
BCH
Bass Coast Health
Annual Report
2017/18

Our Mission

Delivering person-centred care to improve health, wellbeing, care experience and health outcomes, with our community.

Our Vision

Excellence in care

Our Values

Wellbeing

Equity

Compassion

Accountability

Respect

Excellence

About this report

Bass Coast Health reports on its annual performance in two separate documents. This Annual Financial and Performance Report fulfils the statutory reporting requirements to Government by way of an Annual Report. The Quality Account reports on quality, risk management and performance improvement matters. Both documents are presented at Bass Coast Health's Annual General Meeting, and are available on the Bass Coast Health website with hard copies made available to the community.

Bass Coast Health

Bass Coast Health is established under the *Health Services Act 1988 (Vic).*

Relevant Minister

The relevant Ministers during this reporting period were:

- The Hon Jill Hennessy MP – Minister for Health, Minister for Ambulance Services
- The Hon Martin Foley MP – Minister for Housing, Disability & Ageing, Minister for Mental Health
- The Hon Jenny Mikakos MLC – Minister for Families & Children

Table of Contents

Year in Review

Report from Board Chair & CEO

In accordance with the *Financial Management Act 1994*, it gives us great pleasure to present our Annual Report for the 2017/18 financial year.

This Annual Report highlights the excellent work, commitment & achievements of our organisation and our people over the last twelve months.

Bass Coast Health (BCH) is committed to the delivery of safe, high quality care, whilst continually developing and expanding first-rate health services for our sub-region. We achieve this by working in partnership with the Victorian Department of Health and Human Services; the Commonwealth Department of Health; other Federal and State Government agencies; Bass Coast Shire Council; our Regional and Sub-regional health service colleagues (Latrobe Regional Health, South Gippsland Hospital (SGH) and Gippsland Southern Health Service (GSHS)); our Metropolitan health service colleagues, in particular Monash Health and Peninsula Health; our Medical staff including GP's from Wonthaggi Medical Group and Medical and Aged Care; our fantastic community club members – Lions, Rotary, and all of our wonderful Volunteers, Auxiliaries and Consumer Representatives.

During 2017/18, our care and services were evaluated through a range of independent reviews, providing objective input into service delivery and supporting continuous improvement. This year we have:

- Achieved successful re-accreditation of our aged care facility, Kirrak House under the Aged Care Standards
- Maintained accreditation of our aged care facility, Griffiths Point Lodge under the Aged Care Standards
- Maintained accreditation of our Commonwealth Home Support Program under the Home Care Standards
- Achieved successful re-accreditation of our Emergency Department against the Australasian College for Emergency Medicine requirements
- Achieved successful re-accreditation of our junior medical staff training program against the Postgraduate Medical Council of Victoria's requirements
- Implemented recommendations from an external Clinical Governance review of Primary & Community Care services.

To further increase the breadth and complexity of health services available to Bass Coast community members, we are continuously expanding our Medical Specialists. We have specialists providing high quality care to BCH in:

- Medical Oncology
- General Surgery
- Urology
- Obstetrics & Gynaecology
- Cardiology
- Geriatric Medicine
- Ophthalmology
- Plastic Surgery
- Nephrology
- Ear, Nose & Throat
- Orthopaedic Surgery
- Gastroenterology

Collaboration with other health organisations is a key enabler - this collaboration facilitates enhancement of BCH's service quality and accessibility. Some examples of other service partnerships established during 2017/18 include:

- Florey Institute: Victorian Stroke Telemedicine Program
- Monash & Federation Universities: Contemporary Training, Development & Research
- Hush Foundation: Improved patient experience
- Monash Health: Haematology, Geriatrics, Stroke
- Alfred Health: Geriatrics

Planning for future health service delivery is well underway in collaboration with our sub-regional colleagues, Gippsland Southern Health Service and South Gippsland Hospital. Significant progress has been made to implement the *South Coast Sub-Regional Clinical Services Plan*. A strong commitment has been made by the three Boards and Executive teams to share resources, develop consistent processes and work together to grow services that will deliver sub-regional growth. The aim of this partnership is to strengthen each service's local presence, whilst ensuring the provision of high quality and sustainable services for community members in Bass Coast and South Gippsland.

BCH is privileged to be supported by over 250 volunteers who selflessly donated an incredible 23,000 hours of their time throughout 2017/18. Our volunteers work tirelessly across all areas of our health service supporting patients, clients and staff. This year we are extremely pleased to acknowledge Mr. Frank Garry who was short listed for the Outstanding Lifetime Achievement award at the 2018 Minister for Health Volunteers Awards, in recognition of his outstanding 30 years as a BCH Volunteer.

BCH recently welcomed two new auxiliaries: Inverloch Art Show Auxiliary and the Phillip Island Health Hub Auxiliary, joining our two current auxiliaries, the BCH Ladies Auxiliary and San Remo Op Shop Auxiliary.

Excellent fundraising efforts from the two current auxiliaries, as well as generous donations from local community groups, businesses and residents during 2017/18 provided highly valued specialised equipment and service enhancements.

We genuinely thank and acknowledge all of our volunteers and donors for your ongoing kindness, generosity and support.

Without doubt, the key contributor to BCH's success is our staff. BCH's Board and Executive sincerely thank our team of skilled, dedicated and passionate employees for their ongoing commitment to improve health outcomes and provide excellent, person-centred care for our community.

Don Paproth, Chair, Board of Directors
30 August 2018

Jan Child, Chief Executive Officer
30 August 2018

Year in Review

Our Achievements

In 2017/18, BCH consulted with consumers, community members, visitors and employees to re-develop five key strategic goals for the organisation. These strategic goals aimed to improve: Safety and Quality; Service Capability; People; Innovation and Technology; and Financial Health.

Below is a list of some of the key achievements against the strategic plan we successfully attained in 2017/18:

Safety & Quality

- opened the High Dependency Unit at Wonthaggi Hospital
- commenced an Emergency Department Training Program
- launched the online, interactive consumer feedback platform 'Patient Opinion'
- received funding for infrastructure upgrades, including body protection in patient care areas, installation of fire sprinklers, replacement of fire panels, replacement of air handling units and medical air compressors, and removal of asbestos at Wonthaggi Hospital
- completed the Kirrak House Garden Refurbishment project
- completed vegetation management at Wonthaggi Hospital site as part of the Fire Safety Plan
- nominated for Most Outstanding Regional Hospital group in Australia by Australian Patients Association
- re-designed the surgical pre-admission and waitlist processes and commenced Elective Surgery Access Coordinator position
- commenced the 'Appropriate Care Appropriate Setting' project (partnership with Ambulance Victoria to reduce avoidable presentation of residential care clients to Emergency Department)
- established a 'passport to practice' for clinical areas, setting a baseline expectation of skill for nurses.

Service Capability

- opened the Phillip Island Health Hub
- expanded Medical Specialist Outpatient Clinics at Phillip Island and Wonthaggi
- expanded nursing and allied health services on Phillip Island
- commenced Hospital in the Home (HITH) program
- commenced Oncology Consultative Services
- expanded the Flexihealth Home Care Packages program
- appointed a McGrath Breast Care Nurse
- expanded the Home-Based Palliative Care Service
- completed Master Planning & Feasibility Study for Wonthaggi Hospital
- registered as a National Disability Insurance Scheme (NDIS) provider
- introduced Ante-Natal Clinics to Phillip Island
- developed a multidisciplinary Paediatric Feeding Program
- expanded sub-acute inpatient services with a new model of care
- implemented the Victorian Stroke Telemedicine Program (VSTP)
- continued collaboration with Latrobe Regional Hospital (LRH), Victorian Police and Ambulance Victoria for the Mental Health & Police Response (MHPR) program
- expanded Dental Health Services
- commenced implementation of the Sub-Regional Clinical Services Plan
- facilitated a tender process for radiology services
- treated more patients in the inpatient areas and the Emergency Department.

People

- commenced the process for Rainbow Tick Accreditation
- expanded the Board's breadth of skills and expertise
- appointed a Fundraising and Communications Manager
- established a shared-use café at Wonthaggi Hospital, featuring healthy eating options
- renewed service partnership with Wonthaggi Medical Group
- appointed a sub-regional Allied Health Clinical Educator
- implemented actions to prevent occupational violence and aggression
- implemented the Strengthening Hospital Responses to Family Violence toolkit (with SGH & GSHS)
- developed a Leadership Development Framework including Myers Briggs Type Indicators (MBTI) training
- established a Workplace Health and Wellbeing Committee and a Smoke Free Committee
- established the Consumer Health Information Committee
- commenced an Early Graduate Support Program for allied health
- commenced a transition year for completing nursing graduates
- increased numbers through the Nurse Graduate Program, providing new rotations through Haemodialysis and Sub-Acute wards
- BCH Midwife awarded *Gippsland Midwife of the Year* by Australian College of Midwives (Gippsland)
- formed the Inverloch Art Show Auxiliary
- formed the Phillip Island Health Hub Auxiliary.

Innovation & Technology

- appointed an Information & Communication Technology (ICT) Director and developed an ICT Strategic Plan
- commenced implementation of the MasterCare patient and client management system for outpatient & community care services
- commenced collaboration with Latrobe Regional Hospital and the Alfred Hospital to establish telemedicine services
- expanded contemporary training, development and research opportunities through partnerships with Monash and Federation Universities.

Financial Health

- State Government funding announcement of $115m for Wonthaggi Hospital rebuild
- developed a 3 year Financial Sustainability Plan and repaid several loans
- established the Environmental Sustainability Committee
- installed new waste segregation bins to reduce BCH's environmental footprint
- approved business case to install solar panels at Wonthaggi Hospital & Griffiths Point Lodge
- commenced sale of underutilised properties in Inverloch and Wonthaggi supporting future capital projects.

Our History

1910 Temporary tent Hospital erected.

1914 Permanent Hospital constructed.
Wonthaggi & District Hospital

1928 Main core buildings constructed.

1972 District Nursing commenced.

1974 Sleeman Wing developed.

1975 San Remo & District Community Health Centre (SRDCHC) opened.

1978 Introduction of Speech Pathology, Podiatry services & regional Dental Clinic.

New SRDCHC funded by local community.

1979 SRDCHC Incorporated.

New SRDCHC site opened.

2012 Sleeman Wing redevelopment.

Grabham Wing renovated.

2013 5 chair Dental Clinic development completed.

2014 *Bass Coast Health (BCH)* formed integrating BCRH & BCCHS.

Funding approved for Phillip Island Health Hub.

Extension of Community Rehabilitation Centre development completed.

2016 Short Stay Unit development complete.

2 room medical consulting area commenced.

