South Gippsland Hospital

Adaptability Trust Excellence Accountability Mutual respect









ANNUAL REPORT 2025-2026




Reception






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Accessibility

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Section 1: Overview

Responsible Body's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for South Gippsland Hospital for the year ending 30 June 2026.



Damon Stynes, Board Chair
South Gippsland Hospital, Foster
24 September 2026

Acknowledgements

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

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

Establishment and Relevant Ministers

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

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

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

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

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

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

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

The responsible Ministers for the reporting period were:

Minister for Health **Minister for Ambulance Services**	The Hon Mary-Anne Thomas 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 (From 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)

Our Vision, Strategic focus and Core Values

OUR VISION

Delivering the best and safest health care for our community

OUR STRATEGIC FOCUS

Four interconnected areas of:

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

Underpinned by

4. Sound and aligned funding



Our Core Values

Accountability:
accepting responsibility for our actions

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

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

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

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

Overview of our services

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

Foster has a population of approximately 2,000 people, and the official catchment area of the health service has approximately 9,000 people.

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

Acute Care

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

Community Care

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

Section 2: Year in review

Chair and CEO's Combined Report

On behalf of the Board of Management and the Executive Management Team, we are pleased to present the Annual Report for South Gippsland Hospital for the 2025–26 financial year.

This has been a year of continued service, adaptation and partnership for South Gippsland Hospital. Across our acute, urgent care, maternity, perioperative, community health, district nursing, allied health, home-based and aged care-related services, our focus has remained clear: to deliver the best and safest health care for our community, as close to home as possible.

Person-centred care remains at the heart of everything we do. Our vision is not simply a statement; it is reflected every day in the care provided by our staff, visiting clinicians, volunteers, partners and support teams. We continue to place the needs, choices and experiences of patients, clients, families, staff and community at the centre of our planning and decision-making. This commitment builds on the existing SGH emphasis on safe, high-quality, person-centred care and the importance of investing in people, capability and outcomes.

The broader health system in Victoria is changing significantly. The establishment of Local Health Service Networks from 1 July 2025 created a stronger regional platform for collaboration, service planning and shared accountability. The Victorian Health Services Plan emphasises a more connected system that delivers the right care, at the right time, in the right place, while responding to growing demand, workforce pressures and the need for more consistent access to safe, high-quality care. For South Gippsland Hospital, this reform environment reinforces the importance of being both a strong local health service and an active regional partner.

During 2025–26, SGH continued to contribute to the emerging work of the Gippsland Local Health Service Network (GLHSN). The Network's early strategic planning has focused on access, equity and flow; workforce; safety and quality; and shared services, with an additional focus on research and innovation.

The Network's shared purpose is "Caring for Gippsland Together". SGH's role is to remain a trusted local service while contributing constructively to regional pathways, shared models of care and coordinated planning.

Organisational changes

At the governance level, we welcomed Katherine Dowson, Trish Shee and Vimi Desai to the SGH Board in November 2025.

The Senior Executive team welcomed Jackie Goodman to the inaugural Director of Quality and Risk role, while Kylie Osborne joined in January 2026 as the Director of Nursing (Chief Midwife) following Lilli Lush's interim appointment.

A year of care, quality and service

Throughout the year, our staff continued to deliver high-quality care across the hospital, our centres and home-based settings. The strength of SGH lies in the breadth of services we provide for a small rural community and in the relationships that allow those services to operate safely and effectively. Our care is supported by a strong local general practice partnership, visiting services, regional collaborations, community health

programs, volunteer support and a committed workforce that understands the community it serves.

Quality and safety have remained core priorities. SGH entered 2025–26 from a strong base, following accreditation against the National Safety and Quality Health Service Standards in February 2025. In 2025–26, our focus has been on sustaining this standard, strengthening clinical governance and continuing to embed improvement in everyday practice.

We also recognise the value of patient and consumer feedback. Through 2025-26 SGH once again, received strong Victorian Health Experience Survey feedback.

Service Activity

SGH has continued to service the communities of Corner Inlet by maintaining and growing services through 2025-26.

The following statistics are provided to get a sense of the volume of care provided.

Acute Care

Our Perioperative Services Unit has undertaken a consistent level of surgical lists (n=110) to provide 825 procedures to our local community and in addition allowed us to support Latrobe Regional Health in managing their planned surgery list to provide an additional 54 procedures.

There were 977 admissions, excluding births, which totalled an additional 36 for the year. The maternity service also supported women to attend 340 antenatal clinic visits, and 208 domiciliary care visits, post birthing.

Our Urgent Care Centre has experienced 2,859 presentations. Most were unplanned (n=2,452), however some planned visits occurred due to an effective partnership with the Foster Medical Centre General Practitioners (n=349). We have also continued our effective partnership with the Virtual Emergency Department (VVED) to support our Urgent Care Centre after hours with 125 consultations. This arrangement assists SGH in the management of non-urgent presentations after hours. This continues to be a valuable support to the on call General Practitioner and well received by both members of our community and its visitors.

Community Care

Services continued to deliver a broad range of accessible, person-centred care across the year, supporting older people, younger people with care needs, clients transitioning from hospital, and community members requiring nursing, allied health, social support, respite, counselling and youth-focused services.

A total of 17,271 Commonwealth Home Support Program (CHSP) service hours were delivered across community nursing, allied health, social support and Day Respite Service. Allied Health Services continued to provide a dynamic mix of individualised and group-based services, while the District Nursing Service delivered 2,873 hours of CHSP funded care.

The Transition Care Program, delivered through both bed-based and home-based services, continued to support older community members with complex needs to remain at home or transition to more supported care. In 2025–2026, the program supported 26 individuals.

The Support at Home program continued to grow, supporting 26 additional clients compared with 2024–2025 and reaching a total of 162 clients.

Nursing and allied health support for clients aged under 65 years was provided through 554 hours of Home and Community Care Program for Younger People service delivery.

The Positive Ageing Service (PAS) engaged 89 individual clients, equating to 772 hours of service delivery. Toward the end of 2025–2026, PAS broadened its service offering to include dedicated appointments supporting clients to complete Advance Care Directives.

The Stepped Care Mental Health Counselling service delivered 1,318 occasions of care throughout the year.

The Youth Assist Clinic held 39 clinics throughout the year, providing care to 93 young people.

Together, these programs demonstrate the breadth of Community Health service delivery and the ongoing commitment to supporting safety, independence, wellbeing and access to care across the community.

Our people and culture

Our people are SGH's greatest strength. In a rural health service, every person matters — acute care staff, community care staff, support services, administration, facilities, volunteers, medical partners and the Board all contribute to the quality and reliability of care.

The 2026 People Matter Survey results indicated positive responses around respectful workplace behaviours, human rights, respect within workgroups and dignity from managers.

In 2025–26, workforce sustainability has become even more central to our future.

At SGH, our response continues to be practical and values-based. We are focused on implementing our 2025-2029 Workforce Strategy, which supports attracting, retaining and developing our workforce, respectful and inclusive culture, strengthening leadership capability and ensuring our staff have access to the tools, training and support they need.

SGH's work on the 2026–2030 Gender Equality Action Plan further reinforces our commitment to a safe, respectful and inclusive workplace where people of all genders have fair access to opportunities, leadership and flexible working arrangements.

We acknowledge the pressures experienced by health workforces and thank our staff for their professionalism, adaptability and commitment. Their contribution is central not only to service delivery, but also to SGH's reputation as a trusted, compassionate and high-performing local health service.

Partnerships and regional collaboration

Partnerships remain fundamental to SGH's success. Our local health precinct — including Foster Medical Centre, Prom Country Aged Care, visiting providers, community partners and volunteers — continues to be a vital foundation for integrated local care.

Beyond the local precinct, SGH continues to work with regional partners across Gippsland. The transition to the GLHSN is an important development in strengthening regional service planning, clinical pathways, shared workforce models and system coordination.

This regional work does not diminish the importance of our local identity. Rather, it gives SGH an opportunity to be clearer about what we do, where we partner, and how we advocate for the needs of our community within a broader Gippsland system.

Our task is to ensure that regional collaboration strengthens local access, local relationships and local trust.

Contemporary models of care and access close to home

The direction of the Victorian health system is clear: more care closer to home, better use of virtual care, stronger referral pathways, improved patient flow and more coordinated service planning.

For SGH, these themes are highly relevant. As a rural health service, our future will not be defined by trying to do everything independently. It will be defined by providing care within our capability, building strong escalation pathways, using digital and virtual care where appropriate, and working with regional and tertiary partners to ensure our community receives timely, safe and coordinated care.

During 2025–26, the GLHSN progressed work on clinical service planning, digital infrastructure, residential in-reach and regional models that support care closer to home.

Governance, stewardship and sustainability

The Board and Executive remain focused on sound governance, financial discipline and long-term sustainability. SGH must balance immediate service demand with workforce challenges, infrastructure needs, funding pressures and community expectations.

