisions

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

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

Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as current liabilities because West Gippsland Healthcare Group 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 West Gippsland Healthcare Group expects to wholly settle within 12 months or
present value – if West Gippsland Healthcare Group 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 West Gippsland Healthcare Group 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 West Gippsland Healthcare Group expects to wholly settle within 12 months or
present value – if West Gippsland Healthcare Group does not expect to wholly settle within 12 months.

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

Provisions

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

Note 3.1(c) Supplies and consumables

	2026 $'000	2025 $'000
Drug supplies	1,290	1,179
Medical and surgical supplies (including Prostheses)	6,538	6,892
Diagnostic and radiology supplies	7,570	6,452
Other supplies and consumables	6,682	6,425
Total supplies and consumables	**22,080**	**20,948**

How we recognise 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.

Note 3.1(d) Other operating expenses

	2026 $'000	2025 $'000
Fuel, light, power and water	2,417	2,224
Workcover premiums	3,251	2,381
Repairs and maintenance	2,749	2,223
Maintenance contracts	546	604
Medical indemnity insurance	3,898	3,194
Other administration expenses	11,582	11,384
Expenditure for capital purpose	546	1,788
Total other operating expenses	**24,989**	**23,798**

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.

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 West Gippsland Healthcare Group. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue (Refer to Note 2.1(b)) and recording a corresponding expense.

Note 4 Key assets to support service delivery

West Gippsland Healthcare Group 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 West Gippsland Healthcare Group to be utilised for delivery of services.

Significant judgement – Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

4.1 Property, plant and equipment
4.2 Depreciation and amortisation

Note 4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000
Land at fair value - Freehold	17,905	17,905	-	-	17,905	17,905
Buildings at fair value	77,408	76,623	(15,943)	(7,971)	61,465	68,652
Works in progress at cost	129	-	-	-	129	-
Plant, equipment and vehicles at fair value	45,289	43,727	(24,993)	(23,137)	20,296	20,590
Total property, plant and equipment	**140,731**	**138,255**	**(40,936)**	**(31,108)**	**99,795**	**107,147**

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.

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

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

	Land $'000	Buildings $'000	Works in progress $'000	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2025	**17,905**	**68,652**	**-**	**20,590**	**107,147**
Additions	-	785	129	3,643	4,557
Disposals	-	-	-	(286)	(286)
Revaluation increments/(decrements)	-	-	-	-	-
Net transfers between classes	-	-	-	-	-
Depreciation	-	(7,972)	-	(3,651)	(11,623)
Balance at 30 June 2026	**17,905**	**61,465**	**129**	**20,296**	**99,795**

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, West Gippsland Healthcare Group 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 earlier of the interim revaluation or next scheduled independent revaluation in 2029, in accordance with West Gippsland Healthcare Group'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	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Plant, equipment and vehicles	2,317	2,205	(986)	(823)	1,331	1,382
Total right-of-use assets	**2,317**	**2,205**	**(986)**	**(823)**	**1,331**	**1,382**

Reconciliations of the carrying amounts of each class of asset

	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2025	**1,382**	**1,382**
Additions	472	472
Disposals	(208)	(208)
Net Transfers between classes	-	-
Depreciation	(315)	(315)
Balance at 30 June 2026	**1,331**	**1,331**

(1) As a result of a change in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 7.3.

How we recognise right-of-use assets

Initial recognition

When West Gippsland Healthcare Group 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.

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 cost less accumulated depreciation, impairment and any adjustments for remeasurement of the lease liability.

Further information regarding fair value measurement is disclosed in Note 7.3.

4.1(c) Impairment of property, plant and equipment

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

West Gippsland Healthcare Group has assessed all right-of-use assets for impairment, and no indicators of impairment are identified as at 30 June 2026.

Note 4.2 Depreciation and amortisation

How we recognise depreciation

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

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

How we recognise amortisation

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

Useful lives of non-current assets

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

	2026	2025
Buildings	7 - 40 years	7 - 40 years
Plant, equipment and vehicles (including leased assets)	3 - 40 years	3 - 40 years

Note 5 Other assets and liabilities

This section sets out those assets and liabilities that arose from West Gippsland Healthcare Group's operations.