2017 Operating theatre upgrade.

Re-allocation of sub-acute services into Armitage House Subacute Care expanded to 20 beds.

Relocation of medical & specialist consulting areas.

South Gippsland Coast Clinical Services Plan commenced.

2018 Phillip Island Health Hub development completed.

High Dependency Unit established.

Café introduced at Wonthaggi Hospital.

$115 m funding announced for Wonthaggi Hospital.

Grabham Wing & Stirton Day Hospital built. **1984**

Pathology Service on site. **1986**

Opened Family Resource Centre. **1988**

Opened Armitage House Residential Aged Care. **1990**

San Remo & District Health changed to *Bass Coast Community Health Service (BCCHS).* **1990**

Construction of Acute ward & Administration offices. **1991**

Established Inverloch Community Care Centre. **1993**

Opened Griffiths Point Lodge Residential Aged Care. **1996**

Developed Day Surgery & Haemodialysis Units. **1997**

Operating Suite, Emergency Dept, Radiology, Kitchen, Laundry & Pharmacy redevelopment. **2000**

'Wonthaggi & District Hospital' became *Bass Coast Regional Health (BCRH).* **2003**

Midwifery Ward refurbishment.

Community Health Services Expansion.

Opened Kirrak House Residential Aged Care. **2005**

Grabham Wing Consulting Suites developed.

Education Centre developed.

Family Resource Centre & Dental Clinic redeveloped. **2006**

Haemodialysis unit developed. **2007**

Medical consulting suites developed.

Aged mental health partnership with Latrobe Regional Hospital.

Appointed: Hospital Medical Officers. **2008**

Sub-regional planning commenced. **2009**

Emergency Department redevelopment. **2010**

Maternity Unit & Central Sterilising Dept. redeveloped. **2011**

Master planning commenced.

Our Service Profile

Acute Hospital Services

- 54 registered beds
- 4 Day Surgery beds
- High Dependency Unit
- Clinical Services
  - Emergency
  - Haemodialysis
  - Hospital in the Home
  - Maternity
  - Medical
  - Medical Day Stay
  - Operating Suite
  - Palliative Care
  - Short Stay Unit
  - Surgical
  - Transition Care.

Sub-Acute Hospital Services

- Armitage House – Sub-Acute services include Geriatric Evaluation & Management (GEM), Rehabilitation, Palliative Care and Transition Care Program (TCP) inpatient bed.

Residential Aged Care

- Kirrak House – 30 beds
- Griffiths Point Lodge – 29 beds.

Clinical Support Services

- Breast Screening (Gippsland BreastScreen)
- Pathology (Gippsland Pathology)
- Pharmacy
- Radiology and Ultrasonography (Bass Coast Imaging)
- South West Gippsland Community Mental Health Service (Latrobe Regional Hospital)
- Acute / Aged Mental Health Service (Latrobe Regional Hospital).

Volunteer Programs

- Medical transport driving – cars and buses
- Ward visitors
- Palliative care support
- Administration
- Residential aged care support
- Assistance & Care in Emergency (ACE)
- Pastoral care
- Car washing
- Planned Activity Groups
- Auxiliaries (fundraising)
- Advisory groups.

Primary and Community Care Programs and Services

- Allied Health Paediatric Service: individual & group
- Ante-Natal education
- Best Start
- Breast Care Nurse
- Cancer Support Group
- Cardiac Rehabilitation Program
- Communication Skills Support Group
- Community Rehabilitation Program
- Continence Clinic
- Counselling Services: general, family violence, alcohol & other drugs, sexual assault, psychological therapies
- Dental Service
- Diabetes Self-Management Group
- Dietetics
- Falls Prevention / Falls & Balance Clinic
- Family Day Care
- Home Care Packages (Flexihealth)
- Hospital Admission Risk Program
- Hip & Knee Joint Rehabilitation Group
- Integrated Family Services
- Lactation Services
- Maternal & Child Health
- Meals on Wheels
- Men's Shed (The San Remo Shack)
- Needle & Syringe Program
- Nursing programs: district & palliative care nursing, adolescent health, asthma & respiratory, stop smoking program, stomal therapy, chronic disease management, continence, Residential In Reach, womens' health & diabetes education.
- Occupational Therapy, including Hand Therapy
- Power Girls Group (women specific) Cardiac / Pulmonary Rehabilitation Support
- Physiotherapy, including lymphoedema management, hydrotherapy & Strength Training Group
- Planned Activity Groups: general, men and dementia
- Podiatry & Footcare
- Post Acute Care
- Pregnancy Care Clinic
- Pulmonary Rehabilitation Program
- Social Work
- Speech Pathology
- Supported Playgroups
- Transition Care Program in the home
- Walking Groups (Heart Foundation)
- Weight Wise Group
- Wonthaggi Wheezers (Pulmonary Rehabilitation Support Group).

Corporate Governance

Board of Directors

The Board of Directors (the 'Board') of Bass Coast Health (BCH) is accountable to the Minister for Health and Ambulance Services ('the Minister') for its performance. The role of the Board is to steer the entity on behalf of the Minister in accordance with Government policy. This governance role broadly involves strategic leadership of the organisation, monitoring performance against agreed objectives and ensuring accountability and compliance.

Functions of the Board include:

- Develop a Statement of Priorities and strategic plan for the operation of BCH and monitor its compliance;
- Develop financial and business plans, strategies and budgets to ensure accountable and efficient provision of health services and long-term financial viability of BCH;
- Establish and maintain effective systems to ensure that BCH meets the needs of the community, ensuring the views of users and providers of health services are taken into account;
- Monitor the performance of BCH to ensure that it:
  - operates within budget;
  - accurately reflects its financial position and viability through audit and accounting systems;
  - adheres to:
    - » financial and business plan
    - » strategic plan
    - » Statement of Priorities
  - has effective and accountable risk management systems in place;
  - has effective and accountable systems in place to monitor and improve the quality, safety and effectiveness of health services provided by BCH;
  - ensures problems identified with quality, safety or effectiveness of BCH are addressed in a timely manner;
  - continuously strives to improve quality and safety of the health services provided, fostering innovation;
  - has effective operation of committees established or appointed by the Board;
  - annually monitors performance of the Chief Executive Officer having regard to the objectives, priorities and key performance outcomes specified in BCH's Statement of Priorities under Section 40G;
  - establishes BCH's organisational structure with oversight of succession planning of its management;
  - develops arrangements with other relevant agencies and service providers to enable effective and efficient service delivery and continuity of care;
  - ensures that the Minister and Secretary are advised about significant Board decisions and receive well-timed information of any issues and risks of public concern or that may affect BCH;
  - establishes a Finance and Audit Committee and a Quality and Safety Committee;
  - facilitates health education;
  - adopts a Code of Conduct for BCH employees;
  - provides appropriate training for Directors; and
  - facilitates other functions conferred on the Board by, or under the *Health Services Act 1988 (Vic)*.

Chairperson - Don Paproth *B. Arts, Dip. Education*

Don has had 48 years of experience in education, working as a Secondary Teacher, Principal, Deputy Regional Director, and as the director of major projects in the Gippsland Region. He has demonstrated a strong commitment to education, particularly mentoring new Principals and developing aspiring school leaders and was Chair of the Council of the Victorian Institute of Teaching. Don has been the Chair of the BCH Board of Directors for the last three years, and is a member of the Development Council; Finance, Audit and Risk Committee and Remuneration Committee.

Deputy Chair - Christine Hammond *Adv. Cert. Management, GAICD*

Christine has extensive experience in business management in both public and private sectors, including 21 years in the health industry. Christine is a former Director of Bass Coast Community Health Service and was appointed to the BCH Board in July 2014. Christine served on the Project Control Group overseeing construction of the recently completed Phillip Island Health Hub and is a member of BCH's Remuneration Committee and Chair of the Development Council.

Mary O'Connor

Mary is a business proprietor of three national franchise businesses and is President of Ambulance Victoria (Wonthaggi branch). Holding active roles with Victoria Police, Rotary and within the criminal justice system, Mary is an appointed Justice of the Peace, with membership on the South Gippsland branch of Justices of the Peace. Mary has experience in emergency management and high risk youth issues, as well as local government management as a past Councillor for the Bass Coast Shire Council. Mary is a member of the Community Advisory Committee and the Remuneration Committee.

Mim Kershaw

Mim has more than 31 years of management experience in both private and publicly listed companies, specialising in setting and achieving budgets; strategic planning; team development and retention; ethical sourcing; quality assurance and quality control. A former Director of Bass Coast Community Health Service, Mim was appointed to the BCH Board in July 2014 holding membership on the Development Council, as well as the Quality and Clinical Governance Committee.

Corporate Governance

Mary Whelan *B. Applied Science (Physiotherapy), Grad. Dip. Man. Therapy, Cert. Applied Ergonomics for Injury Management, Cert IV Workplace Training.*

Mary is a former clinical physiotherapist with 38 years of experience in public health and private practice. She founded a company to design and develop mobility aides to address the needs of patients and the occupational health and safety of staff in hospitals and aged care facilities. Mary is the Chair of BCH's Quality and Clinical Governance Committee and a member of the Community Advisory Committee.

Tim Large *B. Commerce, Chartered Accountant, GAICD*

Tim has more than 30 years of experience in Fast-Moving Consumer Goods businesses. His strategic and commercial skills are underpinned by a finance background, holding CEO and CFO roles in Australia and Asia-Pacific. He has experience working in complex structures and environments and developing and growing Finance teams and businesses across the Asia Pacific region. Tim is a member of various for-profit and not-for profit Boards and Audit Committees, and is currently a member of BCH's Remuneration Committee.

Nigel McCormick *Chartered Accountant, MA (Cantab), Dip. Management, GAICD*

Nigel is a Chartered Accountant and a graduate of Cambridge University. He migrated to Australia from Northern Ireland in 2010 and is now an Australian citizen. Nigel has broad experience across the public sector including the education, water, social security, arts, regional infrastructure, emergency services and central government policy sectors. His career has encompassed a mixture of policy and finance roles including senior executive positions leading policy and legislation, program and project management and institutional reform and acting as Chief Financial Officer of various agencies and departments. Nigel is a member of the Finance, Audit and Risk Committee.

Ian Thompson *B. Business (Accounting), Grad. Dip. Corporate Finance, CPA, GAICD*

Ian is a risk professional with more than 30 years of experience in financial markets having worked in various credit, economic, quality, risk management and governance roles in Australia and the UK. Ian is a Senior Managing Director and Global Chief Credit Officer with leading global credit rating agency, Standard & Poor's Rating Services. Ian is a Board member of Snowdome Foundation and an independent member of State Sport Centre Trust's Audit & Risk committee and the Uniting Church's (Vic & Tas Synod) Risk Management committee. Ian is a member of BCH's Quality and Clinical Governance Committee; Development Council; and Chairs the Finance, Audit and Risk Committee.