SGH's approach is to make decisions that are aligned with our strategy, our community needs and our role within the regional system. This means maintaining strong Board oversight, continuing to invest in quality and safety, managing risk carefully, and ensuring that our services remain viable, safe and responsive.

Our strategic planning for 2027–2031 will further clarify SGH's role as a confident, disciplined and network-enabled rural health service focused on doing the right things well for our community over the long term.

Looking ahead

Looking ahead, SGH will continue to focus on safe, high-quality care close to home; workforce sustainability; strong local and regional partnerships; financial and infrastructure readiness; and clear governance in a more complex health system. These themes are consistent with the directions emerging in SGH's draft 2027–2031 Strategic Plan and with the broader priorities of the Gippsland Local Health Service Network.

We will continue to listen to our community, support our staff, work constructively with partners and advocate for the needs of people across Foster, Corner Inlet and surrounding communities. Our commitment is to ensure SGH remains a trusted local health service that provides safe, compassionate and reliable care, while contributing to a stronger and more connected Gippsland health system.

Acknowledgements

We sincerely thank our staff, visiting medical officers, general practitioners, volunteers, Executive team, Board members, community partners, contractors, funders, donors and supporters for their contribution throughout 2025–26.

We particularly acknowledge our local partners, including Foster Medical Centre, Prom Country Aged Care, South Gippsland Radiology, Manna Gum Community House, emergency services, regional health partners and the many community organisations that support the wellbeing of our community.

We thank the Department of Health, the Commonwealth Government and our partners across the Gippsland Local Health Service Network for their ongoing support and collaboration.

Most importantly, we thank our community for continuing to place its trust in South Gippsland Hospital. That trust is our greatest responsibility and our strongest motivation.





Damon Stynes
Chair, Board of Management
2025-2026

Paul Greenhalgh
Chief Executive Officer
2025-2026

Statement of Priorities Outcomes

Part A: Strategic Priorities

In 2025-2026 South Gippsland Hospital has contributed to the achievement of the Victorian Government's commitments by:

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.	
Health Service Deliverables	**Achievements/Outcome**
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.	ACHIEVED Consumer feedback was sought across the year, and consistently indicated high satisfaction with inpatient, peri-operative and aged care services. Opportunities for improvement were progressed, including community forums relating to aged care service navigation and advance care planning.
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.	ACHIEVED SGH staff continued to report a positive safety culture via the People Matter Survey and also demonstrated a strong focus on reporting and reviewing incidents, and open disclosure, involving consumers and their families.
Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	ACHIEVED SGH has the requisite evidence of a training and development program that is fit for purpose for the relevant employee cohorts to support evidence based best practice and regulatory compliance.

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	
Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint.	
Health Service Deliverables	**Achievements/Outcome**
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 South Gippsland Hospital continued to strengthen access to planned surgery through a range of theatre optimisation initiatives focused on efficiency, patient flow and timely discharge. Same-day surgery and criteria-led discharge pathways were embedded where clinically appropriate, reducing unnecessary overnight stays and supporting an improved patient experience. Improved preadmission screening and assessment processes ensured patients suitable for same-day surgery were identified early, while those requiring anaesthetic review received appropriate assessment prior to admission. This approach supported optimal preparation for surgery, streamlined discharge planning and enhanced patient safety. Regular monitoring of key theatre performance indicators, including utilisation, cancellations and throughput, informed continuous improvement activities and supported effective use of available theatre capacity. Collectively, these initiatives improved operational efficiency, enhanced patient flow and increased access to planned surgical services for the South Gippsland community.
Proactively manage planned surgery and specialist clinics (or outpatients) waitlists, for example validating and supporting patients into optimal care pathways such as evidence-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 South Gippsland Hospital maintained a proactive approach to planned surgery and specialist clinic waitlist management throughout the year. Regular validation and review processes ensured waiting lists remained accurate and that patients were supported to access the most appropriate care pathway in a timely manner. Particular attention was given to long-waiting patients, who were prioritised for review and

	supported through optimisation pathways where clinically indicated. Strong collaboration between clinical and administrative teams enhanced patient tracking, communication and care coordination, reducing the risk of unnecessary delays and supporting equitable access to care. The hospital also contributed to broader regional waitlist reduction initiatives by providing endoscopy procedures for patients from another health service, increasing capacity across the region and helping to reduce waiting times. These efforts improved access to care, supported better patient outcomes and strengthened service responsiveness for priority population groups.

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.	
Health Service Deliverables	**Achievements/Outcome**
Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	ONGOING SGH met the efficiency targets set.
Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.	ONGOING SGH has commenced business analytics to highlight any areas for financial performance improvement.
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.	ACHIEVED SGH introduced flexed rostering and systems such as KESTO and ipharmacy, to support initiatives that find financial efficiencies and maintain medication stock at safe, yet responsible, levels in patient facing settings.

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.	
Health Service Deliverables	**Achievements/Outcome**
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.	ACHIEVED The SGH workforce strategy was implemented. The SGH 2026-2030 Gender Equality Action Plan was developed and compliance was achieved in the 2025 gender audit. The 2026 People Matter Survey results indicated high levels of staff engagement, satisfaction with senior leadership, and patient safety. Flexible work arrangements increased to 20% of all employees. Abstenteeism was lower than benchmark, at 3.5%.
Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	ACHIEVED SGH local data supplied in concert with the Gippsland Local Health Service Network, to assist with, in part, the establishment of a GLHSN workforce strategy.

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.	
Health Service Deliverables	**Achievements/Outcome**
Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	ACHIEVED SGH provided online Aboriginal and Torres Strait Islander Cultural Sensitivity and Patient Care training to executives and

	staff. Face-to-face Aboriginal Cultural Safety training was also delivered by the Koorie Heritage Trust, attended by 23 staff and two executives.
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 SGH has maintained a strong connection to the local Aboriginal community through partnerships with primary and secondary school students and families and the employment of an Aboriginal Liaison Officer, who assists with the cultural maturing of the organisation. Key projects have included the establishment of Bunjil's Garden, welcome signage, community events, and enhancement of Aboriginal artwork throughout the hospital setting.
Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	ACHIEVED SGH asks all consumers whether they identify as Aboriginal and/or Torres Strait Islander and offers referral to the Aboriginal Liaison Officer. The Aboriginal Liaison Officer supports culturally safe care by linking consumers, carers and families with SGH teams, contributing to responsive discharge planning and supporting referral pathways and communication during transfers with partner health services.

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.	
Health Service Deliverables	**Achievements/Outcome**
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 Significant progress has been made against the four priority areas objectives, with key milestones for most objectives either achieved or progressing as planned.

Part B: Performance Priorities

High quality and safe care

Key performance indicator	Target	Result
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	95%
Adverse events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event	All RCA reports submitted within 30 business days	N/A
Patient Experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	99.6%
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice	0%	*

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

Strong governance, leadership and culture

Key performance indicator	Target	Result
Organisational Culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	80%	88%

** 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.*

Effective financial management

Key performance indicator	Target	Result
Operating result ($m)	0.00	(0.35)
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.4
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	5% movement in forecast revenue and expenditure forecasts	Not Achieved

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

** All data published in annual reports is accurate at the time of publishing. Data may change following audit and data verification, which may not be finalised at the time of publishing.*

Part C: Activity and Funding

South Gippsland Hospital funding summary for 1 July 2025 – 30 June 2026

Funding Type	2025-2026 Activity Achievement
Small Rural	
Small rural acute	31
Small rural primary health & HACC	1269
Small rural other specified funding	83

Section 3: Governance and organisational structure

Board of Management

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

Board Members

(as at 30 June 2026)

Damon Stynes, Chair
BCom, BA, FTIA
Appointed 2021

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

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

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

Jan Fitzgerald
BCom, GradDipEnvStud, CPA, GAICD
Appointed 2024

Dr Michelle Kermode
BA MNS MPH PhD
Appointed 2023

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

Paul O'Sullivan
B Agr Sci, Dip Ag Eco
Appointed 2024

Vimi Desai
CA, GAICD
Appointed November 2025

Katherine Dowson
MPH, BSW, BPsych
Appointed November 2025

Trish Shee
BSc, MBA
Appointed November 2025

Audit and Risk Management Committee

(as at 30 June 2026)

Dr Judith Bennett, Chair
Damon Stynes
Trish Shee
Craig Panagiris
B Comm, FCA
(Independent Member)
Sue Pilkington
Grad Dip Occ Haz Mgt CFSIA, FRMIA, ChOHSP, GAICD
(Independent Member)

Executive Management

(at 30 June 2026)

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

Director, Nursing (Acute Care)
Kylie Osborne
RN, RM, M RM, Adv Cert Clinical Edu, Prof Cert Health Systems Mgt, Grad Cert Consumer, Comm Engagement
Appointed 2026

