Beaufort & Skipton
Health Service



To be a vibrant provider of care

Annual Report
2025-26

OUR ROLE

Beaufort and Skipton Health Service is committed to delivering a range of health and community services to improve the health and well-being of the Beaufort and Skipton communities.

OUR VISION

To be a vibrant provider of care.

OUR MISSION

To enable all people in our community to be connected, healthy and live well.

STRATEGIC GOALS

GOAL 1

OUR CONSUMERS

We will engage with our consumers to ensure we deliver services that meet the health and well-being needs of our communities.

GOAL 2

OUR QUALITY AND SAFETY

We will deliver safe, high quality, person centred care.

GOAL 3

OUR PEOPLE

We will enable a skilled, engaged and motivated workforce.

GOAL 4

OUR BUSINESS

We will ensure strong business performance, financial governance and sustainability.

GOAL 5

OUR PARTNERS

We will partner to deliver an integrated and connected system.

OUR VALUES

TEAMWORK COMPASSION ACCOUNTABILITY RESPECT EXCELLENCE

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ESTABLISHMENT OF BEAUFORT AND SKIPTON HEALTH SERVICE

Beaufort and Skipton Health Service is a public Health Service established under the *Health Services Act 1988 (Vic).*

The organisation was formed on 1 October 1996 through the merger of the Ripon Peace Memorial Hospital and the Skipton and District Memorial Hospital. Since that time, Beaufort and Skipton Health Service has continued to grow and adapt to meet the evolving needs of its community, including the establishment of the Beaufort Primary Care Facility in 1996 and the subsequent development of the Community Health Centre and Medical Practice in Skipton in 2001.

Today, the Health Service plays an important role in delivering a broad range of public Health Services to a diverse and geographically dispersed community. It services a population of more than 8,000 people across Beaufort, Skipton and surrounding areas.

The catchment area extends from Derrinallum and Lismore in the south to Lexton and Amphitheatre in the north, and includes Streatham, Linton and Snake Valley. Beaufort and Skipton Health Service also supports communities within the Pyrenees, Corangamite and Golden Plains Shires.

This Annual Report for 2025–2026 provides an overview of the Health Service's performance and activities over the reporting period. It highlights the services delivered, key achievements, and the challenges experienced during the 2025–2026 financial year.

TRADITIONAL OWNERS

Beaufort and Skipton Health Service acknowledges the Wadawurrung people, as the traditional custodians of the land and their continuing connection to land, water and community. We pay our respects to them and their culture, and to Elders both past and present.



Beaufort and Skipton Health Service acknowledges the support of the Victorian and Commonwealth Governments.

Following the Annual Meeting the Annual Report will be available on our website **www.bshs.org.au**

CORPORATE GOVERNANCE

(as at 30 June 2026)

RESPONSIBLE MINISTERS

For the reporting period 1 July 2025 to 30 June 2026, Beaufort and Skipton Health Service was accountable, through its Board of Directors to:

Minister for Health
Minister for Ambulance Services

The Hon Mary-Anne Thomas MP
from 1 July 2025 to 15 April 2026

Minister for Health
Minister for Ambulance Services
Minister for Water

The Hon Harriet Shing MP
from 15 April 2026 – 30 June 2026

Minister for Health Infrastructure

The Hon Melissa Horne MP
from 1 July 2025 to 30 June 2026

Minister for Mental Health
Minister of Ageing

The Hon Ingrid Stitt MP
from 1 July 2025 to 30 June 2026

Minister for Disability/Minister for Children

The Hon Lizzie Blandthorn MP
from 1 July 2025 to 30 June 2026

THE GOVERNING BODY

Beaufort and Skipton Health Service is a public Health Service established under the Health Services Act 1988 (Vic).

BOARD OF DIRECTORS

(as at 30 June 2026)

The Beaufort and Skipton Health Service Board of Directors provides strategic leadership and governance of the Health Service. The Board is responsible for setting the organisation's strategic direction and ensuring compliance with the Health Service's by-laws, the Health Services Act 1988, and relevant Victorian and Commonwealth legislation.

Directors are appointed by the Governor in Council on the recommendation of the Minister for Health, generally for terms of up to three years, with eligibility to seek reappointment upon completion of their term.

The Board comprises Directors with a broad range of skills and experience across healthcare, governance, finance, risk management and community leadership. Collectively, the Board provides stewardship of the Health Service's financial sustainability, organisational performance and strategic priorities, supporting the delivery of safe, high-quality healthcare services to the communities it serves.

COMMITTEES

Finance Audit and Risk Management

Clinical Governance

Credentialing and Scope of Clinical Practice

Medical Consultative

Board Development and Remuneration

Project Control Group

Community Advisory

BOARD CHAIR
Dr. Margaret Way

Appointed: 01/07/2020

Appointment Term: 01/07/2026 – 30/06/2029

Committee Membership:

Board Development & Remuneration

Clinical Governance

Credentialing & Scope of Clinical Practice

Board Chair – Board Chairs - Grampians Local Health Service Network

DEPUTY CHAIR
Nigel Jarvis

Appointed: 01/07/2020

Appointment Term: 01/07/2026 – 30/06/2029

Committee Membership:

Finance Audit & Risk Management

BOARD DIRECTOR
Tanya Barun

Appointed: 01/07/2019

Appointment Term: 01/07/2025 – 30/06/2028

Committee Membership:

Clinical Governance

Board Development & Remuneration

BOARD DIRECTOR
Jo Hall

Appointed: 01/07/2019

Appointment Term: 01/07/2025 – 30/06/2028

Committee Membership:

Finance Audit & Risk Management

BOARD DIRECTOR
Lauren Baker

Appointed: 01/07/2022

Appointment Term: 01/07/2025 – 30/06/2028

Committee Membership:

Clinical Governance

Project Control Group

BOARD DIRECTOR
Maree White

Appointed: 01/07/2023

Appointment Term: 01/07/2023 - 30/06/2026

Committee Membership:

Medical Consultative

BOARD DIRECTOR
Kate Redwood

Appointed: 01/07/2024

Appointment Term: 01/07/2024 – 30/06/2027

Committee Membership:

Board Development & Remuneration

Community Advisory

BOARD DIRECTOR
Simon Grant

Appointed: 01/07/2024

Appointment Term: 01/07/2024 – 30/06/2027

Committee Membership:

Finance Audit & Risk Management

BOARD DIRECTOR
Doug McCaskie

Appointed: 01/07/2024

Appointment Term: 01/07/2024 – 30/06/2027

Committee Membership:

Credentialing & Scope of Clinical Practice

Medical Consultative

BOARD DIRECTOR
Paul Donohue

Appointed: 01/07/2025

Appointment Term: 01/07/2025 – 30/06/2028

Committee Membership:

Project Control Group

Community Advisory

EXECUTIVE TEAM (as at 30 June 2026)

Chief Executive Officer

Meryn Pease
RN, RM, Ba Ap.Sc (Nsg), MHA, GAICD, FACN

As Chief Executive Officer (CEO), Meryn Pease is accountable to the Board of Directors for the effective leadership and management of Beaufort and Skipton Health Service. She is responsible for implementing the strategic direction established by the Board and ensuring the organisation operates in accordance with relevant legislative, regulatory and funding requirements.

Meryn provides leadership across all aspects of the Health Service, including clinical services, aged care, workforce, corporate services, financial management, quality and safety, infrastructure, community engagement and strategic partnerships. Through these responsibilities, she supports the delivery of safe, high-quality and sustainable healthcare services to the communities served by Beaufort and Skipton Health Service.

Director of Medical Services

Dr. Craig Winter
MB, BS, FACEM, MBA, GMQ

Dr Craig Winter provides professional leadership and clinical governance oversight of the Health Service's General Practitioners (GPs), Visiting Medical Officers (VMOs) and broader medical workforce. He is responsible for maintaining clear clinical direction, upholding professional standards, and overseeing credentialing, privileging and scope of practice for medical practitioners.

Dr Winter works closely with medical leaders and rural Health Services across the Grampians region, supporting collaboration, medical workforce sustainability and the sharing of clinical expertise to benefit Beaufort and Skipton Health Service and the communities it serves.

Director of Workforce & Culture

Kim Bush
MA, BCom, DipHRMktg, MAHRI

Kim Bush provides strategic leadership and oversight of the Health Service's People and Culture functions. She is responsible for workforce planning and development, recruitment, onboarding, employee and industrial relations, workforce reporting and human resources management, while working closely with the education team to support staff development and workforce capability. She is also responsible for oversight of occupational health and safety (OH&S) and emergency management across the organisation.

Director of Clinical Services

Mary Cushing
RN, GradDipAdvNurs(CritCare), DipProjMan

Mary Cushing provides strategic and operational leadership of Beaufort and Skipton Health Service's clinical services. She is responsible for Acute Services, Urgent Care, Residential Aged Care, Community Health, District Nursing, Home Care Packages, the Transition Care Program, Learning and Development, Health Promotion and the Medical Practice.

Mary oversees clinical service delivery, quality and safety of care, workforce management and operational performance across these services, ensuring the effective coordination of care throughout the organisation.

Director of Business Services

Chris Nykoluk
BCom (Acct), CPA

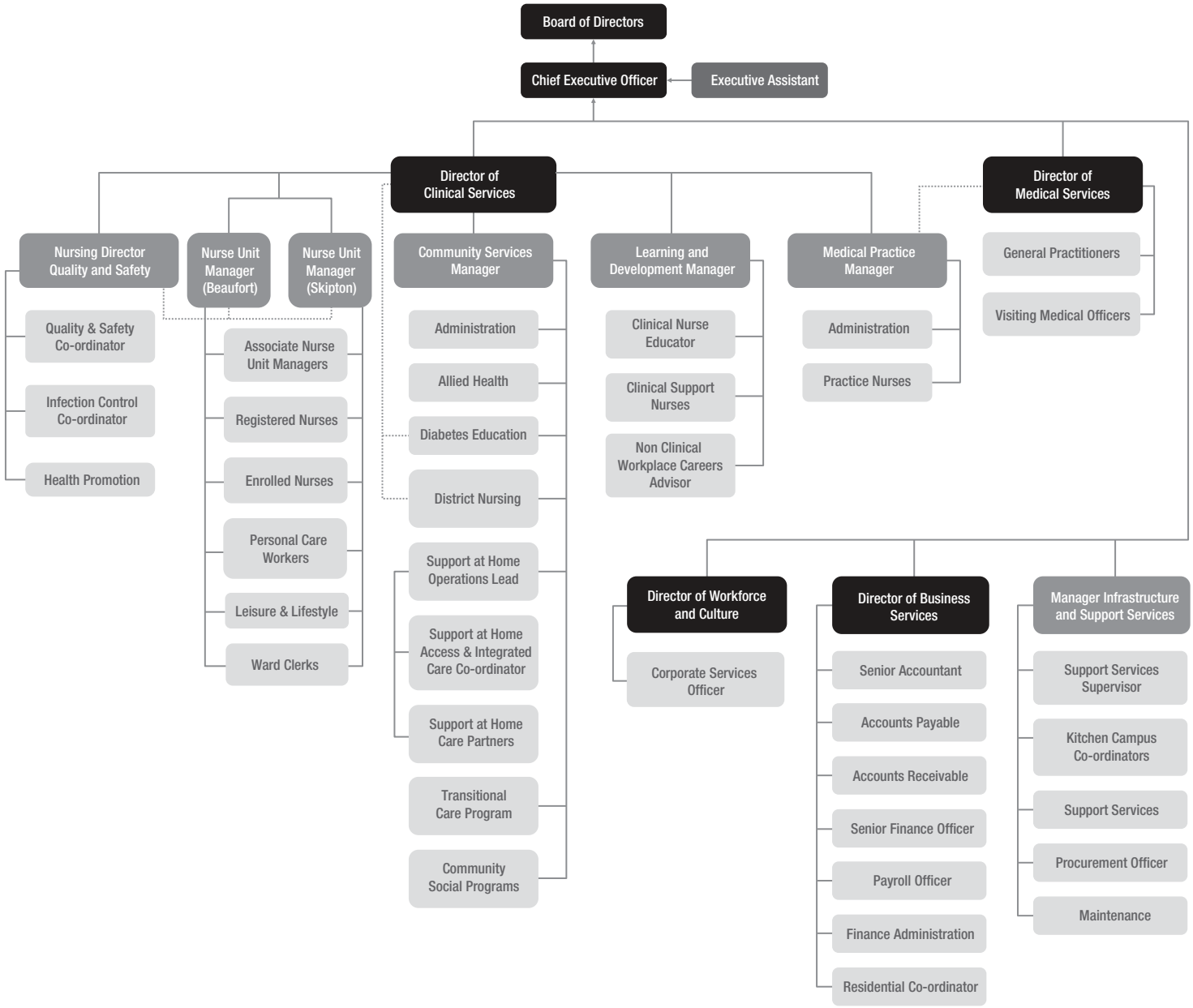
Chris Nykoluk provides strategic financial leadership and oversight of the Health Service's business services functions. He is responsible for financial management, budgeting, statutory reporting, payroll, billing, procurement, fleet management and Information and Communications Technology (ICT) services, ensuring the effective management of the organisation's financial and information resources while supporting financial planning and accountability across the Health Service.

Support Services Manager

Kel Oswin *(Retired February 2026)*

Until February 2026, the Support Services Manager was responsible for the management of Beaufort and Skipton Health Service's support services portfolio, including Catering and Hospitality, Environmental Services, Contracts and Procurement, Information and Communications Technology (ICT), Infrastructure and Maintenance, Emergency Management and Security, Fleet Management, and organisational compliance and project management activities. Following a review of organisational requirements, the role was restructured in February 2026, with responsibilities redistributed across several positions within the Health Service.

ORGANISATIONAL STRUCTURE



NATURE AND RANGE OF SERVICES

Beaufort and Skipton Health Service delivers an integrated range of health, aged care and community-based services across its Beaufort and Skipton campuses. The Health Service provides Urgent Care, Acute Care, Residential Aged Care, the Transition Care Program, In-Home Services (including District Nursing, Support at Home Packages and the Commonwealth Home Support Program), Community and Allied Health Services, Health Promotion Programs, and Primary Care through the Skipton Medical Practice.

CLINICAL

- Acute Inpatient Unit
- Infection Control services to support clinicians
- Palliative Care
- Urgent Care
- Bed Based Transition Care Program

RESIDENTIAL SERVICES INCLUDING RESPITE

- Beaufort Hostel
- Beaufort & Skipton Nursing Home
- Leisure & Lifestyle Team

COMMUNITY SERVICES

- Chronic Disease Management
- District Nursing
- Community Transport
- Diabetes Education
- Dietetics
- Health Promotion
- Support at Home Packages
- Commonwealth Home Support Program
- Occupational Therapy
- Physiotherapy
- Podiatry
- Exercise Physiologist
- Social Support Groups (Gait and Balance, Strength Training, Out and About and Walking Groups)
- Social Work (including Mental Health Support)
- Community Transition Care Program
- Healthy@Home Program
- Orange Door virtual outpost

MEDICAL CLINIC (SKIPTON)

- General Practitioners
- Practice Nurses
- Vaccination Clinic
- Cancer screening
- GP Primary Nurse Program

VISITING SERVICES

- Maternal & Child Health (Skipton)
- Speech Pathology
- Clinical Psychologist (Beaufort)
- Remedial Massage (Beaufort)

SUPPORT SERVICES

- Accommodation (staff & students)
- Building Projects
- Catering (internal and Meals on Wheels)
- Cleaning, Linen & Waste
- Finance and Administration
- Maintenance
- Procurement and Contracts Management / Fleet Vehicles

DEVELOPMENT & IMPROVEMENT

- Accreditation Programs
- Consumer Feedback
- Community Engagement
- Education, Training and Professional Development
- Information & Communication Technology
- Occupational Health & Safety
- Organisational Development
- Quality & Safety
- People & Culture
- Graduate Nurse Program
- Traineeships
- Undergraduate clinical placements – Nursing and Allied Health
- Work experience

BOARD CHAIR AND CHIEF EXECUTIVE OFFICER'S REPORT

On behalf of the Board of Directors, Executive and staff, and in accordance with the *Financial Management Act 1994*, we are pleased to present the Beaufort and Skipton Health Service Annual Report for 2025–2026.



Together, we are committed to providing high-quality health services that support the healthcare needs of our community through a population-based model of care.