Structure

5.1 Receivables
5.2 Contract assets
5.3 Investments and other financial assets
5.4 Impairment of financial assets
5.5 Inventories
5.6 Payables
5.7 Contract liabilities
5.8 Monies held in trust

Note 5.1 Receivables

	Note	2026 $'000	2025 $'000
Current receivables			
Contractual			
Inter hospital debtors		2,184	2,256
Trade receivables		372	417
Patient fees		429	372
Allowance for impairment losses	5.4	(40)	(32)
Other receivable		397	400
Total contractual receivables		**3,342**	**3,413**
Statutory			
GST/FBT receivable		304	323
Total statutory receivables		**304**	**323**
Total current receivables		**3,646**	**3,736**
Non-current receivables			
Contractual			
Long service leave - Department of Health		4,642	3,912
Total contractual receivables		**4,642**	**3,912**
Total non-current receivables		**4,642**	**3,912**
Total receivables		**8,288**	**7,648**
(i) Financial assets classified as receivables			
Total receivables		8,288	7,648
GST receivable		(304)	(323)
Total financial assets classified as receivables	7.1	**7,984**	**7,325**

Receivables consist of:

- **Contractual receivables**, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, including Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Note 5.2 Contract assets

	2026 $'000	2025 $'000
Current		
Contract assets	1,015	1,636
Total current contract assets	1,015	1,636
Total contract assets	**1,015**	**1,636**

How we recognise contract assets

Contract assets relate to the West Gippsland Healthcare Group'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 Investments and other financial assets

	Specific Purpose Fund	
	2026 $'000	2025 $'000
Current		
Financial assets at amortised cost		
Term deposits > 3 months	2,000	2,000
Salary Packaging	54	40
Total current financial assets	**2,054**	**2,040**
Total investments and other financial assets	**2,054**	**2,040**
Represented by:		
Held in trust investments	2,000	2,000
Salary Packaging	54	40
Total investments and other financial assets	**2,054**	**2,040**

How we recognise investments and other financial assets

West Gippsland Healthcare Group's investments and other financial assets are made in accordance with Standing Direction 3.7.2 - Treasury Management, including the Central Banking System.

West Gippsland Healthcare Group manages its investments and other financial assets in accordance with an investment policy approved by the Board.

Investments are recognised when West Gippsland Healthcare Group enters into a contract to either purchase or sell the investment (i.e. when it becomes a party to the contractual provisions to the investment). Investments are initially measured at fair value, net of transaction costs.

West Gippsland Healthcare Group classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset. Term deposits with original maturity dates of three to twelve months are classified as current, whilst term deposits with original maturity dates in excess of 12 months are classified as non-current.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement, are subject to annual review for impairment, in accordance with Note 5.4.

Note 5.4 Impairment of financial assets

	Note	2026 $'000	2025 $'000
Impairment loss on contractual receivables			
From transactions	5.1	(40)	(32)
		(40)	**(32)**

How we recognise impairment of financial assets

West Gippsland Healthcare Group records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's expected credit loss approach. West Gippsland Healthcare Group's contractual receivables and statutory receivables are subject to this impairment assessment. Contract assets recognised are also subject to the impairment requirement of AASB 9, however contract assets are immaterial.

West Gippsland Healthcare Group applies the simplified approach, which requires the loss allowances to always be measured at an amount equal to lifetime expected credit losses. The loss allowance is based on assumptions about risk of default and expected loss rates.

Contractual receivables at amortised cost

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

The expected credit loss rates applied at 30 June 2026 vary from 0.27% for contractual receivables that are current to 7.09% for contractual receivables that are more than 90 days past due (30 June 2025: from 0.2% to 2.8%).

Statutory receivables at amortised cost

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, the loss allowance recognised for these financial assets during the period was limited to 12 months of expected credit losses. No loss allowance has been recognised.