Director, Nursing (Acute Care) – Interim
Lilli Lush
RN, B Nsg, Grad Cert Continence Promotion and Mgmt, Grad Cert Chronic Condition Mgmt
July 2025 -Jan 2026

Chief Medical Officer
Dr Leena Lawrence
MBBS, MS Ophthalmology (India)
Appointed 2026

Dr Yohan Nathen
FRACMA, MBBS, BBiomedSc, MPH & MHA
July 2025 to December 2025

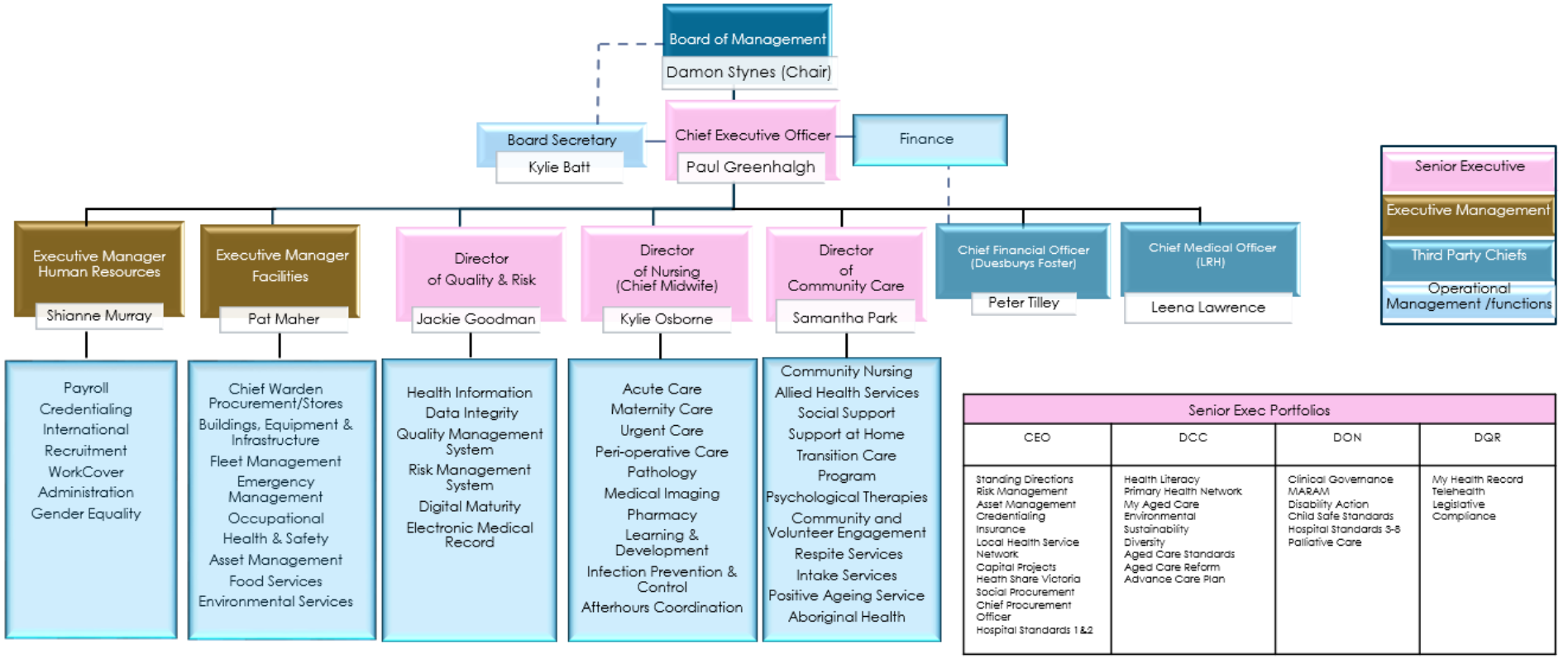
Director, Community Care
Samantha Park
BSc, MS (Prelim), Grad Dip Adolescent Health and Welfare
Appointed 2015

Director, Quality & Risk
Jackie Goodman
BAppSc. OT, Grad Cert. Health Service Mgmt, Grad Dip. Quality Mgmt in Health Care
Appointed 2026

Manager, Human Resources
Shianne Murray
Appointed 2012

Manager, Facilities
Patrick Maher
Appointed 2025

Organisational Chart



Section 4: Workforce data

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

Workforce data

Hospitals labour category	JUNE Current Month FTE		Average Monthly FTE	
	2025	2026	2025	2026
Nursing	49.37	46.11	50.80	50.53
Administration and Clerical	21.89	23.90	22.14	24.85
Medical Support	0.58	0.72	0.76	0.74
Hotel and Allied Services	12.17	11.96	13.42	12.51
Medical Officers	0.00	0.00	0.00	0.00
Hospital Medical Officers	0.00	0.00	0.00	0.00
Sessional Clinicians	0.00	0.00	0.00	0.00
Ancillary Staff (Allied Health)	26.91	26.76	29.77	28.72

Occupational health and safety

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

Occupational Health and Safety Statistics	2023-2024	2024-2025	2025-2026
The number of reported hazards/incidents for the year per 100 FTE	13.5	14.62	11.05
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.9	0.86	0.85
The average cost per WorkCover claim for the year	$3,934.71	$3,782.65	$1,553.61

Occupational violence

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

Occupational violence statistics	2025-2026
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	18
Number of occupational violence incidents reported per 100 FTE	15.3
Percentage of occupational violence incidents resulting in a staff injury, illness, or condition	0

Definitions of occupational violence

- **Occupational violence** - any incident where an employee is abused, threatened, or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident** - an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during a planned or unplanned Code Grey, it must be included.
- **Accepted WorkCover claims** – claims accepted and lodged in 2025-2026.
- **Lost time** - defined as greater than one day.
- **Injury, illness, or condition** - includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Section 5: Summary of financial results

Significant changes in financial position during the year

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

Summary of operational and budgetary objectives

In 2025-2026, SGH achieved the targets established under the Statement of Priorities. The hospital recorded a deficit of $1,163,162 after capital items. The operating result is a deficit of $347,458 before capital purpose income and depreciation. Capital purpose income of $392,382, was received during the financial year with depreciation write-offs totalling $-1,248,243.

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

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

	2026 $	2025 $	2024 $	2023 $	2022 $
OPERATING RESULT*	-347,458	20,760	-228,622	118,151	236,600
Total revenue	19,116,007	16,751,160	16,232,758	15,305,283	14,186,293
Total expenses	20,307,826	17,724,890	16,138,529	15,465,305	13,482,076
Net result from transactions	-1,191,819	-973,730	94,229	-160,022	704,217
Total other economic flows	28,657	44,333	63,329	-15,558	9,041
Net result	-1,163,162	-929,397	157,558	-175,580	713,258
Total assets	26,322,436	26,909,292	27,639,475	14,515,187	13,179,240
Total liabilities	4,261,087	3,684,781	3,485,567	3,620,653	3,088,184
Net assets/Total equity	22,061,349	23,224,511	24,153,908	10,894,534	10,091,056

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

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

	2025-2026 ($)
OPERATING RESULT	-347,458
Capital purpose income	392,382
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	Nil
State supply items consumed up to 30 June 2025	0
Assets received free of charge	11,500
Depreciation and amortisation	-1,248,243
Net result from transactions	-1,191,819

Consultancies information

Details of consultancies (under $10,000)

In 2025-2026, there were no consultancies where the total fees payable to the consultants were less than $10,000.

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

In 2025-2026, there were no consultancies where the total fees payable to the consultants were $10,000 or greater.

Information and communication technology (ICT) expenditure

For the 2025-2026 reporting period, South Gippsland Hospital had a total ICT expenditure of $954,065 (excl. GST), with the details shown below.

($)

All operational ICT expenditure	***ICT expenditure related to projects to create or enhance ICT capabilities***		
Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
$852,778	**$101,287**	**0**	**$101,287**

Social Procurement Framework

South Gippsland Hospital is committed to engaging Social Procurement Suppliers and will review the requirements of the Social Framework in future years to consider the social impacts of purchases through their procurement processes.

SOCIAL PROCUREMENT ACTIVITIES AND COMMITMENTS	
Reporting period:	2025-2026
Number of social benefit suppliers engaged during the reporting period:	2
Total amount spent with social benefit suppliers (direct spend) during the reporting period ($ GST exclusive):	$7,936.15

Section 6: Other information and disclosures

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

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

Freedom of Information Act 1982

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

What can be accessed?

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

How is information accessed?

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

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

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

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

Costs & Requirements

During 2025-2026, the application fee was $33.60 (as per the Department of Treasury and Finance Indexation of fees and penalties), with additional fees for photocopying and postage.

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

Summary of Freedom of Information (FOI) requests for 2025-2026

During 2025-2026, South Gippsland Hospital received 4 FOI applications (from insurers/legal entities on behalf of individuals).