The past year has been one of both opportunity and challenge. Across the organisation, we continued to increase services, invest in our workforce and facilities, and work alongside our communities and regional partners to respond to evolving healthcare needs. Along the way, we celebrated important achievements, navigated significant reform and supported our communities through times of adversity.

The Streatham-Carranballac fire in January 2026 saw the Skipton campus come under threat. Our team quickly enacted the Code Brown Emergency Management Plan and played an important role in supporting staff, residents and the broader community throughout this emergency. Following the fire, the Health Service continued to support the community through the recovery phase and remained actively involved in local recovery meetings. We sincerely thank our staff, emergency services and community members for their support and assistance during this challenging time.

Our commitment to delivering high-quality and sustainable services was recognised through the 2025 Victorian Public Healthcare Awards. We were delighted to be one of three finalists in the Premier's Small Health Service of the Year category, an achievement that reflects the leadership, commitment and high standard of care provided by our team. We are incredibly proud of this recognition and of the wonderful staff who made this possible.

Community health and wellbeing remained a strong focus throughout the year. Women's Health Week was celebrated through two successful Health Expo events in Beaufort and Skipton, bringing together community members, local organisations and health professionals.

In Beaufort, Abby McGrath from the 4EK Foundation shared the importance of vaccination against meningococcal disease and the tragic impact this illness had on her family. In Skipton, Lisa Curry-Kenny inspired attendees through her personal story of resilience, growth and wellbeing. These events were made possible through the generous support of Stockyard Hill Wind Farm, Business4Beaufort (B4B) and a number of local organisations.

We extend our sincere thanks to our medical workforce for their ongoing commitment to caring for our communities. We particularly acknowledge Dr Craig Winter, Director of Medical Services, for his guidance and support throughout the year, and thank our General Practitioners for their dedication to providing local care. Their contribution is reflected in feedback from the recent Skipton Medical Practice Community Survey, where consumers expressed strong appreciation for having access to quality healthcare close to home. During the year, we were also pleased to welcome Dr Sivaluxman Sivananthavel to the Visiting Medical Officers (VMO) team, further expanding access to medical services for the community. We congratulate Dr Malcolm Anderson of Skipton Medical Practice, who was nominated for the *Outstanding Contribution by a Rural General Practitioner Award* by the Rural Workforce Agency Victoria (RWAV), recognising his longstanding dedication and significant contribution to rural healthcare in Victoria.

Our strong partnership with Going Rural Health continued to create valuable opportunities throughout the year, including the introduction of the Reminiscence Project by social work students.

This initiative provided aged care residents with an opportunity to share their personal life stories and experiences, generating overwhelmingly positive feedback from all involved and helping preserve personal histories while recognising and celebrating the unique journeys of our residents.

“

We congratulate our Quality and Education teams for their passion and leadership in delivering the Safer Care Victoria Sepsis Project and the Stop and Watch Project. These initiatives have further enhanced the high standard of clinical safety and quality of care provided to our residents and patients. The Sepsis Project was undertaken in partnership with Safer Care Victoria and the Grampians Local Health Service Network and supported earlier identification and treatment of sepsis, helping to improve patient outcomes. The Stop and Watch Project focused on improving the early recognition and escalation of resident deterioration and was subsequently presented at the statewide Safer Care Victoria Clinical Conversations as an example of quality improvement in aged care.

The Grampians Local Health Service Network was formed on 1 July 2025, bringing together eight health services across the region: Beaufort and Skipton Health Service, Central Highlands Rural Health, East Grampians Health Service, East Wimmera Health Service, Grampians Health, Maryborough District Health Service, Rural Northwest Health and West Wimmera Health Service.
The Memorandum of Understanding outlines the objectives of the Network, its governance structure and the guiding principles that will shape its future direction.

A key priority emerging from this work has been the development of the Grampians Local Health Service Network Clinical Services Plan. Through this initiative, we have worked alongside our regional partners to help shape the future direction of healthcare across the Grampians region, with a focus on improving access to care, strengthening connections between services and supporting better health outcomes closer to home.

Throughout the year, we undertook significant work to support implementation of Commonwealth Aged Care Reforms and the transition to the Support at Home Program. Our Support at Home service has continued to expand, and in response to this growth, we have increased staffing levels through the establishment of new positions to support service delivery.

The introduction of the new Aged Care Act 2024 has reinforced the focus on consumer-centred care and resulted in a significant increase in compliance, governance and reporting obligations. In preparing the Health Service for these reforms, our Quality Team undertook a substantial body of work throughout the year, reviewing policies, strengthening reporting systems, supporting staff education and preparing the health service for the transition to the new legislative framework. This work will help ensure we continue to provide safe, high-quality care while meeting the requirements of the evolving aged care environment.

Our capital works program has been supported through two successful funding applications. Grants were secured through the Commonwealth Department of Health and Aged Care’s Aged Care Capital Assistance Program and the Victorian Government’s Regional Health Infrastructure Fund (RHIF). This funding supported important infrastructure projects, including upgrades to the air-conditioning systems at Skipton Nursing Home and the conversion of double rooms into single rooms with ensuites at Beaufort Nursing Home. We are grateful for this investment, which will provide greater comfort and privacy for our residents.

The Health Service has continued to deliver a strong financial performance through due diligence and sound fiscal management, achieving an operational surplus for 2025–2026. This positive result reflects the overall strength of the organisation and represents the sixth consecutive year of achieving an operational surplus.

Importantly, this success has enabled us to complete significant capital projects, expand services and continue growing our workforce. Maintaining a strong financial position remains critical to ensuring the ongoing sustainability and growth of Beaufort and Skipton Health Service. We extend our gratitude to Chris Nykoluk (Director of Business Services) and his team for their outstanding support and stewardship of this important portfolio.

Our workforce has grown to 227 employees, including an increase in permanent positions. This growth has been supported, in part, through the workforce pipeline established by our expanding student placement program. Our strong partnership with Going Rural Health has enabled growth across multiple clinical disciplines. During the year, student placement opportunities expanded to include speech pathology, oral health, social work and clinical psychology, further strengthening our Allied Health workforce development initiatives. We value the partnership we continue to share with Going Rural Health and the opportunities it provides for both students and our organisation.

In July 2025, Jo Hall, Tanya Barun and Lauren Baker were re-elected to the Board for further three-year terms. These Directors bring a wealth of knowledge and experience, and we were delighted to see them reappointed. We were also pleased to welcome Paul Donohue as a new Board Director. Paul recently relocated to Ballarat and brings extensive corporate asset and infrastructure management experience, further strengthening the skills and expertise of our Board.

Beaufort and Skipton Health Service extends its sincere thanks and appreciation to the many local community members and organisations that continue to support the Health Service. Financial contributions from our generous donors play an important role in helping us deliver high-quality services and pursue new opportunities for our community. We acknowledge the ongoing support of the Guthrie Family Trust, Stockyard Hill Wind Farm, Skipton Op Shop, Rotary Club of Beaufort, Business 4 Beaufort and the many other community groups and individuals whose generosity helps turn important projects into reality.

We are also sincerely grateful to Beaufort and Skipton Health Service Foundation Ltd for its significant contributions throughout the year. The Foundation's generous donation supported the refurbishment of The Cottage at 20 Havelock Street, Beaufort, which now accommodates our growing Support at Home and Finance Administration teams. We thank the Foundation for helping make these important improvements possible.

As we look to the future, professional and clinical workforce availability will remain a significant challenge as we continue to meet the growing demand for services across our communities.

Maintaining financial sustainability, improving efficiency and securing ongoing investment in infrastructure will also remain key priorities. Continued capital investment will be essential to ensure our facilities remain fit for purpose and capable of meeting the evolving needs of our communities.

Finally, it is a privilege to be part of the ongoing success of Beaufort and Skipton Health Service. We thank our Board Directors, Executive and Leadership teams, managers, staff, volunteers, Foundation, partners and community members for their contributions to our vision of being a vibrant provider of care.

Together, we remain committed to delivering safe, high-quality services and identifying new opportunities to meet the changing needs of our communities and the broader Grampians region.



Dr. Margaret Way

Board Chair

Beaufort and Skipton Health Service



Meryn Pease

Chief Executive Officer

Beaufort and Skipton Health Service

RESPONSIBLE BODIES DECLARATION AS AT 30 JUNE 2026

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Beaufort and Skipton Health Service for the year ending 30 June 2026.



Dr. Margaret Way
Board Chair
Beaufort & Skipton Health Service
21 September 2026

YEAR IN REVIEW

The past year has been one of continued growth, improvement and achievement across Beaufort and Skipton Health Service. Through the dedication of our staff, volunteers, medical practitioners and community representatives, the Health Service has continued to strengthen services, invest in its workforce, progress key projects and respond to the evolving needs of the communities we serve.

The following highlights provide an overview of the significant initiatives, achievements and milestones delivered throughout the year. To reflect the Health Service's Strategic Plan, these achievements are presented under each of our Strategic Goals and demonstrate the extensive work undertaken across the organisation to support our communities.

OUR CONSUMERS

Beaufort and Skipton Health Service proudly hosted two Women's Health Week events in Beaufort and Skipton during September 2025, made possible through the support of Stockyard Hill Wind Farm and Business4Beaufort (B4B). The events brought together local health and community organisations to support women through information, education and wellbeing initiatives. We thank Pyrenees Shire Council, Corangamite Shire Council, Pyrenees Community House, the Western Bulldogs Community Foundation, Ballarat Community Health, the National Centre for Farmer Health, Ambulance Victoria, Beaufort CWA, Thermomix and Beaufort Cricket Club for contributing valuable health and wellbeing resources across both events.



The events featured keynote presentations from Abby McGrath of the 4EK Foundation, a leading advocate for meningococcal disease awareness and immunisation, who shared her family's experience following the loss of her daughter to the disease. Australian sporting icon Lisa Curry also delivered an inspiring presentation reflecting on her life experiences, resilience and wellbeing journey. More than 100 people attended the events, accessing health information, learning about available services and connecting with local organisations.



Feedback from participants was overwhelmingly positive, with attendees valuing both the information provided and the opportunity to connect with other women. The success of these events highlights the importance of community-based health promotion and the organisation's ongoing commitment to supporting local health, wellbeing and social connection.

During 2025 – 2026, the Skipton Medical Practice received funding from Cancer Council Victoria to participate in a nurse-led clinic as part of the National Lung Cancer Screening Program. The Skipton Medical Practice was the only small rural medical practice in Victoria to receive this grant. As part of the initiative, a Practice Nurse completed specialised training to become an accredited Nurse Cancer Screening Ambassador, further strengthening the cancer prevention and screening services available to the local community. The program complements the existing bowel, cervical and breast cancer screening services already offered through the practice.The Skipton Medical Practice has also contributed valuable data and insights to support the development of a clinical implementation guide, with a particular focus on nurse-led models of care in rural general practice settings. This initiative has strengthened access to cancer screening and preventative healthcare for the local community.

Skipton Medical Practice continued to provide access to local primary care while supporting the health and wellbeing of the community through workforce investment, preventative health initiatives and service expansion. Key achievements included:

- Continued growth in access to general practice services, supported by effective community engagement, health promotion activities and increasing utilisation of the Practice by new consumers.
- Ongoing investment in the Primary Care Nurse Program, supporting chronic disease management, preventative health screening, Telehealth services, recalls and reminders, and enhanced coordination of care for community members.
- Expansion of preventative health initiatives, including increased participation in screening programs, health promotion activities and early intervention services.
- Excellent community feedback, with the annual consumer experience survey receiving a strong response rate and overwhelmingly positive results, reflecting the community's appreciation of the care and services provided by the Skipton Medical Practice team.
- Continued recruitment and retention of medical and nursing staff to support sustainable access to primary care services in a rural setting.
- Enhanced local diagnostic capability through the introduction of a new ultrasound device, made possible through the generous support of the Skipton Community Op-Shop. This investment improves access to timely diagnostic services closer to home and reduces the need for community members to travel outside the district for care.



SKIPTON MEDICAL PRACTICE DATA

Total Patient Activity Overview:

12,270 Total Patient Contacts (General Practitioner / Nurse)

188 New Patients Registered

Consultations and Care Types:

1,636 Telehealth Consultations

610 Chronic Conditions & Preventative Management Plan Contacts (GP / Nurse)

Preventive Health Services:

691 Immunisations Administered

68 Cervical and Lung Screenings Performed

OUR CONSUMERS (continued)

Our Support at Home team and Residential Coordinator attended the Ballarat Ageing Well Expo hosted by the City of Ballarat. Attendance at the Expo provided an opportunity to strengthen community connections, promote the organisation's services and raise awareness of the support available to consumers, while connecting community members with information, services and resources that help people live well and remain connected within their communities.



The Community Advisory Committee continued to enhance consumer and community engagement across the Health Service. Committee members participated in a range of presentations that helped build their understanding of organisational services and programs. Topics presented throughout the year included allied health student programs, Support at Home services, transitioning into residential aged care, palliative care, and emergency management, including the Health Service response to the Skipton–Streatham fires. This provided members with greater insight into key services and initiatives and supported their role in representing community perspectives. The Committee also welcomed a new consumer representative during the year, further broadening community participation and representation across Beaufort and Skipton Health Service.

Consumer feedback provides valuable insight into what is working well and where improvements can be made. Over the year, Beaufort and Skipton Health Service received 50 compliments and 25 complaints. Feedback is regularly reviewed by the CARE Committee, Executive, Clinical Governance and Community Advisory Committees, and the Board of Directors to ensure concerns are acknowledged, trends are monitored and actions are implemented where required. This ongoing approach supports a culture of listening, learning and continuous improvement, helping to ensure services remain responsive to the needs and expectations of residents, consumers, families and the broader community.

Consumer feedback resulted in a range of quality and safety initiatives aimed at enhancing the experience of people receiving care. Changes included upgraded dining furniture, improved meal temperature management, digital menu displays and enhanced meal presentation within residential aged care. Feedback processes were also strengthened through updated systems, revised Residential Care Experience Surveys and ongoing engagement through the Community Advisory Committee, ensuring the voices of residents, consumers and families continue to guide service planning and future improvements.

In January 2026, Beaufort and Skipton Health Service played an important role in supporting the community during the Skipton–Streatham fire emergency. Ahead of the catastrophic fire danger day, the Health Service implemented its emergency preparedness plans, contacted vulnerable community members and clients, reviewed evacuation arrangements, and coordinated staff and service readiness across both campuses.

As the fire threat escalated, staff worked closely with emergency services and local agencies to support the safety and wellbeing of patients, residents, community members and staff. The Skipton campus enacted shelter-in-place arrangements and provided refuge for community members, while essential health and aged care services continued throughout the emergency.

Following the event, the Health Service remained actively involved in community recovery activities, providing ongoing access to health services, social work support and community information. The experience highlighted the strength, resilience and dedication of staff, volunteers, emergency services and the broader community, while reinforcing the importance of emergency preparedness and collaboration in supporting rural communities during times of crisis.

Significant progress was made in rebuilding the volunteer program during 2025–2026. Ongoing recruitment, onboarding and orientation processes were enhanced, with networking through Beaufort Community House helping to promote volunteer opportunities across Meals on Wheels, Community Driver services and the Lifestyle Program. A Volunteer Liaison Officer was appointed, and morning and afternoon teas held at both campuses provided opportunities for volunteers to connect, share experiences and be recognised for the valuable contribution they make to our community.

OUR QUALITY AND SAFETY

Throughout 2025–2026, Beaufort and Skipton Health Service undertook significant work to prepare for the Aged Care Act 2024, Strengthened Aged Care Quality Standards and Support at Home reforms. Key activities included completing reform gap analyses and action plans, reviewing and updating clinical documentation, assessment and consent forms, care planning processes, policies and procedures, and developing evidence collection tools to support accreditation and audit requirements.

A comprehensive education program was delivered to build workforce knowledge and capability. Staff completed reform-focused training through the Aged Care Quality and Safety Commission's Aged Care Learning Information Solution (Alis) website and other aged care learning resources, complemented by targeted education on the Statement of Rights, supported decision-making, restrictive practices, behaviour support and person-centred care.

Support at Home:

During 2025–26, Beaufort and Skipton Health Service undertook significant preparatory work to support implementation of the Commonwealth Aged Care reforms and the transition to the Support at Home program. This work focused on strengthening governance, workforce capability, service sustainability and compliance with the requirements of the new Aged Care Act.

