Annual Report 2025-26



KYABRAM DISTRICT
HEALTH SERVICE

Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Kyabram District Health Service for the year ending 30 June 2026.

Chris Motton
Board Chair, Kyabram District Health Service
30 June 2026

30 June 2026

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Board Chair and Chief Executive Officer – A Year in Review

In presenting this annual report, we would like to acknowledge the traditional owners of the land upon which Kyabram District Health Service (KDHS) is located, the Yorta Yorta people, and pay our respects to Elders, past, present and emerging. We recognise our First Peoples as the Oldest Living Culture on the planet and their connection to our lands and waterways.

KDHS is reporting a successful and productive 12 months.

The Board of Directors provide stewardship for the implementation of the KDHS Strategic Plan, some of the highlights this year are:

Solid activity target results including:

- Acute care achieved 101% of service target following considerable planning and ongoing management of service demand. This included acute bed occupancy of 72%, urgent care presentations totalling 5,600, and a 23% increase in Hospital in the Home activity. Sheridan Aged Care continued strong occupancy of 98.3% and higher than anticipated Australian National Aged Care Classification rates.
- Community Services and Primary Health teams contributed favourably to achieve:
  - 95% of target activity for the Community Health Program
  - 86% of target activity for Home and Community Care
  - 107% of target activity for Commonwealth Home Support Program
  - Home Care Package increase to manage 46
  - KyCare provided 7905 hours of service to client homes, an increase of 8.5%

To strengthen the sustainability of our current suite of services, the Board commissioned a third-phase review of our Medical Model of Care. This report had 27 recommendations aimed at sustainability of services which will require some easier and some more difficult decisions.

The Stanhope Health-hosted GP Clinic collaboration with Telecare was invited into the Commonwealth-supported "Thin Markets" program which pleasingly enhanced the GP appointment fill rates to close to 100% by the end of the financial year. The After Hours Primary Health Clinic hosted by KDHS provided 1824 appointments on weekends and received further Murray PHN funding for two more years.

KDHS also was successful in procuring new funding for a couple of key initiatives:

- Successful as one of 12 Victorian health services for the Seniors Lifestyle Victoria Program, which offers access to a range of services to support participants to stay independent and well. This includes support with physical activity, nutrition, medication management, and social connection
- Partnerships for Culturally Safe Cancer Care grant program - Yorta Itjumatj Yapaneyepuk: Closing the gap with co-designed optimal care pathways for First Nations people with cancer in Rural Northern Victoria

KDHS continues to upgrade our infrastructure to support the future of healthcare delivery of which this year included:

- Completion and celebrating the opening of our Central Sterile Services Department (CSSD) in Theatre to ensure KDHS continues to comply with important infection control standards (thanks to the Victorian State Government Regional Health Infrastructure Fund for the funding)
- With the support of Regional Development Victoria, completed the building of two, one-bedroom accommodation apartments which have been well utilised by staff and visiting service providers over the last 12 months
- Commencement of our new Education and Training Centre which is tracking to be completed by the end of 2026.

KDHS is an active member of the Hume Local Health Service Network which has successfully met all objectives outlined in the Department of Health's required Statement of Expectations, demonstrating strong performance across access, equity and flow; workforce; safety and quality; and shared services.

The Hume Network has established robust collaboration and governance arrangements through a comprehensive foundation process, shaped by active contributions from all member health service Chief Executive Officers and Board Chairs. Broad health service representation across committees supports collective, system-focused, decision-making, strengthening the Network's ability to respond to challenges and improve health outcomes across Hume. This strong foundation has positioned the Network to enable genuine, sustained collaboration.

The Network finalised its Strategy 2026–2028 following extensive consultation with members. The Strategy provides a clear three-year roadmap to strengthen collaboration, improve equitable access, and enhance the quality and sustainability of health services

across the Network. Bringing together 12 public health services, including KDHS, the Network is focused on improving system effectiveness and efficiency through coordinated planning, shared expertise, and reduced duplication.

In support of our Hume Network allegiance, KDHS has almost completed our ICT system transition across to Hume which will, in the future, support the alignment of our clinical and digital health strategies.

With regard to the KDHS Board of Directors, we had stable membership of eight Directors during the reporting year, farewelling Gino Toncich at the end of June 2026 after nine years of dedicated service, including a term as Chair of our Clinical Governance committee. Gino's clinical knowledge and background as a medical practitioner provided immense governance value and we wish Gino all the best. We were notified of the successful appointments to the Board of both Sally Harris and Shelly Crowther who commenced with KDHS on 1 July 2026.

With a touch of sadness, we acknowledged the final meeting of our beloved Kyabram Hospital Auxiliary whom after 93 years of dedicated service, decided to disband. For the members it wasn't an easy decision, however, we took the opportunity to celebrate their contributions at a High Tea in June. The Auxiliary's legacy will leave a remarkable positive impression on the health service, and we thank all members who have served in this commendable entity.

We would also like to thank all who have contributed to the ongoing success of KDHS during another challenging but rewarding year. Many people contribute to these accomplishments in so many ways, including our Board directors, staff, visiting medical officers, volunteers, our very generous donors, the State Department of Health and Commonwealth Department of Health, Disability and Ageing. Our consumer voices, which include formal groups such as those at both Stanhope and Tongala Health, the Community Advisory Committee and What We Can Do Group, thanks for your input and advocacy for how KDHS can improve and assist in the design of services which aim to meet community needs. We strive to provide for our community within the pressures of our fiscal responsibilities, however, our desire to listen and learn is why our consumer feedback processes are so valued.

The Victorian Health System is facing significant challenges and pressures of which is a viewed shared by all public health services, including KDHS. However, KDHS is well positioned to ensure health services will continue to be delivered to this community.

Finally, we wish to thank our wonderful community and residents for their ongoing support. You continue to inspire us to *Help our Community Live Well*.



Chris Motton
Board Chair, Kyabram District Health Service
30 June 2026



Anne McEvoy
Chief Executive Officer, Kyabram District Health Service
30 June 2026

KDHS Strategic Goals

KYABRAM DISTRICT
HEALTH SERVICE

OUR VISION

Helping our community live well

OUR VALUES

CARING

We will be compassionate in our care and understanding of your needs

VERSATILE

We will be responsive and adaptable to change

COLLABORATIVE

We will work together to help our community live well



INCLUSIVE

We are friendly, open and welcoming of everybody

ACCOUNTABLE

We can be trusted to provide quality and safe care

STRATEGIC GOALS

STRATEGIC GOAL 1

Accessible and coordinated care

STRATEGIC GOAL 2

A dynamic, capable and supported workforce

STRATEGIC GOAL 3

Meet community needs in new ways

STRATEGIC GOAL 4

Enhanced impact through responsible practices

KDHS operates on Yorta Yorta land and we pay our respect to Elders past, present and emerging. We recognise our First Peoples as the oldest living culture on the planet and their connection to our lands and waterways.

General Information

The objectives, functions, powers and duties of the Health Service

Kyabram District Health Service (KDHS) is a public hospital established under the *Health Services Act 1988* (Vic). The responsible Ministers for the reporting period were:

The Hon. Mary-Anne Thomas, Minister for Health and Minister for Ambulance Services from 1 July 2025 to 15 April 2026.

Hon. Harriet Shing, Minister for Health, Minister for Ambulance Service and Minister for Water from 15 April 2026 to 30 June 2026.

The Hon. Melissa Horne, Minister for Health Infrastructure from 30 June 2025 to 30 June 2026.

The Hon. Ingrid Stitt Minister for Mental Health and Minister for Ageing from 1 July 2025 to 30 June 2026.

The Hon. Lizzie Blandthorn Minister for Disability and Minister for Children from 1 July 2025 to 30 June 2026.

Our Services

KDHS provides an integrated range of acute, subacute, residential aged care, allied, primary health and community care services. KDHS has been providing services to the community since 1933.

Advance Care Planning	Acute Services	After Hours GP Clinic	Cancer Services
Cancer Support Programs	Cancer Survivorship Care	Cardiac Rehabilitation	Carer's Respite
Community Health Nursing	Diabetes Education	Dietetics	Disability Liaison
District Nursing	Exercise Physiology	Health Promotion	Home Care
Support at Home Packages	Hospital in the Home	Oncology & Medical Day Unit	Minor Procedure Clinic
NDIS Therapy Support	Occupational Therapy	Palliative Care	Pathology (contracted)
Physiotherapy	Podiatry	Pre-admission Clinic	Pulmonary Rehabilitation
Radiology (contracted)	Renal Dialysis	Residential Aged Care (Permanent & Respite)	Social Support Group
Social Work	Speech Pathology	Theatre	Transition Care Program
Well Women's Clinic	Urgent Care Centre	Seniors Lifestyle Victoria Program	

Consulting Services/Outreach

Alcohol and Other Drugs	Audiology	Cardiac (Pacemaker & Halter Monitor Clinics)	General Surgery
Gerontology	Haematology	Mental Health	Nephrology
Oncology	Ophthalmology	Orthopaedics	Podiatry
Sexual Health	Anaesthetics	Physiotherapy	Maternal & Child Health
Antenatal Clinic	Telecare GP Clinic		

Donations

We acknowledge and sincerely thank every person or organisation that has donated to KDHS. The generous support has made a difference to the services provided and the comfort of patients and residents.