Note 5.5 Inventories

	2026 $'000	2025 $'000
Current inventories		
Medical consumables	158	128
Pharmacy supplies	3	2
Linen	133	93
General stores	59	49
Total inventories	**353**	**272**

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

Note 5.6 Payables

	Note	2026 $'000	2025 $'000
Current payables			
Contractual			
Trade creditors		5,789	5,284
Accrued salaries and wages		3,357	4,957
Accrued expenses		4,611	3,634
Other		4,639	9,434
Total contractual payables		**18,396**	**23,309**
Total current payables		**18,396**	**23,309**
Total payables		**18,396**	**23,309**
(i) Financial liabilities classified as payables			
Total payables		18,396	23,309
Total financial liabilities classified as payables	7.1	**18,396**	**23,309**

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 West Gippsland Healthcare Group 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 5.7 Contract liabilities

	2026 $'000	2025 $'000
Current		
Contract liabilities	45	-
Total current contract liabilities	45	-
Total contract liabilities	**45**	**-**

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of Cognitive, Dementia and Memory support services which was unspent at 30th June 2026, revenue has been deferred and will be recognised next reporting period.

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

Note 5.8 Monies held in trust

	Note	2026 $'000	2025 $'000
Current monies held in trust			
Rental bonds		13	8
Refundable accommodation deposits		13,275	14,014
Other monies		122	100
Total current monies held in trust		**13,410**	**14,122**
Total monies held in trust		**13,410**	**14,122**
*** Represented by:**			
- Cash assets	6.2	11,410	12,122
- Investment and other financial assets		2,000	2,000
		13,410	**14,122**

How we recognise monies held in trust

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to West Gippsland Healthcare Group 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 West Gippsland Healthcare Group during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of West Gippsland Healthcare Group.

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

Note 6.1 Borrowings

	Note	2026 $'000	2025 $'000
Current borrowings			
Lease liability	6.1(a)	645	546
Advances from government		336	336
Total current borrowings		**981**	**882**
Non-current borrowings			
Lease liability	6.1(a)	713	862
Advances from government		-	309
Total non-current borrowings		**713**	**1,171**
Total borrowings	7.1	**1,694**	**2,053**

How we recognise borrowings

Borrowings refer to a non-interest loan with the Department of Health in relation to the Energy Performance Contract and other funds raised through lease liabilities and other interest-bearing arrangements.

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.

Note 6.1 Borrowings (cont'd)

Terms and conditions

					Maturity Dates		Matu
		Weighted average interest rate	Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years
30 June 2026	**Note**	**(%)**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease liabilities	6.1	2.69%	1,358	1,444	54	107	570	713
Advances from government	6.1	4.20%	336	336	-	-	336	-
Total Financial Liabilities			**1,694**	**1,780**	**54**	**107**	**906**	**713**

					Maturity Dates		Matu
		Weighted average interest rate	Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years
30 June 2025	**Note**	**(%)**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease liabilities	6.1	2.08%	1,408	1,502	46	91	410	955
Advances from government	6.1	4.20%	645	645	-	-	336	309
Total Financial Liabilities			**2,053**	**2,147**	**46**	**91**	**746**	**1,264**

Note 6.1(a) Lease liabilities

West Gippsland Healthcare Group's lease liabilities are summarised below:

	2026 $'000	2025 $'000
Current lease liabilities		
Lease liability	645	546
Total current lease liabilities	**645**	**546**
Non-current lease liabilities		
Lease liability	713	862
Total non-current lease liabilities	**713**	**862**
Total lease liabilities	**1,358**	**1,408**

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

	2026 $'000	2025 $'000
Not longer than one year	736	565
Longer than one year but not longer than five years	709	936
Minimum future lease liability	**1,445**	**1,501**
Less unexpired finance expenses	(87)	(93)
Present value of lease liability	**1,358**	**1,408**

How we recognise lease liabilities

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

To apply this definition, West Gippsland Healthcare Group 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 West Gippsland Healthcare Group and for which the supplier does not have substantive substitution rights
- West Gippsland Healthcare Group 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 West Gippsland Healthcare Group has the right to direct the use of the identified asset throughout the period of use and
- West Gippsland Healthcare Group has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Note 6.1(a) Lease liabilities (cont'd)

West Gippsland Healthcare Group's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased plant, equipment, furniture, fittings and vehicles	1 to 5 years

All leases are recognised on the balance sheet, with the exception of low value leases (less than $10,000 AUD) and short-term leases of less than 12 months. West Gippsland Healthcare Group has elected to apply the practical expedients for short-term leases and leases of low-value assets. As a result, no right-of-use asset or lease liability is recognised for these leases; rather, lease payments are recognised as an expense on a straight-line basis over the lease term, within "other operating expenses" (refer to Note 3.1).