A comprehensive program of reform readiness activities was undertaken, including gap analyses against the strengthened Aged Care Quality Standards, the review and implementation of updated assessment and documentation processes, redevelopment of consumer contracts and consent documentation, and enhanced contractor governance arrangements to meet new legislative requirements. All Commonwealth Home Support Program and Support at Home consumers had the required contracts, consents and reporting requirements established and maintained throughout the year.

Education and workforce development were key priorities. Beaufort and Skipton Health Service implemented access to the Aged Care Learning Information Solution (Alis) platform and developed a dedicated Support at Home education and expectations package for staff and associated providers. Targeted education supported clinical and non-clinical staff, leaders, executives and Board Directors to understand their responsibilities under the new aged care legislative framework and strengthened quality standards.

To support future growth and increasing regulatory complexity, the Health Service expanded its Community Services structure through the establishment of new leadership and coordination positions, including an Access and Integrated Care Coordinator and a Support at Home Operational Lead. These roles enhanced operational oversight, compliance, service coordination and sustainability. The organisation also progressed a broader Community Services restructure to support the expanding Support at Home, Home Care Package and Commonwealth Home Support Program portfolios.

Service demand continued to grow throughout the year, with the Health Service maintaining 92 Home Care Packages while delivering Support at Home services across a large rural catchment. Planning activities focused on budget modelling, contractor arrangements, workforce supply strategies and service delivery models to support service sustainability and ensure consumers could continue to access high-quality care close to home.

Through these initiatives, the Health Service advanced its preparation for aged care reform and continued to build its capacity to deliver high-quality, person-centred services that support older people to live independently in their homes and communities.

OUR QUALITY AND SAFETY (continued)

The Laundry Services Working Group was established following feedback and concerns raised through the Community Advisory Committee regarding the handling and care of residents' personal clothing and belongings. The group brought together operational leaders and consumer representatives to review laundry processes, identify improvement opportunities and develop practical solutions. Community Advisory Committee Consumer Representatives highlighted the importance of personal clothing and treasured belongings to residents' dignity, identity and wellbeing, helping to shape the group's priorities and work program.

Together, these initiatives strengthened resident and consumer engagement, improved oversight of hotel services, and enhanced the organisation's ability to respond to feedback and continuously improve services that contribute to residents' comfort, dignity and quality of life.

Resident experience remained a key focus during the year through the establishment of the Nutrition and Dining Committee and the Laundry Services Working Group. The groups were formed in response to consumer feedback, quality improvement activities, Community Advisory Committee input and the requirements of the strengthened Aged Care Quality Standards.

The Nutrition and Dining Committee led a range of initiatives to improve food, nutrition and dining experiences, including further implementation of the SOUPed Up nutrition program across both campuses, integration of nutrition assessments into clinical systems, review of dining environments, introduction of protected mealtime principles, monitoring of weight loss indicators, enhancement of dining experience surveys, and increased resident involvement in menu planning and dining room improvements. Dining room layouts were redesigned with resident input to create smaller, quieter spaces, with positive feedback received from residents regarding the changes.



Improving the early recognition and escalation of resident deterioration remained a key focus, with the implementation of the Stop and Watch Deterioration Tool across residential aged care services. Supported by staff education, clinical pathways and quality improvement activities, the initiative strengthened communication, assessment and clinical oversight when residents became unwell. The project improved staff confidence in recognising deterioration, supported more consistent escalation processes, and contributed to earlier intervention for residents experiencing changes in condition. The initiative was subsequently presented at the statewide Safer Care Victoria Clinical Conversations as an example of quality improvement in aged care.



OUR PEOPLE

Recognising and celebrating our people remains an important part of our culture at Beaufort and Skipton Health Service. At the 2025 Annual General Meeting, twelve staff members were formally recognised for their long and dedicated service, with milestones ranging from ten to thirty years. Their commitment, experience and contribution have helped shape our Health Service and make a meaningful difference for our patients, residents, clients and community. We extend our sincere appreciation to these staff members for their dedication and the valuable contributions they have made throughout their years of service.

The AGM also provided an opportunity to acknowledge the 2025 recipient of the Gill Checkley Memorial Scholarship.

Established in honour of the late Dr Gillian Checkley and her significant contribution and dedicated service as a Board Director of Beaufort and Skipton Health Service, the scholarship assists staff with educational expenses and professional development opportunities.

This year's scholarship was awarded to Kim Bush, People & Culture Manager, to support her participation in the Victorian Healthcare Association's Coaching and Mentoring for Health Service Leaders Program.

The scholarship recognised Kim's commitment to learning and provided support for her continued professional development.



During 2025–2026, Beaufort and Skipton Health Service continued to expand partnerships with universities and training providers to support rural workforce development and broaden access to services for residents and community members.

Allied health student placements across a range of disciplines, including optometry, oral health, physiotherapy, occupational therapy and social work, delivered valuable services to the community while promoting the benefits of rural practice and multidisciplinary care.



OUR PEOPLE (continued)

A particular highlight throughout the year was the successful pilot, oral health student placement undertaken in partnership with the Melbourne Dental School. The initiative was featured in the March 2026 edition of the Melbourne Medical School Bulletin – Partnership & Innovation News in the article titled “Rural Health Pilot Placement Strengthens Oral Health Care in Rural Town.” The placement enhanced access to oral Health Services for residents and community clients, supported staff, and provided students with valuable experience in rural and residential aged care settings.



As part of the placement, students completed oral health assessments and care plans for sixteen residents and three community clients at Skipton, and eleven residents and two community clients at Beaufort. Students also delivered education sessions for staff covering key oral health topics including gum disease, oral hygiene, dental decay prevention and denture care. These activities strengthened staff knowledge and improved oral health assessment and care practices across residential aged care services.



Another key initiative during the year was the Residential Aged Care Reminiscence Project, which supported residents to share their life stories and personal experiences. The project was delivered over a six-week period and facilitated by Social Work and Occupational Therapy students.

Through weekly group reminiscence therapy sessions, Beaufort Nursing Home residents were encouraged to share memories from their childhood and significant life events. Activities incorporated music, photographs and group discussions to promote reminiscence, conversation and social connection. The sessions helped build connections between residents, families and staff while reinforcing the importance of understanding each resident’s unique history and preferences. By supporting a deeper understanding of each resident, the initiative contributed to more personalised care planning, improved wellbeing and an enhanced quality of life for residents.



Both initiatives received overwhelmingly positive feedback and highlighted the value of collaborative partnerships in enhancing care outcomes. Student participants reported gaining valuable insight into rural health and aged care, with many describing the experience as influential in shaping their future career aspirations. The projects delivered lasting benefits for residents, staff and students, while helping build interest in future careers in rural healthcare.

The Health Service was represented at the Rural Workforce Agency Victoria (RWAV) Conference in Geelong on 5–6 March 2026. As part of the program, two Going Rural Health coordinators presented on the successful partnership between Going Rural Health and Beaufort and Skipton Health Service. The presentation, Empowered Leaders, Stronger Healthcare, highlighted how strong local partnerships and executive support have enabled flexible student placement opportunities that respond to community needs, support local services, and encourage future health professionals to consider rural practice.

Beaufort and Skipton Health Service maintained a strong focus on safe manual handling practices during 2025–2026. A comprehensive review of the Safe Patient Handling and Manual Handling Program was completed, resulting in an updated program supported by an implementation and action plan. The review strengthened the organisation's approach through improvements to risk management processes, staff education, equipment management and support for staff. These changes promote consistent practices and support staff to identify, assess and respond to manual handling risks in their day-to-day work.

As part of the review, all manual handling equipment was assessed to ensure it remained safe, fit for purpose and aligned with current requirements. Additional equipment was purchased to address identified gaps, and redundant equipment was removed. A comprehensive education program was also delivered, with staff completing online learning, practical training and competency assessments to reinforce safe manual handling practices. The updated program supports a safer working environment for staff while contributing to safe and effective care for patients, residents and clients.

A key workforce development initiative during 2025–2026 was the delivery of education and support focused on responding to changed behaviours and understanding restrictive practice requirements in aged care.

The program combined education sessions, workplace coaching, individual staff support and locally developed learning resources to build staff knowledge and confidence in providing person-centred care. Resources included the introduction of the ABC approach to behaviours and the development of a Restrictive Practices Workbook and Quiz, which were later incorporated into the organisation's online learning platform through the Navigating Changed Behaviours course. The initiative helped staff better understand changed behaviours, respond to residents' individual needs and apply contemporary aged care requirements in practice. It enhanced workforce capability while supporting safe, respectful and compassionate care for residents.

The 2025 People Matter Survey included changes to a number of questions and reporting measures, for example, the way indicators relating to workplace behaviours were assessed and reported. The results identified areas for continued focus in maintaining a positive and values-aligned workplace culture. Workshops and guidance provided by the Victorian Public Sector Commission will assist with further understanding the results and key messages for Health Services. Importantly, the survey also reinforced the strong sense of purpose felt by staff, with most reporting that their work is meaningful and that they intend to remain with the organisation.

Improving workforce attraction, onboarding and capability remained a key focus throughout the year. Recruitment and onboarding processes were reviewed and enhanced, helping to attract a broader pool of applicants and support a positive experience for new staff joining the Health Service. The development of a Workforce Capability Matrix was another important milestone, providing valuable insight into workforce strengths, skills gaps and future development needs. Together, these initiatives are helping to support workforce planning, capability development and the continued delivery of high-quality services across Beaufort and Skipton Health Service.

Beaufort and Skipton Health Service continued to support the development of the future nursing workforce through its partnership with Grampians Health Ballarat. Participation in the Graduate Nurse Program provided newly registered nurses with valuable opportunities to consolidate clinical skills, build confidence, and gain experience across a range of healthcare settings within a supportive rural environment. The program provides graduates with meaningful rural learning experiences while helping build a skilled and sustainable healthcare workforce for rural communities.



OUR BUSINESS

The Board was strengthened during the year through the reappointment of Directors Jo Hall, Tanya Barun and Lauren Baker for a further three-year term. Their ongoing commitment, experience and understanding of the organisation continue to be an asset to the Board and the Health Service. The Board also welcomed the appointment of Paul Donohue for a three-year term. Paul brings extensive leadership and governance experience, together with a strong understanding of infrastructure and community services. The Board looks forward to the ongoing contribution of all Directors as they help guide the Health Service's future direction and continued success.

Beaufort and Skipton Health Service was proud to be recognised as a finalist in the 2025 Victorian Public Healthcare Awards in the Premier's Small Health Service of the Year category. Being named one of only three finalists across Victoria in this category was a significant achievement and a reflection of the dedication, professionalism and care shown by staff across the Health Service every day. Meryn Pease (Chief Executive Officer), together with members of the Executive Team and Board of Directors, attended the awards ceremony in Melbourne to celebrate the achievement and acknowledge the contributions of staff and volunteers whose ongoing commitment made this recognition possible.

A significant sustainability project was completed during the year as part of a Department of Health and Victorian Health Building Authority initiative to improve energy efficiency across public Health Services. Additional solar panels were installed on the Beaufort and Skipton hospital buildings, while new solar infrastructure was also installed at Delama – Beaufort Hostel. The expanded solar capacity will assist the Health Service's ability to generate clean, renewable energy and build on its commitment to environmental sustainability. In addition to reducing electricity costs, the project will help lower the organisation's carbon footprint and support more sustainable operations into the future. It represents a positive investment in both the environment and the long-term sustainability of local Health Services.

Progress continued during the year on plans to redevelop the 20 Walker Street Beaufort site to support future accommodation needs for students and visiting health professionals. Following assessment of the property's condition, the existing dwelling was demolished, including the safe removal of asbestos-containing materials, in preparation for future works. A preferred design concept has been identified, with the proposed development supporting student placement opportunities and workforce attraction. Planning permit applications will progress following finalisation of a drainage easement. The project represents an important investment in workforce sustainability and the continued growth of rural training opportunities.

Procurement facilities at the Beaufort campus were enhanced through the installation of a new storage pod, providing a much-needed additional secure space for the storage and management of supplies and equipment. The pod supports day-to-day procurement activities and helps ensure essential items are stored safely and are easily accessible to the responsible personnel when required.

During 2025 – 2026, Beaufort and Skipton Health Service completed a comprehensive review of its ageing CCTV systems across both campuses. The review informed a significant investment in upgraded security infrastructure to support the safety and security of residents, patients, visitors, staff and community members. The CCTV upgrades were successfully completed in early 2026, providing enhanced coverage and improved security across the Health Service.

Technology upgrades across both campuses helped create a more connected and efficient working environment. Computer and workstation upgrades improved reliability and performance, while new MAXHUB video conferencing systems installed at Beaufort and Skipton enhanced the delivery of meetings, education and training. These improvements made it easier for staff, students and external partners to connect and share information, supporting more efficient day-to-day operations across the organisation.

The Health Service budget action plan was developed with twelve targeted areas where financial improvements were identified as achievable. Through the year, nine of these areas achieved improvement and six achieved or exceeded the targeted improvement. Overall, the Health Service achieved savings in excess of the target.

OUR PARTNERS

Beaufort and Skipton Health Service continued to play an active role in the Grampians Local Health Service Network (GLHSN), working alongside seven other public Health Services to strengthen collaboration and improve access to healthcare across the region. Throughout the year, the Health Service contributed to regional planning, workforce, quality and safety and service development initiatives, while participating in the development of the GLHSN Clinical Services Plan. BSHS CEO, Meryn Pease, chaired the GLHSN Workforce Committee, while Board Chair, Dr Margaret Way, served as Chair of the GLHSN Board Chairs Committee. Members of the Executive Team also actively participated across the Network's strategic committees, contributing to regional priorities and initiatives. This collaboration supports more connected, sustainable and responsive healthcare services while maintaining the strong local focus that is important to our communities.

A significant milestone during the year was the approval of funding through both the Commonwealth Department of Health and Aged Care's Aged Care Capital Assistance Program and the Victorian Government's Regional Health Infrastructure Fund (RHIF) to support important infrastructure projects at Beaufort and Skipton. Funding was provided for upgrades to the air conditioning systems at the Skipton Nursing Home and the refurbishment of the Beaufort Nursing Home, including the conversion of shared resident rooms into private rooms with ensuites.

A grant of $150,000 was received through the Commonwealth Department of Health and Aged Care's Aged Care Capital Assistance Program to upgrade and extend the air conditioning system at the Skipton Nursing Home. Completed in March 2026, the project delivered climate control throughout resident rooms, living areas, clinical spaces and administration offices. The upgrade has significantly enhanced resident comfort and created a more pleasant environment for staff, visiting clinicians and community members accessing services at Skipton.

Funding of $1.145 million was approved through the Commonwealth Department of Health and Aged Care's Aged Care Capital Assistance Program, together with $1.225 million from the Victorian Health Building Authority's Regional Health Infrastructure Fund (RHIF), to support the refurbishment of the Beaufort Nursing Home. Earlier RHIF funding also supported detailed planning and design work for the redevelopment.



Works are now underway to convert all shared resident rooms into private single rooms with ensuites and create three additional single rooms with ensuites. Scheduled for completion later in the year, the project represents an important investment in the future of residential aged care at Beaufort and will further enhance the comfort, privacy and dignity of residents.

OUR PARTNERS

The official opening of The Cottage at Beaufort was a significant milestone during the year. Foundation members, Board Directors, staff and community representatives came together to celebrate the completion of the project and acknowledge the strong partnership between Beaufort and Skipton Health Service and the Beaufort and Skipton Health Service Foundation. The development was made possible through the Foundation's generous financial contribution, reflecting its longstanding commitment to supporting the Health Service. The Cottage provides valuable additional office and administrative space to accommodate the growing operational needs of the organisation.



In partnership with Safer Care Victoria and the Grampians Local Health Service Network, Beaufort and Skipton Health Service participated in the Victorian Delirium Improvement Project. Key achievements included implementation of baseline delirium screening in residential aged care, introduction of a delirium care pathway, enhancement of assessment tools to strengthen family involvement, updates to deterioration monitoring tools, and delivery of staff education. This initiative strengthened the early recognition and management of delirium, helping to improve the experience and outcomes of older members of our community receiving care across the service.