Kate McCullough *B. of Laws, B. Commerce (Accounting), Grad. Dip. Intellectual Property Law, Adv. Dip. Mechanical Engineering*

Kate is an experienced legal practitioner with significant expertise in the health and disability sectors, having acted as legal counsel for a Victorian public health service, a pharmaceutical company, a not-for-profit disability service provider, and is currently General Counsel at Yooralla. Kate also has experience advising on commercial contracting, tendering and procurement, legislative and regulatory compliance, business acquisitions, asset sales, intellectual property, privacy and freedom of information matters. Kate was appointed to the BCH Board in July 2017 and is a member of the Finance, Audit and Risk Committee.

Dr Richard King AM *B. Medicine B. Surgery (MBBS), Fellow Royal Australasian College of Physicians*

Richard is an Honorary Physician at Monash Health, receiving the AM for services to medicine and teaching. Prior to retirement Richard was Head of Investigative Services and Pharmacy at Monash Health and prior to this Head of Medicine for 20 years. He is past Chair of the Council of AMA Victoria and past Chair of the State Committee of the College of Physicians. Richard is currently on the Board of Goulburn Valley Health and on the Board Quality Committee of the Northern Hospital. He chairs the DHHS Committee of Chairs of Board Quality Committee. Richard is a member of BCH's Quality and Clinical Governance Committee.

Simon Jemmett *BHSc, Grad. Cert. Management, Dip Project Management, MAICD*

Simon has more than 30 years of experience in health, initially working in the public and private hospital systems before moving to Ambulance Victoria where he is the current Regional Director (Gippsland). With a background as an intensive care paramedic, Simon also has substantial experience across metropolitan and rural sectors in clinical and operational management, education, audit and clinical governance. Simon sits on the Governance Committee for the Emergency Care Clinical Network. Simon is a member of BCH's Quality and Clinical Governance Committee.

Jim Fletcher (Board Delegate) *BHA, MIPAA, AFCHSE, MAICD*

Jim has more than 30 years of experience at senior executive and board level in the health and human services industry across metropolitan and regional Victoria. His background includes executive appointments with the Department of Health, Chief Executive Officer of the State's three largest psychiatric hospitals - leading these services through major reform, and more recently as Chief Executive of Western District Health Service until his retirement in July 2014. Jim is currently the Minister's delegate to the BCH Board.

Board Committees

Finance Audit and Risk Committee

Chairperson: Ian Thompson

The Finance, Audit and Risk Committee is a sub-committee of the Board responsible for oversight, advice and recommendations to the Board regarding:

- Financial management, including asset management;
- Risk management, including compliance management; and
- Internal and external audit.

Quality and Clinical Governance Committee

Chairperson: Mary Whelan

The Quality and Clinical Governance Committee is a sub-committee of the Board responsible for implementation of a strong quality and clinical governance framework, encompassing the domains of quality and safety:

- Leadership and Culture;
- Consumer partnerships;
- Workforce;
- Risk management; and
- Clinical Practice.

Remuneration Committee

Chairperson: Don Paproth

The Remuneration Committee is a sub-committee of the Board responsible for facilitating the remuneration and performance processes for the Chief Executive Officer, and to provide recommendations to the Board in line with the Government Sector Executive Remuneration Panel (GSERP) requirements.

Development Council

Chairperson: Christine Hammond

The Development Council is responsible for the development, implementation, and monitoring of BCH's partnership and fundraising strategy.

Community Advisory Committee

Chairperson: Caroline Talbot

The primary role of the Community Advisory Committee is to bring the voice of consumers, carers and community members into BCH's decision-making processes, ensuring their involvement in planning, design, delivery and evaluation of healthcare at individual level, as well as program, department and health service level.

Independent Members

Carol Clarke *BA (Public Policy Management), Cert. Investigation Services, Cert. Government (Investigations)*

Carol is a member of the Institute of Internal Auditors and has substantial experience in internal audit, risk, strategic governance, investigations and fraud, supported by a background in compliance and quality assurance within the public sectors of Australia and Ireland.

Carol is an independent external member of BCH Finance, Audit and Risk Committee.

Joanne Harris *BA (Business), CPA, Master of Taxation*

Joanne is an experienced finance professional with over 20 years of experience across a variety of sectors from private, through to health, education and local government in Australia, UK and Ireland. Carol is an independent external member of BCH Finance, Audit and Risk Committee.

Retirements, Re-appointments & Appointments to the Board of Directors

The following occurred in 2017/18:

RETIREMENTS	
Tim Large	01 July 2015 to 28 June 2018
REAPPOINTMENTS	
Christine Hammond	01 July 2017 to 30 June 2020
NEW APPOINTMENTS	
Simon Jemmett	01 July 2017 to 30 June 2020
Richard King	12 August 2017 to 30 June 2020
Kate McCullough	01 July 2017 to 30 August 2020

Board Membership and Meeting Attendance

Board Member	Board of Directors	Finance, Audit & Risk Committee	Quality & Clinical Governance Committee	Remuneration Committee	Community Advisory Committee	Development Council
Don Paproth	100%	86%	-	100%	-	
Christine Hammond	82%	-	-	100%	-	
Mary O'Connor	45%	-	-	0%	80%	
Mim Kershaw	73%	-	100%	-	-	
Simon Jemmett	82%	-	75%	-	-	
Kate McCullough	73%	86%	-	-	-	
Mary Whelan	100%	-	100%	-	80%	
Tim Large	82%	-	-	100%	-	
Ian Thompson	100%	100%	100%	-	-	
Richard King	88%	-	75%	-	-	
Nigel McCormick	73%	71%	-	-	-	
BOARD DELEGATE						
Jim Fletcher	100%	78%	100%	-	-	
INDEPENDENT AUDIT COMMITTEE MEMBER						
Carol Clarke	-	89%	-	-	-	
Joanne Harris	-	78%	-	-	-	

* no BCH Development council meetings held during 2017-18
- Not Applicable

Our Executive

Jan Child *Reg. Nurse, Grad. Dip. Behavioural Science, Masters Public Health, GAICD*

Chief Executive Officer

Jan is a Registered Nurse with post graduate qualifications in behavioural sciences, health administration and a Masters in Public Health. She is a graduate of the Australian Institute of Company Directors and a surveyor with the Australian Council of Healthcare Services. She has more than 30 years' experience in public health, having trained in rural western Victoria, and then worked across metropolitan Melbourne including at Peninsula Health, Alfred Health, the Department of Health and Human Services, alcohol and drug agencies and the community health sector. Jan was appointed as Chief Executive Officer in September 2016, following a six month interim role commencing in March 2016.

Assoc. Professor Bruce Waxman OAM *B. Medical Science, MBBS, FRACS, FRCS, FACS, AFRACMA, MAICD*

Executive Director of Medical Services

Bruce is an honours medical graduate of Monash University, trained in general and colorectal surgery and was in consultant surgical practice, both in the public and private sectors for 30 years - 20 years of which as Associate Professor at Monash University. He retired from surgical practice in 2014 and transitioned into medical administration and has been Executive Director of Medical Services at BCH since July 2016. Bruce is also a surveyor with the Australian Council on Health Care Standards (ACHS) and the Postgraduate Medical Council of Victoria (PMCV).

Shaun Brooks *B. Commerce, Grad. Dip. Chartered Accounting*

Chief Financial Officer / Chief Procurement Officer

Shaun is a Chartered Accountant who has worked in the Victorian public health sector for more than 7 years. He has held leadership positions in the financial professional services industry, with a subsequent appointment as Deputy Director of Finance at Peninsula Health. Shaun brings a broad range of commercial and financial management skills and joined BCH in 2017.

Louise Sparkes *Reg. Nurse, Grad. Cert. ED Nursing, Master of Nursing*

Executive Director of Acute Care / Chief Nurse & Midwife

Louise is a Registered Nurse with a number of post graduate qualifications in Emergency Nursing and Nursing Education. Louise brings more than 25 years' experience both in health care service provision and academia. She was appointed to the role of Executive Director of Access and Emergency Services in October 2016, before taking an executive lead for all Acute Services, as well as Chief Nursing and Midwifery role in 2017.

Paul Greenhalgh *B. Nursing, Reg. Nurse, Dip. Business Mgmt, Grad. Cert. Health Promotion*

Executive Director of Sub-Acute & Community Care

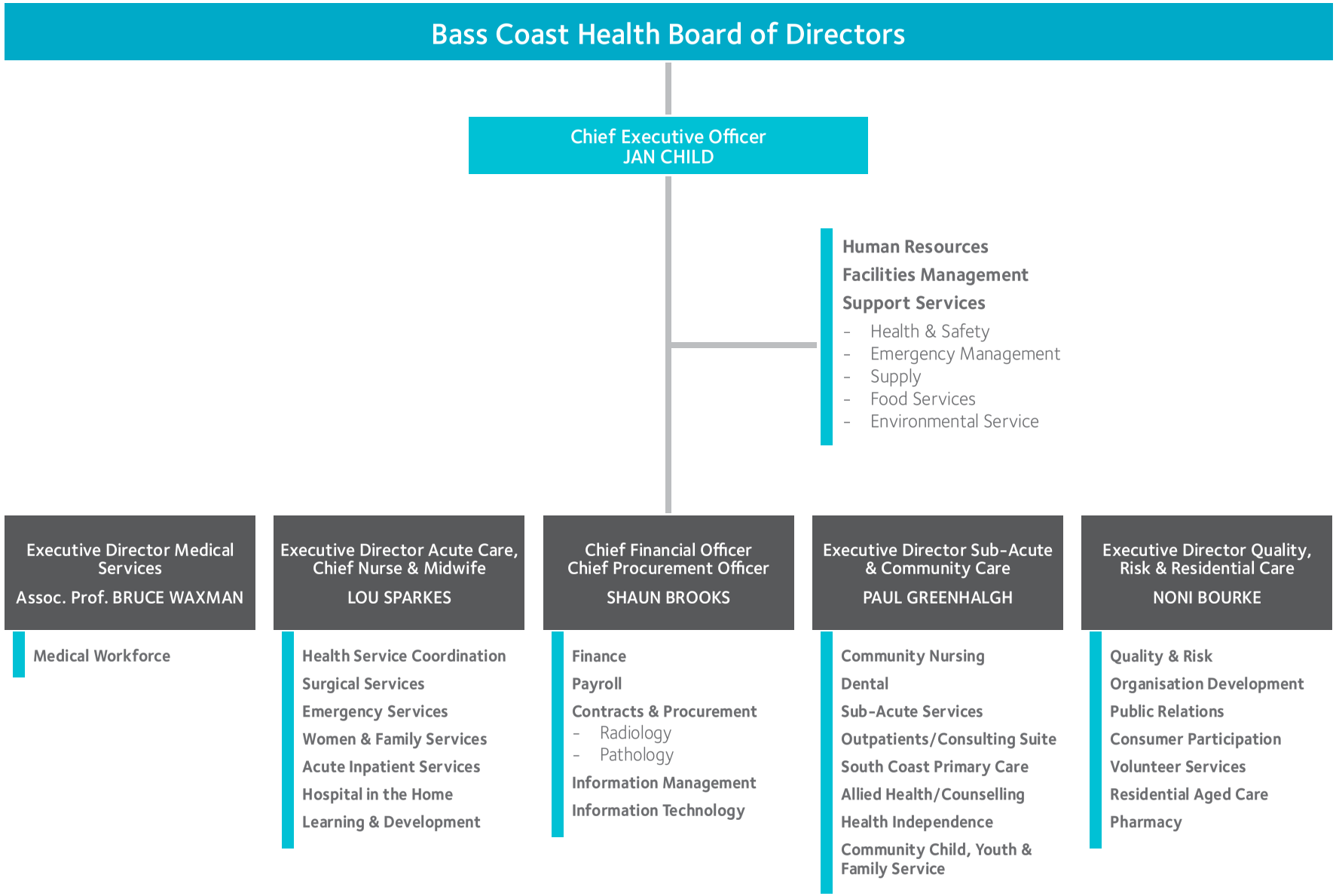
Paul is a Registered Nurse with more than 25 years' experience in public health. He has worked in acute, sub-acute, aged and community health settings, as well as associations with primary health care organisations. He has held leadership and management positions in both rural and metropolitan hospitals and community health. Paul joined the Executive Team in April 2016.