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 West Gippsland Healthcare Group's incremental borrowing rate. Our lease liability has been discounted by rates of between 1.25% and 5.25%.

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.

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.

Note 6.2 Cash and Cash Equivalents

	Note	2026 $'000	2025 $'000
Cash on hand (excluding monies held in trust)		4	4
Cash at bank (excluding monies held in trust)		12,712	17,217
Total cash held for operations		**12,716**	**17,221**
Cash on hand (monies held in trust)			-
Cash at bank (monies held in trust)		11,275	12,122
Total cash held as monies in trust	5.8	**11,275**	**12,122**
Total cash and cash equivalents	7.1	**23,991**	**29,343**

Note 6.3 Commitments for expenditure

30 June 2026	Less than 1 year $'000	1-5 Years $'000	Over 5 years $'000	Total $'000
Capital expenditure commitments	1,689	-	-	1,689
Operating expenditure commitments	-	-	-	-
Non-cancellable short term and low value lease commitments	332	641	-	973
Total commitments (inclusive of GST)	**2,021**	**641**	**-**	**2,662**
Less GST recoverable				(242)
Total commitments (exclusive of GST)				**2,420**

30 June 2025	Less than 1 year $'000	1-5 Years $'000	Over 5 years $'000	Total $'000
Capital expenditure commitments	-	-	-	-
Operating expenditure commitments	-	-	-	-
Non-cancellable short term and low value lease commitments	311	703	44	1,058
Total commitments (inclusive of GST)	**311**	**703**	**44**	**1,058**
Less GST recoverable				(96)
Total commitments (exclusive of GST)				**962**

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.

Short term and low value leases

West Gippsland Healthcare Group discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.

Note 7 Financial instruments, contingencies and valuation judgements

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

Structure

7.1 Financial instruments
7.2 Contingent assets and contingent liabilities
7.3 Fair value determination

Note 7.1 Financial instruments

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

30 June 2026	Note	Carrying amount $'000	Total interest income/ (expense) $'000	Impairment loss $'000
Financial assets at amortised cost				
Cash and cash equivalents	6.2	23,991	85	-
Receivables	5.1	7,984	-	(92)
Investments and other financial assets	5.3	2,000	1,152	-
Total financial assets [i]		**33,975**	**1,237**	**(92)**
Financial liabilities at amortised cost				
Payables	5.6	18,396	-	-
Borrowings	6.1	1,694	(58)	-
Other financial liabilities - Refundable Accommodation Deposits	5.8	13,275	(30)	-
Other financial liabilities - patient monies held in trust	5.8	13	-	-
Total financial liabilities [i]		**33,378**	**(88)**	**-**

30 June 2025	Note	Carrying amount	Total interest income/ (expense) $'000	Impairment loss $'000
Financial assets at amortised cost				
Cash and cash equivalents	6.2	29,343	1,460	-
Receivables	5.1	7,325	-	(11)
Investments and other financial assets	5.3	2,000	97	-
Total financial assets [i]		**38,668**	**1,557**	**(11)**
Financial liabilities at amortised cost				
Payables	5.6	23,309	-	-
Borrowings	6.1	2,053	(57)	-
Other financial liabilities - Refundable Accommodation Deposits	5.8	14,014	(26)	-
Other financial liabilities - patient monies held in trust	5.8	8	-	-
Total financial liabilities [i]		**39,384**	**(83)**	**-**

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

How we categorise financial instruments

Financial assets at amortised cost

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

- the assets are held by West Gippsland Healthcare Group 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.