As part of a regional collaboration aligned with the Victorian Department of Health's Strategic Plan, Beaufort and Skipton Health Service contributed to a workforce systems project across the Grampians Region, supporting greater sharing of knowledge, resources and expertise. During the year, planning and preparation for the new workforce management and human resources information systems commenced. Implementation of the rostering system Optima was rolled out in April 2026, with SAP Success Factors anticipated for July 2026. This will support rostering, payroll and future workforce processes.

The Gender Equality submission was completed during 2025 – 2026, with all actions from the previous Gender Equality Plan successfully achieved. A new Gender Equality Action Plan will be developed following feedback from the Commission. Notable progress was made in promoting diversity and inclusion, including increased uptake of flexible work arrangements and continued collaboration with organisations such as Women's Health Grampians, Ballarat and District Aboriginal Cooperative, and the Men Leading Change forums.



In partnership with Safer Care Victoria and the Grampians Local Health Service Network, Beaufort and Skipton Health Service participated in the Victorian Sepsis Improvement Project during 2025 – 2026. Key achievements included implementation of an updated sepsis pathway, staff education and awareness activities, development of consumer information resources, review of medication availability for sepsis treatment, and strengthening systems for the early recognition and management of sepsis. Together, these initiatives supported earlier identification and treatment of sepsis, helping to improve care outcomes and support safe, effective care for patients, residents and clients.

WORKFORCE

WORKFORCE DATA

Hospitals Labour Category	June Current Month FTE*		Average Monthly FTE**	
	2025	**2026**	**2025**	**2026**
Nursing	63.42	66.24	63.83	64.69
Administration and Clerical	21.93	25.11	22.37	23.33
Medical Support	-		-	
Hotel and Allied Services	37.46	36.45	37.67	36.99
Medical Officers	1.22	1.22	1.22	1.22
Hospital Medical Officers	-		-	
Sessional Clinicians	-		-	
Ancillary Staff (Allied Health)	6.05	3.99	5.85	5.20

EMPLOYMENT AND CONDUCT PRINCIPLES

Beaufort and Skipton Health Service is committed to maintaining fair and transparent processes for the recruitment, selection, transfer and promotion of employees. Employment decisions are based on merit and made in accordance with relevant legislation, industrial awards and enterprise agreements.

The Health Service's Workforce Plan, Gender Equality Action Plan and Cultural Safety Action Plan reflect its commitment to equity, diversity and inclusion, and to providing fair access to employment and development opportunities for all individuals, regardless of background, gender or cultural identity.

Comprehensive policies and procedures are in place to ensure employees are treated fairly and with respect and have access to appropriate grievance and complaint resolution processes.

Beaufort and Skipton Health Service is committed to upholding the employment and conduct principles and confirms that all employees have been correctly classified within workforce data collections.

WORKFORCE

WORKFORCE INCLUSION POLICY

In 2025–2026, Beaufort and Skipton Health Service continued to remove barriers relating to workplace structure, practices, policies and culture that may impact the intersectional aspects of a staff member's experience within the organisation. This commitment aims to create an environment where everyone can reach their full potential by recognising that people have different needs and may require different forms of support to participate and succeed in the workplace. The Health Service believes in equality and in providing equitable opportunities for all.

The Health Service has implemented significant positive actions in relation to the following aspects:

- A significant increase in the number of Gender Impact Assessments (GIAs) across policies, programs and practices.
- A detailed analysis of our current diversity profile – nearly 20% of our workforce were born overseas.
- Prevention of violence against women remains an important focus of the Health Service's workforce inclusion and wellbeing initiatives.
  - The Health Service continues to be involved in the Orange Door and raising awareness within our teams.
  - Participation in the Men Leading Change forums supported the launch of the Ballarat Saturation Model (RESPECT Ballarat), with continued involvement in both the Loddon Mallee and Grampians Women's Health Networks.
  - Support, understanding and guidance continue to be provided to staff affected by family violence and other challenging circumstances.
  - Four designated Contact Officers provide staff with confidential assistance, information and support
- FOREMIND, the Beaufort and Skipton Health Service Employee Assistance Program, has seen an increase in the number of staff accessing the service during the year. It is anticipated that demand for the service will continue to grow in response to global events and the current economic climate.
- Safety and Cultural Inclusion has become an important focus area, strengthening the Health Service's understanding of the experiences and challenges faced by First Nations peoples. Partnerships and discussions with Ballarat and District Aboriginal Co-operative (BADAC) have supported this work, with BADAC providing valuable advice and guidance to help inform the organisation's cultural engagement and connection with the local community.
- The Health Service has an increased understanding of data through enhanced analysis and improvements in reporting. This includes the updating of the Gender Equality Action Plan, Workforce Plan and Cultural Safety Plan; all these plans together represent our intersectional lens. This has led to the review of policies and procedures to support ongoing education and awareness aimed at reducing unconscious bias. This has also extended to capturing data across all applications and recruitment processes to establish accurate measures of inclusion at every stage of the HR processes.
- Beaufort and Skipton Health Service have participated in all Gender Equity Masterclasses presented by the Commission and are well placed to contribute to the Gender Equity discussion.
- The Director Workforce & Culture completed the Chisholm Institute Gender Equity Studies (specifically aimed at Public Sector Employees) and has brought those learnings into the organisation.
- The Health Service has strengthened relationships and networks. The Health Service continues to be active in the conversations and forums through the network. Diversity and Gender Equity are included in Leadership and Executive meeting agendas.
- In 2026, the Workplace Gender Equality Audit was submitted and development of a new Gender Equality Action Plan commenced. This will focus on strengthening our attraction and retention of skilled, competent and values aligned staff which will continue our strong organisational performance. The plan focuses on evidence-based data to lead change and provide the Health Service with a strong platform for meeting community needs.
- The People Matter Survey identified there are still some behavioural elements that will be addressed through the People Matter Survey Action Plan, with a focus on resilience, tolerance and values aligned behaviours.

OCCUPATIONAL HEALTH AND SAFETY

Beaufort and Skipton Health Service is committed to providing a safe and healthy workplace for employees, volunteers, contractors and visitors. Occupational Health and Safety (OH&S) is supported through a structured Workplace Health, Safety and Wellbeing Framework, workplace inspections, staff education, incident reporting and ongoing risk management activities.

The Health Service encourages the reporting of incidents, hazards and near misses to support continuous improvement and strengthen workplace safety.

Reported issues are reviewed through established governance processes, including CARE and Occupational Health and Safety Committee meetings, with oversight provided through regular reporting to the Executive and Board of Directors.

Occupational Health and Safety Statistics	2025-26	2024-25	2023-24
The number of reported hazards / incidents for the year per 100 FTE	194.78	141.79	129.11
The number of 'lost time' standard Work-Cover claims for the year per 100 FTE	4.57	5.22	1.51
The average cost per WorkCover claim for the year	$167,703.60	$77,284.51	$45,458.91

OCCUPATIONAL VIOLENCE

Beaufort and Skipton Health Service continues to be actively involved in reducing the risk to employees from Occupational Violence.

Occupational violence statistics	**2025-26**
Workcover accepted claims with an occupational violence cause per 100 FTE	0.76
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	4.62
Number of occupational violence incidents reported	24
Number of occupational violence incidents reported per 100 FTE	18.26
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	8.33%

Definitions of occupational violence:

- **Occupational violence** – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident** – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during a planned or unplanned Code Grey, it must be included.
- **Accepted Workcover claims** – claims accepted and lodged in 2025-26.
- **Lost time** – defined as greater than one day.
- **Injury, illness or condition** – includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

FINANCIAL OVERVIEW

Operational and budgetary objectives and performance against objectives

The Health Service began the financial year with a breakeven target as a performance measure as part of the Health Service's Statement of Priorities, agreed with the Victorian Department of Health. Through the prudent management of funding and efficiency improvement targets, the Health Service achieved an operating surplus of $1,104,028.

Overall revenues increased $1.56m, credited to the initiatives undertaken within the Budget Action Plan, the ongoing reform to funding in the Residential Aged Care and Community Health services and successful capital funding applications towards the building projects of the health service.

Financial Sustainability remains a focus for the Health Service and this financial year saw continued growth in the cash position. A Budget Action Plan remains in place and produced results exceeding target across the targeted improvement areas. The plan is regularly revised as financial opportunities and strategies are identified and will continue into the new year.

Significant changes in financial position during the year

There were no significant changes to the financial position of the Health Service during the year.

FINANCIAL SUMMARY

	2026 $000	2025 $000
*Operating Result	1,104	830
Total Revenue	24,653	23,090
Total Expenses	24,889	(23,425)
Net Result from Transactions	**(236)**	**(335)**
Total Other Economic Flows	74	(15)
Net Result	**(162)**	**(351)**
Total Assets	38,903	36,031
Total Liabilities	(16,406)	(13,371)
Net Assets / Total Equity	**22,497**	**22,660**

** The Operating result is the result for which the Health Service is monitored in its Statement of Priorities.*

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

	2026 $000	2025 $000
***Net Operating Result**	1,104	830
Capital purpose income	781	1,218
Specific income	N/A	N/A
COVID-19 State Supply Arrangements: Assets received free of charge or for nil consideration under the State Supply	N/A	9
State Supply items consumed up to 30 June 2026	N/A	(9)
Assets provided free of charge	N/A	N/A
Assets received free of charge	288	N/A
Expenditure for capital purpose	(21)	(67)
Depreciation and amortisation	(2,376)	(2,305)
Impairment of non financial assets	N/A	N/A
Finance costs (other)	(12)	(10)
Net result from transactions	**(236)**	**(335)**

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

FINANCIAL OVERVIEW

CONSULTANCIES

Details of consultancies (under $10,000)

In 2025-2026, there were no consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2025-2026 in relation to these consultancies is nil.

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

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

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2025-2026 is **$1.286 million** (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 expenditure	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
$1,157,554	$129,088	$Nil	$129,088

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

Beaufort and Skipton Health Service has complied with the Asset Management Accountability Framework and reports with an Asset Management Maturity Assessment every three years with the next assessment due the 2026-2027 financial year.

SOCIAL PROCUREMENT ACTIVITIES UNDER THE SOCIAL PROCUREMENT FRAMEWORK

	2025-26
Number of social benefit suppliers engaged during the reporting period:	1
Total amount spent with social benefit suppliers (direct spend) during the reporting period ($ GST exclusive):	$14,438

SPF objective	Outcome	Metric	Unit of measure	2025-26
Opportunities for Victorian Aboriginal people	Purchasing from Victorian Aboriginal businesses	Total spend with Victorian Aboriginal businesses	$ (GST exclusive)	$Nil
		Number of Victorian Aboriginal businesses engaged	Number	Nil
Opportunities for Victorians with disability	Objective: Opportunities for Victorians with disability	Total expenditure with Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises	$ (GST exclusive)	$14,438
		Number of Victorian social enterprises (led by a mission for people with disability) and Australian Disability Enterprises engaged	Number	1
Opportunities for disadvantaged Victorians	Purchasing from Victorian social enterprises	Total spend with Victorian social enterprises led by a mission for the disadvantaged	$ (GST exclusive)	$Nil
		Number of Victorian social enterprises led by a mission for the disadvantaged engaged	Number	Nil
Sustainable Victorian social enterprises and Aboriginal business sectors	Purchasing from Victorian social enterprises and Aboriginal businesses	Total spend with other Victorian social enterprises	$ (GST exclusive)	$14,438
		Number of other Victorian social enterprises engaged	Number	1

Building Equality Policy

The Building Equality Policy has been considered as part of the Social Procurement Framework and is applicable to Beaufort and Skipton Health Service however during the year 2025-2026, there have not been any publicly funded projects that met the thresholds for enacting the Building Equality Policy.

Review and Study Expenses

Beaufort and Skipton Health Service has not engaged in any reviews or studies for the 2025-2026 year.

Grants and Transfer Payments (other than contributions by owners & Commercial-in-Confidence (CIC) Grants

Beaufort and Skipton Health Service did not administer any grants, transfer of payments or Commercial-in-Confidence grants in 2025-2026.

LEGISLATION

FREEDOM OF INFORMATION ACT 1982

The *Freedom of Information Act 1982* provides individuals with a right to request access to information held by the Health Service, subject to legislated exemptions, including those relating to the privacy of patients and third parties. Beaufort and Skipton Health Service processes all requests in accordance with the requirements of the *Freedom of Information Act 1982*.

All Freedom of Information (FOI) applications must be submitted in writing using the prescribed Freedom of Information Application Form and addressed to the Chief Executive Officer, who is the designated Freedom of Information Officer.

Applications should be forwarded to:

Chief Executive Officer
Freedom of Information Officer
Beaufort and Skipton Health Service
28 Havelock Street
Beaufort VIC 3373

Further information may be found on the FOI website, and in the Freedom of Information (FOI) Act 1982.

During 2025–2026, Beaufort and Skipton Health Service received twenty-six Freedom of Information applications. No applications were received from Members of Parliament or media organisations, with all requests submitted by members of the general public.

Beaufort and Skipton Health Service made twenty-six Freedom of Information decisions during the 12 months ended 30 June 2026.

There were twenty-six decisions made within the statutory time period and there were no decisions made outside of the statutory time period. Of the total decisions made, twenty-six decisions were granted access to documents in full, there were no granted access in part and no denied access in full. Of the requests finalised, the average number of days under the statutory time to decide the requests was nine days. During 2025-2026 there were no requests subject to a complaint/internal review by the Office of the Victorian Information Commissioner. There were no requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

BUILDING ACT 1993

Beaufort and Skipton Health Service is dedicated to maintaining the highest standards of safety and compliance in accordance with the *Building Act 1993* and the applicable regulations governing publicly owned buildings.

The Chief Executive Officer has oversight of capital works and infrastructure projects undertaken by the Health Service. Governance is supported by the Executive Team and the Project Control Group, a Board sub-committee responsible for project oversight and reporting to the Board of Directors. This framework ensures projects are delivered in accordance with legislative, safety and quality requirements.

Building permits are obtained for all construction projects where required, and all builders and contractors engaged in these projects are registered practitioners who are required to provide appropriate registrations, insurances and safety documentation prior to commencing works.

Building assets, maintenance activities and project information are managed through the Facility Management Information (FMI) system. The system supports the inspection, reporting, scheduling and completion of maintenance works, assisting the Health Service to maintain compliance with applicable building standards and asset management requirements.

During 2025–2026, the Health Service progressed a range of capital works and infrastructure projects to support asset renewal, improve resident accommodation, enhance energy efficiency and strengthen operational capacity. Key projects included upgrades to The Cottage, solar infrastructure improvements, nursing home air conditioning upgrades, procurement and storage improvements, and the commencement of the Beaufort Nursing Home refurbishment project. Further details of building projects undertaken during the year are outlined below.

These projects support the ongoing improvement of facilities, infrastructure and accommodation across the Health Service.

During 2025–2026, no emergency orders or building orders were issued in relation to Health Service buildings, and no buildings were required to be brought into conformity with building standards during the reporting period.

Building Projects / Construction / Upgrades	No.	Item / Location
Building Works	Completed	Installation of procurement storage.
Building Works	Completed	Renovations and upgrades to The Cottage facility.
Demolition works	Completed	Demolition of the dwelling at 20 Walker Street, Beaufort, in preparation for future education accommodation.
Upgrade	Completed	Upgrade and installation of additional solar panels at the Beaufort and Skipton hospital buildings and installation of new solar panels at the Beaufort Hostel.
Upgrade	Completed	Upgrades to the Skipton Nursing Home air conditioning system.
Building Works	Ongoing	Commencement of the Beaufort Nursing Home refurbishment project, including the conversion of double rooms to single rooms with ensuites and the addition of three new single rooms with ensuites.

PUBLIC INTEREST DISCLOSURE ACT 2012

Beaufort and Skipton Health Service takes allegations of improper conduct seriously. Improper conduct may include corrupt conduct, substantial mismanagement of public resources, or conduct that poses a substantial risk to public health or safety.

During 2025–2026, Beaufort and Skipton Health Service did not receive any Public Interest Disclosures, and no notifications were made to the Victorian Ombudsman or any other external integrity agency.

The *Public Interest Disclosure Act 2012* provides a framework for the disclosure and investigation of allegations of improper conduct within the Victorian public sector and protects individuals who make disclosures.