South Gippsland Hospital made 4 FOI decisions during the 12 months ended 30 June 2026, with one decision exceeding the statutory time period.

Of the total decisions made, 4 applicants (all) were granted access to documents in full.

During 2025-2026, nil requests were subject to a complaint/internal review by the Office of the Victorian Information Commissioner.

Further Information

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

If an applicant is not satisfied with the decision regarding the release of

information, they have the right to seek a review from the Victorian Information Commissioner.

Building Act 1993

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

SGH has mechanisms in place to ensure that buildings conform with the building standards and major works with a value greater than $50,000 are overseen by a Board Planning Sub Committee. There were no building permits issued. The Executive Committee reports to the Board Planning Sub-Committee on the mechanisms for inspection, scheduling, and carrying out of maintenance works on existing buildings as articulated in the SGH Asset Management Plan. There have been no emergency orders and building orders issued in relation to buildings.

Public Interest Disclosures Act 2012

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

Statement on National Competition Policy

South Gippsland Hospital complies with all Government policies regarding competitive neutrality requirements and has implemented policies and programs to ensure compliance with the National Competition Policy, including compliance with the requirements of the policy statement 'Competitive Neutrality Policy Victoria' and any subsequent reforms. There were no competitive neutrality complaints made against SGH during 2025-2026.

Carers Recognition Act 2012

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

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

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

Environmental Performance

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

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

Over 2025-2026 this has included:

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

Comments to data in this report:

Nitrous Oxide – Figures may not reflect true usage.

Water usage –Minor repairs taken place in systems don't seem to reflect usage.

Carboard recycling – Skip use was suspended for many weeks throughout reporting period

Clinical waste – due to some changes in how waste is disposed and reported data has been changed to reflect correctly.

Local Jobs First Act 2003

No projects undertaken by South Gippsland Hospital during 2025-26 met the threshold for Local Jobs First Policy application. As such, no Local Industry Development Plans were required or submitted.

Gender Equality Act 2020

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

The South Gippsland Hospital 2021–2025 Gender Equality Action Plan represented a commitment to strengthen our existing workplace culture, where diversity and equality is respected and valued. We have worked, and will continue to work, with representatives from across the organisation to now implement the 2026-2030 Gender Equality Action Plan.

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

are investing in the wellbeing of our staff and the local community.

Safe Patient Care Act 2015

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

Additional information available on request

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

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

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

This information is available on request from:

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

FRD24 Report of environmental data: South Gippsland Hospital
(1 July 2025 to 30 June 2026)

Electricity production and consumption

MWh = Megawatt hours

EL1 Total electricity consumption

Electricity source	2025-26 MWh	2024–25 MWh	2023–24 MWh
Purchased	505.72	493.66	478.94
Self-generated	28.08	26.73	26.82
EL1 Total electricity consumption	**533.80**	**520.39**	**505.76**

EL2 On-site electricity generated

Electricity generation	2025-26 MWh	2024–25 MWh	2023–24 MWh
Consumption behind-the-meter			
Solar electricity	28.08	26.73	26.82
Total consumption behind-the-meter	**28.08**	**26.73**	**26.82**
Electricity exported			
Solar electricity	0.11	0.00	0.00
Total electricity exported	0.11	0.00	**0.00**
EL2 Total on-site electricity generated	**28.20**	**26.73**	**26.82**

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

Generation source	2025-26 MW	2024–25 MW	2023–24 MW
Diesel generator	0.16	0.16	0.16
Solar system	0.03	0.03	0.03
EL3 Total on-site installed generation capacity	**0.19**	**0.19**	**0.19**

EL4 Total electricity offsets

Offset type	2025-26 MWh	2024–25 MWh	2023–24 MWh
RPP (Renewable power percentage in the grid)	87.76	90.57	90.04
EL4 Total electricity offsets	**505.72**	**90.57**	**90.04**

Stationary fuel use

F1 Total fuels used in buildings and machinery

Fuel type	2025-26 MJ	2024–25 MJ	2023–24 MJ
LPG	549,725.50	741,290.80	822,425.70
F1 Total fuels used in buildings	**549,725.50**	**741,290.80**	**822,425.70**

F2 Greenhouse gas emissions from stationery fuel consumption

Fuel type	2025-26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
LPG	33.31	44.92	49.84
F2 Greenhouse gas emissions from stationary fuel consumption	**33.31**	**44.92**	**49.84**

Transportation

T1 Total energy used in transportation (vehicle fleet)

Fuel type and vehicle category	2025-26 MJ	2024–25 MJ	2023–24 MJ
Executive fleet – E10	0.00	277,072.20	224,023.60
Petrol (E10)	**259,670.60**	**277,072.20**	**224,023.60**
Executive fleet – diesel	73,799.20	247,048.00	283,517.00
Diesel	**187,461.00**	**247,048.00**	**283,517.00**
Total energy used in transportation	**447,131.60**	**524,120.20**	**507,540.60**

T2 Number and proportion of vehicles

N/A

T3 Greenhouse gas emissions from vehicle fleet

Fuel type and vehicle category	2025-26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Executive and Non-Executive fleet – E10	15.81	16.87	13.64
Petrol (E10)	**15.81**	**16.87**	**13.64**
Executive and Non-Executive fleet – diesel	13.20	17.39	19.96
Diesel	**13.20**	**17.39**	**19.96**
Total greenhouse gas emissions in transportation	**29.01**	**34.27**	**33.61**

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

Travel type	2025-26 pkm	2024–25 pkm	2023–24 pkm
Commercial air travel for business purposes by entity staff on commercial or charter aircraft	0	0	0

Total energy use

E1 Total energy usage from fuels

Fuel type	2025-26 MJ	2024–25 MJ	2023–24 MJ
Total energy usage from stationary fuels (F1)	549,725.50	741,290.80	822,425.70
Total energy usage from transport (T1)	447,131.60	524,120.20	507,540.60
Total energy usage from fuels	**996,857.10**	**1,265,411.00**	**1,329,966.30**

E2 Total energy usage from electricity

Energy type	2025-26 MJ	2024–25 MJ	2023–24 MJ
Total energy usage from electricity	1,921,692.58	1,873,419.62	1,820,721.47

E3 Total energy usage by renewable and non-renewable sources

Source	2025-26 MJ	2024–25 MJ	2023–24 MJ
Renewable	1,921,692.30	449,968.07	443,083.85
Non-renewable (E1 + E2 - E3 Renewable)	996,857.38	2,688,862.54	2,804,138.21

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

Normalised measure	2025-26	2024–25	2023–24
Energy per unit of LOS [MJ/LOS]	709.57	811.27	727.94
Energy per unit of bed-day (LOS + Aged Care OBD) [MJ/OBD]	709.57	811.27	727.94
Energy per unit of Separations [MJ/Separations]	2,309.74	2,951.14	2,983.24
Energy per unit of floor space [MJ/m^2]	1,075.00	1,137.33	1,149.69

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

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

Sustainable buildings and infrastructure

B1 Environmentally sustainable design

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

B2 New entity leases to preference higher-rated offices

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

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

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

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

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

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

N/A

Further sustainable buildings and infrastructure indicators

Rating scheme	2025-26	2024–25	2023–24
NABERS Energy (effective per calendar year)	3.5 star	3.5 star	3.5 star
NABERS Water (effective per calendar year)	5 star	5 star	5 star

Water consumption

W1 Total units of metered water consumed by water source

Water source	2025-26 kl	2024–25 kl	2023–24 kl
Potable water	3,287.81	4,520.64	4,370.48
Total water consumption	**3,287.81**	**4,520.64**	**4,370.48**

W2 Units of metered water consumed (normalised)

Normalised measure	2025-26	2024–25	2023–24
Water per unit of LOS [kL/LOS]	0.94	1.40	1.20
Water per unit of bed-day (LOS+Aged Care OBD) [kL/OBD]	0.94	1.40	1.20
Water per unit of Separations [kL/Separations]	3.07	5.10	4.93
Water per unit of floor space [kL/m2]	1.43	1.97	1.90

Waste and recycling

WR1 Total units of waste disposed

Waste stream and disposal method	2025-26 kg (%)	2024–25 kg (%)	2023–24 kg (%)
General waste - bins	27,300.00 (70.27%)	0.00	10,419.00 (25%)
General waste - skips		17,748.00 (56%)	16,704.00 (40%)
Total landfill	**27,300.00**	**17,748.00 (56%)**	**27,123.00 (65%)**
Offsite treatment			
Clinical waste – incinerated	905.64 (2.33%)	1,368.54 (4%)	1,743.35 (4%)
Clinical waste – sharps	Not available	35.47 (0.1%)	27.52 (0.1%)
Clinical waste – treated	1,191.50 (3.07%)	50.84 (0.2%)	52.48 (0.1%)
Total offsite treatment	**2,097.14**	**1,454.85 (5%)**	**1,823.35 (4%)**