Noni Bourke *B. App. Sc. (Speech Pathology), Grad. Cert. Gerontology, Grad. Cert. Health Professional Education, Dip. Project Management, Masters Health Services Management*

Executive Director of Quality, Risk & Residential Care

Noni has more than 25 years' experience in public health, working initially as a Speech Pathologist and then within Quality and Safety across acute, sub-acute, aged care and community health services. She has worked in clinical and leadership roles in metropolitan, rural and remote health services. Noni commenced with BCH in 2016.

Organisation Chart



Louise Vuillermin Executive Director of Clinical Services / Chief Nurse & Midwife (until 04 August 2017)
Responsibility: Women, Children & Family Services; Residential Aged Care; Acute Services; Haemodialysis; and Perioperative Services

Legislative Compliance

Victorian Industry Participation Policy Act 2003

There were no contracts in 2017/18 to which the Victorian Industry *Participation Policy Act 2003* applied.

No conversations with the Industry Capability Network were required.

Protected Disclosure Act 2012

Bass Coast Health is subject to, and complies with the *Protected Disclosure Act 2012* ('The Act') that replaced the former *Whistleblowers Protection Act 2001*. The Act came into effect with a purpose to facilitate disclosures of improper conduct by public officers, public bodies and to provide the appropriate level of protection for people who make disclosures without fear of reprisal.

Carers Recognition Act 2012

In accordance with the *Carers Recognition Act 2012*, Bass Coast Health takes all practical measures to ensure that employees and volunteers respect and recognise carers, support them as individuals; recognise their efforts and dedication; take into account their views and cultural identity; recognise their social wellbeing; and provide due consideration of the effect of being a carer on matters of employment and education.

Building Act 1993

Bass Coast Health is subject to, and complies with the *Building Act 1993* under the guidelines for publicly owned buildings issued by the Minister for Finance (1994) in all redevelopment and maintenance matters.

Safe Patient Care Act 2015

Bass Coast Health is subject to the *Safe Patient Care Act 2015* ('the Act') and has no matters to report in relation to its obligations under Section 40 of the Act.

Freedom of Information Act 1982

In accordance with the *Freedom of Information Act 1982*, the public can request access documents held at BCH via a written application directly to BCH's Principal FOI Officer, or by completing the Freedom of Information Access Request Form available on the BCH website. The request must clearly identify what types of documents are being sought, and in accordance with the September 2017 amendment, processing time for requests is undertaken within 30 days.

Requests are to be addressed to:

Principal FOI Officer
Bass Coast Health
PO Box 120
Wonthaggi Vic. 3995

BCH's Principal Officer is the Chief Executive Officer.

An application fee of $28.40 applies, and may incur other charges associated with collating the information levied strictly in accordance with the *Freedom of Information (Access Charges) Regulation 2004*.

During 2017/18, BCH received 98 requests. Access to 75 were granted in full, 5 were granted in part, 1 was withdrawn and 6 not proceeded with. There were no documents for 5 requests and 6 are in progress. Of these requests, 43 were from lawyers, 22 from the police, 10 from insurance agencies and the remainder from the general public.

Our Workforce

Workforce Data

FULL TIME EQUIVALENT (FTE) EMPLOYEES				
	CURRENT MONTH FTE JUNE		YTD FTE	
	2017	2018	2017	2018
Nursing	153.8	175.9	155.7	167.9
Administration and Clerical	64.8	71.3	64.6	68.7
Medical Support	40.0	45.0	42.9	41.0
Hotel and Allied Services	58.7	65.3	62.9	60.8
Medical Officers	0.0	0.0	0.0	0.0
Hospital Medical Officers	12.2	15.6	15.3	16.3
Sessional Clinicians	4.9	6.0	4.2	4.8
Ancillary Staff (Allied Health)	54.9	62.3	50.6	56.3

Occupational Violence Statistics

OCCUPATIONAL VIOLENCE STATISTICS	2017-18
Workcover accepted claims with an occupational violence cause per 100 FTE	0.24
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	1.47
Number of occupational violence incidents reported	78
Number of occupational violence incidents reported per 100 FTE	18.75
Percentage of occupational violence incidents resulting in staff injury, illness or condition	9.00%

Occupational Health & Safety Statistics

OH&S STATISTICS	2015/16	2016/17	2017/18
# of reported hazards/incidents per 100 FTE staff	45.6	48.8	43.5
# of 'lost time' standard claims per 100 FTE staff	2.5	2.27	3.12
Average cost per claim (including payments to date & an estimate of outstanding claim costs as advised by WorkSafe)	$89,109	$43,493	$67,875
Circumstances / details of fatalities (where applicable)	Nil	Nil	Nil

* Average cost per claim for the 2016/17 period reduced due to a claim (for diseases of the psychological system/other reaction to stressors) reaching the 3 year period for exclusion from claims cost calculation, while the 2017/18 period saw the addition of another such claim and an increase in claims received.

Equal Employment Opportunity

BCH actively promotes the principles of Equal Employment Opportunity (EEO) and has established processes to ensure that EEO principles are upheld and applied to all Human Resource (HR) activity including recruitment, promotion and employee education. BCH is committed to ensuring that HR activities are carried out in a fair and equitable manner and that they comply with all EEO legislative requirements.

Orientation and Credentialing

All employees commencing with BCH, or returning to duty after a period of leave greater than 12 months, are required to participate in an orientation program ensuring they understand their role and the broader organisation. Credentialing for senior clinical employees is undertaken via the interdisciplinary Senior Appointments Committee.

Employee Assistance Program

BCH acknowledges the importance of supporting employees, volunteers and their immediate families with the provision of a confidential Employee Assistance Program (EAP), providing free access to external counselling and support with experienced and qualified professionals.

Environmental Performance

BCH's Environmental Sustainability Policy and Sustainability Plan outline a suite of Key Performance Indicators regarding waste and energy conservation, reportable to the Board. Initiatives include a waste management program for the segregation and collection of waste streams, incorporating strategies to further reduce carbon emissions. The introduction of new rubbish bins and signage has seen an improvement in the correct segregation of recyclables, resulting in decreased levels of waste going to landfill. The hospital's café promotes the use of reusable cups to further reduce carbon footprint and waste.

Consideration to environmental sustainability is specified for all renovations to existing, and construction of new facilities. Plans are underway to install solar panels at Wonthaggi Hospital and Griffiths Point Lodge Residential Aged Care, as well as a replacement program to efficient LED lights and upgraded air handling units.

Results for internal cleaning audits conducted throughout 2017/18 have averaged well above the Agreed Quality Level at 96%. These results are monitored by BCH's Infection Control Committee and reported to the Board.

Statement of Priorities

Part A: Strategic Priorities

The Victorian Government's priorities and policy directions are outlined in Victorian Health Priorities Framework 2012 - 2022. The following table contains the ways in which BCH will contribute to the achievement of these commitments in 2018/19:

GOALS	STRATEGIES	HEALTH SERVICE DELIVERABLES	OUTCOMES
BETTER HEALTH A system geared to prevention as much as treatment. Everyone understands their own health and risks. Illness is detected and managed early. Healthy neighbourhoods and communities encourage healthy lifestyles.	Reduce state-wide risks. Build healthy neighbourhoods. Help people to stay healthy. Target health gaps.	Develop and implement a smoking cessation strategy for Bass Coast Health patients and staff using the ABCD Approach to Supporting People who Smoke: A Guide for Health Services.	**Achieved and ongoing** • Smoke Free Working Group established • Benchmarking complete • Smoke Free Action Plan 2017-2021 developed • Smoking cessation support available
		In partnership with Gippsland Southern Health Service and South Gippsland Hospital implement the Strengthening Hospital Responses to Family Violence toolkit across full organisation.	**Achieved** • Subregional reference group established • Staff training complete • Key family violence resource contacts identified • Policy developed
		Collaborate with partners to implement the Healthy Eating components of the Bass Coast Shire Municipal Public Health and wellbeing Plan through implementation of the achievement program and the Smiles 4 Miles program.	**Achieved and ongoing** • Healthy Eating focus through removal of sugar sweetened beverages at BCH • Engagement of Bass Coast and South Gippsland primary schools, kindergartens and Family Day Care providers with Healthy Eating benchmarks
		Collaborate with the prevention funded agencies within Gippsland South Coast catchment to implement first year priorities within the four year local prevention plan with strategies aimed at increasing staff physical activity.	**Achieved and ongoing** • Health and Wellbeing Committee established • Standing desks available for staff • Facilities available to support active travel • Involvement in activities such as Premier's Active April encouraged