Disclosures regarding alleged improper conduct by Beaufort and Skipton Health Service or its employees may be made to:

The Public Interest Disclosure Co-ordinator
Meryn Pease
Beaufort and Skipton Health Service
bshs@bshs.org.au

or

The Ombudsman Victoria

Level 2, 570 Bourke Street, Melbourne

Tel: 9613 6222 Toll free: 1800 806 314

NATIONAL COMPETITION POLICY

Beaufort and Skipton Health Service complies with the Victorian Government's *Competitive Neutrality Policy* and any subsequent reforms. No competitive neutrality complaints were received during 2025–2026.

LEGISLATION (CONT)

CARERS RECOGNITION ACT 2012

Beaufort and Skipton Health Service has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012* (the Act). These include:

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community (e.g. distributing printed material about the Act at community events or service points; providing links to state government resource materials on our website; providing digital and/or printed information about the Act to our partner organisations)
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act (e.g. developing and implementing a staff awareness strategy about the principles in the Act and what they mean for staff; induction and training programs offered by the organisation include discussion of the Act and the statement of principles therein)
- considering the care relationships principles set out in the Act when setting policies and providing services (e.g. reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act, developing a satisfaction survey for distribution at assessment and review meetings between workers, carers and those receiving care)
- implementing priority actions in *Victorian Carer Strategy 2025-2035.*

LOCAL JOBS ACT 2003

No projects undertaken by Beaufort and Skipton Health Service during 2025–2026 met the threshold for application of the Local Jobs First Policy. Accordingly, no Local Industry Development Plans were required or submitted.

SAFE PATIENT CARE ACT 2015

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

ENVIRONMENTAL PERFORMANCE

The Health Service made significant strides in its commitment to environmental sustainability through two major initiatives in 2025–2026. The upgraded solar program, which has doubled the number of solar panels across its facilities, is anticipated to significantly reduce electricity costs and, more importantly, decrease the organisation's carbon footprint. Complementing this effort, the Health Service continues to operate two biomass plants that utilise olive pit by-products as fuel for water heating.

Smaller, yet notable, projects continue to play a role in the Health Service's commitment to improving sustainability principles. The continued management of a worm farm at the Beaufort facility provides compost for a kitchen garden using food waste and has also demonstrated positive engagement from local volunteers. The Health Service has also partnered with Bold ICT to facilitate the responsible recycling of redundant IT equipment through an e-waste program, further enhancing its commitment to environmental responsibility.

GREENHOUSE GAS EMISSIONS

G1 Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	Jul 2025 to Jun 2026	Jul 2024 to Jun 2025	Jul 2023 to Jun 2024
Carbon Dioxide	138.52	78.65	159.15
Methane	0.52	0.33	0.62
Nitrous Oxide	2.36	2.55	1.57
Total	**141.41**	**81.53**	**161.35**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (t CO2-e)	**107.43**	**39.08**	**160.61**
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (t CO2-e)	**33.98**	**42.45**	**0.73**
Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**141.41**	**81.53**	**161.35**
G2 Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)			
Electricity	301.43	283.01	266.69
Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	**301.43**	**283.01**	**266.69**
G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (t CO2-e)			
Commercial air travel	-	-	-
Waste emissions (WR5)	57.01	48.43	48.67
Indirect emissions from Stationary Energy	77.97	53.08	87.22
Indirect emissions from Transport Energy	8.55	10.64	0.19
Water emissions	7.22	9.42	9.50
Total Scope 3 greenhouse gas emissions (t CO2-e	**150.74**	**121.57**	**145.58**
G(Opt) Net greenhouse gas emissions (t CO2-e)			
Gross greenhouse gas emissions (G1 + G2 + G3) (t CO2-e)	**593.58**	**486.11**	**573.62**
Total gross reported greenhouse gas emissions per bed-day (t CO2-e/OBD)	0.03	0.03	0.03
Carbon Neutral Electricity	0.00	0.00	0.00
Green Power Electricity	0.00	0.00	0.00
Purchased LGCs	-355.02	0.00	0.00
Any Reduction Measures Offsets purchased (EL4-related)	**-342.37**	**-**	**-**
Any Offsets purchased	**-342.37**	**-**	**-**
Net greenhouse gas emissions (t CO2-e)	**251.21**	**486.11**	**573.62**

ENVIRONMENTAL PERFORMANCE

ELECTRICITY USAGE

EL1 Total electricity consumption segmented by source [MWh]	Jul 2025 to Jun 2026	Jul 2024 to Jun 2025	Jul 2023 to Jun 2024
Purchased	450.14	429.02	405.48
Self-generated	82.19	83.65	83.97
EL1 Total electricity consumption [MWh]	**532.34**	**512.67**	**489.45**
EL2 On site-electricity generated [MWh] segmented by:			
Consumption behind-the-meter	**-**	**-**	**-**
Solar Electricity	82.19	83.65	83.97
Total Consumption behind-the-meter [MWh]	**82.19**	**83.65**	**83.97**
Exports			
Solar Electricity	6.84	-	-
Total Electricity exported (MWh)	**6.84**	**-**	**-**
EL2 Total On site-electricity generated [MWh]	**89.04**	**83.65**	**83.97**
EL3 On-site installed generation capacity [kW converted to MW] segmented by:			
Diesel Generator	0.43	0.43	0.43
Solar System	0.22	0.06	0.06
EL3 Total On-site installed generation capacity [MW]	**0.64**	**0.49**	**0.49**
EL4 Total electricity offsets segmented by offset type [MWh]			
LGCs voluntarily retired on the entity's behalf	385.89	-	-
RPP (Renewable Power Percentage in the grid)	78.01	78.56	76.07
EL4 Total electricity offsets [MWh]	**450.14**	**78.56**	**76.07**

ENVIRONMENTAL PERFORMANCE

STATIONARY ENERGY

F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]	Jul 2025 to Jun 2026	Jul 2024 to Jun 2025	Jul 2023 to Jun 2024
LPG	1,713,100.30	604,826.40	2,631,603.10
Diesel	22,403.50	0.00	0.00
Green and air dried wood	1,698,973.20	2,022,638.90	949,716.60
F1 Total fuels used in buildings [MJ]	**3,434,477.00**	**2,627,465.30**	**3,581,319.70**
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e(t)]			
LPG		34.93	159.47
Diesel		2.68	-
Green and air dried wood		2.20	1.14
F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e(t)]		**39.82**	**160.61**

TRANSPORTATION ENERGY

F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (t CO2-e)	Jul 2025 to Jun 2026	Jul 2024 to Jun 2025	Jul 2023 to Jun 2024
Executive fleet - Gasoline	50,855.40	46,197.30	-
Non-executve fleet Gasoline	288,477.00	304,219.20	10,865.30
Petrol	**339,332.40**	**350,416.50**	**10,865.30**
Executive fleet - Diesel	-	126,005.90	-
Non-executive fleet - Diesel	156,716.00	140,426.80	-
Diesel	**156,716.00**	**266,432.70**	-
Total energy used in transportation [vehicle fleet] (MJ)	**496,048.40**	**616,849.20**	**10,865.30**
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
-	-	-	-
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (t CO2-e)			
Executive fleet - Gasoline	3.44	3.12	-
Non-executve fleet Gasoline	19.51	20.57	0.73
Petrol	**22.95**	**23.70**	**0.73**
Executive fleet - Diesel	-	8.87	-
Non-executive fleet - Diesel	11.03	9.89	-
Diesel	**11.03**	**18.76**	**-**
Total Greenhouse gas emissions from transportation (vehicle fleet) (t CO2-e)	**33.98**	**42.45**	**0.73**

ENVIRONMENTAL PERFORMANCE

TOTAL ENERGY USE

E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	Jul 2025 to Jun 2026	Jul 2024 to Jun 2025	Jul 2023 to Jun 2024
Total energy usage from stationary fuels (F1) [MJ]	3,434,477.00	2,627,465.30	3,581,319.70
Total energy usage from transport (T1) [MJ]	496,048.40	616,849.20	10,865.30
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	**3,930,525.40**	**3,244,314.50**	**3,592,185.00**
E2 Total energy usage from electricity [MJ]			
Total energy usage from electricity [MJ]	1,916,421.57	1,845,596.96	1,762,008.07
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]			
Renewable	1,916,421.80	1,845,597.20	1,525,837.47
Non-renewable (E1 + E2 - E3 Renewable)	3,930,525.17	3,244,314.26	3,828,355.60
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	343.65	294.88	356.46
Energy per unit of LOS [MJ/LOS]	3,071.70	2,260.26	2,478.35
Energy per unit bed-day (LOS+Aged Care OBD) (MJ/OBD)	309.07	260.85	311.64
Energy per unit of Separations [MJ/Separations]	21,233.72	18,637.76	22,834.73
Energy per unit of floor space [MJ/m2]	1,023.70	855.76	1,022.26

ENVIRONMENTAL PERFORMANCE

SUSTAINABLE BUILDINGS AND INFRASTRUCTURE

	Jul 2025 to Jun 2026	Jul 2024 to Jun 2025	Jul 2023 to Jun 2024
B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings	N/A	N/A	N/A
B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule	N/A	N/A	N/A
B3 NABERS Energy (National Australian Built Environment Rating system) ratings of newly completed/occupied Entity-owned office buildings and substantial tenancy fit-outs (itemised)	N/A	N/A	N/A
B4 Environmental performance ratings (eg. NABERS, Green Star, or ISCAIS rating scheme) of newly completed Entity-owned non-office building or infrastructure projects or upgrades with a value over $1 million	N/A	N/A	N/A
NABERS Energy	-	-	-
B5 Environmental performance ratings achieved for Entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted	N/A	N/A	N/A
Rating scheme			

SUSTAINABLE PROCUREMENT

	Jul 2025 to Jun 2026	Jul 2024 to Jun 2025	Jul 2023 to Jun 2024

WATER USE

W1 Total units of metered water consumed by water source (kL)	Jul 2025 to Jun 2026	Jul 2024 to Jun 2025	Jul 2023 to Jun 2024
Potable water (kL)	5,144.38	5,760.23	5,658.95
Total units of water consumed (kL)	**5,144.38**	**5,760.23**	**5,658.95**
W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD [MJ/Aged Care OBD]	0.33	0.38	0.38
Water per unit of LOS [kL/LOS]	2.95	2.91	2.62
Water per unit bed-day (LOS+Aged Care OBD) (kL/OBD)	0.30	0.34	0.33
Water per unit of Separations [kL/Separations]	20.41	24.00	24.18
Water per unit of floor space [kL/m2]	0.98	1.10	1.08

ENVIRONMENTAL PERFORMANCE

WASTE AND RECYCLING

WR1 Total units of waste disposed of by waste stream and disposal method (kg)	Jul 2025 to Jun 2026	Jul 2024 to Jun 2025	Jul 2023 to Jun 2024
Landfill (total)			
General waste - skips	43,326.00	36,726.00	36,726.00
Offsite treatment			
Clinical waste - incinerated	-	-	44.10
Clinical waste - sharps	-	-	156.36
Clinical waste - treated	528.08	528.08	529.00
Recycling/recovery (disposal)			
Batteries	-	5.00	-
Cardboard	-	-	5,610.00
Total units of waste disposed (kg)	**43,854.08**	**37,259.08**	**43,065.46**

WR1 Total units of waste disposed of by waste stream and disposal method (%)			
Landfill (total)			
General waste	98.80%	98.57%	85.28%
Offsite treatment			
Clinical waste - incinerated	-	-	0.10%
Clinical waste - sharps	-	-	0.36%
Clinical waste - treated	1.20%	1.42%	1.23%
Recycling/recovery (disposal)			
Batteries	-	0.01%	-
Cardboard	-	-	13.03%

WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per patient treated ((kg general waste)/PPT)	2.47	2.13	2.11
Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT)	0.03	0.03	0.04
Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT)	0.00	0.00	0.32

WR4 Recycling rate (%)			
Weight of recyclable and organic materials (kg)	-	5.00	5,610.00
Weight of total waste (kg)	43,854.08	37,259.08	43,065.46
Recycling rate (%)	**-**	**0.01%**	**13.03%**

WR5 Greenhouse gas emissions associated with waste disposal (CO_2-e(t))			
t CO_2-e	57.01	48.43	48.67

ENVIRONMENTAL PERFORMANCE

NORMALISATION FACTORS

	Jul 2025 to Jun 2026	Jul 2024 to Jun 2025	Jul 2023 to Jun 2024
Aged Care OBD	15,571.00	15,169.00	14,990.00
ED Departures	0.00	0.00	0.00
FTE	122.00	121.00	127.00
LOS	1,742.00	1,979.00	2,156.00
OBD	17,313.00	17,148.00	17,146.00
PPT	17,565.00	17,388.00	17,380.00
Separations	252.00	240.00	234.00
TotalAreaM2	5,227.00	5,227.00	5,227.00

NOTE: Indicators are not reported where data is unavailable or an indicator is not relevant to the organisation's operations

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

In accordance with FRD 22 and the *Financial Management Act 1994*, Health Services must include the following statement in the Report of Operations:

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

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

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

This information is available on request from:

Chief Executive Officer, Beaufort and Skipton Health Service

P: 03 5349 1682 **E:** bshs@bshs.org.au

ATTESTATIONS

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION

I, Dr. Margaret Way, on behalf of the Responsible Body, certify that the Beaufort and Skipton Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Dr. Margaret Way
Board Chair
Beaufort and Skipton Health Service
21 September 2026

HEALTH SHARE VICTORIA (HSV) PURCHASING POLICIES

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



Meryn Pease
Accountable Officer
Beaufort and Skipton Health Service
21 September 2026

ATTESTATIONS & DECLARATIONS

DATA INTEGRITY ATTESTATION

I, Meryn Pease certify that Beaufort and Skipton Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Beaufort and Skipton Health Service has critically reviewed these controls and processes during the year.



Meryn Pease
Accountable Officer
Beaufort and Skipton Health Service
21 September 2026

INTEGRITY, FRAUD AND CORRUPTION DECLARATION

I, Meryn Pease certify that Beaufort and Skipton Health Service has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Beaufort and Skipton Health Service during the year.



Meryn Pease
Accountable Officer
Beaufort and Skipton Health Service
21 September 2026

CONFLICT OF INTEREST DECLARATION

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



Meryn Pease
Accountable Officer
Beaufort and Skipton Health Service
21 September 2026

REPORTING AGAINST THE STATEMENT OF PRIORITIES 2025-2026.

PART A: STRATEGIC PRIORITIES

In 2025-2026 Beaufort and Skipton Health Service contributed to the achievement of the Victorian Government's commitments by:

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Goal

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

Health Service Deliverables	Achievements/Outcome
Demonstrate high quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes.	**Status: Achieved** • A strong focus was placed on seeking and responding to consumer feedback to improve the dining experience for residents. Feedback resulted in a range of enhancements, including upgraded dining furniture, improved meal temperature management, digital menu displays and improvements to meal presentation, helping to create a more enjoyable and person-centred dining experience. • The Community Advisory Committee continued to provide an important forum for consumer and community engagement. Throughout the year, presentations and discussions focused on priority topics identified by Consumer Representatives, helping to inform organisational planning and service improvement initiatives. Consumer feedback contributed to a range of improvements across the Health Service, including the establishment of a Laundry Services Working Group to review and enhance services for residents. • Consumer feedback continued to be embedded, with Community Advisory Committee minutes reviewed by the Board of Directors and outcomes regularly communicated back to Consumer Representatives, supporting a strong partnership between consumers and the Health Service. • Patient, resident and visitor feedback processes were reviewed and enhanced throughout the year. Feedback forms were updated in consultation with the Community Advisory Committee, helping to ensure consumer feedback is captured more effectively and used to support ongoing service improvement.

REPORTING AGAINST THE STATEMENT OF PRIORITIES 2025-2026.