Waste stream and disposal method	2025-26 kg (%)	2024–25 kg (%)	2023–24 kg (%)
Recycling/recovery (disposal)			
Cardboard	3,960.00 (10.19%)	6,930.00 (22%)	8,844.00 (21%)
Commingled	5,491.20 (14.13%)	5,491.20 (17%)	3,569.28 (9%)
Total recycling/recovery (disposal)	**9,451.20 (24.33%)**	**12,421.20 (39%)**	**12,413.28 (30%)**
Total units of waste disposed	**38,848.34**	**31,624.05**	**41,359.63**

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

Waste stream	2025-26	2024–25	2023–24
Printer cartridges	Not available	Not available	Not available
Batteries	Not available	Not available	Not available
e-waste	Not available	Not available	Not available
Soft plastics	Not available	Not available	Not available

WR3 Total units of waste disposed (normalised)

Normalised measure	2025-26 kg/PPT	2024–25 kg/PPT	2023–24 kg/PPT
Total waste to landfill per patient treated [(kg general waste)/PPT]	6.00	4.32	6.00
Total waste to offsite treatment per patient treated [(kg offsite treatment)/PPT]	0.46	0.35	0.40
Total waste recycled and reused per patient treated [(kg recycled and reused)/PPT]	2.08	3.02	2.75

WR4 Recycling rate

	2025-26	2024–25	2023–24
Recyclable and organic materials [kg]	9,451.20	12,421.20	12,413.28
Total waste [kg]	38,848.34	31,624.05	41,359.63
Recycling rate [%]	**24.33%**	**39.28%**	**30.01%**

WR5 Greenhouse gas emissions associated with waste disposal

Emissions source associated with waste disposal (t CO2-e)	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
T CO2-e	37.83	24.39	36.90

Greenhouse gas emissions

G1 Total Scope One (direct) greenhouse gas emissions

Emission source	2025-26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
GHG emissions from stationary fuel (F2)	**33.31**	**44.92**	**49.84**
GHG emissions from vehicle fleet (T3)	**29.01**	**34.27**	**33.61**
F2 and T3 by greenhouse gas			
Carbon dioxide	61.95	78.70	82.92
Methane	0.12	0.16	0.18
Nitrous Oxide	0.26	0.33	0.35
Total F2 and T3	**62.33**	**79.19**	**83.45**
Medical/refrigerant gasses			
Nitrous oxide	7.75	1.79	1.79
Total medical/refrigerant gases	**7.75**	**1.79**	**1.79**
Total Scope 1 (direct) greenhouse gas emissions	**70.08**	**80.98**	**85.23**

G2 Total Scope Two (indirect electricity) greenhouse gas emissions

Emission source	2025-26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Electricity	338.55	325.63	315.01
Total Scope 2 (indirect electricity) greenhouse gas emissions	**338.55**	**325.63**	**315.01**

G3 Total Scope Three (other indirect) greenhouse gas emissions

Emission source	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Commercial air travel	0.00	0.00	0.00
Waste emissions (WR5)	37.83	24.39	36.90
Indirect emissions from stationary energy	57.08	59.20	55.50
Indirect emissions from transport energy	7.26	8.56	8.37
Paper emissions	not available	not available	not available
Any other Scope 3 emissions	4.61	7.39	7.33
Total Scope 3 greenhouse gas emissions	**106.78**	**99.54**	**108.11**

Net greenhouse gas emission indicators

Scope	2025–26 Tonnes CO_2-e	2024–25 Tonnes CO_2-e	2023–24 Tonnes CO_2-e
Scope One		80.98	85.23
Scope Two		325.63	315.01
Scope Three		99.54	108.11
Subtotal	**515.41**	**506.15**	**508.35**
Any reduction measures offsets purchased (EL4-related)		0.00	0.00
Any offsets purchased		0.00	0.00
Net greenhouse gas emissions	**130.89**	**506.15**	**508.35**

Normalisation factors

	2025-26	2024–25	2023–24
Factor type			
1000km (Corporate)			
1000km (non-emergency)			
Aged Care OBD			
ED Departures	0.00	0.00	0.00
FTE	108.00	109.00	100.00
LOS	3,483.00	3,223.00	3,631.00
OBD	3,483.00	3,223.00	3,631.00
PPT	4,553.00	4,109.00	4,517.00
Separations	1,070.00	889.00	886.00
TotalAreaM2	2,299.00	2,299.00	2,299.00

Section 7: Attestations and Declarations

Financial Management Compliance attestation – SD 5.1.4

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



Damon Stynes
Board Chair
South Gippsland Hospital, Foster
24 September 2026

Data Integrity Declaration

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



Paul Greenhalgh
Chief Executive Officer
South Gippsland Hospital, Foster
24 September 2026

Conflict of Interest Declaration

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



Paul Greenhalgh
Chief Executive Officer
South Gippsland Hospital, Foster
24 September 2026

Integrity, Fraud and Corruption Declaration

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



Paul Greenhalgh
Chief Executive Officer
South Gippsland Hospital, Foster
24 September 2026

Compliance with HealthShare Victoria (HSV) Purchasing Policies

I, PAUL GREENHALGH, on behalf of South Gippsland Hospital, certify that the South Gippsland Hospital is fully compliant with respect to the HSV Purchasing Policies as required by the Health Services Act 1988 (Vic). South Gippsland Hospital has implemented appropriate internal controls, which have been critically reviewed throughout the year.



Paul Greenhalgh
Chief Executive Officer
South Gippsland Hospital, Foster
24 September 2026

Appendix 1: Disclosure Index

The annual report of the South Gippsland Hospital is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the department's compliance with statutory disclosure requirements.

Legislation	***Requirement***	***Page reference***
Standing Directions and Financial Reporting Directions		
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FRD 22	Purpose, functions, powers, and duties	6-8
FRD 22	Nature and range of services provided	8
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Management and structure		
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FRD 22	Workforce data/employment and conduct principles	22
FRD 22	Workforce inclusion policy	N/A
FRD 22	Occupational Health and Safety	22
Financial and other information		
FRD 22	Summary of the financial results for the year	24
FRD 22	Significant changes in financial position during the year	24
FRD 22	Operational and budgetary objectives and performance against objectives	24
FRD 22	Subsequent events	24
FRD 22	Details of consultancies under $10,000	25
FRD 22	Details of consultancies over $10,000	25
FRD 22	Disclosure of ICT expenditure	25
FRD 22	Asset Management Accountability Framework	N/A
FRD 22	Disclosure of social procurement activities under the Social Procurement Framework	25
FRD 22	Disclosure of reviews and study expenses	N/A
FRD 22	Disclosure of grants and transfer payments	N/A
FRD 22	Application and operation of *Freedom of Information Act 1982*	26
FRD 22	Compliance with building and maintenance provisions of *Building Act 1993*	27
FRD 22	Application and operation of *Public Interest Disclosure Act 2012*	27
FRD 22	Statement on National Competition Policy	27
FRD 22	Application and operation of *Carers Recognition Act 2012*	27
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FRD 24	Environmental data reporting	30
FRD 25	Local Jobs First Act 2003 disclosures	28
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Other disclosures as required by FRDs in notes to the financial statements [(a)(b)]		
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FRD 112	Defined Benefit Superannuation Obligations	55
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Carers Recognition Act 2012		27
Local Jobs Act 2003		28
Financial Management Act 1994 [(b)]		29

Notes:

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

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

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

Independent Auditor's Report

To the Board of South Gippsland Hospital

Opinion	I have audited the financial report of South Gippsland Hospital (the health service) which comprises the: • balance sheet as at 30 June 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 member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and Australian Accounting Standards – Simplified Disclosures.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
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.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
29 September 2026

Simone Bohan
as delegate for the Auditor-General of Victoria

Appendix 3: Financial statements for the financial year ended 30 June 2026

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

The attached financial statements for the South Gippsland Hospital have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and financial position of South Gippsland Hospital 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.