West Gippsland Healthcare Group recognises the following assets in this category:

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

Note 7.1 Financial instruments (cont'd)

Categories of financial liabilities

Financial liabilities at amortised cost

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

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

West Gippsland Healthcare Group recognises the following liabilities in this category:

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

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
- West Gippsland Healthcare Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in
- West Gippsland Healthcare Group 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 West Gippsland Healthcare Group has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of West Gippsland Healthcare Group's continuing involvement in the asset.

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

A financial asset is required to be reclassified between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, West Gippsland Healthcare Group'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 Contingent assets and contingent liabilities

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

Note 7.3 Fair value determination

Significant assumptions

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, with the exception of right-of-use assets arising under AASB 16, which are measured using the cost model
- Right-of-use assets

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

Valuation hierarchy

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

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

West Gippsland Healthcare Group 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.

West Gippsland Healthcare Group 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 West Gippsland Healthcare Group's independent valuation agency for property, plant and equipment.

Fair value determination: non-financial physical assets

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 *Fair Value Measurement* by adding Appendix F *Australian Implementation Guidance for Not-for-Profit Public Sector Entities.* Appendix F explains and illustrates the application of the 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 process (whichever is earlier).

The last scheduled full independent valuation of all of West Gippsland Healthcare Group's non-financial physical assets was performed by VGV on 30 June 2024. The annual fair value assessment for 30 June 2026 using VGV indices does not identify material changes in value. In accordance with FRD 103, West Gippsland Healthcare Group will reflect Appendix F in its next scheduled formal revaluation on 30 June 2029 or interim revaluation process (whichever is earlier). All annual fair value assessments thereafter will continue compliance with Appendix F.

For all assets measured at fair value, West Gippsland Healthcare Group considers the current use as its highest and best use.

Non-specialised land, non-specialised buildings and investment properties

Non-specialised land, non-specialised buildings, investment properties and cultural assets 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. From this analysis, an appropriate rate per square metre has been applied to the asset.

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, West Gippsland Healthcare Group 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.

Note 7.3 Fair value determination (cont'd)

The market approach is also used for specialised land although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued.

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and considers the use of the asset that is physically possible, legally permissible and financially feasible.

For West Gippsland Healthcare Group, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation.

Vehicles

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

Furniture, fittings, plant and equipment

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

Significant assumptions

Description of significant assumptions applied to fair value measurement:

Asset class	Valuation technique	Significant assumption	Range (weighted average)[(i)]
Specialised land	Market approach	Community Service Obligations adjustment	20%(ii)
Specialised buildings	Current replacement cost approach	Cost per square metre Useful life	$24 - $2,108/m^2 ($1,300) 5 - 40 years (13 years)
Vehicles	Current replacement cost approach	Cost per unit Useful life	$1,400 - $195,336 ($37,521 per unit) 4 - 10 years (8 years)
Plant, equipment, furniture and fittings	Current replacement cost approach	Cost per unit Useful life	$1,000 - $900,000 ($11,463 per unit) 3 - 40 years (16 years)

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

[(ii)] CSO adjustments of 20% were applied to reduce the market approach value for West Gippsland Healthcare Group's specialised land.

Note 8 Other disclosures

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

Structure

8.1 Ex-gratia expenses
8.2 Responsible persons disclosures
8.3 Remuneration of executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Events occurring after the balance date
8.7 Joint arrangements