PART A: STRATEGIC PRIORITIES

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Goal

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

Health Service Deliverables	Achievements/Outcome
Ensure that Health Service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers.	**Status: Achieved** • A strong culture of safety, transparency and continuous improvement was maintained throughout the year. Feedback from staff and consumers informed service improvements, while clinical reviews focused on learning and system improvement, helping to strengthen policies, practices and care delivery. • Executive Safety Walk Rounds remained an important part of the Health Service's safety culture during the year, encouraging staff and consumers to openly identify hazards and improvement opportunities. Action plans were developed and monitored, reinforcing psychological safety and demonstrating that concerns raised are reviewed and acted upon. This supports a culture of safety, open communication and continuous improvement across the Health Service. • The organisation-wide refresh of the Manual Handling Program was informed by incident reporting, staff feedback and occupational health and safety data, resulting in enhanced staff education, competency assessment processes, equipment reviews and improved risk management practices. • Consumers received regular updates on service improvements through newsletters, meetings and other communications, ensuring they could see how their feedback contributed to positive change across the Health Service. • Serious Incident Response Scheme (SIRS) and clinical incident investigations are reviewed through established governance processes, with key findings and lessons shared with staff and consumers where appropriate. This approach supports ongoing learning and continuous improvement across the Health Service. • The Clinical Governance Maturity Assessment undertaken in 2026 resulted in identified improvement opportunities which informed: - Review of the Clinical Governance Framework. - Governance reporting arrangements. - Quality improvement priorities. - Future implementation planning aligned to the National Model for Clinical Governance.

REPORTING AGAINST THE STATEMENT OF PRIORITIES 2025-2026.

PART A: STRATEGIC PRIORITIES

Innovate and improve access and care

We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.

Goal

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

Health Service Deliverables	Achievements/Outcome
Health Services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	**Status: Achieved** • A comprehensive annual training calendar supports compliance with relevant standards, while practical skills assessments and competency checks were undertaken annually and as part of new staff induction to support safe, high-quality care. • Leaders and supervisors have access to an online Leadership Development program through the Grampians Learning Hub, strengthening capability in performance management, accountability and continuous improvement across the Health Service. • The Improvement on the Run (Grampians Safer Together) program was delivered at the Beaufort campus, providing the Leadership team and staff with practical quality improvement skills and tools. Additional leaders completed advanced training, strengthening capability in continuous improvement across the Health Service. • Staff received education and practical strategies to support people who may display responsive behaviours, using a trauma-aware and healing-informed approach that promotes compassionate, person-centred care. • Staff training programs were reviewed and updated to align with the requirements of the new Aged Care Act. This included refreshing competency-based learning to ensure staff have the knowledge, skills and confidence to continue delivering safe, high-quality care and services to older people. • A comprehensive review of manual handling education and competency assessments was completed, with the updated program rolled out across the Health Service to support safe work practices and high-quality care.

REPORTING AGAINST THE STATEMENT OF PRIORITIES 2025-2026.

PART A: STRATEGIC PRIORITIES

Prudent, sustainable and effective use of resources

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

Goal

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

Health Service Deliverables	Achievements/Outcome
Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	**Status: Achieved** • Initiatives were developed with a view to financial sustainability improvements across 12 target areas. Nine of these target areas delivered improvement and six areas exceeded target, some by substantial amounts. Full year efficiency targets were exceeded with the Health Service achieving 125% of the overall target.
Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.	**Status: Achieved** • Data analysis supported evidence-based pricing and funding decisions, helping to maximise funding outcomes, improve revenue growth and strengthen the financial performance of Community Health, Residential Aged Care and Support at Home services.
Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost-of-service delivery, improve safety, capacity and reduce unnecessary waiting.	**Status: Achieved** • The Health Service continued to optimise available funding through targeted investment in workforce capability, safety initiatives and service improvement activities. Standardisation of processes, improved workforce capability, proactive risk management and effective use of partnerships and student placements supported cost avoidance, improved service efficiency and increased organisational capacity while maintaining a strong focus on safe, person-centred care. The Health Service also maximised the value of external funding and partnerships through student placement programs and allied health initiatives, expanding access to services while supporting workforce development and consumer outcomes. Initiatives included oral health student placements and the residential aged care Reminiscence Project. • The transition of Skipton Medical Clinic to Commonwealth Bulk Billing from 1 November 2025 improved access to patient-facing services, supporting increased affordability and timely access to primary care, while maximising available Commonwealth funding. • Improved resource utilisation through the standardisation of manual handling equipment, assessment tools and processes across sites, reducing duplication and supporting more efficient use of available equipment.

REPORTING AGAINST THE STATEMENT OF PRIORITIES 2025-2026.

PART A: STRATEGIC PRIORITIES

A stronger workforce

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

Goal

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

Health Service Deliverables	Achievements/Outcome
Implement processes to sustain workforce supply and fulfill obligations, including those under the Gender Equality Act 2020 by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care.	**Status: Ongoing** • A Workforce Plan was developed to support the attraction and retention of staff in a rural healthcare setting. The plan focuses on building a sustainable workforce and strengthening the Health Service's ability to recruit, develop and retain skilled staff to meet current and future community needs. • The Gender Equality Progress Report and Action Plan was submitted to the Victorian Gender Equality Commission, supporting workplace equity, inclusion and positive staff experiences across the Health Service.
Collaborate with the Department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	**Status: Ongoing** • The development of a Human Resources Audit Report and submission of the Gender Equality Progress Report and Action Plan have strengthened workforce data analytics across Beaufort and Skipton Health Service. This has led to tangible improvements, including enhanced recruitment and application metrics, consideration of unconscious bias, Gender Impact Assessments, and the introduction of a new Employee Assistance Program to better support staff wellbeing. • Participation in emergency management networks and committees, particularly following recent fires, together with ongoing work in training and development, occupational health and safety, and Aged Care Quality and Safety Commission workforce initiatives, has further supported the development of a skilled and informed workforce equipped to uphold the Statement of Rights and deliver safe, high-quality care.

REPORTING AGAINST THE STATEMENT OF PRIORITIES 2025-2026.

PART A: STRATEGIC PRIORITIES

Improving Aboriginal health and wellbeing

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

Goal

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

Health Service Deliverables	Achievements/Outcome
Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	**Status: Achieved** • Beaufort and Skipton Health Service provided Cultural Safety Training to members of the Executive and Leadership teams and a number of staff through Mirriyu Cultural Consulting. The session was led by Bonnie Chew, a Traditional Owner of Wadawurrung Country, at the Skipton campus in September 2025. • To reinforce cultural safety across the organisation, 98% of permanent staff completed the Grampians Region Education Group's online Cultural Training package, which forms part of the induction program for all new employees.
Health Service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services.	**Status: Ongoing** • The Lowitja Institute Audit Tool was completed to identify opportunities to strengthen Aboriginal cultural safety, engagement and partnerships. In response, Beaufort and Skipton Health Service established an advisory group in partnership with Ballarat and District Aboriginal Co-operative (BADAC) to strengthen relationships with the Aboriginal community and support culturally safe service planning and delivery. • Engagement with Women's Health Grampians strengthened connections with First Nations communities and supported planning for an Indigenous garden at Beaufort and Skipton Health Service through a visit to the Barkly Square Yarning Garden.
Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	**Status: Achieved** • Residential aged care assessment and care planning documentation was reviewed to strengthen the culturally appropriate identification of Aboriginal and Torres Strait Islander residents and inform responsive care planning. A dedicated assessment form was introduced to support this process. • Processes are in place to identify Aboriginal and Torres Strait Islander consumers at admission and support culturally responsive care. A Memorandum of Understanding with Grampians Health enables engagement with Aboriginal Health Liaison Officers to support care planning, discharge planning and referral pathways, including connections with relevant community organisations to support ongoing care.

REPORTING AGAINST THE STATEMENT OF PRIORITIES 2025-2026.

PART A: STRATEGIC PRIORITIES

Moving from Competition to Collaboration

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

Goal

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

Health Service Deliverables	Achievements/Outcome
Meet all objectives agreed to in the Local Health Service Network Statement of Expectations across priority areas (access, equity and flow, workforce, safety and quality, and shared services).	**Status: Ongoing** • Beaufort and Skipton Health Service actively participated in workshops to support the development of the Grampians Local Health Service Network (GLHSN) Clinical Services Plan. The plan focuses on strengthening regional service integration, improving access to care and supporting the delivery of services closer to home for local communities. • Grampians Local Health Service Network (GLHSN) priority working groups were established across the areas of Access, Equity and Flow; Workforce; Safety and Quality; and Shared Services and Finance. Beaufort and Skipton Health Service Executive representatives actively participate in these groups to support the delivery of Local Health Service Network priorities and regional collaboration, with the Chief Executive Officer chairing the Workforce Committee. • In partnership with the Grampians Local Health Service Network (GLHSN) lead, the Health Service supported the completion of the Statewide Clinical Governance Maturity Self-Assessment, with findings informing the development of an action plan to support ongoing clinical governance improvement. • During 2025 – 2026, the Health Service participated in the rollout of the region-wide Optima and SAP workforce system project, supporting greater consistency and collaboration across Health Services in the Grampians Region. The project included the implementation of a new rostering system in April 2026 and laid the foundation for the introduction of a new payroll system in July 2026. These initiatives will support more efficient workforce management and strengthen opportunities for information, knowledge and resource sharing across the region.

REPORTING AGAINST THE STATEMENT OF PRIORITIES 2025-2026.

PART B: PERFORMANCE PRIORITIES

HIGH QUALITY AND SAFE CARE

KEY PERFORMANCE MEASURE	TARGET	RESULT
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	99%
Adverse Events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event.	All RCA reports submitted within 30 business days	*N/A
Aged care		
Public sector residential aged care services overall star rating	Minimum rating of 3 stars	Achieved
Patient Experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	*N/A
Aboriginal Health		
The difference between the number of Aboriginal patients who discharged against medical advice compared to non-Aboriginal*	0%	0%

**Less than 10 responses were received for the period due to the relative size of the Health Service*

STRONG GOVERNANCE, LEADERSHIP AND CULTURE

KEY PERFORMANCE MEASURE	TARGET	RESULT
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	80%	72%

** Changes to the 2025-26 Health Sector People Matter Survey have affected the 'Percentage of staff with an overall positive response to safety culture survey questions' measure. Historical results are not directly comparable and should be interpreted in the context of a break in the time series.*

EFFECTIVE FINANCIAL MANAGEMENT

KEY PERFORMANCE MEASURE	TARGET	RESULT
Operating result ($m)	$0.00	$1.10
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.01
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	5% movement in forecast revenue and expenditure forecasts	Achieved

PART C: ACTIVITY AND FUNDING

FUNDING TYPE	2025–2026 ACTIVITY ACHIEVEMENT	MEASURE
Aged Care		
Rural Residential Care	15,775	Bed days
HACC	280	Service Hours
Primary Health		
Community Health / Primary Care Programs	520	Service Hours

DISCLOSURE INDEX

The annual report of Beaufort and Skipton Health Service is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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NOTES

FINANCIAL REPORT

Beaufort and Skipton Health presents its audited Tier 2 general-purpose financial statements for the financial year ended 30 June 2026 in the following structure to provide users with information about Beaufort and Skipton Health Service's stewardship of the resources entrusted to it.

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Beaufort and Skipton Health Service

Financial Statements
Financial Year ended 30 June 2026

Board member's, accountable officer's, and chief financial officer's declaration

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

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

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 21 September 2026.



Dr Margaret Way

Chair, Board of Directors

Beaufort

21 September 2026



Meryn Pease

Chief Executive Officer

Beaufort

21 September 2026



Chris Nykoluk

Chief Finance and Accounting Officer

Beaufort

21 September 2026

Beaufort and Skipton Health Service
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2026

		2026	2025
Revenue and income from transactions	**Note**	**$**	**$**
Revenue from contracts with customers	**2.1**	12,364,941	10,681,695
Government grants	**2.1**	9,200,104	8,832,782
Other sources of income	**2.1**	2,574,368	3,061,100
Non-operating activities		513,409	513,952
Total revenue and income from transactions		**24,652,822**	**23,089,529**
Expenses from transactions			
Employee expenses	**3.1**	(17,191,455)	(16,174,613)
Supplies and consumables	**3.1**	(2,691,567)	(2,504,782)
Finance costs	**6.1**	(11,996)	(10,486)
Depreciation	**4.1(a)**	(2,375,590)	(2,305,277)
Other operating expenses	**3.1**	(2,618,760)	(2,429,616)
Total expenses from transactions		**(24,889,368)**	**(23,424,774)**
Net result from transactions - net operating balance		**(236,546)**	**(335,245)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		-	(50,930)
Net gain/(loss) on financial instruments		4,090	20,074
Share of other economic flows from joint arrangements	**8.7**	(4,912)	7,846
Other gain/(loss) from other economic flows		74,846	7,653
Total other economic flows included in net result		**74,024**	**(15,357)**
Net result		**(162,522)**	**(350,602)**
Comprehensive result		**(162,522)**	**(350,602)**

This statement should be read in conjunction with the accompanying notes

Beaufort and Skipton Health Service
Balance Sheet
As at 30 June 2026

	Note	2026 $	2025 $
Financial assets			
Cash and cash equivalents	**6.2**	15,119,458	10,870,596
Receivables	**5.1**	1,851,951	1,935,613
Contract assets	**5.2**	145,930	284,162
Total financial assets		**17,117,339**	**13,090,371**
Non-financial assets			
Prepaid expenses		235,515	265,145
Property, plant and equipment	**4.1**	21,550,230	22,675,127
Total non-financial assets		**21,785,745**	**22,940,272**
Total assets		**38,903,084**	**36,030,643**
Liabilities			
Payables	**5.4**	1,691,491	1,025,460
Contract liabilities	**5.5**	798,077	641,841
Borrowings	**6.1**	271,522	239,687
Employee benefits	**3.1(b)**	4,276,963	3,965,526
Monies held in trust	**5.6**	9,367,840	7,498,416
Total liabilities		**16,405,893**	**13,370,930**
Net assets		**22,497,191**	**22,659,713**
Equity			
Reserves		23,476,483	23,476,483
Contributed capital		11,378,023	11,378,023
Accumulated deficit		(12,357,315)	(12,194,793)
Total equity		**22,497,191**	**22,659,713**

This statement should be read in conjunction with the accompanying notes

Beaufort and Skipton Health Service
Cash Flow Statement
For the Financial Year Ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Operating grants from State Government		8,864,401	8,253,877
Operating grants from Commonwealth Government		9,540,705	7,972,802
Capital grants from State Government		565,606	349,846
Capital grants from Commonwealth Government		440,321	298,958
Capital donations and bequests received		27,603	282,498
Commercial activity revenue received		1,726,196	1,659,607
GST received from ATO		489,143	493,962
Interest received		513,409	513,952
Other receipts		3,519,097	3,771,355
Total receipts		**25,686,481**	**23,596,857**
Payments to employees		(16,709,880)	(16,082,611)
Payments to suppliers		(5,168,721)	(5,137,190)
Finance costs		(11,996)	(10,486)
GST paid to the ATO		(485,101)	(484,280)
Total payments		**(22,375,698)**	**(21,714,567)**
Net cash flows from operating activities		**3,310,783**	**1,882,290**
Cash flows from investing activities			
Purchase of non-financial assets		(963,192)	(1,050,381)
Proceeds from sale of non-financial assets		-	64,551
Net cash flows used in investing activities		**(963,192)**	**(985,830)**
Cash flows from financing activities			
Receipt of accommodation deposits		3,503,298	2,825,979
Repayment of accommodation deposits		(1,466,875)	(3,564,426)
Receipt/(repayment) of monies held in trust		(167,000)	91,154
Proceeds from borrowings		103,467	52,258
Repayment of borrowings and principal portion of lease liabilities		(71,619)	(87,363)
Net cash flows from/(used in) financing activities		**1,901,271**	**(682,398)**
Net increase/(decrease) in cash and cash equivalents		**4,248,862**	**214,062**
Cash and cash equivalents at beginning of financial year		10,870,596	10,656,534
Cash and cash equivalents at end of financial year	**6.2**	**15,119,458**	**10,870,596**

This statement should be read in conjunction with the accompanying notes

Beaufort and Skipton Health Service
Statement of Changes in Equity
For the Financial Year Ended 30 June 2026

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserves	Contributed Capital	Accumulated Deficits	Total
	$	$	$	$	$
Balance as at 1 July 2024	23,360,574	115,909	11,378,023	(11,844,191)	23,010,315
Net result for the year	-	-	-	(350,602)	(350,602)
Balance as at 30 June 2025	**23,360,574**	**115,909**	**11,378,023**	**(12,194,793)**	**22,659,713**
Net result for the year	-	-	-	(162,522)	(162,522)
Balance as at 30 June 2026	**23,360,574**	**115,909**	**11,378,023**	**(12,357,315)**	**22,497,191**

Beaufort and Skipton Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Structure

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

Note 1: About this Report

These financial statements represent the audited general purpose financial statements for Beaufort and Skipton Health Service for the year ended 30 June 2026.