Damon Stynes
Board Chair

Foster
24 September 2026

Paul Greenhalgh
Accountable Officer

Foster
24 September 2026

Peter Tilley
Chief Finance &
Accounting Officer

Foster
24 September 2026







South Gippsland Hospital for the financial year ended 30 June 2026

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South Gippsland Hospital
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2026

	Note	2026 $	2025 $
Revenue and income from transactions			
Revenue from contracts with customers	2.1(a)	6,964,942	5,234,247
Government Grants	2.1(b)	10,059,306	9,465,026
Other sources of income	2.1(c)	1,255,407	1,231,590
Share of revenue from joint operations	8.6	836,352	820,297
Total revenue and income from transactions		**19,116,007**	**16,751,160**
Expenses from transactions			
Employee expenses	3.1(a)	(14,137,420)	(12,917,052)
Supplies and consumables	3.1(c)	(2,008,922)	(811,953)
Depreciation and amortisation	4.1(a), 4.2	(1,248,243)	(1,235,033)
Other operating expenses	3.1(d)	(2,007,837)	(1,939,736)
Other non operating expenses	3.1(d)	(2,236)	(5,261)
Share of expenses from joint operations	8.6	(903,168)	(815,855)
Total Expenses from transactions		**(20,307,826)**	**(17,724,890)**
Net result from transactions – net operating balance		**(1,191,819)**	**(973,730)**
Other economic flows included in net results			
Net gain/(loss) on sale of non-financial assets		28,657	44,333
Total other economic flows included in net result		**28,657**	**44,333**
Net result		**(1,163,162)**	**(929,397)**
Comprehensive result		**(1,163,162)**	**(929,397)**

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

South Gippsland Hospital
Balance Sheet
As at 30 June 2026

	Note	2026 $	2025 $
Financial assets			
Cash and cash equivalents	6.1	1,847,779	1,681,908
Receivables	5.1	1,563,637	1,413,370
Contract assets		461,511	547,828
Total financial assets		**3,872,927**	**3,643,106**
Non-financial assets			
Inventories		125,481	117,884
Property, plant and equipment	4.1	21,645,969	22,394,738
Share of assets in joint operations	8.6	678,059	753,564
Total non-financial assets		**22,449,509**	**23,266,186**
Total assets		**26,322,436**	**26,909,292**
Liabilities			
Payables	5.2	909,704	608,290
Contract liabilities		-	9,312
Borrowings		343,424	253,706
Employee benefits	3.1(b)	2,881,034	2,677,860
Share of liabilities in joint operations	8.6	126,925	135,613
Total liabilities		**4,261,087**	**3,684,781**
Net assets		**22,061,349**	**23,224,511**
Equity			
Reserves		18,167,482	18,167,482
Contributed capital		3,086,756	3,086,756
Accumulated surplus		807,111	1,970,273
Total equity		**22,061,349**	**23,224,511**

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

South Gippsland Hospital
Cash Flow Statement
For the Financial Year Ended 30 June 2026

	Note	2026 $	2025 $
Cash Flows from operating activities			
Operating grants from State Government		9,938,233	9,380,722
Operating grants from Commonwealth Government		5,646,399	1,068,318
Capital grants from State Government		142,724	53,302
Donations and bequests received		249,658	86,709
GST received from ATO		382,944	110,946
Interest and investment income received		99,658	134,017
Other receipts		2,135,931	4,846,753
Total receipts		**18,595,547**	**15,680,767**
Payments to employees		(13,664,683)	(12,537,859)
Payments to suppliers and consumables		(2,008,580)	(784,435)
Finance costs		(12,628)	(6,289)
GST paid to ATO		(391,389)	(272,853)
Other payments		(1,971,297)	(2,071,545)
Total payments		**(18,048,577)**	**(15,672,981)**
Net cash flows from/(used in) operating activities		**546,970**	**7,786**
Cash Flows from investing activities			
Proceeds from sale of non-financial assets		72,405	72,955
Purchase of non-financial assets		(375,714)	(370,949)
Capital donations and bequests received		-	175,741
Net cash flows from/(used in) investing activities		**(303,309)**	**(122,253)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(77,790)	(47,262)
Net cash flows from/(used in) financial activities		**(77,790)**	**(47,262)**
Net increase/(decrease) in cash and cash equivalents held		**165,871**	**(161,729)**
Cash and cash equivalents at beginning of year		1,681,908	1,843,637
Cash and cash equivalents at end of year	6.1	**1,847,779**	**1,681,908**

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

South Gippsland Hospital
Statement of Changes in Equity
For the Financial Year Ended 30 June 2026

	Property, Plant and Equipment Revaluation Surplus $	Contributed Capital $	Accumulated Surplus $	Total $
Balance at 1 July 2024	**18,167,482**	**3,086,756**	**2,899,670**	**24,153,908**
Net result for the year	-	-	(929,397)	(929,397)
Balance at 30 June 2025	**18,167,482**	**3,086,756**	**1,970,273**	**23,224,511**
Net result for the year	-	-	(1,163,162)	(1,163,162)
Balance at 30 June 2026	**18,167,482**	**3,086,756**	**807,111**	**22,061,349**

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

Notes to the Financial Statements
South Gippsland Hospital
For the Financial Year Ended 30 June 2026

Structure

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

Note 1 About this Report

These financial statements represent the financial statements of the South Gippsland Hospital for the year ended 30 June 2026.

South Gippsland Hospital is a not-for-profit entity established as a public agency in 1937 under *Health Services Act 1988 (Vic)*. A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation

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 South Gippsland Hospital.

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 dollar. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of the South Gippsland Hospital on 24 September 2026.

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 South Gippsland Hospital.

South Gippsland Hospital's principal address is:

87 Station Road
Foster Victoria 3960

Note 1.4 Economic dependency

South Gippsland Hospital 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. South Gippsland Hospital 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 South Gippsland Hospitals operations and on that basis, the financial statements have been prepared on a going concern basis.

Note 2 Funding delivery of our services

South Gippsland Hospital's overall objective is to provide quality health services and programs that support and enhance the wellbeing of all Victorians. South Gippsland Hospital is predominantly funded by grant funding for the provision of health service outputs. South Gippsland Hospital also receives income from the supply of services.

Structure
2.1 Revenue and income from transactions

Note 2.1 Revenue and income from transactions

	Note	2026 $	2025 $
Revenue from contracts with customers	2.1(a)	6,964,942	5,234,247
Government grants	2.1(b)	10,059,306	9,465,026
Other sources of income	2.1(c)	1,255,407	1,231,590
Total revenue and income from transactions		**18,279,655**	**15,930,863**

Note 2.1(a) Revenue from contracts with customers

	2026 $	2025 $
Government grants (State) - Operating	168,579	200,896
Government grants (Commonwealth) – Operating	5,569,394	3,941,295
Patient fees	708,675	502649
Catering	40,459	75,626
Transitional care program	477,835	513,781
Total revenue from contracts with customers	**6,964,942**	**5,234,247**

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

Note 2 Funding delivery of our services

This policy applies to each of South Gippsland Hospital's revenue streams with information detailed below relating to South Gippsland Hospital's material revenue streams:

Government grant	Performance obligation
Operational Commonwealth Grants for Home Support Programs	Commonwealth Home Support Programme (CHSP) funding is received from the Australian Government to deliver specified home support services, including domestic assistance, personal care, nursing, allied health, meals, transport and respite services, to eligible older people. Under the CHSP funding agreement, the Health Service is required to deliver specified service types and outputs during the funding period and report service delivery. Revenue is recognised over time as the funded services are delivered to eligible clients, using the relevant service outputs delivered as the measure of progress towards satisfaction of the performance obligations.
Support at Home Management Fees (formally Home Care Package Management Fees)	Support at Home funding is provided by the Australian Government on behalf of eligible participants to fund approved aged care services that support participants to remain independent in their homes. Under the Support at Home arrangements, the Entity is required to deliver services approved in each participant's Notice of Decision and agreed support plan, which may include clinical supports, independence and everyday living services and care management. Revenue is recognised as the approved services are delivered to participants, based on the units of service provided, with the government-funded component claimed from Services Australia against the participant's available budget and any applicable participant contributions recognised as the corresponding services are delivered. Home Care Packages (HCP) funding was provided by the Australian Government to fund approved care and services for eligible care recipients. The Health Service acts as an agent in administering HCP funding on behalf of care recipients and therefore does not recognise the gross funding received as revenue. Amounts received and held for care recipients are recognised as a liability until applied to eligible care and services. Revenue is recognised on a net basis as the Health Service satisfies its performance obligations through the provision or coordination of care management, administration and other services for which it is entitled to retain consideration. The HCP Program ceased on 31 October 2025 and was replaced by the Support at Home program from 1 November 2025.

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.

Note 2.1(b) Government grants

	2026 $	2025 $
Government grants (State) – Operating	9,916,582	9,411,724
Government grants (State) – Capital	142,724	53,302
Total Government grants	**10,059,306**	**9,465,026**

How we recognise Government grants

Government grants

South Gippsland Hospital recognises income of not-for-profit entities under AASB 1058 where it has been earned under arrangements that are either no enforceable or linked to sufficiently specific performance obligations.