GOALS	STRATEGIES	HEALTH SERVICE DELIVERABLES	OUTCOMES
BETTER ACCESS Care is always there when people need it. More access to care in the home and community. People are connected to the full range of care and support they need. There is equal access to care.	Plan and invest. Unlock innovation. Provide easier access. Ensure fair access	In line with the Clinical Services Plan and in collaboration with Gippsland Southern Health Service and South Gippsland Hospital, develop a CSP Implementation Plan for surgery and anaesthetics, which will see the establishment of a Sub-Regional Surgical Clinical Council, and facilitate discussions regarding sub-regional models of care, service delineation, and a sub-regional capability framework.	**Achieved** • Steering Committee established • Clinical Director Anaesthetics appointed • Workshops held with GPs, specialists, consumers and representation from each of the 3 health services • Implementation plan developed and endorsed
		In line with the clinical services plan and in collaboration with Gippsland Southern Health Service and South Gippsland Hospital, develop an implementation plan for Maternity Services, which will see the establishment of the Sub-regional Maternity Clinical Council, and facilitate discussions regarding service delineation, sub-regional models of care, and a sub-regional capability framework.	**Achieved** • Maternity Steering Committee established • Consultant Obstetrician engaged to lead work • Workshops held with GPs, specialists, consumers and representation from each of the 3 health services • Implementation plan developed and endorsed
		In line with the Clinical Services Plan and in collaboration with Gippsland Southern Health Service and South Gippsland Hospital, utilise the resources of the sub-regional Primary Care Partnership to establish the sub-regional Primary and Community Clinical Council and develop an implementation plan which will facilitate sub-regional models of care, a sub-regional Primary and Community capability framework, and service delineation in the areas of chronic disease management and health promotion.	**Achieved** • Primary and Community Care Steering Committee established • Workshops held with GPs, specialists, consumers and representation from each of the 3 health services • Implementation plan developed and endorsed
		Improve service access for the Phillip Island community through the development of the Phillip Island Health Hub.	**Achieved** • Phillip Island Health Hub opened 30/04/18 following extensive community, staff and service provider consultation regarding models of care and service provision • Promotional material outlining services available on Phillip Island provided to all residential and business addresses on the Island

Statement of Priorities

Part A: Strategic Priorities

GOALS	STRATEGIES	HEALTH SERVICE DELIVERABLES	OUTCOMES
BETTER CARE Target zero avoidable harm. Healthcare that focuses on outcomes. Patients and carers are active partners in care. Care fits together and around people's needs.	Put quality first. Join up care. Partner with patients. Strengthen the workforce. Embed evidence. Ensure equal care. **Mandatory actions against the 'Target zero avoidable harm' goal:**	Implement incident investigation and documentation processes for serious adverse events including root cause analysis and critical incident review	**Achieved** • Incident management processes and policy enhanced • Trained root cause analysis facilitators available • Staff education and training provided using targeted case studies and consumer representatives to support education
	Develop and implement a plan to educate staff about obligations to report patient safety concerns.	Develop and implement clinical escalation policies and process across all Bass Coast Health clinical services.	**Achieved** • Clinical Escalation processes and policy enhanced • Targeted education provided to clinical staff including use of case studies • Expectations and processes regarding escalation enhanced within Corporate Orientation program
	Establish agreements to involve with external specialists in clinical governance processes for each major area of activity (including mortality and morbidity review).	Establish formal agreements with external specialists for clinical governance processes in Maternity, Surgery, Sub-Acute and Medicine (including mortality and morbidity review).	**Achieved and ongoing** • Director of Anaesthetics appointed • Partnerships established with tertiary services in the areas of geriatrics, haematology, oncology, paediatrics, maternity
	In partnership with consumers, identify 3 priority improvement areas using Victorian Healthcare Experience Survey data and establish an improvement plan for each. These should be reviewed every 6 months to reflect new areas for improvement in patient experience.	In partnership with consumers, implement and evaluate an improvement plan for the following Victorian Healthcare Experience Survey areas: - Enhance patient and families involvement in all aspects of care planning. - Enhance patient and families involvement in all aspects of discharge planning including provision of information, and - Enhance processes regarding provision of discharge information to patients and families and primary care practitioners.	**Achieved and ongoing:** • Partnering with Consumers Expo held in collaboration with the Community Advisory Committee highlighting importance of involvement of patients and families in care • Gathering of Kindness events held focusing on consumer partnerships and staff wellbeing to support person-centred care • Inpatient documentation reviewed and enhanced to better support patient and family involvement • Electronic discharge summaries implemented for inpatient wards and emergency department

Part B: Performance Priorities

Quality and Safety Performance

KEY PERFORMANCE INDICATOR	TARGET	2017 /18 RESULT
ACCREDITATION		
National Safety and Quality Health Service Standards	Full compliance	Achieved
Commonwealth's Aged Care Accreditation Standards	Full compliance	Achieved
INFECTION PREVENTION AND CONTROL		
Compliance with Hand Hygiene Australia program	80%	89.9%
Percentage of healthcare workers immunised for influenza	75%	90%
PATIENT EXPERIENCE - *Victorian Healthcare Experience Survey*		
Data submission	Full compliance	Achieved
Positive patient experience – Quarter 1	95% positive experience	97%
Positive patient experience – Quarter 2	95% positive experience	94%
Positive patient experience – Quarter 3	95% positive experience	94%
Discharge care – Quarter 1	75% very positive experience	85%
Discharge care – Quarter 2	75% very positive experience	79%
Discharge care – Quarter 3	75% very positive experience	88%
Patients perception of cleanliness – Quarter 1	70% positive experience	89%
Patients perception of cleanliness – Quarter 2	70% positive experience	87%
Patients perception of cleanliness – Quarter 3	70% positive experience	85%
ADVERSE EVENTS		
Number of sentinel events	Nil	1
Mortality – number of deaths in low mortality DRGS[1]	Nil	N/A*
MATERNITY & NEWBORN#		
Rate of singleton term infants without birth anomalies with APGAR score <7 to 5 mins	≤1.6%	0.63%
Rate of severe foetal growth restriction (FGR) in singleton pregnancy undelivered by 40 weeks	≤28.6%	NA**
CONTINUING CARE		
Functional independence gain from an episode of GEM[2] admission to discharge relative to length of stay	≥0.39%	0.57%
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥0.645	1.016%

[1] DRG is Diagnostic Related Group
[2] GEM is Geriatric Evaluation and Management
* This indicator was withdrawn during 2017-18 and is currently under review by the Victorian Agency for Health Information
** Result not statistically relevant due to the relative size of the Health Service

Statement of Priorities

Part B: Performance Priorities

Governance, Leadership and Culture

KEY PERFORMANCE INDICATOR	TARGET %	2017 /18 RESULT
ORGANISATIONAL CULTURE – *People Matter Survey results*		
Overall positive response to safety and culture questions	80%	91%
Positive response to the question, "I am encouraged by my colleagues to report any patient safety concerns I may have"	80%	96%
Positive response to the question, "Patient care errors are handled appropriately in my work area"	80%	92%
Positive response to the question, "My suggestions about patient safety would be acted upon if I expressed them to my manager"	80%	94%
Positive response to the question, "The culture in my work area makes it easy to learn from the error of others"	80%	88%
Positive response to the question, "Management is driving us to be a safety-centred organisation"	80%	96%
Positive response to the question, "This health service does a good job of training new and existing staff"	80%	79%
Positive response to the question, "Trainees in my discipline are adequately supervised"	80%	84%
Positive response to the question, "I would recommend a friend or relative to be treated as a patient here"	80%	94%

Access Performance

KEY PERFORMANCE INDICATOR	TARGET %	2017 /18 RESULT
EMERGENCY CARE		
Percentage of patients transferred from ambulance to Emergency Department within 40 minutes	90%	93%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	80%
Percentage of emergency patients with a length of stay in the Emergency Department of less than 4 hours	81%	81%
Number of patients with a length of stay in the Emergency Department greater than 24 hours	0	0

Effective Financial

KEY PERFORMANCE INDICATOR	TARGET	2017 /18 RESULT
FINANCE		
Operating Result ($m)	0.622	0.716
Average number of days to paying trade creditors	60 days	52
Average number of days to receiving patient fee debtors	60 days	33
Public & private WIES[3] performance to target*	100%	96.37%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.27%
Number of days of available cash	14 days	5 days

[3] WIES is Weighted Inlier Equivalent Separation

* The changes arising in the WIES funding model following the introduction of AR-DRG version 8 in 2016-17 have impacted BCH's ability to recognise WIES activity in 2017-18. The department has acknowledged these issues at a system level and provided assurances around minimum funding levels throughout 2017-18.

Statement of Priorities

Part C: Activity and Funding

KEY PERFORMANCE INDICATOR	2017 /18 RESULT
ACUTE ADMITTED	
WIES Public	4103.85
WIES Private	183.05
WIES DVA	96.6
WIES TAC	6.62
ACUTE NON-ADMITTED	
Home Enteral Nutrition	36
Specialist Clinics - Public	4,121
SUB-ACUTE & NON-ADMITTED	
Sub-Acute WIES – Rehabilitation Public	128.16
Sub-Acute WIES – Rehabilitation Private	12.46
Sub-Acute WIES – GEM Public	170.01
Sub-Acute WIES – GEM Private	10.11
Sub-Acute WIES – Palliative Care Public	44.18
Sub-Acute WIES – Palliative Care Private	5.88
Sub-Acute WIES - DVA	28.49
SUB-ACUTE NON-ADMITTED	
Health Independence Program - Public	16,781
AGED CARE	
Residential Aged Care	19,672
HACC	9,583
PRIMARY HEALTH	
Community Health/ Primary Care programs	11,146
OTHER	
Health Workforce	26

"Bass Coast Health's achievements are due to its dedicated, skilled & passionate staff committed to improving the health of our community"

Statutory Requirements

Finance

The information within this Report is based on the Standing Directions of the Minister for Finance (Section 4 Financial Management Reporting) and Financial Reporting Directions under the *Financial Management Act 1994* and has been prepared and is available to the relevant Minister, Member of Parliament and the public, upon request.

Statement of Availability of Additional Information

The information has been prepared in compliance with the requirements of FRD 22H Standard Disclosures in the Report of Operations and the details have been retained by BCH and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the Freedom Of Information requirements, if applicable):

- Declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by senior officers as nominee or held beneficially;
- Details of publications produced by the entity about itself, and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service;
- Details of any major external reviews carried out on the Health Service;
- Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;
- Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;
- Details of assessments and measures undertaken to improve the occupational health and safety of employees;
- A general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;
- A list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Competitive Neutrality

BCH's policies and procedures complied with competitive neutrality requirements.