Beaufort and Skipton Health Service is a not-for-profit entity established as a public agency on 1st October 1996 under the *Health Services Act 1988 (Vic)*. A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation
These financial statements are general purpose financial statements which have been prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AASs), which include interpretations, issued by the Australian Accounting Standards Board (AASB).

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

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

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

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

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Beaufort and Skipton Health Service on Monday, 21 September 2026.

Note 1.2 Material accounting estimates and judgements
Management makes estimates and judgements when preparing the financial statements.

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

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

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

Note 1.3 Reporting entity
Beaufort and Skipton Health Service's principal address is:

28 Havelock Street
Beaufort, Victoria 3373

Note 1.4 Economic dependency

Beaufort and Skipton Health Service is a public health service governed and managed in accordance with the *Health Services Act 1988* and its results form part of the Victorian General Government consolidated financial position. Beaufort and Skipton Health Service provides essential services and is predominantly dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue Beaufort and Skipton Health Service operations and on that basis, the financial statements have been prepared on a going concern basis.

Beaufort and Skipton Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 2: Funding delivery of our services

Beaufort and Skipton Health Service's overall objective is to provide quality health service that delivers person centred care to our patients, residents, community and staff. Beaufort and Skipton Health Service is predominantly funded by grant funding for the provision of outputs. Beaufort and Skipton Health Service also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

Note 2.1: Revenue and income from transactions

	Note	2026 $	2025 $
Revenue from contracts with customers	2.1(a)	12,364,941	10,681,695
Government grants	2.1(b)	9,200,104	8,832,782
Other sources of income	2.1(c)	2,574,368	3,061,100
Total revenue and income from transactions		**24,139,413**	**22,575,577**

Note 2.1(a): Revenue from contracts with customers

	2026 $	2025 $
Operating Activities		
Revenue from contracts with customers		
Government grants (State) - Operating	380,973	369,129
Government grants (Commonwealth) - Operating	9,421,825	8,040,286
Patient and resident fees	1,762,913	1,596,229
Commercial activities	799,230	676,051
Total revenue from contracts with customers	**12,364,941**	**10,681,695**

How we recognise revenue and income from transactions

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

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

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

Government grant	Performance obligation
▪ Commonwealth Residential Aged Care Funding	The performance obligations for Commonwealth Aged Care funding are the number and mix of residents in the Aged Care Facilities. Revenue is recognised at a point in time, which is when claims are submitted monthly.
▪ Commonwealth Home Support Programme Grants (CHSP)	The performance obligations for CHSP grants are the number of hours of care provided to eligible people through Allied Health and Therapy Services, Nursing and Social Support Groups to maximise their independence at home and in the community, in accordance with the grant agreement. Revenue is recognised at a point in time when the services are delivered.
▪ Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations.	For other grants with performance obligations the Beaufort and Skipton Health Service exercises judgement over whether the performance obligations have been met, on a grant-by-grant basis.

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

Note 2.1(b): Government Grants

	2026 $	2025 $
Government grants (State) - Operating	8,620,052	8,096,330
Government grants (Commonwealth) - Operating	32,884	3,000
Government grants (State) - Capital	106,847	434,494
Government grants (Commonwealth) - Capital	440,321	298,958
Total government grants	**9,200,104**	**8,832,782**

How we recognise government grants

Government grants

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

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

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

Capital grants

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

Income is recognised in accordance with AASB 1058 progressively as the asset is constructed which aligns with Beaufort and Skipton Health Service's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Note 2.1(c): Other sources of income

	Note	2026 $	2025 $
Other capital purpose income		45,870	6,087
Capital donations	2.1(d)	27,603	282,498
Consumables received free of charge or for nominal consideration	2.1(d)	-	8,743
Assets received free of charge or for nominal consideration	2.1(d)	287,501	-
Other income from operating activities		2,213,394	2,763,772
Total other sources of income		**2,574,368**	**3,061,100**

Beaufort and Skipton Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

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

	2026 $	2025 $
Cash donations and gifts	27,603	282,498
Building assets at fair value	287,501	-
Personal protective equipment and other consumables	-	8,743
Total fair value of assets and services received free of charge or for nominal consideration	**315,104**	**291,241**

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

Contributions of assets received free of charge or for nominal consideration are recognised at their fair value when Beaufort and Skipton Health Service obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

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

Non-cash contributions from the Department of Health
The Department of Health makes some payments on behalf of Beaufort and Skipton Health Service as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Beaufort and Skipton Health Service which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Victorian Health Building Authority	The Department of Health made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2026, on behalf of Beaufort and Skipton Health Service.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements with the Department of Health.

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses from transactions

Note 3.1: Expenses incurred in the delivery of services

	Note	2026 $	2025 $
Employee expenses	3.1(a)	17,191,455	16,174,613
Supplies and consumables	3.1(c)	2,691,567	2,504,782
Other operating expenses	3.1(d)	2,618,760	2,429,616
Total expenses incurred in the delivery of services		**22,501,782**	**21,109,011**

Note 3.1(a): Employee expenses

	2026 $	2025 $
Salaries and wages	14,424,282	13,586,710
Defined contribution superannuation expense	1,646,442	1,472,286
Agency expenses	798,248	805,854
Workcover premium	322,483	309,763
Total employee expenses	**17,191,455**	**16,174,613**

How we recognise employee expenses

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

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

Note 3.1(b): Employee benefits and related on-costs

	2026 $	2025 $
Current employee benefits and related on-costs		
Unconditional accrued days off	29,558	30,966
Unconditional annual leave entitlements	1,645,656	1,505,470
Unconditional long service leave entitlements	2,114,399	2,060,302
Total current employee benefits and related on-costs	**3,789,613**	**3,596,738**
Non-current employee benefits and related on-costs		
Conditional long service leave	487,350	368,788
Total non-current employee benefits and related on-costs	**487,350**	**368,788**
Total employee benefits and related on-costs	**4,276,963**	**3,965,526**
Attributable to:		
Employee benefits	3,743,921	3,470,513
Provision for related on-costs	533,042	495,013
Total employee benefits and related on-costs	**4,276,963**	**3,965,526**

Beaufort and Skipton Health Service
Notes to the Financial Statements
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How we recognise employee-related provisions

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

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

Annual leave and accrued days off
Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as current liabilities because Beaufort and Skipton Health Service does not have an unconditional right to defer settlement of these liabilities.

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

- Nominal value – if Beaufort and Skipton Health Service expects to wholly settle within 12 months; or
- Present value – if Beaufort and Skipton Health Service does not expect to wholly settle within 12 months.

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

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

The components of this current LSL liability are measured at:

- Nominal value – if Beaufort and Skipton Health Service expects to settle wholly within 12 months; or
- Present value – if Beaufort and Skipton Health Service does not expect to settle wholly within 12 months

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

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

Note 3.1(c): Supplies and consumables

	2026 $	2025 $
Drug supplies	35,966	42,544
Medical and surgical supplies	140,301	166,982
Food supplies	408,674	378,490
Patient support and supplies	1,851,488	1,649,920
Other supplies and consumables	255,138	266,846
Total supplies and consumables	**2,691,567**	**2,504,782**

How we recognise supplies and consumables

Supplies and consumables
Supplies and consumables costs are recognised as an expense in the reporting period in which they are incurred.

Note 3.1(d): Other operating expenses

	2026	2025
	$	$
Other operating expenses		
Communication and technology expenses	1,428,101	1,254,974
Fuel, light, power and water	218,029	222,971
Repairs and maintenance	239,600	224,590
Maintenance contracts	31,862	23,076
Medical indemnity insurance	42,190	30,645
Other administrative expenses	655,210	669,366
Expenditure for capital purposes	3,768	3,994
Total other operating expenses	**2,618,760**	**2,429,616**

How we recognise other operating expenses

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

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

The Department of Health also makes certain payments on behalf of Beaufort and Skipton Health Service. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue (refer to Note 2.1(b)) and recording the corresponding expense.

Beaufort and Skipton Health Service
Notes to the Financial Statements
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Note 4: Key assets to support service delivery

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

Significant judgement – Fair value measurement

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

Structure

4.1 Property, plant and equipment
4.2 Depreciation

Note 4.1: Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
	$	$	$	$	$	$
Land at fair value - Crown	420,000	420,000	-	-	420,000	420,000
Land at fair value - Freehold	1,123,000	1,123,000	-	-	1,123,000	1,123,000
Buildings at fair value	21,813,187	21,040,601	(3,932,074)	(1,947,284)	17,881,113	19,093,317
Works in progress at cost	411,048	242,648	-	-	411,048	242,648
Plant and equipment at fair value	4,263,036	3,978,248	(2,547,967)	(2,182,086)	1,715,069	1,796,162
Total property, plant and equipment	**28,030,271**	**26,804,497**	**(6,480,041)**	**(4,129,370)**	**21,550,230**	**22,675,127**

How we recognise property, plant and equipment

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

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

Note 4.1(a): Reconciliations of carrying amount of each class of asset

	Land	Buildings	Work in Progress	Plant and Equipment	Medical Equipment	Motor Vehicles	Total
	$	$	$	$	$	$	$
Balance at 1 July 2025	**1,543,000**	**19,093,317**	**242,648**	**1,313,634**	**226,571**	**255,957**	**22,675,127**
Additions	-	379,048	561,938	154,976	107,456	47,275	1,250,693
Disposals	-	-	-	-	-	-	-
Revaluation increments/(decrements)	-	-	-	-	-	-	-
Net transfers between classes	-	393,538	(393,538)	-	-	-	-
Depreciation (refer Note 4.2)	-	(1,984,790)	-	(265,159)	(57,504)	(68,137)	(2,375,590)
Balance at 30 June 2026	**1,543,000**	**17,881,113**	**411,048**	**1,203,451**	**276,523**	**235,095**	**21,550,230**

Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that the movements were not material (less than or equal to 10%). As such, an independent revaluation was not required per FRD 103. In accordance with FRD 103, Beaufort and Skipton Health Service has elected to apply the practical expedient in FRD 103 Non-Financial Physical Assets and has therefore not applied the amendments to AASB13 Fair Value Measurement. The amendments to AASB 13 will apply if there is a revaluation before the next scheduled independent revaluation, which is planned to be undertaken in 2029, in accordance with Beaufort and Skipton Health Service's revaluation cycle.

Beaufort and Skipton Health Service
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Note 4.1(b): Right-of-use assets included in property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
	$	$	$	$	$	$
Motor vehicles	331,584	284,309	(109,996)	(63,881)	221,588	220,428
Equipment	56,192	-	(8,221)	-	47,971	-
Total right-of-use assets	**387,776**	**284,309**	**(118,217)**	**(63,881)**	**269,559**	**220,428**

	Right-of-use Equipment	Right-of-use Motor Vehicles
	$	$
Balance at 1 July 2025[1]	-	**220,428**
Additions	56,192	47,275
Depreciation	(8,221)	(46,115)
Balance at 30 June 2026	**47,971**	**221,588**

(1)As a result of a change in *FRD104 Leases* effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 7.3.

How we recognise right-of-use assets

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

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information) the contract gives rise to a right-of-use asset and corresponding lease liability.

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

Subsequent measurement
Right-of-use assets are subsequently measured at cost less accumulated depreciation, impairment and any adjustments for remeasurement of the lease liability.

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

4.1(c) Impairment of property, plant and equipment

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

Beaufort and Skipton Health Service has assessed all right-of-use assets for impairment, and no indicators of impairment are identified as at 30 June 2026.

Note 4.2: Depreciation

How we recognise depreciation

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

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

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

	2026	2025
Buildings		
- Structure Shell Building Fabric	5 to 40 years	5 to 40 years
- Site Engineering Services	5 to 24 years	5 to 24 years
- Fitout	5 to 11 years	5 to 11 years
- Trunk Reticulated Building Systems	2 to 14 years	2 to 14 years
- Other Site Improvements	4 to 45 years	4 to 45 years
Plant and Equipment	2 to 20 years	2 to 20 years
Medical Equipment	3 to 10 years	3 to 10 years
Motor Vehicles	5 to 6 years	5 to 6 years

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

Beaufort and Skipton Health Service
Notes to the Financial Statements
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Note 5: Other assets and liabilities

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

Structure

5.1 Receivables
5.2 Contract assets
5.3 Impairment of financial assets
5.4 Payables
5.5 Contract liabilities
5.6 Monies held in trust

Note 5.1: Receivables

Current receivables	Note	2026 $	2025 $
Contractual			
Inter hospital debtors		286,748	444,730
Trade debtors		130,857	262,441
Patient fees		389,531	352,813
Accrued revenue		17,609	9,025
Allowance for impairment losses	5.3	(15,869)	(21,882)
Total contractual receivables		**808,876**	**1,047,127**
Statutory			
GST receivable		97,373	101,682
Total statutory receivables		**97,373**	**101,682**
Total current receivables		**906,249**	**1,148,809**
Non-current receivables			
Long service leave - Department of Health		945,702	786,804
Total non-current receivables		**945,702**	**786,804**
Total receivables		**1,851,951**	**1,935,613**
(i) Financial assets classified as receivables (Note 7.1)			
Total receivables		1,851,951	1,935,613
GST receivable		(97,373)	(101,682)
Total financial assets classified as receivables	7.1	**1,754,578**	**1,833,931**

How we recognise receivables

Receivables consist of:

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

Note 5.2: Contract assets

	2026 $	2025 $
Current		
Contract assets	145,930	284,162
Total current contract assets	**145,930**	**284,162**
Total contract assets	**145,930**	**284,162**

How we recognise contract assets

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

Note 5.3: Impairment of financial assets

	Note	2026 $	2025 $
Impairment loss on contractual receivables			
From transactions	5.1	(15,869)	(21,882)
		(15,869)	**(21,882)**

How we recognise impairment of financial assets

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

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

Contractual receivables at amortised cost
Beaufort and Skipton Health Service has grouped contractual receivables on shared credit risk characteristics and days past due and has selected the expected credit loss rate based on Beaufort and Skipton Health Service's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

The expected credit loss rates applied at 30 June 2026 vary from 0.42% for contractual receivables that are current to 7.33% for contractual receivables that are more than 90 days past due (30 June 2025: from 0.58% to 10.12%).

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

Beaufort and Skipton Health Service
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Note 5.4: Payables

	Note	2026 $	2025 $
Current payables			
Contractual			
Trade creditors		215,805	128,115
Accrued salaries and wages		826,646	731,352
Accrued expenses		188,696	163,109
Deferred capital grant income	5.4(a)	458,759	-
Inter hospital creditors		1,585	2,884
Total contractual payables		**1,691,491**	**1,025,460**
Total current payables		**1,691,491**	**1,025,460**
(i) Financial liabilities classified as payables (Note 7.1)			
Total payables		1,691,491	1,025,460
Deferred capital grant income		(458,759)	-
Total financial liabilities classified as payables	7.1	**1,232,732**	**1,025,460**

How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salary and wages payable represent liabilities for goods and services provided to Beaufort and Skipton Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables**, including Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.4(a): Movement in deferred capital grant income

	2026 $	2025 $
Opening balance of deferred capital grant income	-	84,648
Grant consideration for capital works received during the year	1,005,927	349,847
Deferred capital grant income recognised as revenue due to completion of capital works	(547,168)	(434,495)
Closing balance of deferred capital grant income	**458,759**	**-**

How we recognise deferred capital grant income

Grant consideration was received from the Victorian Department of Health to support the conversion of three shared rooms into single bed rooms with ensuites, and construction of three single bed rooms with ensuites at the Beaufort Nursing Home.

Capital grant income is recognised progressively as the asset is constructed, since this is the time when Beaufort and Skipton Health Service satisfies its obligations. The progressive percentage costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result, Beaufort and Skipton Health Service has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Note 5.5: Contract liabilities

	2026 $	2025 $
Current		
Contract liabilities	798,077	641,841
Total contract liabilities	**798,077**	**641,841**

How we recognise contract liabilities

Contract liabilities relate to consideration received in advance from customers in respect of the Victorian Department of Health and the Commonwealth Department of Health and Aged Care.

The balance of contract liabilities was significantly higher than the previous reporting period due to the commitment for future performance obligations.