Note 2 Funding delivery of our services

Income from grants without any sufficiently specific performance obligations or that are not enforceable, is recognised when South Gippsland Hospital has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, South Gippsland Hospital 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 South Gippsland Hospital 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 South Gippsland Hospital'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 South Gippsland Hospital as follows:

Supplier	Description
	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© Other sources of income

	Note	2026 $	2025 $
Interest income		99,658	134,017
Capital donations		249,658	175,741
Assets received free of charge or for nominal consideration		24,521	104,020
Project funding		494,344	568283
Other income from operating activities		387,226	249,529
Total other sources of income		**1,255,407**	**1,231,590**

Note 3 The cost of delivery of our services

This section provides an account of the expenses incurred by South Gippsland Hospital 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 $	2025 $
Employee expenses	3.1(a)	14,137,420	12,917,052
Supplies & consumables	3.1(c)	2,008,922	811,953
Other operating expenses	3.1(d)	2,007,837	1,939,736
Total expenses incurred in the delivery of services		**18,154,179**	**15,668,741**

Note 3.1(a) Employee expenses

	2026 $	2025 $
Government grants (State) - Operating	168,579	200,896
Government grants (Commonwealth) – Operating	5,569,394	3,941,295
Patient fees	708,675	502649
Catering	40,459	75,626
Transitional care program	477,835	513,781
Total revenue from contracts with customers	**6,964,942**	**5,234,247**

(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 $	2025 $
Current provisions for employee benefits		
Accrued days off	12,446	11,481
Annual leave	1,043,419	931,008
Long service leave	1,038,417	1,045,334
Provision for on-costs	277,933	263,605
Total current provisions for employee benefits	**2,372,215**	**2,251,428**
Non-current provisions for employee benefits		
Long service leave	447,501	376,787
Provision for on-costs	61,318	49,645
Total non-current provisions for employee benefits	508,819	426,432
Total provisions for employee benefits	**2,881,034**	**2,677,860**

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 South Gippsland Hospital 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 South Gippsland Hospital expects to wholly settle within 12 months or
- present value – if South Gippsland Hospital 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 South Gippsland Hospital 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 South Gippsland Hospital expects to wholly settle within 12 months or
- present value – if South Gippsland Hospital 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. The on-costs provision is immaterial in 2026.

Note 3.1(c) Supplies and consumables

	2026 $	2025 $
Drug supplies	62,272	76,589
Medical and surgical supplies (including Prostheses)	283,933	288,228
Diagnostic and radiology supplies	91,947	63,926
Other supplies and consumables	1,570,770	383,210
Total supplies and consumables	**2,008,922**	**811,953**

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 $	2025 $
IT expenses	789,487	609,271
Finance costs	12,628	6,289
Fuel, light, power and water	136,691	148,356
Repairs and maintenance	92,822	143,113
Maintenance contracts	114,042	141,067
Medical indemnity insurance	159,780	123,228
Workcover	148,973	132,786
Expenditure for capital purpose	6,884	18,890
Consultancy and contractors	232,665	273,899
Staff training and development	50,651	89,468
Other administration expenses	263,214	253,369
Total other operating expenses	**2,007,837**	**1,939,736**
Bad and doubtful debt expense	2,236	5,261
Total other non-operating expenses	**2,236**	**5,261**
Total other operating and non operating expenses	**2,010,073**	**1,944,997**

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 South Gippsland Hospital. 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

South Gippsland Hospital 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 South Gippsland Hospital to be utilised for delivery of services.

Structure

4.1 Property, plant and equipment
4.2 Depreciation and amortisation

Note 4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
	$	$	$	$	$	$
Land at fair value - Freehold	960,000	960,000	-	-	960,000	960,000
Buildings at fair value	19,907,617	19,907,617	(1,588,881)	(792,790)	18,318,736	19,114,827
Works in progress at cost	84,669	-	-	-	84,669	-
Plant, equipment and vehicles at fair value	5,250,056	4,976,067	(3,308,911)	(2,911,366)	1,941,145	2,064,701
Right-of-use assets at cost	418,551	347,586	(77,132)	(92,376)	341,419	255,210
Total property, plant and equipment	**26,620,893**	**26,191,270**	**(4,974,924)**	**(3,796,532)**	**21,645,969**	**22,394,738**

How we recognise property, plant and equipment

Items of property, plant and equipment are initially measured at cost, and are subsequently measured at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

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

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

	Land	Buildings	Works in progress	Plant, equipment and vehicles	Total
	$	$	$	$	$
Balance at 1 July 2025	**960,000**	**19,114,827**	**-**	**2,319,911**	**22,394,738**
Additions	-	-	84,669	458,553	543,222
Disposals	-	-	-	(43,748)	(43,748)
Depreciation	-	(796,091)	-	(452,152)	(1,248,243)
Balance at 30 June 2026	**960,000**	**18,318,736**	**84,669**	**2,282,564**	**21,645,969**

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, South Gippsland Hospital 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 South Gippsland Hospital's revaluation cycle.

Note 4.1(b) Right-of-use assets

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

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
	$	$	$	$	$	$
Plant, equipment and vehicles [1]	418,551	347,586	(77,132)	(92,376)	341,419	255,210
Total right-of-use assets	**418,551**	**347,586**	**(77,132)**	**(92,376)**	**341,419**	**255,210**

Reconciliations of the carrying amounts of each class of asset

	Plant, equipment and vehicles	Total
	$	$
Balance at 1 July 2025 [1]	**255,210**	**255,210**
Additions	167,508	167,508
Disposals	(28,327)	(28,327)
Depreciation	(52,972)	(52,972)
Balance at 30 June 2026	**341,419**	**341,419**

(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 South Gippsland Hospital enters a contract, which provides South Gippsland Hospitals with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset the contract gives rise to a right-of-use asset and corresponding lease liability.

The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:
* any lease payments made at or before the commencement date
* any initial direct costs incurred and
* an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

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

The recoverable amount of the primarily non-financial physical assets of South Gippsland Hospital, 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.

South Gippsland Hospital 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 South Gippsland Hospital 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		
- Structure shell building fabric	30 to 50 years	30 to 50 years
- Fit out	30 to 50 years	30 to 50 years
- Combined Fit out and Trunk Reticulated Building System	30 to 50 years	30 to 50 years
- Site Engineering Services and Central Plant	30 to 50 years	30 to 50 years
Plant and equipment'	5 to 10 years	5 to 10 years
Motor vehicles	5 to 10 years	5 to 10 years
Medical equipment	3 to 10 years	3 to 10 years
Furniture and fittings	5 to 10 years	5 to 10 years
Other equipment	5 to 10 years	5 to 10 years

Note 5 Other assets and liabilities

This section sets out those assets and liabilities that arose from South Gippsland Hospital's operations.

Structure

5.1 Receivables
5.2 Payables

Note 5.1 Receivables

	Note	2026 $	2025 $
Current receivables			
Contractual			
Inter hospital debtors		116,184	166,702
Trade receivables		177,244	144,813
Patient fees		53,965	57,730
Allowance for impairment losses		(2,696)	(3,188)
Other receivable		42,758	26,504
Total contractual receivables		**387,455**	**392,561**
Statutory			
GST receivable		35,443	26,998
Total statutory receivables		**35,443**	**26,998**
Total current receivables		**422,898**	**419,559**
Non-current receivables			
Contractual			
Long service leave - Department of Health		1,140,739	993,811
Total contractual receivables		**1,140,739**	**993,811**
Total non-current receivables		**1,140,739**	**993,811**
Total receivables		**1,563,637**	**1,413,370**
(i) Financial assets classified as receivables			
Total receivables		1,563,637	1,413,370
GST receivable		(35,443)	(26,998)
Total financial assets classified as receivables	7.1	**1,528,194**	**1,386,372**

How we recognise receivables

Receivables consist of:

* Contractual receivables, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. South Gippsland Hospital 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. South Gippsland Hospital applies AASB 9 for initial measurement of the statutory receivables and as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Note 5.2 Payables

	Note	2026 $	2025 $
Current payables			
Contractual			
Trade creditors		213,438	113,067
Accrued salaries and wages		460,257	333,124
Accrued expenses		78,017	32,934
Superannuation		128,302	114,907
Inter hospital creditors		18,659	10,194
Amounts payable to governments and agencies		11,031	4,064
Total contractual payables		**909,704**	**608,290**
Total current payables		**909,704**	**608,290**
Total payables		**909,704**	**608,290**
(i) Financial liabilities classified as payables			
Total payables		909,704	608,290
Total financial liabilties classified as payables	7.1	**909,704**	**608,290**

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 South Gippsland Hospital 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 6 How we finance our operations

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

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

Structure

6.1 Cash and cash equivalents
6.2 Commitments for expenditure

Note 6.1 Cash and Cash Equivalents

	Note	2026 $	2025 $
Cash on hand (excluding monies held in trust)		300	300
Cash at bank (excluding monies held in trust)		2,143	9,719
Cash at bank - CBS (excluding monies held in trust)		1,845,336	1,671,889
Total cash held for operations		**1,847,779**	**1,681,908**
Total cash and cash equivalents	7.1	**1,847,779**	**1,681,908**

Note 6.2 Commitments for expenditure

As at 30 June 2026 there are no commitments for expenditure (2025:nil).