Note 8.1 Ex gratia payments

At balance date, there have been no ex-gratia payments

Notes to the Financial Statement

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	01 Jul 2025 - 14 Apr 2026
Minister for Ambulance Services	01 Jul 2025 - 14 Apr 2026
The Honourable Harriet Shing MP:	
Minister for Health	15 Apr 2026 - 30 Jun 2026
Minister for Ambulance Services	15 Apr 2026 - 30 Jun 2026
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	01 Jul 2025 - 30 Jun 2026
Minister for Prevention of Family Violence	15 Apr 2026 - 30 Jun 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	01 Jul 2025 - 30 Jun 2026
Minister for Ageing	01 Jul 2025 - 30 Jun 2026
Minister for Multicultural Affairs	01 Jul 2025 - 30 Jun 2026
Minister for Prevention of Family Violence	01 Dec 2025 - 14 Apr 2026
The Honourable Lizzy Blandthorn MP:	
Minister for Children	01 Jul 2025 - 30 Jun 2026
Minister for Disability	01 Jul 2025 - 30 Jun 2026
Governing Boards	
Ms J Moorfoot (Chair of the Board)	1 Jul 2025 - 30 Jun 2026
Mr R Barr	1 Jul 2025 - 30 Jun 2026
Mrs S Brentnall	1 Jul 2025 - 30 Jun 2026
Mr J Brook	1 Jul 2025 - 30 Jun 2026
Mr J Chikuse	1 Jul 2025 - 30 Jun 2026
Mrs S Lukies	1 Jul 2025 - 30 Jun 2026
Dr R McRae	1 Jul 2025 - 30 Jun 2026
Mr F Pintado	1 Jul 2025 - 30 Jun 2026
Ms S Blake	1 Jul 2025 - 30 Jun 2026
Accountable Officers	
Ms S Wight (Chief Executive Officer)	1 Jul 2025 - 30 Jun 2026

Remuneration of Responsible Persons

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

Income Band	2026 No	2025 No
$10,000 - $19,999	8	8
$20,000 - $29,999	1	1
$390,000 - $399,000	1	-
$570,000 - $579,999[1]	-	1
Total Numbers	**10**	**10**

	2026 $'000	2025 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**545**	**723**

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

[1] Total remuneration includes termination benefit payments (accumulated employee leave entitlements such as long service and annual leave).

Note 8.3: Remuneration of executives officers

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

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

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.

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

	Total Remuneration	
	2026 $'000	2025 $'000
Total remuneration [i]	1,617	1,295
Total number of executives	7	5
Total annualised employee equivalent [ii]	4.2	4.6

i The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of West Gippsland Healthcare Group 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.

Notes to the Financial Statement

West Gippsland Healthcare Group for the financial year ended 30 June 2026

Note 8.4 Related Parties

The West Gippsland Healthcare Group 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.

Significant transactions with government related entities

The West Gippsland Healthcare Group received funding from the government related entities of $147.58 m (2025: $137.4m) and indirect contributions of $1.07 m (2025: $1.53 m). Balances outstanding as at 30 June 2026 are $4.23m payable (2025: $7.78m) and $1.02m receivable (2025: $1.64m).

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

Key management personnel

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

The Board of Directors and the Chief Executive Officer of the West Gippsland Healthcare Group and its controlled entities are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
West Gippsland Healthcare Group	Ms Jo-Anne Moorfoot	Chair of the Board
	Mr Rob Barr	Board Member
	Mrs Sara Brentnall	Board Member
	Mr Justin Brook	Board Member
	Mr Josh Chikuse	Board Member
	Ms Susan Blake	Board Member
	Mrs Sarah Lukies	Board Member
	Mr Felix Pintado	Board Member
	Dr Roderick McRae	Board Member
	Ms Shannon Wight	Chief Executive Officer

Remuneration of key management personnel

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

	2026 $'000	2025 $'000
Total compensation - KMPs[i]	545	723

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

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 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 West Gippsland Healthcare Group, 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 2026 (2025: none).

There were no related party transactions required to be disclosed for the West Gippsland Healthcare Group Board of Directors, Chief Executive Officer and Executive Directors in 2026 (2025: none).

Note 8.5 Remuneration of Auditors

	2026 $'000	2025 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	41	39
Total remuneration of auditors	**41**	**39**

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest 2026 %	Ownership Interest 2025 %
Gippsland Health Alliance	Information Technology	13.13	12.97

For the year ended 30 June 2026, West Gippsland Healthcare Group's share of the joint operations finances was:

	2026 $'000	2025 $'000
Total revenue and income	3,233	3,171
Total expenses	(3,442)	(3,013)
Total net result	(209)	158
Total other economic flows	-	-
Comprehensive result for the year	(209)	158
Total assets	2,584	2,816
Total liabilities	484	507
Total equity	2,100	2,309

Contingent liabilities and capital commitments

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



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WEST GIPPSLAND HEALTHCARE GROUP