Ex-Gratia Payments

No ex-gratia payments were incurred during this period.

Fees & Charges

All fees and charges charged by BCH are regulated by the Commonwealth Department of Health & Ageing (DOHA) and the *Hospitals & Charities (Fees) Regulations 1986*, as amended and as otherwise determined by Department of Health and Human Services (DHHS).

Private admitted fees as set by the DHHS increased by 1.9% in this financial year. Basic daily fees as set by the DOHA for nursing home and hostel residents increased by 2.2% in this financial year.

Operational & Budgetary Objectives & Factors Affecting Performance

Each year, BCH is required to negotiate a Statement of Priorities with the DHHS. The statement incorporates both system-wide priorities set by Government and locally generated agency-specific priorities.

96% of deliverables from the Statement of Priorities have been met for 2017/18.

The Board budgeted for an operating surplus of $0.62m before capital items and depreciation for the 2017/18 financial year. The final result for the year was a $0.72m operating surplus before capital items and depreciation.

Events Subsequent to Balance Date

There have been no events subsequent to balance date that will have a significant effect on the operations of the health service in subsequent years.

Other Disclosures

Consultancies Under $10,000

In 2017/18 there were 5 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2017/18 in relation to these consultancies is $23,107.

Consultancies Over $10,000

In 2017/18, there were 3 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2017/18 in relation to these consultancies is $72,304 (excl. GST).

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project fee (ex GST)	Expenditure 2017/18 (ex GST)	Future Expenditure 2017/18 (ex GST)
Larter Consulting	Development of Plan for Gippsland Sub-Region	1 Dec 2017	28 Feb 2018	$12,364	$12,364	$0.00
Peacemaker ADR Pty Ltd	HR Services	1 Feb 2018	31 May 2018	$22,835	$22,835	$0.00
Health Economics	Financial Services	1 July 2017	31 Oct 2017	$37,105	$37,105	$0.00

Information and Communication Technology (ICT) Disclosure

The total ICT expenditure incurred during 2017/18 is $2,085,217 (excluding GST) with the details shown below:

Business As Usual (BAU) ICT Expenditure	Non-Business As Usual (Non BAU) ICT Expenditure		
Total (excluding GST)	Total = Operational expenditure and Capital expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
$1,476,845	$608,372	$163,324	$445,048

Summary of Financial Results

For the year ending 30 June 2018

The following table provides a summary of the financial results for the year, with comparative results for the preceding four financial years. Previous years' data is included on the same basis where possible for comparative purposes.

FINANCIAL ($000'S)	2017-18	2016-17	2015-16	2014-15	2013-14
Total Revenue	**75,545**	66,508	55,772	54,920	46,360
Total Expenses	**66,570**	61,459	57,779	58,172	47,980
Other operating flows included in the Net Result	**(3)**	(4)	60	4,572	6,670
Net Result for the Year (Operating result)	**8,972**	5,045	(1,947)	1,320	5,050
Total Assets	**75,027**	58,297	54,693	56,673	52,015
Total Liabilities	**24,736**	20,802	22,243	22,276	18,938
Net Assets	**50,291**	37,495	32,450	34,397	33,077
Total Equity	**50,291**	37,495	32,450	34,397	33,077

Major Changes or Factors Affecting Performance

The operating result for the 2017/18 year reflects the consolidation of initiatives implemented over the past few years. Similar to last year, additional government funding has assisted in achieving a positive result. Capital funds have been received for infrastructure improvements across the site including the replacement of the emergency lift, air handling units and fire panel, and installation of solar panels. Other factors which have assisted BCH in delivering the operating result for the year include:

- Further increase in patients being treated in the acute and sub-acute wards, along with an increase in presentations to the Emergency Department
- Commencement of a high dependency unit (HDU) to treat more complex patients locally
- Continued progress in other financial sustainability strategies.

Strong foundations have been laid to ensure ongoing financial sustainability for BCH into the future in line with the growth agenda required to better serve the sub-region.

Attestations

The following information is required as part of the Standing Direction of the Minister for Finance and Financial Reporting Directions to provide the community with background and general information about the health service.

- Bass Coast Health is the major public health service provider within the Bass Coast Shire. A comprehensive range of services are provided that include acute, sub-acute, residential aged care, ancillary, medical and community based services
- The health service delivers healthcare to approximately 30,000 residents and approximately 3.4 million visitors each year to the Bass Coast and South Gippsland regions
- Bass Coast Health, through the Board of Directors, reports to the Hon. Jill Hennessy, Minister for Health and Ambulance Services
- Bass Coast Health is classified as a Group C Hospital and is incorporated under the *Health Services Act 1988 (Vic)*
- Auditor for the 2017 Annual Report was the Office of the Auditor General
- Members of Bass Coast Health's Finance, Audit and Risk Committee, at 30th June 2018 were:
  - Ian Thompson, Board Director (Chair)
  - Nigel McCormick, Board Director
  - Kate McCullough, Board Director
  - Don Paproth, Board Director
  - Jim Fletcher, Board Delegate
  - Carol Clarke, Independent Member
  - Joanne Harris, Independent Member.

Jan Child, Chief Executive Officer
30 August 2018

Responsible Bodies Declaration

Financial Management Compliance Attestation

I, Donald Paproth, on behalf of the Responsible Body, certify that Bass Coast Health has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.

Don Paproth, Chair, Board of Directors
30 August 2018

Attestation on Compliance with Health Purchasing Victoria (HPV) Health Purchasing Policies

I, Jan Child, certify that Bass Coast Health has put in place appropriate internal controls and processes to ensure that it has complied with all requirements set out in the HPV Health Purchasing Policies, including mandatory HPV collective agreements as required by the *Health Services Act 1988 (Vic)* and has critically reviewed these controls and processes during the year.

Jan Child, Chief Executive Officer
30 August 2018

Data Integrity

I, Jan Child, certify that Bass Coast Health has put in place appropriate internal control and processes to ensure that reported data accurately reflects actual performance. Bass Coast Health has critically reviewed these controls and processes during the year.

Jan Child, Chief Executive Officer
30 August 2018

Conflict of Interest

I, Jan Child, certify that Bass Coast Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 *Compliance reporting in health portfolio entities (Revised)* and 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 Bass Coast Health and members of the Board, and all declared conflicts have been addressed and are being managed. Conflicts of interest is a standard item for declaration and documenting at each executive board meeting.

Jan Child, Chief Executive Officer
30 August 2018

Disclosure Index

LEGISLATION	REQUIREMENT	PAGE
CHARTER AND PURPOSE		
FRD 22H	Manner of establishment and the relevant Ministers	Inside Cover
FRD 22H	Purpose, functions, powers and duties	Inside Cover
FRD 22H	Initiatives and key achievements	4
FRD 22H	Nature and range of services provided	8
MANAGEMENT STRUCTURE		
FRD 22H	Organisational structure	18
FINANCIAL AND OTHER INFORMATION		
FRD 10A	Disclosure Index	35
FRD 11A	Disclosure of ex-gratia expenses	30
FRD 21C	Responsible person and executive officer disclosures	34
FRD 22H	Application and operation of *Protected Disclosure Act 2012*	19
FRD 22H	Application and operation of *Carers Recognition Act 2012*	19
FRD 22H	Application and operation of *Freedom of Information Act 1982*	19
FRD 22H	Compliance with building and maintenance provisions of *Building Act 1993*	19
FRD 22H	Details of consultancies over $10,000	31
FRD 22H	Details of consultancies under $10,000	31
FRD 22H	Employment and conduct principles	21
FRD 22H	Information and communication technology expenditure	31
FRD 22H	Major changes or factors affecting performance	32
FRD 22H	Occupational violence	20
FRD 22H	Operational and budgetary objectives and performance against objectives	30
FRD 22H	Summary of environmental performance	21
FRD 22H	Significant changes in financial position during the year	32
FRD 22H	Statement on National Competition Policy	30
FRD 22H	Subsequent events	30
FRD 22H	Summary of financial results for the year	32
FRD 22H	Additional information available on request	30
FRD 22H	Workforce Data Disclosures inc. a statement on the application of employment and conduct principles	20
FRD 25C	Victorian Industry Participation Policy Disclosures	19
FRD 103F	Non-financial physical assets	55
FRD 110A	Cash flow statements	41
FRD 112D	Defined benefit superannuation obligations	52
SD 5.1.4	Financial Management Compliance	34
SD 5.2.3	Declaration in report of operations	33
OTHER REQUIREMENTS UNDER STANDING DIRECTIONS 5.2		
SD 5.2.2	Declaration in financial statements	36
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	36
SD 5.2.1(a)	Compliance with Ministerial Directions	36
LEGISLATION		
Freedom of Information Act 1982		19
Protected Disclosure Act 2012		19
Carers Recognition Act 2012		19
Victorian Industry Participation Policy Act 2003		19
Building Act 1993		19
Financial Management Act 1994		19
Safe Patient Care Act 2015		19

BOARD MEMBERS, ACCOUNTABLE OFFICERS & CHIEF FINANCE & ACCOUNTING OFFICERS DECLARATION

The attached financial statements for Bass Coast Health 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 2018 and the financial position of Bass Coast Health at 30 June 2018.

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 this day.