Individual Donations

- A.W. Warren
- Mr. John Butler
- Kaye & Kevin Wilson
- Douglas Hennebery
- Estate of John Francis Hogan

Donations and Bequests were received from the following businesses, groups, and events:

- Kyabram Hospital Auxiliary
- Kyabram Men's Longest Lunch
- Kyabram Parkland Golf Club
- Lions Club of Kyabram

Items funded and programs supported by the donations received include:

- Renal Dialysis Chairs
- High Flow CO_2 Insufflator
- Blue Phantom Ultrasound Trainer

No donations or bequests are used for administration costs.

Tax Deductibility

KDHS is endorsed by the Australian Taxation Office as a Deductible Gift Recipient. Donations to KDHS, a public health service, qualify for a tax deduction under item 1.1.1 of section 30-B of the *Income Tax Assessment Act 1997*.



Kyabram District Health Service Auxiliary Farewell High Tea

Life Governors

Uncle Bobs Club	Mr G. Stone (dec)	Kyabram Hospital Auxiliary	Mr T. W. McMaster-Smith (dec)
Mr F. Billings (dec)	Mr A. J. Hutchinson (dec)	Mr A. G. McCormick (dec)	Mr J. H. Brown (dec)
Miss F. M. Wallis (dec)	Mr F. Wooller (dec)	Mr T. J. Tehan (dec)	Mr W. Brewster (dec)
Mrs L. N. King (dec)	Mr I. Purdey	Mr E. Scott-MacKenzie (dec)	Mr S. Muir-Smith (dec)
Mrs J. Stone	Mr P. Hann	Mr R. Tuhan (dec)	Mr D. Crow
Mrs M. Chalker	Mrs R. Busch	Mr M. Sweeney	Ms J. Courtney
Ms J. Greer	Ms M. Atkins	Mr D Denham	

Board Directors & Sub-Committee Membership

Board of Directors
Chris Motton (Board Chair)
Samantha Rodriquez (Deputy Chair)
Jaqueline Austin
Gavin Hanlon
Harley Hayes
Carol-Anne Lever (Until 1 September 2025)
Jacqueline Murphy
Merrin Prictor
Gino Toncich

Board Leadership Committee
Chris Motton (Chair)
Jacqueline Austin
Gavin Hanlon
Harley Hayes
Merrin Prictor
Samantha Rodriquez

Corporate Governance (Audit) Sub-Committee
Gavin Hanlon (Chair)
Jacqueline Murphy (From 27 August 2025)
Merrin Prictor
Samantha Rodriquez
Gino Toncich (until 27 August 2025)

Clinical Governance Sub-Committee
Merrin Prictor (Chair)
Jaqueline Austin
Harley Hayes
Carol-Anne Lever (Until 1 September 2025)
Gino Toncich (From 27 August 2025)

Community & Cultural Governance Sub-Committee
Jaqueline Austin (Chair)
Gavin Hanlon
Chris Motton
Jacqueline Murphy

Credentialing Sub-Committee
Harley Hayes (Chair)
Merrin Prictor
Jacqueline Murphy (From 27 August 2025 to 27 November 2025)
Chris Motton (From 27 November 2025)

Organisation Structure

KYABRAM DISTRICT HEALTH SERVICE

ORGANISATION STRUCTURE

BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER

Executive & Governance Assistant
Board Secretary

QUALITY, EDUCATION & RISK
Communications
Consumer Engagement & Experience
Education
Infection Control
Risk & Legislative Compliance
Quality & Safety

DIRECTOR OF PRIMARY HEALTH & COMMUNITY SERVICES

DIRECTOR OF CORPORATE

DIRECTOR OF CLINICAL SERVICES

DIRECTOR OF PEOPLE & CULTURE

DIRECTOR OF MEDICAL

Executive Assistant

MEDICAL WORKFORCE

AFTER HOURS GP CLINIC

ABORIGINAL HEALTH
Aboriginal Health

CLIENT SERVICES
Administrative Support Kyabram, Stanhope & Tongala Reception
Patient Liaison
Primary Health Referrals & Intake
Ward Clerks
Specialist Consulting Clinic - Administrative Support

COMMUNITY SERVICES
Disability Liaison
District Nursing Service
Hospital in the Home (HITH)
Ky Care (Home Care)
NDIS Community Programs
Social Support Program
Transition Care Program (TCP)

PRIMARY & ALLIED HEALTH
Advanced Care Planning
Allied Health
Community & Specialised Nursing
Diabetes Education
Health Promotion
NDIS Therapy Support
Stanhope Health
Seniors Lifestyle Victoria Program
Tongala Health

FACILITIES
Asset Management
Building Infrastructure Capital Projects
Information & Communication Technology
Maintenance:
- Grounds
- Fleet

FINANCE
Financial Management
Payroll
Contracts

HEALTH INFORMATION
Freedom of Information
Information Management
Performance Reporting
Privacy
Visiting Medical Officer Billing

SUPPORT SERVICES
Cleaning
Food Services
Laundry
Porters
Procurement
Security
Supply

ACUTE CARE
After Hours Nurse Managers
Sub-Acute
Urgent Care Centre (UCC)

AGED CARE
Lifestyle
Sheridan Aged Care

AMBULATORY CARE
Cancer Services
Renal Dialysis Unit
Specialist Consulting Clinic - Clinical Support

PHARMACY

PERIOPERATIVE CARE
Central Sterile Services Department
Day Procedure Unit
Minor Procedures & Treatment
Pre-Admission

PEOPLE & CULTURE
Diversity & Inclusion
Emergency Management Employee Relations Equal Employment Opportunity
Gender Equality
Industrial Relations
Medical Workforce Support
Occupational Health, Safety & Wellbeing

As at 30 June 2026

Executive Officers

Anne McEvoy - Chief Executive Officer



The Chief Executive Officer is responsible to the Board of Directors and the Victorian Minister for Health for the overall management and administration of Kyabram District Health Service.

This includes coordinating all functions of the health service to ensure that the organisation achieves optimum effectiveness in serving the health needs of the community.

Ali Dobson - Director of People and Culture



The Director of People and Culture is responsible for providing the full range of People & Culture functions, Medical Workforce Coordination, OHS & Wellbeing, Emergency Management and Volunteer Support services to achieve Kyabram District Health Service's strategic objectives. The role supports the Chief Executive and Executive team to develop and sustain a high-performing positive culture and a safe work environment in a manner consistent with KDHS values. This includes undertaking a wide range of complex people management matters with a focus on improving talent management and safety with KDHS. The role provides advice and support on a broad range of People-related issues, including relevant legislation, workforce planning, policy and procedure development and implementation in workforce related matters. The role will take the executive lead in the implementation and evaluation of the Gender Equality Action Plan.

Director of Clinical Services
Meredith Hodder (Until 7 March 2026) & Kelly Scorey (From 16 February 2026)





The Director of Clinical Services has professional and executive responsibility for planning, coordinating, managing, monitoring, evaluating, and improving clinical services in Acute, Residential Aged Care, Perioperative, Ambulatory Care (including Cancer Services, and Renal Dialysis Unit).
Major areas of responsibility include clinical governance, clinical leadership, standards of practice, service and strategic planning, clinical risk management, and quality improvement.

Director of Primary Health & Community Services
Carolyn Jones (Until 27 March 2026) & Ashley Watson (From 30 March 2026)





The Director of Primary Health and Community Services is responsible for the strategic planning, coordination, governance, performance monitoring, and effective delivery of Primary Health, Community Services, Client Services, the After-Hours GP Clinic, and the Aboriginal Cancer Prevention Grant. The role provides executive leadership across community health, diversity, disability, and Aboriginal and Torres Strait Islander health services, with a strong focus on service integration, innovation, and community wellbeing.
The Director oversees service delivery across Kyabram District Health Service's external sites in Tongala and Stanhope and is responsible for identifying and supporting opportunities to expand outreach services, strengthen community engagement, and improve access to care across the region.

Jon Laughlin - Corporate Services Director



The Corporate Services Director assumes full responsibility and is accountable for the effective and efficient provision of Corporate Services across Kyabram District Health Service, inclusive of Finance, Payroll, Facilities, Capital Projects, Environmental Services, Food Services, and Health Information Services. The Corporate Services Director is responsible for delivering the statutory requirements of Chief Procurement Officer and Chief Finance Officer.

Dr Ka Chun Tse - Director of Medical Services



The Director of Medical Services is responsible for liaison with Medical Officers at Kyabram District Health Service, including oversight of clinical practice, professional conduct, credentialing, and defining the scope of clinical practice. Provision of support to the Chief Executive Officer in medical workforce planning and management, contracting medical services and approving fee-for-service payments. Contributing to the Clinical Governance structures and processes of Kyabram District Health Service, including its clinical review, clinical practice oversight and audit, clinical performance indicators, continuous quality improvement, and clinical risk management programs.