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

Note 5.6: Monies held in trust

	Note	2026 $	2025 $
Current monies held in trust*			
- Refundable accommodation deposits and bonds	7.1	9,362,068	7,325,644
- Patient monies		5,772	172,772
Total monies held in trust		**9,367,840**	**7,498,416**
***Represented by:**			
Cash assets	6.2	9,367,840	7,498,416
		9,367,840	**7,498,416**

How we recognise monies held in trust

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

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

RAD/accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/accommodation bond in accordance with the *Aged Care Act 2024*.

Beaufort and Skipton Health Service
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Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure

Note 6.1: Borrowings

	Note	2026 $	2025 $
Current borrowings			
Lease liability *(i)*	6.1(a)	168,672	91,888
Advances from government *(ii)*		-	17,881
Total current borrowings		**168,672**	**109,769**
Non-current borrowings			
Lease liability *(i)*	6.1(a)	102,850	129,918
Total non-current borrowings		**102,850**	**129,918**
Total borrowings	7.1	**271,522**	**239,687**

(i) Secured by the assets leased.
(ii) This is an unsecured loan which bears no interest.

How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly raised from advances from the Department of Health and other funds raised through lease liabilities, and other interest-bearing arrangements.

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

Terms and conditions of borrowings

					Maturity Dates			
30 June 2026	**Note**	**Weighted average interest rate (%)**	**Carrying Amount $**	**Nominal Amount $**	**Less than 1 Month $**	**1-3 Months $**	**3 months – 1 Year $**	**1-5 Years $**
Lease liabilities	**6.1**	4.36%	271,522	285,336	56,117	13,226	108,789	107,204
Total financial liabilities			**271,522**	**285,336**	**56,117**	**13,226**	**108,789**	**107,204**

					Maturity Dates			
30 June 2025	**Note**	**Weighted average interest rate (%)**	**Carrying Amount $**	**Nominal Amount $**	**Less than 1 Month $**	**1-3 Months $**	**3 months – 1 Year $**	**1-5 Years $**
Borrowings	**6.1**	-	17,881	17,881	-	-	17,881	-
Lease liabilities	**6.1**	3.54%	221,806	235,620	3,293	9,938	78,657	129,918
Total financial liabilities			**239,687**	**253,501**	**3,293**	**9,938**	**96,538**	**129,918**

Interest Expense

	Note	2026 $	2025 $
Interest on lease liabilities		11,996	10,486
Total interest expense		**11,996**	**10,486**

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

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

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

Note 6.1(a): Lease liabilities

Beaufort and Skipton Health Service's lease liabilities are summarised below:

	2026 $	2025 $
Current lease liabilities		
Lease liability	168,672	91,888
Total current lease liabilities	**168,672**	**91,888**
Non-current lease liabilities		
Lease liability	102,850	129,918
Total non-current lease liabilities	**102,850**	**129,918**
Total lease liabilities	**271,522**	**221,806**

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

	2026 $	2025 $
Not longer than one year	176,629	99,844
Longer than one year but not longer than five years	108,707	135,776
Minimum future lease liability	**285,336**	**235,620**
Less unexpired finance expenses	(13,814)	(13,814)
Present value of lease liability	**271,522**	**221,806**

How we recognise lease liabilities

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

To apply this definition, Beaufort and Skipton Health Service ensures the contract meets the following criteria:

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

Beaufort and Skipton Health Service
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For the Financial Year Ended 30 June 2026

Beaufort and Skipton Health Service's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased vehicles	3 years
Leased equipment	5 years

Initial measurement
The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Beaufort and Skipton Health Service's incremental borrowing rate. Our lease liability has been discounted by rates between 1.25% and 5.25%.

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

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

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

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

Note 6.2: Cash and cash equivalents

	Note	2026 $	2025 $
Cash on hand (excluding monies held in trust)		797	780
Cash at bank (excluding monies held in trust)		5,750,821	3,371,400
Total cash held for operations		**5,751,618**	**3,372,180**
Cash on hand (monies held in trust)		4,108	3,496
Cash at bank (monies held in trust)		9,363,732	7,494,920
Total cash held as monies in trust		**9,367,840**	**7,498,416**
Total cash and cash equivalents	7.1	**15,119,458**	**10,870,596**

Note 6.3: Commitments for expenditure

30 June 2026	Less than 1 year $
Capital expenditure commitments	885,713
Operating expenditure commitments	13,127
Total commitments (inclusive of GST)	**898,840**
Less GST recoverable	(81,832)
Total commitments (exclusive of GST)	**817,008**

30 June 2025	Less than 1 year $
Capital expenditure commitments	30,779
Operating expenditure commitments	17,697
Total commitments (inclusive of GST)	**48,476**
Less GST recoverable	(4,407)
Total commitments (exclusive of GST)	**44,069**

How we disclose our commitments

Our commitments relate to expenditure.

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

Beaufort and Skipton Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 7: Financial instruments, contingencies and valuation judgements

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

Structure

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

Note 7.1: Financial instruments

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

30 June 2026	Note	Carrying amount $	Net gain/(loss) $	Total interest income/ (expense) $	Fee income/ (expense) $	Impairment loss $
Financial assets at amortised cost						
Cash and cash equivalents	6.2	15,119,458	-	513,409	-	-
Receivables	5.1	1,754,578	4,090	-	-	-
Total financial assets *(i)*		**16,874,036**	**4,090**	**513,409**	**-**	**-**
Financial liabilities at amortised cost						
Payables	5.4	1,232,732	-	-	-	-
Borrowings	6.1	271,522	-	11,996	-	-
Refundable Accommodation Deposits and Bonds	5.6	9,362,068	-	-	-	-
Patient Monies Held in Trust	5.6	5,772	-	-	-	-
Total financial liabilities *(i)*		**10,872,094**	**-**	**11,996**	**-**	**-**

30 June 2025	Note	Carrying amount $	Net gain/(loss) $	Total interest income/ (expense) $	Fee income/ (expense) $	Impairment loss $
Financial assets at amortised cost						
Cash and cash equivalents	6.2	10,870,596	-	513,952	-	-
Receivables	5.1	1,833,931	20,074	-	-	-
Total financial assets *(i)*		**12,704,527**	**20,074**	**513,952**	**-**	**-**
Financial liabilities at amortised cost						
Payables	5.4	1,025,460	-	-	-	-
Borrowings	6.1	239,687	-	10,486	-	-
Refundable Accommodation Deposits and Bonds	5.6	7,325,644	-	-	-	-
Patient Monies Held in Trust	5.6	172,772	-	-	-	-
Total financial liabilities *(i)*		**8,763,563**	**-**	**10,486**	**-**	**-**

(i) The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. GST Payable and Revenue in Advance).

How we categorise financial instruments

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

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

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

Beaufort and Skipton Health Service recognises the following assets in this category:

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

Categories of financial liabilities

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

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

Beaufort and Skipton Health Service recognises the following liabilities in this category:
- payables (excluding statutory payables and contract liabilities)
- borrowings, and
- other liabilities (including monies held in trust).

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
- Beaufort and Skipton 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
- Beaufort and Skipton Health Service has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

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

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

A financial liability reclassification is not permitted.

Note 7.2: Contingent assets and contingent liabilities

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

Beaufort and Skipton Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 7.3: Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Property, plant and equipment, with the exception of right-of-use assets arising under AASB 16, which are measured using the cost model

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

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

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

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

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

Fair value determination: non-financial physical assets

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 *Fair Value Measurement* by adding Appendix F *Australian Implementation Guidance for Not-for-Profit Public Sector Entities*. Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

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

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

Non-specialised land, non-specialised buildings
Non-specialised land, non-specialised buildings, investment properties and cultural assets are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value. From this analysis, an appropriate rate per square metre has been applied to the asset.

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

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

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

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

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

Vehicles

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

Furniture, Fittings, Plant and equipment

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

Significant assumptions

Description of significant assumptions applied to fair value measurement.

Asset class	Valuation technique	Significant assumption	Range (weighted average) *(i)*
Specialised land	Market approach	Community Service Obligation adjustments *(i)*	20% *(ii)*
Specialised buildings	Current replacement cost approach	Cost per square metre Useful life	$1,875 – $7,070/m^2 ($3,797/m^2) 2 – 34 years (12 years)

(i) Illustrations on the valuation techniques and significant assumptions and unobservable inputs are indicative and should not be used without consultation with the health service's independent valuer

(ii) A community service obligation (CSO) of 20% was applied to Beaufort and Skipton Health Service's specialised land.

Beaufort and Skipton Health Service
Notes to the Financial Statements
For the Financial Year Ended 30 June 2026

Note 8: Other Disclosures

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

Structure

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

Note 8.1: Ex-gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that are not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity.

There were no ex-gratia expenses to disclose for the Beaufort and Skipton Health Service in 2026 (2025: None).

Note 8.2: Responsible persons disclosures

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

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 Jul 2025 – 14 Apr 2026
Minister for Ambulance Services	1 Jul 2025 – 14 Apr 2026
The Honourable Harriet Shing MP:	
Minister for Health	15 Apr 2026 – 30 Jun 2026
Minister for Ambulance Services	15 Apr 2026 – 30 Jun 2026
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	1 Jul 2025 – 30 Jun 2026
Minister for Prevention of Family Violence	15 Apr 2026 – 30 Jun 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	1 Jul 2025 – 30 Jun 2026
Minister for Ageing	1 Jul 2025 – 30 Jun 2026
Minister for Prevention of Family Violence	18 Dec 2025 – 14 Apr 2026
Minister for Multicultural Affairs	1 Jul 2025 – 14 Apr 2026
Minister for Multicultural and Multifaith	15 Apr 2026 – 30 Jun 2026
The Honourable Lizzy Blandthorn MP:	
Minister for Children	1 Jul 2025 – 30 Jun 2026
Minister for Disability	1 Jul 2025 – 30 Jun 2026
Governing Board	
Dr Margaret Way (Chair of the Board)	1 Jul 2025 - 30 Jun 2026
Ms Tanya Barun	1 Jul 2025 - 30 Jun 2026
Ms Jo Hall	1 Jul 2025 - 30 Jun 2026
Mr Nigel Jarvis	1 Jul 2025 - 30 Jun 2026
Ms Lauren Baker	1 Jul 2025 - 30 Jun 2026
Ms Maree White	1 Jul 2025 - 30 Jun 2026
Ms Kate Redwood	1 Jul 2025 - 30 Jun 2026
Mr Simon Grant	1 Jul 2025 - 30 Jun 2026
Mr Doug McCaskie	1 Jul 2025 - 30 Jun 2026
Mr Paul Donohue	1 Jul 2025 - 30 Jun 2026

Accountable Officer

Mrs Meryn Pease (Chief Executive Officer) 1 Jul 2025 - 30 Jun 2026

Remuneration of Responsible Persons

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

Income Band	2026 No.	2025 No.
$0 - $9,999	10	9
$310,000 - $319,999	1	1
Total Numbers	**11**	**10**

	2026 $	2025 $
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**360,371**	**343,713**

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

Note 8.3: Remuneration of executives

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

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

	Total Remuneration	
Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	**2026 $**	**2025 $**
Total remuneration *(i)*	**751,856**	**727,022**
Total number of executives	**5**	**4**
Total annualised employee equivalent *(ii)*	**3.29**	**3.21**

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Beaufort and Skipton Health Service under AASB 124 *Related Party Disclosures* and are also reported within Note 8.4 Related Parties.
(ii) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Beaufort and Skipton Health Service
Notes to the Financial Statements
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Note 8.4: Related parties

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

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers and their close family members, and
- jointly controlled operations – the Grampians Rural Health Alliance Information Technology Joint Venture Alliance, and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

Significant transactions with government-related entities
Beaufort and Skipton Health Service received funding from government related entities of $9,002,946 (2025: $8,443,448) and indirect contributions of $110,246 (2025: $103,551).

Expenses incurred by Beaufort and Skipton Health Service in delivering services are in accordance with HealthShare Victoria requirements. Goods and services including procurement, diagnostics, patient meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

Professional medical indemnity insurance and other insurance products are obtained from the Victorian Managed Insurance Authority.

The Standing Directions of the Minister for Finance require Beaufort and Skipton Health Service to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health and the Treasurer.

Key management personnel

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Beaufort and Skipton Health Service, directly or indirectly.

The Board of Directors and the Executive Directors of Beaufort and Skipton Health Service are deemed to be KMPs. This includes the following:

	Period
Governing Board	
Dr Margaret Way (Chair of the Board)	1 Jul 2025 - 30 Jun 2026
Ms Tanya Barun	1 Jul 2025 - 30 Jun 2026
Ms Jo Hall	1 Jul 2025 - 30 Jun 2026
Mr Nigel Jarvis	1 Jul 2025 - 30 Jun 2026
Ms Lauren Baker	1 Jul 2025 - 30 Jun 2026
Ms Maree White	1 Jul 2025 - 30 Jun 2026
Ms Kate Redwood	1 Jul 2025 - 30 Jun 2026
Mr Simon Grant	1 Jul 2025 - 30 Jun 2026
Mr Doug McCaskie	1 Jul 2025 - 30 Jun 2026
Mr Paul Donohue	1 Jul 2025 - 30 Jun 2026
Executive Directors	
Mrs M Pease - Chief Executive Officer	1 Jul 2025 - 30 Jun 2026
Dr C Winter - Director of Medical Services	1 Jul 2025 - 30 Jun 2026
Mrs M Cushing - Director of Clinical Services	1 Jul 2025 - 30 Jun 2026
Mr C Nykoluk – Director of Business Services	1 Jul 2025 - 30 Jun 2026
Mr Kel Oswin - Support Services Manager	1 Jul 2025 - 31 Mar 2026
Mrs K Bush – Director of Workforce and Culture	2 Mar 2026 - 30 Jun 2026

Remuneration of key management personnel

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

	2026	2025
	$	$
Total Compensation - KMPs *(i)*	**1,112,227**	**1,070,735**

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

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

Outside of normal citizen type transactions with the Beaufort and Skipton Health Service, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2026 (2025: None).

There were no related party transactions required to be disclosed for the Beaufort and Skipton Health Service Board of Directors and Executive Officers in 2026 (2025: None).

Note 8.5: Remuneration of auditors

	2026	2025
Victorian Auditor-General's Office	**$**	**$**
Audit of the financial statements	28,300	26,900
Total remuneration of auditors	**28,300**	**26,900**

Note 8.6: Events occurring after the balance sheet date

There are no events occurring after the balance sheet date.

Note 8.7: Joint arrangements

Joint arrangement	Principal activity	Ownership Interest	
		2026	2025
Grampians Rural Health Alliance	In June 2008, the Department of Health issued circular number 17/2008, which outlines government requirements for the operation of rural health Information and Communication Technology (ICT) alliances. The policy outlines the accepted governance model for the operation of the ICT alliances. The policy requires public hospitals, public health services and multipurpose services which are declared or established under the *Health Services Act 1988*, to enter into the alliance for the region in which they operate, in accordance with a Joint Operation Agreement. Consistent with this policy, the Grampians Rural Health Alliance came into effect on 9 December 2008.	1.77%	1.86%

Beaufort and Skipton Health Service is involved in a joint arrangement where control and decision-making is shared with other parties. Beaufort and Skipton Health Service has determined the entity detailed in the above table is a joint operation and therefore recognises its share of assets, liabilities, revenues and expenses in accordance with its rights and obligations under the arrangement.

Beaufort and Skipton Health Service's share of the joint arrangement financials is detailed below. The amounts are included under their respective categories:

	2026	2025
	$	**$**
Total revenue from income and transactions	245,060	226,272
Total expenses from transactions	(245,860)	(213,192)
Total net result	(800)	13,080
Total other economic flows included in the net result	(4,912)	7,846
Comprehensive result for the year	(5,712)	20,926
Total assets	654,852	541,753
Total liabilities	562,514	443,703
Total equity	92,338	98,050

* Figures obtained from the unaudited GRHA annual report.

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

Beaufort & Skipton
Health Service

BEAUFORT CAMPUS

28 Havelock Street, Beaufort Victoria 3373

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Incorporating:
Beaufort Hospital, Delama, Ripon Peace and
Beaufort and Skipton Community Health

SKIPTON CAMPUS

2 Blake Street, Skipton Victoria 3361

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Incorporating:
Skipton Hospital, Brigadoon, Mackinnon,
Skipton Medical Practice and
Beaufort and Skipton Community Health

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