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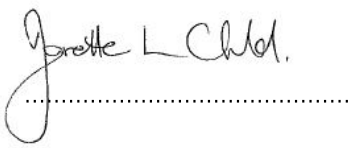
Don Paproth
Board Chair

Wonthaggi

30th August 2018



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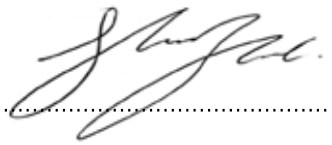
Jan Child
Accountable Officer

Wonthaggi

30th August 2018



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Shaun Brooks
Chief Finance & Accounting Officer

Wonthaggi

30th August 2018

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Bass Coast Health

Opinion	I have audited the financial report of Bass Coast Health (the health service) which comprises the: • balance sheet as at 30 June 2018 • 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 significant accounting policies • 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 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
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* (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 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 a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

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

MELBOURNE
31 August 2018

Ron Mak
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018	2017
		$'000	$'000
Revenue from Operating Activities	2.1	65,037	62,001
Revenue from Non Operating Activities	2.1	312	205
Employee Expenses	3.1	(42,972)	(40,307)
Non Salary Labour Costs	3.1	(5,651)	(4,972)
Supplies and Consumables	3.1	(6,365)	(6,126)
Medical Indemnity Insurance	3.1	(786)	(707)
Fuel, Light, Power and Water	3.1	(890)	(607)
Repairs and Maintenance	3.1	(796)	(521)
Other Expenses	3.1	(7,173)	(6,412)
Net Result Before Capital and Specific Items		716	2,554
Capital Purpose Income	2.1	10,196	4,302
Discount Interest on Loan Net Present Value	2.1	(14)	-
Depreciation and Amortisation	4.3	(1,923)	(1,807)
Net Result After Capital and Specific Items		8,975	5,049
Other Economic Flows Included in Net Result			
Net gain/(loss) on non-financial assets		14	(7)
Revaluation of Long Service Leave	3.2b	(17)	3
Total Other Economic Flows Included in Net Result		(3)	(4)
NET RESULT FOR THE YEAR		8,972	5,045
Other Comprehensive Income			
Items that will not be classified to Net Result			
Changes in Land Revaluation Surplus	8.1a	1,368	-
Total Other Comprehensive Income		1,368	-
COMPREHENSIVE RESULT		**10,340**	**5,045**

BALANCE SHEET
AS AT 30 JUNE 2018

	Note	2018 $'000	2017 $'000
Current Assets			
Cash and Cash Equivalents	6.2	17,776	10,730
Receivables	5.1	1,987	1,504
Investments & other Financial Assets	4.1	2,020	-
Inventories	5.2	171	148
Prepayments and Other Assets	5.4	46	43
Total Current Assets		22,000	12,425
Non-Current Assets			
Receivables	5.1	1,483	1,170
Property, Plant and Equipment	4.2	51,544	44,702
Total Non-Current Assets		53,027	45,872
TOTAL ASSETS		75,027	58,297
Current Liabilities			
Payables	5.5	4,521	2,172
Borrowings	6.1	1,800	1,500
Provisions	3.2	10,207	9,211
Other Current liabilities	5.3	4,649	3,473
Total Current Liabilities		21,177	16,356
Non-Current Liabilities			
Borrowings	6.1	2,108	3,168
Provisions	3.2	1,451	1,278
Total Non-Current Liabilities		3,559	4,446
TOTAL LIABILITIES		24,736	20,802
NET ASSETS		50,291	37,495
EQUITY			
Property, Plant and Equipment Revaluation Surplus	8.1a	22,420	21,052
Restricted Specific Purpose Surplus	8.1b	293	293
Contributed Capital	8.1b	15,894	13,438
Accumulated Surpluses/(Deficits)	8.1c	11,684	2,712
TOTAL EQUITY	8.1c	50,291	37,495
Commitments	6.3		
Contingent Assets and Contingent Liabilities	7.2		

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Note	2018 $'000 Inflows / (Outflows)	2017 $'000 Inflows / (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Grants from Government		58,709	54,578
Capital Grants from Government		8,131	3,885
Patient and Resident Fees Received		2,259	2,540
Donations and Bequests Received		2,066	388
GST (Paid to)/Received from ATO		(130)	11
Interest Received		309	195
Other Receipts		2,031	2,203
Total Receipts		***73,375***	***63,800***
Employee Expenses Paid		(41,820)	(39,727)
Non Salary Labour Costs		(5,651)	(4,972)
Payments for Supplies and Consumables		(6,388)	(4,610)
Other Payments		(6,280)	(9,412)
Total Payments		***(60,139)***	***(58,721)***
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES	8.2	13,236	5,079
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		(2,020)	-
Purchase of Non-Financial Assets		(7,392)	(1,707)
Proceeds from Sale of Non-Financial Assets		15	-
NET CASH FLOW FROM /(USED IN) INVESTING ACTIVITIES		(9,397)	(1,707)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(1,500)	(413)
Proceeds from Borrowings		726	
Contributed Capital from Government		2,456	-
NET CASH FLOW FROM /(USED IN) FINANCING ACTIVITIES		1,682	(413)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS HELD		5,521	2,959
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		6,852	3,893
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	6.2	12,373	6,852

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

		Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Surplus	Contributed Capital	Accumulated Surpluses/ (Deficits)	Total
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2016		21,052	293	13,438	(2,333)	32,450
Net result for the year	8.1c	-	-	-	5,045	5,045
Balance at 30 June 2017		**21,052**	**293**	**13,438**	**2,712**	**37,495**
Net result for the year	8.1c	-	-	-	8,972	8,972
Other comprehensive income for the year	8.1a	1,368	-	-	-	1,368
Contributed Capital	8.1b	-	-	2,456	-	2,456
Balance at 30 June 2018		**22,420**	**293**	**15,894**	**11,684**	**50,291**

BASIS OF PREPARATION

The financial statements are prepared in accordance with Australian Accounting Standards and relevant FRDs.

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

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

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These annual financial statements represent the audited general purpose financial statements for Bass Coast Health (ABN 86 627 309 026) for the year ended 30 June 2018. The report provides users with information about Bass Coast Healths' stewardship of resources entrusted to it.

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable AASBs, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements* .

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SDs) authorised by the Minister for Finance.

Bass Coast Health is a not-for profit entity and therefore applies the additional AUS paragraphs applicable to "not-for-profit" Health Services under the AASBs.

The annual financial statements were authorised for issue by the Board of Bass Coast Health 30th August, 2018.

(b) Reporting Entity

The financial statements include all the controlled activities of Bass Coast Health.
Its principal address is:
235-237 Graham Street
Wonthaggi, Victoria 3995

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

(c) Basis of accounting preparation and measurement

Accounting policies are selected and applied in a manner which ensures that 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 accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018, and the comparative information presented in these financial statements for the year ended 30 June 2017.

The financial statements are prepared on a going concern basis (refer note 8.10 Economic Dependency).

These financial statements are presented in Australian Dollars, the functional and presentation currency of Bass Coast Health.

All amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

Bass Coast Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is, they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

NOTE 1 : SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of accounting preparation and measurement (Continued)

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASBs that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings and plant and equipment (refer to Note 4.1 Property, Plant and Equipment);
- Superannuation expense (refer to Note 3.3 Superannuation); and
- Employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.2 Employee Benefits in the Balance Sheet);

Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flow.

Commitments and contingent assets and liabilities are presented on a gross basis.

(d) Principles of Consolidation

Intersegment Transactions

Transactions between segments within Bass Coast Health have been eliminated to reflect the extent of Bass Coast Health's operations as a group.

(e) Jointly Controlled Operation

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In respect of any interest in joint operations, Bass Coast Health recognises in the financial statements:

- its assets, including its share of any assets held jointly;
- any liabilities including its share of liabilities that it had incurred;
- its revenue from the sale of its share of the output from the joint operation;
- its share of the revenue from the sale of the output by the operation; and
- its expenses, including its share of any expenses incurred jointly.

Bass Coast Health is a Member of the Gippsland Health Alliance Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.9)

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

Bass Coast Health's overall objective is to provide quality health services that support and enhance the wellbeing of all Victorians. Bass Coast Health is predominantly funded by accrual based grant funding for the provision of outputs. The hospital also receives income from the supply of services.

Structure
2.1 Analysis of revenue by source

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE

	Admitted Patients 2018 $'000	EDS 2018 $'000	RAC 2018 $'000	Primary and Community Health 2018 $'000	Other 2018 $'000	TOTAL 2018 $'000
Government Grants	28,547	11,580	4,302	13,028	1,350	58,807
Indirect Contributions by Department of Health and Human Services	347	-	-	-	-	347
Patient and Resident Fees	405	65	1,195	726	-	2,391
Other Revenue from Operating Activities	1,386	660	389	983	74	3,492
Total Revenue from Operating Activities	**30,685**	**12,305**	**5,886**	**14,737**	**1,424**	**65,037**
Interest	-	-	7	-	305	312
Total Revenue from Non-Operating Activities	**-**	**-**	**7**	**-**	**305**	**312**
Capital Purpose Income (Excluding Interest)	-	-	-	-	10,196	10,196
Discount Interest on Loan Net Present Value	-	-	-	-	(14)	(14)
Total Capital Purpose Income	**-**	**-**	**-**	**-**	**10,182**	**10,182**
TOTAL REVENUE	**30,685**	**12,305**	**5,893**	**14,737**	**11,911**	**75,531**

	Admitted Patients 2017 $'000	EDS 2017 $'000	RAC 2017 $'000	Primary and Community Health 2017 $'000	Other 2017 $'000	TOTAL 2017 $'000
Government Grants	26,977	11,700	5,454	9,571	1,465	55,167
Indirect Contributions by Department of Health and Human Services	530	-	-	-	-	530
Patient and Resident Fees	502	164	1,093	747	-	2,506
Other Revenue from Operating Activities	1,264	354	228	1,947	5	3,798
Total Revenue from Operating Activities	**29,273**	**12,218**	**6,775**	**12,265**	**1,470**	**62,001**
Interest	-	-	10	-	195	205
Total Revenue from Non-Operating Activities	**-**	**-**	**10**	**-**	**195**	**205**
Capital Purpose Income (Excluding Interest)	-	-	-	-	4,302	4,302
Discount Interest on Loan Net Present Value	-	-	-	-	-	-
Total Capital Purpose Income	**-**	**-**	**-**	**-**	**4,302**	**4,302**
TOTAL REVENUE	**29,273**	**12,218**	**6,785**	**12,265**	**5,967**	**66,508**

The Department of Health and Human Services makes certain payments on behalf of Bass Coast Health. These amounts have been brought to account in determining the operating result for the year by recording them as revenue and expenses.

NOTE 2.1: ANALYSIS OF REVENUE BY SOURCE (Continued)

Revenue Recognition

Income is recognised in accordance with AASB 118 Revenue and is recognised as to the extent that it is probable that the economic benefits will flow to Bass Coast Health and the income can be reliably measured at fair value.
Unearned income at reporting date is reported as income received in advance.

Amounts disclosed as revenue are, where applicable, net of returns, allowances, duties and taxes.

Government Grants and Other Transfers of Income (other than contributions by owners)

In accordance with AASB 1004 Contributions, government grants and other transfers of income (other than contributions by owners) are recognised as income when Bass Coast Health gains control of the underlying assets irrespective of whether conditions are imposed on Bass Coast Health's use of the contributions.

Contributions are deferred as income in advance when Bass Coast Health has a present obligation to repay them and the present obligation can be reliably measured.

Indirect Contributions from the Department of Health and Human Services

- Insurance is recognised as revenue following advice from the Department of Health and Human Services.
- Long Service Leave (LSL) - Revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Department of Health and Human Services Hospital Circular 04/2017.

Patient Fees

Patient fees are recognised as revenue on an accrual basis.

Private Practice Fees

Private Practice fees are recognised as revenue at the time invoices are raised.

Revenue from Commercial Activities

Revenue from commercial activities such as provision of meals to external users is recognised on an accrual basis.