Workforce Data

KDHS ensures a fair and transparent staff recruitment, selection, transfer, and promotion process. Employment selection is based on merit and complies with the relevant legislation. Policies and procedures are in place to ensure staff are treated fairly, respected, and provided with avenues for grievance and complaint processes. KDHS is committed to the application of the employment and conduct principles.

Hospitals Labour Category	June current month FTE		Average Monthly FTE	
	2025	2026	2025	2026
Nursing	98.50	106.65	106.25	108.25
Administration and Clerical	35.41	41.97	37.16	42.06
Medical Support	6.37	16.07	6.98	16.85
Hotel and Allied Services	32.12	31.95	35.50	33.15
Medical Officers	0.63	0.85	0.63	0.85
Hospital Medical Officers	1.00	0.00	1.12	0.00
Sessional Clinicians	0.01	0.00	0.01	0.00
Ancillary Staff (Allied Health)	28.91	26.34	32.98	27.08
Total	202.95	223.83	220.63	228.24

The Full Time Equivalent (FTE) figures in the table above exclude overtime. These do not include contracted staff (e.g. Agency nurses or Fee-for-Service Visiting Medical Officers) who are not regarded as employees for this purpose.

Occupational Health & Safety Data

Monitoring of Occupational Health and Safety of staff within KDHS occurs through incident analysis and investigation. KDHS works collaboratively with staff to identify and control risks through the Occupational Health Safety Wellbeing Committee.

Key performance indicators, including Occupational Health and Safety Incidents, Occupational Violence and Aggression Incidents, Bullying Claims, Environmental Inspections, and Staff Incident and injury data is reported to Corporate Governance through the OHSW Committee.

Occupational Health & Safety Statistics	2023-2024	2024-2025	2025-2026
The number of reported hazards/incidents for the year per 100 FTE	60.69	30.89	29.49
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	6.16	6.18	2.23
The average cost per WorkCover claim for the year	$5,897	$8,527	$8,588

Occupational Violence

Occupational Violence Statistics	2024-2025	2025-2026
WorkCover accepted claims with an occupational violence cause per 100 FTE	0	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0	0
Number of occupational violence incidents reported	53	44
Number of occupational violence incidents reported per 100 FTE	24.02	19.66
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0	0

Definitions of Occupational Violence

- Occupational violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during a planned or unplanned Code Grey, the incident must be included.
- Accepted WorkCover claims – accepted WorkCover claims that were lodged in 2025-2026.
- Lost time – is 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 Information

The 2025–26 financial year resulted in an operating deficit close to $500,000, reflecting continued cost pressures across the organisation. Expenditure growth was primarily driven by salaries and wages, including mandated enterprise bargaining agreement back payments, together with higher agency, prosthetic and information and communications technology costs.

Revenue increased during the year, supported by higher service activity and an increased National Weighted Activity Unit (NWAU) target from the Department of Health. NWAU activity finished at 101 per cent of target, demonstrating the organisation's continued ability to meet community demand. Aged Care occupancy and revenue also remained strong, providing an important and stable contribution to the organisation's overall financial performance.

	2026	2025	2024	2023	2022
	$000	$000	$000	$000	$000
Operating result*	**-492**	**857**	**(2,159)**	**(58)**	**394**
Total revenue	43221	42,245	35,089	35,193	32,276
Total expenses	42994	38,770	38,153	35,772	32,985
Net result from transactions	**227**	**3,475**	**(3,064)**	**(579)**	**(709)**
Total other economic flows	115	94	126	(22)	251
Net result	**342**	**3,569**	**(2,938)**	**(601)**	**(458)**
Total assets	81389	81,317	78,493	50,725	46,669
Total liabilities	19856	20,126	20,871	18,731	14,074
Net assets/Total equity	**61533**	**61,191**	**57,622**	**31,994**	**32,595**

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

Reconciliation of Net Result from Transactions and Operating Result

	2025-26 $000
Operating result	**-492**
Capital purpose income	4281
Specific income	0
COVID-19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	0
State supply items consumed up to 30 June 2025	0
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	-40
Depreciation and amortisation	-3522
Impairment of non-financial assets	0
Finance costs (other)	0
Net result from transactions	**227**

Consultancies

Details of consultancies (valued at under $10,000)
In 2025-2026, there was one consultancy 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 **$4,500** (excl. GST).

Details of consultancies (valued at $10,000 or greater)
In 2025-2026, there was one consultancy where the total fees payable to the consultants were **$10,000** or greater.

The total expenditure incurred during 2025-2026 in relation to these consultancies is **$24,500** (excl. GST). Details of these consultancies are below.

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project fee (excl. GST)	Expenditure 2025-26 (excl. GST)	Future expenditure (excl. GST)
Introba Fire Engineers	5 Yearly fire audit and fire safety handbook update	May 2025	January 2026	$24,500	$24,500	-

Information and Communication Technology

For the 2025-26 reporting period, KDHS had a total Information and Communication Technology (ICT) expenditure of **$**2,310,504 (ex GST) with the details shown below:

ICT expenditure

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total=Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
$993,868.15	$1,316,635.85	$52,308.85	$1,264,327

Disclosure of Review and Study expenses

KDHS has engaged with no external providers throughout the 2025-2026 financial year to provide feasibility studies, scoping studies, audits/reviews, research and development, inquiries and investigations or impact/evaluation studies.

Disclosure of Grants and Transfer Payments

KDHS did not administer any grants, transfer payments or Commercial-in-Confidence grants in 2025-2026.

Disclosure of Emergency Procurement and Procurement Complaints

No emergency procurements were undertaken during the 2025-2026 financial year, resulting in nil emergency procurement expenditure. No procurement complaints were received during the year.

Disclosure of Social Procurement Activities under the Social Procurement Framework

At KDHS, we are committed to sourcing materials and services that are sustainably produced and sourced from vendors who prioritise social and environmental responsibility.

Our procurement practices are reviewed to ensure we support local suppliers and collaborate with other hospitals to maximise our purchasing power.

This approach allows us to favour suppliers who are environmentally conscious and adhere to ethical standards.

Through social procurement, we aim to create job opportunities, provide skills-based training in disadvantaged areas, address systemic inequalities, and deliver environmental benefits to local communities.

Our Social Procurement Strategy outlines how social and sustainable procurement is integral to achieving value for money and positively impacting our communities.

Overall Social Procurement activities

Through social procurement, KDHS uses its purchasing activities to support positive social, economic and environmental outcomes and contribute to a fairer, more inclusive and sustainable Victoria.

During 2025–26, KDHS spent $16,020 with three social benefit suppliers. This included $4,500 in expenditure with two Aboriginal-owned businesses.

Disclosures required under legislation

Freedom of Information (FOI)

During 2025-26, KDHS received 35 FOI Applications. Of these requests, none were from Members of Parliament, none from the media, and the remainder from the general public.

KDHS made 35 FOI decisions during the 12 months ended 30 June 2026. There were 35 decisions made within the statutory time periods. Of the decisions made outside time, none were made within a further 45 days, and no decisions were made in greater than 45 days. Of the total decisions made, 35 granted access to documents in full, zero granted access in part and zero denied access in full. No decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant.

Of requests finalised, the average number of days over/under the statutory time (including extended timeframes) to decide the request was three days.

During 2025-26, zero requests were subject to a complaint/internal review by Office of the Victorian Information Commissioner. Zero requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Freedom of Information requests are required to be made on a KDHS Freedom of Information Application Form. Such form can be obtained by contacting the KDHS Freedom of Information Officer on 03 5857 0200 or his@kyhealth.org.au or KDHS website.

Section 17(2A) of the Act requires payment of an application fee of $33.60 per request, unless the applicant applies for this to be waivered with a Concession Card, Pension Card, or due to hardship. Further costs associated with the request, include search fees, photocopying, and postage (if applicable).

KDHS complies with the mandatory reporting guidelines of data submission annually to the Office of Victorian Information Commissioner.

Further information relating to Freedom of Information can be found at www.ovic.vic.gov.au or by contacting the Office of the Victorian Information Commissioner on 1300 006 842.

Building Act 1993

KDHS was fully compliant with the building and maintenance provisions of the *Building Act 1993*, *Victorian Building Regulations 2018*, the National Construction Code, and the Department of Health Fire Risk Management Guidelines.

Mechanisms aimed at ensuring that KDHS complies include:

- The use of qualified engineers, registered building consultants, building surveyors, architects, and qualified trades personnel.
- All works and testing are verified at completion using a Certificate of Occupancy for new works and supplier sign-off for all essential safety measure testing.
- KDHS undergoes regular audits regarding fire, risk assessments, and safety compliance to ensure ongoing adherence to the Building and Safety codes.
- Submission of Fire Safety Certificate No. 6 to Homes Victoria.

The following major works pertaining to the Building Act were completed in 2025-26:

- Commencement of the construction of the Education and Training Centre. Total project value $2,176,000.

The mechanisms used by KDHS for the inspection, reporting, scheduling and carrying out of maintenance works on the KDHS building portfolio include:

- Development of a comprehensive maintenance schedule tied to assets through the organisation's maintenance management software FMI. This schedule is based on the requirements of the *Building Act 1993* and the VHBA Engineering Guidelines for Healthcare Facilities suite of documentation.
- Regular programmed inspections on assets.
- Maintenance of fire protection systems in accordance with the *Building Act 1993*.
- 12 monthly audits to ensure compliance with the maintenance provisions of the *Building Act 1993*.