Note 7 Financial instruments, contingencies and valuation judgements

South Gippsland Hospital 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 South Gippsland Hospital 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 South Gippsland Hospital'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 $	Net gain/(loss) $	Total interest income/ (expense) $	Fee income/ (expense) $	Impairment loss $
Financial assets at amortised cost						
Cash and cash equivalents	6.1	1,847,779	-	99,658	904	-
Receivables	5.1	1,528,194	-	-	-	(2,236)
Total financial assets [i]		**3,375,973**	**-**	**99,658**	**904**	**(2,236)**
Financial liabilities at amortised cost						
Payables	5.2	909,704	-	-	-	-
Borrowings		343,424	-	-	(13,532)	-
Total financial liabilities [i]		**1,253,128**	**-**	**-**	**(13,532)**	**-**

30 June 2025	Note	Carrying amount $	Net gain/(loss) $	Total interest income/ (expense) $	Fee income/ (expense) $	Impairment loss $
Financial assets at amortised cost						
Cash and cash equivalents	6.1	1,681,908	-	134,017	(2,214)	-
Receivables	5.1	1,386,372	-	-	-	(5,261)
Total financial assets [i]		**3,068,280**	**-**	**134,017**	**(2,214)**	**(5,261)**
Financial liabilities at amortised cost						
Payables	5.2	608,290	-	-	-	-
Borrowings		253,706	-	-	(4,075)	-
Total financial liabilities [i]		**861,996**	**-**	**-**	**(4,075)**	**-**

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 South Gippsland Hospital solely to collect the contractual cash flows, and
* the assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

Note 7 Financial instruments, contingencies and valuation judgements

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

South Gippsland Hospital recognises the following assets in this category:
* cash and deposits
* receivables (excluding statutory receivables) and
* term deposits.

Categories of financial liabilities

Financial liabilities at amortised cost

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

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

South Gippsland Hospital recognises the following liabilities in this category:
* payables (excluding statutory payables and contract liabilities)
* borrowings and
* other liabilities (including monies held in trust).

Note 7.2 Contingent assets and contingent liabilities

At balance date, the Board are not aware of any contingent assets or liabilities. (2025: Nil)

Note 7.3 Fair value determination

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

The following assets and liabilities are carried at fair value:
* Financial assets and liabilities at fair value through net result
* Financial assets and liabilities at fair value through other comprehensive income
* Property, plant and equipment, with the exception of right-of-use assets arising under AASB 16, which are measured using the cost model

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.

South Gippsland Hospital 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.

South Gippsland Hospital 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 South Gippsland Hospital'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 principals in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

The last scheduled full independent valuation of all of South Gippsland Hospital'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, South Gippsland Hospital 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, South Gippsland Hospital considers the current use as its highest and best use.

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

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 South Gippsland Hospital, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation.

Note 7.3 Fair value determination

Vehicles

Vehicles are valued using the current replacement cost method. South Gippsland Hospital 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 South Gippsland Hospitals who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Furniture, fittings, plant and equipment

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

Significant assumptions

Description of significant assumptions applied to fair value measurement:

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

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

(ii) CSO adjustment of 20% was applied to reduce the market approach value for South Gippsland Hospital'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 **Responsible persons disclosures**
8.2 **Remuneration of executive officers**
8.3 **Related parties**
8.4 **Remuneration of auditors**
8.5 **Events occurring after the balance date**
8.6 **Joint arrangements**

Note 8.1 Responsible persons disclosures

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

	Period
The Honourable Mary Anne Thomas MP:	
Minister for Health	1 Jul 2025 - 14 April 2026
Minister for Ambulance Services	1 Jul 2025 - 14 April 2026
The Honourable Harriet Shing MP:	
Minister for Health	15 April 2026 - 30 June 2026
Minister for Ambulance Services	15 April 2026 - 30 June 2026
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	1 Jul 2025 - 30 June 2026
Minister for Prevention of Family Violence	15 April 2026 - 30 June 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	1 Jul 2025 - 30 Jun 2026
Minister for Ageing	1 Jul 2025 - 30 Jun 2026
Minister for Multicultural Affairs	1 Jul 2025 - 14 April 2026
The Honourable Lizzy Blandthorn MP:	
Minister for Children	1 Jul 2025 - 30 Jun 2026
Minister for Disability	1 Jul 2025 - 30 June 2026
Governing Boards	
Mr. Damon Stynes (appointed 2021) (Chair of the Board)	1 Jul 2025 - 30 Jun 2026
Mr. Jamie Sutherland (appointed 2018)	1 Jul 2025 - 30 Jun 2026
Ms. Judith Bennett (appointed 2019)	1 Jul 2025 - 30 Jun 2026
Mr. Noel Cranswick (appointed 2023)	1 Jul 2025 - 30 Jun 2026
Dr. Michelle Kermode (appointed 2023)	1 Jul 2025 - 30 April 2026
Ms. Kate Maxfield (appointed 2024)	1 Jul 2025 - 30 Jun 2026
Ms. Jan Fitzgerald (appointed 2024)	1 Jul 2025 - 30 Jun 2026
Mr. Paul O'Sullivan (appointed 2024)	1 Jul 2025 - 30 Jun 2026
Ms. Trish Shee (appointed 2025)	1 Nov 2025 - 30 Jun 2026
Ms. Vimi Desai (appointed 2025)	1 Nov 2025 - 30 Jun 2026
Ms. Katherine Dowson (appointed 2025)	1 Nov 2025 - 30 Jun 2026
Accountable Officers	
Mr. Paul Greenhalgh (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**
$0,000 - $9,999	9	9
$10,000 - $19,999	1	1
$20,000 - $29,999	1	-
$240,000 - $249,999	-	1
$250,000 - $259,999	1	-
Total Numbers	**12**	**11**

	2026 $	**2025 $**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**325,375**	**292,160**

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

Note 8.2 Remuneration of executive officers

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

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

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

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

	Total Remuneration	
	2026	**2025**
	$	**$**
Total remuneration [i]	585,372	432,136
Total number of executives	4	3
Total annualised employee equivalent [ii]	4.8	2.8

i The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of South Gippsland Hospitals under AASB 124 Related Party Disclosures and are also reported within Note 8.3 Related Parties.

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

Note 8.3 Related parties

South Gippsland Hospital is a wholly owned and controlled entity of the State of Victoria. Related parties of South Gippsland Hospital include:

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

Significant transactions with government related entities

South Gippsland Hospital received funding from government related entities of $9,793,301 (2025: $9,473,313), Commonwealth Grants Home Care and Community Care (HACC) of $1,232,396 (2025: $1,190,309) and indirect contributions of $218,205 (2025: $75,974).

South Gippsland Hospital received funding from the Latrobe Regional Health of $476,910 (2025: $513,781) for the Transitional Care Program.

Expenses incurred by South Gippsland Hospital 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 South Gippsland Hospital 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 South Gippsland Hospital and its controlled entities, directly or indirectly.

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

KMPs	**Position Title**
Mr. Damon Stynes	Board Member
Mr. Jamie Sutherland	Board Member
Ms. Judith Bennett	Board Member
Mr. Noel Cranswick	Board Member
Dr. Michelle Kermode	Board Member
Ms. Kate Maxfield	Board Member
Ms. Jan Fitzgerald	Board Member
Mr. Paul O'Sullivan	Board Member
Ms. Trish Shee	Board Member
Ms. Vimi Desai	Board Member
Ms. Katherine Dowson	Board Member
Mr. Paul Greenhalgh	Chief Executive Officer
Ms. Lilli Lush	Director of Nursing (interim 1 July - 2 Jan 2026)
Ms. Kylie Osborne	Director of Nursing (2 Jan 2026 - 30 June 2026)
Ms. Jacqueline Goodman	Director Quality and Risk
Ms. Samantha Park	Director of Community Care

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	**2025**
	$	**$**
Total compensation - KMPs [i]	910,747	724,296

[i] KMPs are also reported in Note 8.1 Responsible Persons or Note 8.2 Remuneration of Executives.

Note 8.3 Related parties

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with South Gippsland Hospital, 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 South Gippsland Hospital Board of Directors, Chief Executive Officer and Executive Directors in 2026 (2025: none).

Note 8.4 Remuneration of Auditors

	2026 $	2025 $
Victorian Auditor-General's Office		
Audit of the financial statements	24,400	23,200
Total remuneration of auditors	**24,400**	**23,200**

Note 8.5 Events occurring after the balance date

There are no events occurring after the Balance Sheet date.

Note 8.6 Joint arrangements

		Ownership Interest	
	Principal Activity	**2026** **%**	**2025** **%**
Gippsland Health Alliance	Information Technology	3.44	3.47

	2026 $	2025 $
Total revenue and income	836,352	820,297
Total expenses	(903,168)	(815,855)
Total net result	**(66,816)**	**4,442**
Total other economic flows	-	-
Comprehensive result for the year	**(66,816)**	**4,442**
Total assets	678,059	753,564
Total liabilities	126,925	135,613
Total equity	**551,134**	**617,951**

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date. South Gippsland Hospital is involved in joint arrangements where control and decision-making are shared with other parties. South Gippsland Hospital 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.