Donations and Other Bequests

Donations and bequests are recognised as revenue when received. If donations are for a special purpose, they may be appropriated to a surplus, such as specific restricted purpose surplus.

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes in to account the effective yield of the financial asset, which allocates interest over the relevant period.

Sale of investments

The gain / (loss) on the sale of investments is recognised when the investment is realised.

Other Income

Other income includes recoveries for salaries and wages, sundry sales and minor facility charges.

Category Groups

Bass Coast Health has used the following category groups for reporting purposes for the current and previous financial years.

- **Admitted Patient Services (Admitted Patients)** comprises all acute and subacute admitted patients services, where services are delivered in public hospitals.
- **Emergency Department Services (EDs)** comprises all emergency department services.
- **Primary and Community Health** comprises a range of home based, community based, community, primary health and dental services including health promotion and counselling, physiotherapy, speech therapy, podiatry and occupational therapy and a range of in home, specialist geriatric, residential care and community based programs and support services.
- **Residential Aged Care (RAC)** comprises those Commonwealth licensed residential aged care services in receipt of supplementary funding from the Department of Health and Human Services.
- **Other Services not reported elsewhere - (Other)** comprises services not separately classified above, including Community Care programs, various support services and commercial activities.

NOTE 3: THE COST OF DELIVERING SERVICES

This section provides an account of the expenses incurred by Bass Coast Health in delivering services and outputs.
In Note 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure
3.1 Analysis of expenses by source
3.2 Provisions
3.3 Superannuation

NOTE 3.1: ANALYSIS OF EXPENSE BY SOURCE

	Admitted Patients 2018 $'000	EDS 2018 $'000	RAC 2018 $'000	Primary and Community Health 2018 $'000	Other 2018 $'000	TOTAL 2018 $'000
Employee Expenses	15,687	10,910	5,042	10,569	764	42,972
Other Operating Expenses						
Non Salary Labour Costs	3,607	340	6	773	925	5,651
Supplies and Consumables	3,375	1,643	458	798	91	6,365
Medical Indemnity Insurance	318	197	76	169	26	786
Fuel, Light, Power and Water	364	226	74	197	29	890
Repairs and Maintenance	433	145	58	141	19	796
Other Expenses	2,365	2,783	556	1,252	217	7,173
Total Expenditure from Operating Activities	26,149	16,244	6,270	13,899	2,071	64,633
Depreciation and Amortisation (refer note 4.3)	-	-	-	-	1,923	1,923
Total Other Expenses	-	-	-	-	1,923	1,923
TOTAL EXPENSES	**26,149**	**16,244**	**6,270**	**13,899**	**3,994**	**66,556**

	Admitted Patients 2017 $'000	EDS 2017 $'000	RAC 2017 $'000	Primary and Community Health 2017 $'000	Other 2017 $'000	TOTAL 2017 $'000
Employee Expenses	12,656	9,281	7,951	9,719	700	40,307
Other Operating Expenses						
Non Salary Labour Costs	3,156	425	2	386	1,003	4,972
Supplies and Consumables	3,040	1,528	698	753	107	6,126
Medical Indemnity Insurance	253	166	112	152	24	707
Fuel, Light, Power and Water	213	140	103	130	21	607
Repairs and Maintenance	218	105	82	101	15	521
Other Expenses	1,833	2,350	488	1,566	175	6,412
Total Expenditure from Operating Activities	21,369	13,995	9,436	12,807	2,045	59,652
Depreciation and Amortisation (refer note 4.3)	-	-	-	-	1,807	1,807
Total Other Expenses	-	-	-	-	1,807	1,807
TOTAL EXPENSES	**21,369**	**13,995**	**9,436**	**12,807**	**3,852**	**61,459**

NOTE 3.1: ANALYSIS OF EXPENSE BY SOURCE (Continued)

Note 3.1 Expense Recognition

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

Employee expenses

Employee expenses include:

- Salaries and Wages;
- Fringe Benefits Tax;
- Leave Entitlements;
- Termination Payments;
- Workcover Premiums; and
- Superannuation expenses

Grants and Other Transfers

These include transactions such as: grants, subsidies and personal benefit payments made in cash to individuals.

Other operating expenses

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

- Supplies and Consumables - Supplies and service costs which 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.
- Fair Value of Assets, Services and Rresources Provided Free of Charge or for Nominal Consideration - Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them.

Net Gain / (Loss) on Non-Financial Assets

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

- Revaluation gains/ (losses) of non-financial physical assets (Refer to Note 4.2 Property, Plant and Equipment)
- Net gain/(loss) on disposal of Non-Financial Assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain/ (loss) on financial instruments

Net gain/ (loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 4.1 Investments and other financial assets; and
- disposals of financial assets and derecognition of financial liabilities

Other gains/(losses) from other economic flows

Other gains/(losses) include:

- the revaluation of the present value of the long service leave liability due to changes in the bond rate movements, inflation rate movements and the impact of changes in probability factors; and
- transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

Derecognition of financial liabilities

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

Financial guarantee

Payments that are contingent under financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is a material increase in the likelihood that the guarantee may have to be exercised, then it is measured at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

NOTE 3.2: EMPLOYEE BENEFITS IN THE BALANCE SHEET	2018	2017
Current Provisions	$'000	$'000
Employee Benefits (i)		
Annual Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	3,178	3,017
- unconditional and expected to be settled wholly after 12 months (iii)	248	190
Long Service Leave		
- unconditional and expected to be settled wholly within 12 months (ii)	859	1,029
- unconditional and expected to be settled wholly after 12 months (iii)	3,277	2,870
Other		
- Accrued Wages & Salaries	1,517	1,107
- Accrued Days Off	96	66
	9,175	8,279
Provisions related to Employee Benefit On-Costs		
- unconditional and expected to be settled wholly within 12 months (ii)	635	587
- unconditional and expected to be settled wholly after 12 months (iii)	397	345
	1,032	932
Total Current Provisions	**10,207**	**9,211**
Non-Current Provisions		
Employee Benefits (i)	1,304	1,149
Provisions related to Employee Benefit On-Costs	147	129
Total Non-Current Provisions	**1,451**	**1,278**
Total Provisions	**11,658**	**10,489**
(a) Employee Benefits and Related On-Costs		
Current Employee Benefits and Related On-Costs		
Annual Leave Entitlements	3,811	3,568
Accrued Wages and Salaries	1,688	1,232
Accrued Days Off	107	73
Unconditional LSL Entitlement	4,601	4,338
Non-Current Employee Benefits and related on-costs	10,207	9,211
Conditional Long Service Leave Entitlements (iii)	1,451	1,278
Total Employee Benefits	**11,658**	**10,489**

Notes:
(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.
(ii) The amounts disclosed are nominal amounts
(iii) The amounts disclosed are discounted to present values

(b) Movements in Provisions		
Movement in Long Service Leave		
Balance at start of year	5,616	4,992
Provision made during the year		
- Revaluations	(17)	3
- Expense Recognising Employee Service	1,294	1,422
Settlement made during the year	(841)	(801)
Balance at end of year	6,052	5,616

Employee Benefit Recognition
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date as an expense during the period the services are delivered.

Provisions
Provisions are recognised when Bass Coast Health has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Employee benefits
This provision arises for benefits accruing to employees in respect of salaries and wages, annual leave and long service leave for services rendered to the reporting date.

Salaries and Wages, Annual Leave and Accrued Days Off
Liabilities for salaries and wages, annual leave and accrued days off are all recognised in the provision for employee benefits as 'current liabilities' because Bass Coast Health does not have an unconditional right to defer settlements of these liabilities.

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

- Undiscounted value – if the health service expects to wholly settle within 12 months; or
- Present value – if the health service does not expect to wholly settle within 12 months.

NOTE 3.2: EMPLOYEE BENEFITS IN THE BALANCE SHEET (Continued)

Long Service Leave (LSL)

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

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

The components of this current LSL liability are measured at:

- Undiscounted value – if Bass Coast Health expects to wholly settle within 12 months; or
- Present value – if Bass Caost Health does not expect to wholly settle within 12 months.

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

Termination benefits

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

On-Costs related to employee expense

Provision for on-costs such as workers compensation and superannuation are recognised together with provisions for employee benefits.

NOTE 3.3: SUPERANNUATION

Fund		Paid Contributions for the year		Outstanding Contributions at Year End	
		2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Defined Benefit Plans:	First State Super	123	81	12	6
Defined Contribution Plans:	First State Super	2,071	2,159	247	200
	HESTA	1,055	982	127	77
	Other	204	67	36	9
Total		3,453	3,289	422	292

Employees of the Health Service are entitled to receive superannuation benefits and the Health Service contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

Defined contribution superannuation plans

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

Defined benefit superannuation plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service staff during reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Bass Coast Health does not recognise any defined benefit liability in respect of the plans because the hospital has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the State's defined benefits liabilities in its disclosure for administered items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service.

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

NOTE 4: KEY ASSETS TO SUPPORT SERVICE DELIVERY

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

Structure

4.1 Investments and other financial assets
4.2 Property, plant & equipment
4.3 Depreciation and amortisation

NOTE 4.1: INVESTMENTS AND OTHER FINANCIAL ASSETS	Capital		Total	
	2018	2017	2018	2017
CURRENT	$'000	$'000	$'000	$'000
Loans and Receivables				
Term Deposit				
Aust. Dollar Term deposits > 3 Months (i)	2,020	-	2,020	-
TOTAL CURRENT OTHER FINANCIAL ASSETS	2,020	-	2,020	-
Represented by:				
Health Service Investments	2,020	-	2,020	-
TOTAL	2,020	-	2,020	-

(i) Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.

Note 4.1 Investment Recognition
Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified as available-for-sale financial assets.

Bass Coast Health classifies its other financial assets between current and non-current assets based on the Board of Management's intention at balance date with respect to the timing of disposal of each asset. The Health Service assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Bass Coast Health investments must comply with Standing Direction 3.7.2 - Treasury and Investment Risk Management.

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

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

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

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

Impairment of Financial Assets
At the end of each reporting period, the Health Service assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through the Comprehensive Income Statement, are subject to annual review for impairment.

Where the fair value of an investment in an equity instrument at balance date has reduced by 20 percent or more than its cost price or where its fair value has been less than its cost price for a period of 12 or more months, the financial asset is treated as impaired.

In order to determine an appropriate fair value as at 30 June 2018 for its portfolio of financial assets, the Health Service used the market value of investments held provided by the portfolio managers.

The above valuation process was used to quantify the level of impairment (if any) on the portfolio of financial assets as at year end.

Doubtful debts
Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful debts are classified as *other economic flows in the net result.*