KDHS had no emergency orders or building orders issued in relation to buildings in 2025-26.
There have been no non-conforming buildings brought into conformity in 2025-26.

Public Interest Disclosure

KDHS is subject to the *Public Interest Disclosure Act 2012* and provides appropriate protection for people who make disclosures without fear of reprisal.

KDHS adheres to the Act by incorporating the requirements into our Protected Disclosure Policy, which is available on our website.

During the 2025-26 financial year, KDHS had no disclosures under the Act.

National Competition Policy

KDHS complies with the National Competition Policy and Competitive Neutrality Policy Victoria and its subsequent reforms.

Carers Recognition Act 2012

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

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community (e.g. distributing printed material about the Act at community events or service points; provide materials on different carer's programs we offer; 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)

Environmental Performance

KDHS monitors and reports on environmental and sustainability practices to help us better integrate and gain strategic value from existing sustainability efforts, identify gaps and opportunities in products and processes, and incorporate innovative practices. KDHS continues to expand efforts to become a more environmentally sustainable health service.

Financial Reporting Direction 24 (FRD 24) Report: Kyabram District Health Service Organisation Hierarchy (Jul-25 to Jun-26)

Environmental impacts and energy use

GREENHOUSE GAS EMISSIONS				
G1 Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Carbon Dioxide	295.89	310.97	327.23	-4.85%
Methane	0.58	0.60	0.61	-3.60%
Nitrous Oxide	0.17	0.20	0.27	-14.51%
Total	**296.64**	**311.77**	**328.11**	-4.85%
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (t CO2-e)	**296.64**	**307.38**	**313.56**	-3.49%
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (t CO2-e)	43.10	**4.39**	**14.55**	
Medical/Refrigerant gases				
Nitrous oxide	28.69	9.53		201.10%
Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**325.33**	**321.30**	**328.11**	1.25%
G2 Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Electricity	889.87	981.63	903.16	-9.35%
Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	**889.87**	**981.63**	**903.16**	-9.35%
G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Commercial air travel				
Waste emissions (WR5)	26.36	66.06	66.53	-60.09%
Indirect emissions from Stationary Energy	143.87	157.17	135.84	-8.46%
Indirect emissions from Transport Energy	10.87	1.10	3.62	
Paper emissions				
Water emissions	22.04	32.80	30.65	-32.80%
Any other Scope 3 emissions			0.00	
Total Scope 3 greenhouse gas emissions (t CO2-e)	**192.28**	**257.13**	**236.63**	-25.22%
G(Opt) Net greenhouse gas emissions (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Gross greenhouse gas emissions (G1 + G2 + G3) (t CO2-e)	**1,407.48**	**1,560.06**	**1,467.90**	-9.78%
Total gross reported greenhouse gas emissions per bed-day (t CO2-e/OBD)	0.06	0.07	0.06	-9.57%
Carbon Neutral Electricity	0.00	0.00	0.00	

Green Power Electricity	0.00	0.00	0.00	
Purchased LGCs	-1,116.49	0.00	0.00	
Any Reduction Measures Offsets purchased (EL4-related)	**-1,010.71**			
Any Offsets purchased	**-1,010.71**			
Net greenhouse gas emissions (t CO2-e)	**396.77**	**1,560.06**	**1,467.90**	-74.57%
ELECTRICITY USE				
EL1 Total electricity consumption segmented by source (MWh)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Purchased	1,328.13	1,484.38	1,373.17	-10.53%
Self-generated	308.78	300.52	301.62	2.75%
EL1 Total electricity consumption (MWh)	**1,636.91**	**1,784.90**	**1,674.79**	-8.29%
EL2 On site-electricity generated (MWh) segmented by:	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Consumption behind-the-meter				
Solar Electricity	308.78	300.52	301.62	2.75%
Total Consumption behind-the-meter (MWh)	**308.78**	**300.52**	**301.62**	2.75%
Exports				
Solar Electricity	6.30			
Total Electricity exported (MWh)	**6.30**			
EL2 Total On site-electricity generated (MWh)	**315.08**	**300.52**	**301.62**	4.84%
EL3 On-site installed generation capacity (kW converted to MW) segmented by:	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
Diesel Generator	0.83	0.83	0.83	0.00%
Solar System	0.33	0.20	0.20	63.80%
EL3 Total On-site installed generation capacity (MW)	**1.15**	**1.03**	**1.03**	12.45%
EL4 Total electricity offsets segmented by offset type (MWh)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	
LGCs voluntarily retired on the entity's behalf	1,213.58			
RPP (Renewable Power Percentage in the grid)	229.53	271.62	257.59	-15.50%
EL4 Total electricity offsets (MWh)	**1,328.13**	**271.62**	**257.59**	388.96%
STATIONARY ENERGY				
F1 Total fuels used in buildings and machinery segmented by fuel type (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Natural gas	5,756,682.70	5,965,048.10	6,084,941.80	-3.49%
F1 Total fuels used in buildings (MJ)	**5,756,682.70**	**5,965,048.10**	**6,084,941.80**	-3.49%
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Natural gas	296.64	307.38	313.56	-3.49%
F2 Greenhouse gas emissions from stationary fuel consumption (t CO2-e)	**296.64**	**307.38**	**313.56**	-3.49%
TRANSPORTATION ENERGY				

T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type (MJ)	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	% change previous to selected range
Non-executive fleet - Gasoline	480,783.70	471,098.10	73,458.20	
Petrol	480,783.70	**471,098.10**	**73,458.20**	
Non-executive fleet - Diesel	4,180.10	123,844.20	136,115.00	
Diesel	146,174.70	**123,844.20**	**136,115.00**	
Total energy used in transportation (vehicle fleet) (MJ)	631,138.50	**594,942.30**	**209,573.20**	
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Non-executive fleet - Gasoline	32.51	31.86	4.97	
Petrol	32.51	**31.86**	**4.97**	
Executive fleet – Diesel	0.29			
Non-executive fleet - Diesel	10.29	8.72	9.58	
Diesel	10.59	**8.72**	**9.58**	
Total Greenhouse gas emissions from transportation (vehicle fleet) (t CO2-e)	43.10	**40.58**	**14.55**	
TOTAL ENERGY USE				
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Total energy usage from stationary fuels (F1) (MJ)	5,583,002.80	5,965,048.10	6,084,941.80	-3.49%
Total energy usage from transport (T1) (MJ)	631,138.50	63,545.30	209,573.20	
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**6,214,141.30**	**6,028,593.40**	**6,294,515.00**	-4.51%
E2 Total energy usage from electricity (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Total energy usage from electricity (MJ)	5,892,886.86	6,425,627.24	6,029,250.01	-8.29%
E3 Total energy usage segmented by renewable and non-renewable sources (MJ)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Renewable	5,892,886.70	2,059,710.54	2,013,179.65	186.10%
Non-renewable (E1 + E2 - E3 Renewable)	5,756,682.86	10,394,510.10	10,310,585.36	-44.62%
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Energy per unit of Aged Care OBD (MJ/Aged Care OBD)	773.29	818.89	797.93	-5.57%
Energy per unit of LOS (MJ/LOS)	1,571.08	1,674.19	1,537.14	-6.16%
Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD)	518.22	549.91	525.27	-5.76%

Energy per unit of Separations (MJ/Separations)	3,302.97	3,488.37	3,192.99	-5.31%
Energy per unit of floor space (MJ/m2)	1,480.06	1,574.22	1,539.09	-5.98%
WATER USE				
W1 Total units of metered water consumed by water source (kL)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Potable water (kL)	15,713.01	20,054.11	18,262.95	-21.65%
Total units of water consumed (kL)	**15,713.01**	**20,054.11**	**18,262.95**	-21.65%
W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Water per unit of Aged Care OBD (kL/Aged Care OBD)	1.04	1.33	1.20	-21.30%
Water per unit of LOS (kL/LOS)	2.12	2.71	2.32	-21.79%
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.70	0.89	0.79	-21.47%
Water per unit of Separations (kL/Separations)	4.46	5.65	4.81	-21.09%
Water per unit of floor space (kL/m2)	2.00	2.55	2.32	-21.65%
WASTE AND RECYCLING				
WR1 Total units of waste disposed of by waste stream and disposal method (kg)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Landfill (total)				
General waste - bins			345.77	
General waste - skips	15,138.00	45,675.00	45,675.00	-66.86%
Offsite treatment				
Clinical waste - incinerated	452.70	452.70	454.00	0.00%
Clinical waste - sharps	454.09	454.09	455.54	0.00%
Clinical waste - treated	4,381.84	4,381.84	4,391.82	0.00%
Recycling/recovery (disposal)				
Cardboard	12,870.00	12,870.00	12,870.00	0.00%
Commingled	16,830.00	16,830.00	16,830.00	0.00%
Paper (confidential)	1,192.90	1,192.90	1,192.90	0.00%
Total units of waste disposed (kg)	**51,319.53**	**50,963.64**	**82,215.03**	-59.92%
WR1 Total units of waste disposed of by waste stream and disposal method (%)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Landfill (total)				
General waste	29.50%	55.80%	55.98%	-47.14%
Offsite treatment				
Clinical waste - incinerated	0.88%	0.55%	0.55%	59.50%
Clinical waste - sharps	0.88%	0.55%	0.55%	59.50%
Clinical waste - treated	8.54%	5.35%	5.34%	59.50%
Recycling/recovery (disposal)				
Cardboard	25.08%	Not available	15.65%	
Commingled	32.79%	Not available	20.47%	
Paper (confidential)	2.32%	Not available	1.45%	

WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24	% change previous to selected range
Total waste to landfill per patient treated ((kg general waste)/PPT)	0.58	1.75	1.71	-66.76%
Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT)	0.20	0.20	0.20	0.30%
Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT)			1.15	
WR4 Recycling rate (%)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
Weight of recyclable and organic materials (kg)			30,892.90	
Weight of total waste (kg)	20,426.64	50,963.64	82,215.03	-59.92%
Recycling rate (%)			**37.58%**	
WR5 Greenhouse gas emissions associated with waste disposal (t CO2-e)	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
t CO2-e	26.36	66.06	66.53	-60.09%
NORMALISATION FACTORS	**Jul-25 to Jun-26**	**Jul-24 to Jun-25**	**Jul-23 to Jun-24**	**% change previous to selected range**
1000km (Corporate)				
1000km (Non-emergency)				
Aged Care OBD	15,065.00	15,131.00	15,182.00	-0.44%
ED Departures	0.00	0.00	0.00	
FTE	213.00	205.00	214.00	3.90%
LOS	7,415.00	7,401.00	7,881.00	0.19%
OBD	22,480.00	22,532.00	23,063.00	-0.23%
PPT	26,007.00	26,084.00	26,857.00	-0.30%
Separations	3,527.00	3,552.00	3,794.00	-0.70%
TotalAreaM2	7,871.00	7,871.00	7,871.00	0.00%

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

Factors Influencing Environmental Impacts

	2025-26	2024-25	2023-24
Energy Use			
Floor area (m^2)	7,980	7,980	7,871
Separations	3,531	3,579	3,532
Inpatient bed days	7,415	7,880	7,766
Aged Care bed nights	15,072	15,187	14,519

Local Jobs First Act 2003

All projects undertaken by KDHS during 2025-2026 meeting the Local Jobs First Policy threshold were undertaken by VHBA pre-qualified contractors. This ensured that KDHS met the Local Jobs First Policy requirements.

No projects undertaken by KDHS during 2025-2026 met the threshold for Local Jobs First Policy application. As such, no Local Industry Development Plans were required or submitted.

Additional information available on request

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

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

a) a statement that declarations of pecuniary interests have been duly completed by all relevant officers;

b) details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;

c) details of publications produced by the entity about itself, and how these can be obtained;

d) details of changes in prices, fees, charges, rates, and levies charged by the entity;

e) details of any major external reviews carried out on the entity;

f) details of major research and development activities undertaken by the entity;

g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;

h) details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;

i) details of assessments and measures undertaken to improve the occupational health and safety of employees;

j) a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;

k) a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and

l) details of all consultancies and contractors including:

   (i) consultants/contractors engaged;

   (ii) services provided; and

   (iii) expenditure committed to for each engagement

This information is available on request from:

Executive & Governance Assistant
Phone: 03 5857 0200
Email: info@kyhealth.org.au

Gender Equality Act 2020

Workforce Inclusion Policy

KDHS has a strong team environment with a generally strong and improving culture with high levels of engagement and inclusion as demonstrated through the high percentage agreement in the People Matter Survey in these areas.

The Board and Leadership team has focussed efforts over the past 12-months improving our reporting and management of negative behaviours to be more inclusive and trauma-informed. A long-term cultural change program will result in a more inclusive workplace for all people.

Attestations and Declarations

Financial Management Compliance Attestation Statement

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



Chris Motton
Board Chair
Kyabram District Health Service
30 June 2026

Data Integrity Declaration

I, Anne McEvoy certify that Kyabram District Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Kyabram District Health Service has critically reviewed these controls and processes during the year.



Anne McEvoy
Chief Executive Officer
Kyabram District Health Service
30 June 2026

Conflict of Interest Declaration

I, Anne McEvoy, certify that Kyabram District 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 Kyabram District Health Service and Directors 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.



Anne McEvoy
Chief Executive Officer
Kyabram District Health Service
30 June 2026

Integrity, Fraud and Corruption Declaration

I, Anne McEvoy, certify that Kyabram District 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 Kyabram District Health Service during the year.



Anne McEvoy
Chief Executive Officer
Kyabram District Health Service
30 June 2026

Safe Patient Care Act 2015

The hospital has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.

Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Anne McEvoy, certify that Kyabram District 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.



Anne McEvoy
Chief Executive Officer
Kyabram District Health Service
30 June 2026

Appendix 1

Disclosure Index

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

Legislation	*Requirement*	*Page reference*
Standing Directions and Financial Reporting Directions		
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	6
FRD 22	Objectives, functions, powers, and duties	6
FRD 22	Nature and range of services provided	6
FRD 22	Activities, programs, and achievements for the reporting period	6
FRD 22	Significant changes in key initiatives and expectations for the future	3 & 4
Management and structure		
FRD 22	Organisation Structure	10
FRD 22	Workforce data/employment and conduct principles	12
FRD 22	Workforce inclusion policy	24
FRD 22	Occupational Health and Safety	13
Financial and other information		
FRD 22	Summary of the financial results for the year	14
FRD 22	Significant changes in financial position during the year	14
FRD 22	Operational and budgetary objectives and performance against objectives	14
FRD 22	Subsequent events	77
FRD 22	Details of consultancies under $10,000	15
FRD 22	Details of consultancies over $10,000	15
FRD 22	Disclosure of government advertising expenditure	NA
FRD 22	Disclosure of ICT expenditure	15
FRD 22	Disclosure of Emergency Procurement and Procurement Complaints	16
FRD 22	Disclosure of social procurement activities under the Social Procurement Framework	16
FRD 22	Disclosure of reviews and study expenses	16
FRD 22	Disclosure of Grants and Transfer Payments	16
FRD 22	Application and operation of *Freedom of Information Act 1982*	17
FRD 22	Compliance with building and maintenance provisions of *Building Act 1993*	17
FRD 22	Application and operation of *Public Interest Disclosure Act 2012*	18
FRD 22	Statement on National Competition Policy	18
FRD 22	Application and operation of *Carers Recognition Act 2012*	18
FRD 22	Additional information available on request	24
FRD 24	Environmental data reporting	19
FRD 25	*Local Jobs First Act 2003* disclosures	23
Compliance attestation and declaration		
SD 5.1.4	Financial Management Compliance attestation	25
SD 5.2.3	Declaration in Report of Operations	25
	Attestation on Data Integrity	25
	Attestation on Managing Conflicts of Interest	25
	Attestation on Integrity, Fraud, and Corruption	25
	Compliance with Health Share Victoria (HSV) Purchasing Policies	25
Other reporting requirements		
	Reporting of outcomes from Statement of Priorities 2025-2026	28
	Occupational Violence reporting	13
	Reporting obligations under the *Safe Patient Care Act 2015*	25
	Reporting of compliance regarding Car Parking Fees (if applicable)	NA
Financial statements		
Declaration		
SD 5.2.2	Declaration in financial statements	35
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	40
SD 5.2.1(a)	Compliance with Standing Directions	35
SD 5.2.1(b)	Compliance with Model Financial Report	40
Other disclosures as required by FRDs in notes to the financial statements [(a)(b)]		
FRD 11	Disclosure of Ex gratia Expenses	NA
FRD 103	Non-Financial Physical Assets	50
FRD 110	Cash Flow Statements	38
FRD 112	Defined Benefit Superannuation Obligations	46
FRD 114	Financial Instruments – general government entities and public non-financial corporations.	63

Legislation

Freedom of Information Act 1982 (Vic) (FOI Act)
Building Act 1993
Public Interest Disclosures Act 2012
Carers Recognition Act 2012
Local Jobs First Act 2003 44
Financial Management Act 1994 [b]

Notes:
(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.
(b) Refer to the Model financial statements section (Part two) for further details.



Community Health Diabetes Outreach Clinic (Stanhope)

Outcomes from Statement of Priorities 2025-2026

Part A: Strategic Priorities

The Statement of Priorities are aligned with the Strategic Plan.

KDHS will contribute to the Strategic Plan 2023-27 by agreeing to the following 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.

Goals	Health Service Deliverables	Achievements/Outcome
Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care.	Demonstrate high-quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes.	Achieved Consumer feedback is actively sought through established feedback mechanisms including individual and groups such as Community Advisory Committee, What we can do group, Stanhope and Tongala Health Community Voices, with insights used to identify opportunities for improvement, inform service changes and enhance the consumer experience.
	Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers.	Achieved Health service reporting, reviews and decision making is underpinned by relevant governance committees to support transparent oversight, strengthen accountability and promote a culture of safety and continuous improvement.
	Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	Achieved Training and education requirements are aligned with role responsibilities, identified capability gaps, clinical risks and organisational priorities.
Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint.	Implement and scale theatre optimisation initiatives in planned surgery, for example same-day surgery and same-day surgery by default models of care, criteria-led discharge, monitoring of theatre measures, and high-throughput approaches such as high-intensity theatre lists.	Achieved KDHS continues to strengthen planned surgery access and patient flow, with theatre /activity measures monitored and reported monthly to the Clinical, Quality and Safety Committee, Clinical Governance and Board to support and optimisation.
	Proactively manage planned surgery and specialist clinics (or outpatients) waitlists, for example validating and supporting patients into optimal care pathways such as evidence-based alternatives to surgery and optimisation pathways. A particular focus should be applied to long-waiting patients and priority population groups (for example, Aboriginal and Torres Strait Islander patients and under-18 patients).	Progressing KDHS is progressing the implementation of a sub-regional waitlist management model in collaboration with two partner health services, supporting a more coordinated and consistent approach to planned surgery waitlist management.

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.

Goals	Health Service Deliverables	Achievements/Outcome
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.	Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	Outcome - KDHS reached 87% of our planned targets against the Budget Action and Financial Management Improvement Plans as part of initiatives to reduce expenditure.
	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.	Achieved Enhanced organisation-wide activity reporting supported evidence-based decision-making and more effective allocation of resources. Regular monitoring enabled service activity to be actively managed, with NWAU performance finishing at 101% of Department of Health targets. Improvements to payroll and financial reporting also increased visibility of workforce utilisation, expenditure trends and budget variances, enabling areas of inefficiency to be identified and supporting informed decisions about staffing and resource allocation.
	Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost of service delivery, improve safety, capacity and reduce unnecessary waiting.	Achieved Funding and available resources were prioritised to support patient-facing services and respond to areas of greatest demand, such as the After Hours GP clinic. Activity, workforce and financial performance were monitored together to support efficient service delivery while maintaining safety, quality and access. This approach enabled the organisation to optimise service capacity, manage staffing and agency costs, and identify opportunities to reduce unnecessary expenditure and waiting times without compromising patient care.

A stronger workforce

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

Goals	Health Service Deliverables	Achievements/Outcome
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.	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.	KDHS has fulfilled its obligations under the Gender Equality Act 2020, undertaking an Audit in 2025, using this data in conjunction with our People Matter Survey to develop our Gender Equality Action Plan 2026-2030 in consultation with our staff, community and other stakeholders. KDHS is also in the process of addressing our safety climate through our Psychosocial Framework, being developed in consultation with Health & Safety Representatives and staff more broadly
	Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic	KDHS, as part of the Hume Local Health Service Network worked with the Department in 2026 to collect and analyse staff vacancy data to assist in forming

	planning.	strategies to increase the supply of applicants in hard-to-fill roles or roles with high levels of turnover.

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.

Goals	Health Service Deliverables	Achievements/Outcome
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.	Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	Achieved Mandatory cultural safety training developed by Local First Nations organisation, implemented and delivered via online KINEO training module.
	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.	KDHS Executive and Senior Leaders maintained strong partnerships with local Aboriginal Community Controlled Organisations, including Yorta Yorta Nation, Njernda and Rumbalara. These collaborations have been further explored through the drafting of Memorandums of Understanding (MOU) under the First Nations Cancer Prevention Program.
	Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	Achieved AHLO delivered KDHS *Asking the Question* training to support the accurate identification of Aboriginal and Torres Strait Islander consumers and improve awareness of Aboriginal Hospital Liaison Officer (AHLO) referral pathways.

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.

Goals	Health Service Deliverables	Achievements/Outcome
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.	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).	Met all objectives within our Best Endeavours in Hume LHSN SoE.

Part B: Performance Priorities
2025-2026

High Quality and Safe Care	Target	Result
Infection prevention and control		
Percentage of healthcare workers immunised for influenza.	94%	95%
Adverse Events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event.	All RCA reports submitted within 30 business days.	100%
Aged Care		
Public Sector Residential Aged Care Services overall star rating.	Minimum rating of 3 stars.	100%
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay.	95%	96.4
Aboriginal Health		
The difference between the percentage of Aboriginal and/or Torres Strait Islander patients and non-Aboriginal and/or Torres Strait Islander patients who patients who left against medical advice.	0%	0%

Strong Governance, Leadership and Culture	Target	Result
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions.	80%	78%

Effective Financial Management	Target	Result
Year-to-date Operating Result ($m)	0.00	-0.49
Adjusted current asset ratio.	0.7 or 3% improvement from health service base target.	1.01
Variance between the forecast and actual operating result (OR) as a percentage of the forecast OR for the current financial year ending 30 June.	5% movement in forecast revenue and expenditure forecasts.	Not achieved

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

Part C: Activity and Funding

Funding Type	2025-2026 Activity Achievement
Consolidated Activity Funding	
Acute Admitted, Subacute Admitted, Emergency Services, Non-admitted NWAU	3,236
Acute Admitted	
Acute Admitted DVA	6
Aged Care	
Residential Aged Care	15,187
HACC	3,068
Primary Health	
Community Health / Primary Care Programs	7,851

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



Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Kyabram District Health Service

Opinion	I have audited the financial report of Kyabram District Health Service (the health service) which comprises the: • balance sheet as at 30 June 2026 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and Australian Accounting Standards – Simplified Disclosures.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Simone Bohan
as delegate for the Auditor-General of Victoria

MELBOURNE
1 October 2026

Financial Statements
Financial Year ended 30 June 2026

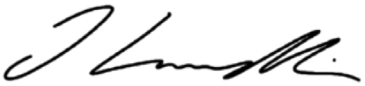
Board member's, accountable officer's, and chief finance & accounting officer's declaration

The attached financial statements for Kyabram District 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 Kyabram District 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 30th September, 2026.

Board member	**Accountable Officer**	**Chief Finance & Accounting Officer**
		
Mr Chris Motton	Ms Anne McEvoy	Mr Jon Laughlin
Chair	Chief Executive Officer	Director of Corporate Services
Kyabram 30 September, 2026	Kyabram 30 September, 2026	Kyabram 30 September, 2026

Comprehensive Operating Statement
Kyabram District Health Service
For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1 (a)	31,819	28,342
Government Grants	2.1 (b)	7,022	10,053
Other sources of income	2.1 (c)	4,380	3,850
Total revenue and income from transactions		**43,221**	**42,245**
Expenses from transactions			
Employee expenses	3.1 (a)	(30,136)	(27,306)
Supplies and consumables	3.1 (c)	(3,954)	(3,442)
Depreciation	4.1(a)	(3,522)	(3,491)
Other operating expenses	3.1 (d)	(5,382)	(4,531)
Total expenses from transactions		**(42,994)**	**(38,770)**
Net result from transactions - net operating balance		**227**	**3,475**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		28	87
Other gain/(loss) from other economic flows		87	7
Total other economic flows included in net result		**115**	**94**
Net result		**342**	**3,569**
Comprehensive result		**342**	**3,569**

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

Balance Sheet
Kyabram District Health Service
As at 30 June 2026

	Note	2026 $'000	2025 $'000
Financial assets			
Cash and cash equivalents	6.1	14,465	14,641
Receivables	5.1	2,198	1,906
Contract assets		154	153
Investments and other financial assets		20	20
Total financial assets		**16,837**	**16,720**
Non-financial assets			
Prepayments		378	346
Inventories		17	17
Property, plant and equipment	4.1	64,114	64,234
Other assets		43	-
Total non-financial assets		**64,552**	**64,597**
Total assets		**81,389**	**81,317**
Liabilities			
Payables	5.2	6,670	7,775
Contract liabilities		309	30
Borrowings		448	438
Employee benefits	3.1(b)	6,560	6,032
Monies held in trust	5.3	5,869	5,851
Total liabilities		**19,856**	**20,126**
Net assets		**61,533**	**61,191**
Equity			
Reserves		50,103	50,103
Contributed capital		12,617	12,617
Accumulated surplus/(deficit)		(1,187)	(1,529)
Total equity		**61,533**	**61,191**

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

Cash Flow Statement
Kyabram District Health Service
For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from Government		34,335	34,681
Commercial activity revenue received		821	615
Interest and investment income received		613	717
GST received from ATO		908	797
Other receipts		4,991	4,265
Total receipts		**41,668**	**41,075**
Payments to employees		(29,333)	(26,841)
Payments to suppliers and consumables		(4,148)	(4,175)
Other payments		(5,390)	(4,383)
Total payments		**(38,871)**	**(35,399)**
Net cash flows from operating activities		**2,797**	**5,676**
Cash flows from investing activities			
Proceeds from sale of non-financial assets		57	130
Purchase of non-financial assets		(3,306)	(5,077)
Other capital receipts		383	329
Capital donations and bequests received		33	52
Net cash flows used in investing activities		**(2,833)**	**(4,566)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(158)	(176)
Repayment of accommodation deposits		(1,757)	(1,755)
Receipt of accommodation deposits		1,775	1,383
Net cash flows used in financing activities		**(140)**	**(548)**
Net increase/(decrease) in cash and cash equivalents held		**(176)**	**562**
Cash and cash equivalents at beginning of year		14,641	14,079
Cash and cash equivalents at end of year	6.1	**14,465**	**14,641**

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

Statement of Changes in Equity
Kyabram District Health Service
For the Financial Year Ended 30 June 2026

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Surplus/(Deficit)	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2024	**50,095**	**8**	**12,617**	**(5,098)**	**57,622**
Net result for the year	-	-	-	3,569	3,569
Balance at 30 June 2025	**50,095**	**8**	**12,617**	**(1,529)**	**61,191**
Net result for the year	-	-	-	342	342
Balance at 30 June 2026	**50,095**	**8**	**12,617**	**(1,187)**	**61,533**

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

Notes to the Financial Statements
Kyabram District Health Service
For the Financial Year Ended 30 June 2026

Structure

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

Note 1 About this Report

These financial statements represent the financial statements of Kyabram District Health Service for the year ended 30 June 2026.

Kyabram District Health Service is a not-for-profit entity established as a public agency on 27th March 1960 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 Tier 2 general purpose financial statements which have been prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

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

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

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

Consistent with the requirements of AASB 1004 *Contributions* , contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Kyabram District 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 thousand dollars. Minor discrepancies in tables between totals and sum of components are due to rounding.

The annual financial statements were authorised for issue by the Board of Kyabram District Health Service on 30 September 2026.

Note 1.2 Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

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

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

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

Note 1.3 Reporting Entity

The financial statements include all the controlled activities of Kyabram District Health Service.

Kyabram District Health Service's principal address is:

88 Fenaughty Street
Kyabram, Victoria 3620

Note 1.4 Economic dependency

Kyabram District 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. Kyabram District 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 Kyabram District Health Service operations and on that basis, the financial statements have been prepared on a going concern basis.

Note 2 Funding delivery of our services

Kyabram District Health Service's overall objective is to provide quality health services that support and enhance the wellbeing of all Victorians. Kyabram District Health Service is predominantly funded by grant funding for the provision of outputs. Kyabram District Health Service also receives income from the supply of services.

Significant judgement - Grant revenue

Kyabram District Health has made the judgement that amounts received in relation to activity based funding should be recognised under AASB 15 on the basis where the Health Service does not achieve the relevant target or occupancy levels, funding will be recallable.

Structure

2.1 Revenue and income from transactions

Note 2.1 Revenue and income from transactions

	Note	2026 $'000	2025 $'000
Revenue from contracts with customers	2.1(a)	31,819	28,342
Government Grants	2.1(b)	7,022	10,053
Other sources of income	2.1(c)	4,380	3,850
Total revenue and income from transactions		**43,221**	**42,245**

Note 2.1(a) Revenue from contracts with customers

	2026 $'000	2025 $'000
Government grants (State) - Operating	23,418	20,530
Government grants (Commonwealth) - Operating	5,802	5,299
Patient and resident fees	1,735	1,873
Private practice fees	43	25
Commercial activities	821	615
Total revenue from contracts with customers	**31,819**	**28,342**

How we recognise revenue from contracts with customers

Government grants

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

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

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Commonwealth Residential Aged Care Grants	Funding is provided for the provision of care for aged care residents within facilities at Kyabram District Health Service. The performance obligations include provision of residential accommodation and care from nursing staff and personal care workers. Revenue is recognised at the point in time when the service is provided within the residential aged care facility.

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

	Note	2026 $'000	2025 $'000
Government grants (State) - Operating		2,904	4,377
Government grants (Commonwealth) - Operating		496	459
Government grants (State) - Capital		2,648	4,892
Government grants (Commonwealth) - Capital		974	325
Total Government grants		**7,022**	**10,053**

How we recognise Government grants

Government grants

Kyabram District 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 Kyabram District Health Service has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, Kyabram District 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 Kyabram District 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 Kyabram District 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.

Non-cash contributions from the Department of Health

The DH makes some payments on behalf of Kyabram District Health Service as follows:

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

Note 2.1(c) Other sources of income

	Note	2026 $'000	2025 $'000
Other capital purpose income		383	329
Capital donations		33	52
Assets received free of charge or for nominal consideration		5	93
Other income from operating activities		3,346	2,659
Income from non-operating activities		613	717
Total other sources of income		**4,380**	**3,850**

Note 3 The cost of delivering our services

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

Structure

3.1 Expenses incurred in the delivery of services

Note 3.1 Expenses incurred in the delivery of services

	Note	2026 $'000	2025 $'000
Employee expenses	3.1(a)	30,136	27,306
Supplies & Consumables	3.1(c)	3,954	3,442
Other operating expenses	3.1(d)	5,382	4,531
Total expenses incurred in the delivery of services		**39,472**	**35,279**

Note 3.1(a) Employee expenses

	2026 $'000	2025 $'000
Salaries and wages	24,046	22,419
Superannuation expense [1]	2,697	2,435
Agency expenses	968	615
Fee for service medical officer expenses	2,425	1,837
Total employee expenses	**30,136**	**27,306**

[1] Defined contribution superannuation expense and defined benefit superannuation expense have been combined.

How we recognise employee expenses

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

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

Note 3.1(b) Employee related provisions

	2026 $'000	2025 $'000
Current provisions for employee benefits		
Accrued days off	25	23
Annual leave	2,298	2,096
Long service leave	3,132	2,868
Provision for on-costs	706	647
Total current provisions for employee benefits	**6,161**	**5,634**
Non-current provisions for employee benefits		
Long service leave	346	347
Provision for on-costs	53	51
Total non-current provisions for employee benefits	**399**	**398**
Total provisions for employee benefits	**6,560**	**6,032**

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 Kyabram District 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 Kyabram District Health Service expects to wholly settle within 12 months or
- present value – if Kyabram District 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 Kyabram District 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 Kyabram District Health Service expects to wholly settle within 12 months or
- present value – if Kyabram District Health Service does not expect to wholly settle within 12 months.

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

Provisions

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

Note 3.1(c) Supplies and consumables

	2026 $'000	2025 $'000
Drug supplies	140	128
Medical and surgical supplies (including Prostheses)	2,211	1,803
Diagnostic and radiology supplies	383	351
Other supplies and consumables	1,220	1,160
Total supplies and consumables	**3,954**	**3,442**

How we recognise supplies and consumables

Supplies and consumable costs are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

Note 3.1(d) Other operating expenses

	2026 $'000	2025 $'000
Fuel, light, power and water	426	508
Repairs and maintenance	477	485
Maintenance contracts	35	28
Medical indemnity insurance	372	285
Other administration expenses	1,367	1,015
Information technology and communications	2,705	2,210
Total other operating expenses	**5,382**	**4,531**

How we recognise other operating expenses

Expense recognition

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

Other operating expenses

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

The DH also makes certain payments on behalf of Kyabram District 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 a corresponding expense.

Note 4 Key assets to support service delivery

Kyabram District 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 Kyabram District 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 and amortisation

Note 4.1 Property, plant and equipment

	Gross carry	ing amount	Accumulated	depreciation	Net carryi	ng amount
	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000
Land at fair value - Freehold	2,155	2,155	-	-	2,155	2,155
Buildings at fair value	62,597	57,798	(5,979)	(2,990)	56,618	54,808
Works in progress at cost	3,258	5,029	-	-	3,258	5,029
Plant, equipment and vehicles at fair value	7,316	7,195	(5,635)	(5,325)	1,681	1,870
Right of use assets - plant, equipment & vehicles	626	514	(224)	(142)	402	372
Total property, plant and equipment	**75,952**	**72,691**	**(11,838)**	**(8,457)**	**64,114**	**64,234**

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) Reconciliation of the carrying amounts of each class of asset

	Land $'000	Buildings & Improvements $'000	Works in progress $'000	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2025	**2,155**	**54,808**	**5,029**	**2,242**	**64,234**
Additions	-		3,030	415	3,445
Transferred to held for sale	-	-	-	(43)	(43)
Net transfers between classes	-	4,801	(4,801)	-	-
Depreciation	-	(2,991)	-	(531)	(3,522)
Balance at 30 June 2026	**2,155**	**56,618**	**3,258**	**2,083**	**64,114**

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, Kyabram District Health Service has elected to apply the practical expedient in FRD 103 Non-Financial Physical Assets and has therefore not applied the amendments to AASB 13 Fair Value Measurement. The amendments to AASB 13 will be applied at the earlier of the interim revaluation or next scheduled independent revaluation in 2029, in accordance with Kyabram District Health's revaluation cycle.

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

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

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Plant, equipment and vehicles [1]	626	514	(224)	(142)	402	372
Total right-of-use assets	**626**	**514**	**(224)**	**(142)**	**402**	**372**

	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2025[1]	**372**	**372**
Additions	168	168
Transferred to Held for Sale	(43)	(43)
Depreciation	(95)	(95)
Balance at 30 June 2026	**402**	**402**

[1] As a result of changes in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value.

How we recognise right-of-use assets

Initial recognition

When Kyabram District 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.

4.1(c) Impairment of property, plant and equipment

The recoverable amount of the primarily non-financial physical assets of Kyabram District 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.

Kyabram District 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 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	38 - 52 years	38 - 52 years
- Site engineering services and central plant	20 - 23 years	20 - 23 years
Central Plant		
- Fit Out	21 - 24 years	21 - 24 years
- Trunk reticulated building system	23 - 37 years	23 - 37 years
Plant and equipment	3 - 5 years	3 - 5 years
Medical equipment	7 - 10 years	7 - 10 years
Computers and communication	3 years	3 years
Furniture and fitting	5 - 20 years	5 - 20 years
Motor Vehicles	3 - 5 years	3 - 5 years

Note 5 Other assets and liabilities

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

Structure

5.1 Receivables
5.2 Payables
5.3 Monies held in trust

Note 5.1 Receivables

	Note	2026 $'000	2025 $'000
Current receivables			
Contractual			
Inter hospital debtors		117	77
Trade receivables		562	528
Patient fees		143	104
Other receivable		135	84
Total contractual receivables		**957**	**793**
Statutory			
GST receivable		37	54
Total statutory receivables		**37**	**54**
Total current receivables		**994**	**847**
Non-current receivables			
Contractual			
Long service leave - Department of Health		1,204	1,059
Total contractual receivables		**1,204**	**1,059**
Total non-current receivables		**1,204**	**1,059**
Total receivables		**2,198**	**1,906**
(i) Financial assets classified as receivables			
Total receivables		2,198	1,906
GST receivable		(37)	(54)
Total financial assets classified as receivables	7.1	**2,161**	**1,852**

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. The health service holds contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.

- **Statutory receivables**, including Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Note 5.2 Payables

	Note	2026 $'000	2025 $'000
Current payables			
Contractual			
Trade creditors		656	351
Accrued salaries and wages		1,224	1,036
Accrued expenses		1,047	785
Deferred capital grant income	5.2(a)	3,409	5,423
Other		334	180
Total contractual payables		**6,670**	**7,775**
Total current payables		**6,670**	**7,775**
Total payables		**6,670**	**7,775**
(i) Financial liabilities classified as payables			
Total payables		6,670	7,775
Deferred capital grant income		(3,409)	(5,423)
Total financial liabilities classified as payables	7.1	**3,261**	**2,352**

How we recognise payables

Payables consist of:

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

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

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

Note 5.2(a) Movement in deferred capital grant income

	2026 $'000	2025 $'000
Opening balance of deferred capital grant income	5,423	6,346
Grant consideration for capital works received during the year	669	3,270
Deferred capital grant income recognised as income due to completion of capital works	(2,683)	(4,193)
Closing balance of deferred capital grant income	**3,409**	**5,423**

How we recognise deferred capital grant income

Grant consideration was received from the Department of Health (Vic) to support the redevelopment of our Central Sterile Services Department, IT transition program and a regional worker accommodation project.

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

Note 5.3 Monies held in trust

	Note	2026 $'000	2025 $'000
Current monies held in trust			
Refundable accommodation deposits		5,869	5,851
Total current monies held in trust		**5,869**	**5,851**
Total other liabilities		**5,869**	**5,851**
*** Represented by:**			
- Cash assets	6.1	5,869	5,851
		5,869	**5,851**

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 Kyabram District 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* .

Note 6 How we finance our operations

This section provides information on the sources of finance utilised by Kyabram District Health Service during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Kyabram District 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 Cash and cash equivalents
6.2 Commitments for expenditure

Note 6.1 Cash and Cash Equivalents

	Note	2026 $'000	2025 $'000
Cash on hand (excluding monies held in trust)		2	2
Cash at bank (excluding monies held in trust)		8,594	8,788
Total cash held for operations		**8,596**	**8,790**
Cash on hand (monies held in trust)		1	1
Cash at bank (monies held in trust)		5,868	5,850
Total cash held as monies in trust	5.3	**5,869**	**5,851**
Total cash and cash equivalents	7.1	**14,465**	**14,641**

Note 6.2 Commitments for expenditure

30 June 2026	**Less than 1 year $'000**	**1-5 Years $'000**	**Over 5 years $'000**	**Total $'000**
Capital expenditure commitments	3,413	-	-	3,413
Total commitments (inclusive of GST)	**3,413**	**-**	**-**	**3,413**
Less GST recoverable	(310)	-	-	(310)
Total commitments (exclusive of GST)	**3,103**	**-**	**-**	**3,103**

30 June 2025	**Less than 1 year $'000**	**1-5 Years $'000**	**Over 5 years $'000**	**Total $'000**
Capital expenditure commitments	5,091	-	-	5,091
Total commitments (inclusive of GST)	**5,091**	**-**	**-**	**5,091**
Less GST recoverable	(463)	-	-	(463)
Total commitments (exclusive of GST)	**4,628**	**-**	**-**	**4,628**

How we disclose our commitments

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

Expenditure commitments

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

Short term and low value leases

Kyabram District Health Service discloses short term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.

Note 7 Financial instruments, contingencies and valuation judgements

Kyabram District 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 Kyabram District 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.*

		Carrying amount	Net gain/(loss)	Total interest income/ (expense)	Fee income/ (expense)	Impairment loss
30 June 2026	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets at amortised cost						
Cash and cash equivalents	6.1	14,465	-	613	-	-
Receivables	5.1	2,161	-	-	-	-
Financial assets at fair value through other comprehensive income						
Investments and other financial assets		20	-	-	-	-
Total financial assets [i]		**16,646**	**-**	**613**	**-**	**-**
Financial liabilities at amortised cost						
Payables	5.2	3,261	-	-	-	-
Borrowings		448	-	(19)	-	-
Other financial liabilities - Refundable Accommodation Deposits	5.3	5,869	-	-	-	-
Total financial liabilities [i]		**9,578**	**-**	**(19)**	**-**	**-**

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

30 June 2025	Note	Carrying amount $'000	Net gain/(loss) $'000	Total interest income/ (expense) $'000	Fee income/ (expense) $'000	Impairment loss $'000
Financial assets at amortised cost						
Cash and cash equivalents	6.1	14,641	-	717	-	-
Receivables	5.1	1,852	-	-	-	-
Financial assets at fair value through other comprehensive income						
Investments and other financial assets		20	-	-	-	-
Total financial assets [i]		**16,513**	**-**	**717**	**-**	**-**
Financial liabilities at amortised cost						
Payables	5.2	2,352	-	-	-	-
Borrowings		438	-	(16)	-	-
Other financial liabilities - Refundable Accommodation Deposits	5.3	5,851	-	-	-	-
Total financial liabilities [i]		**8,641**	**-**	**(16)**	**-**	**-**

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

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

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

Kyabram District 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.

Kyabram District 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
- Kyabram District 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
- Kyabram District 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 Kyabram District Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Kyabram District 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, Kyabram District 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.

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.

Kyabram District 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.

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

The last scheduled full independent valuation of all of Kyabram District 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, Kyabram District 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, Kyabram District Health Service considers the current use as its highest and best use.

Non-specialised land and non-specialised buildings

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

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 Kyabram District 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. Kyabram District 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 Kyabram District Health Service who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment, furniture, fittings

Plant and equipment, furniture, fittings, (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

Asset class	Valuation technique	Significant assumption	Range (weighted average)[(i)]
Specialised land	Market approach	Community Service Obligations adjustment	(20%)[(ii)]
Specialised buildings	Current replacement cost approach	Cost per square metre Useful life	$1,000 - $1,500/m^2 ($1,300) 20 - 52 years (45 years)
Vehicles	Current replacement cost approach	Cost per unit Useful life	$21,000 - $68,000 ($37,900 per unit) (5 years)
Plant, equipment, furniture and fittings	Current replacement cost approach	Cost per unit Useful life	$1,000 - $194,000 ($6,300 per unit) 3 - 20 years (7 years)

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

[(ii)] CSO adjustments of 20% were applied to reduce the market approach value for Kyabram District Health Service's specialised land.

Note 8 Other disclosures

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

Structure

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

Note 8.1 Ex gratia payments

There were no ex gratia payments made during the year ended 30 June 2026 (2025: $Nil).

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 April 2026
Minister for Ambulance Services	1 Jul 2025 - 14 April 2026
The Honourable Harriet Shing MP:	
Minister for Health	15 April 2026 - 30 June 2026
Minister for Ambulance Services	15 April 2026 - 30 June 2026
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	1 Jul 2025 - 30 June 2026
Minister for Prevention of Family Violence	15 April 2026 - 30 June 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	1 Jul 2025 - 30 June 2026
Minister for Ageing	1 Jul 2025 - 30 June 2026
Minister for Multicultural Affairs	15 April 2026 - 30 June 2026
The Honourable Lizzie Blandthorn MP:	
Minister for Children	1 Jul 2025 - 30 June 2026
Minister for Disability	1 Jul 2025 - 30 June 2026
Governing Boards	
Mr C. Motton	1 Jul 2025 - 30 Jun 2026
Ms S. Rodriquez	1 Jul 2025 - 30 Jun 2026
Ms J. Austin	1 Jul 2025 - 30 Jun 2026
Mr H. Hayes	1 Jul 2025 - 30 Jun 2026
Ms C. Lever	1 Jul 2025 - 1 Sep 2025
Ms J. Murphy	1 Jul 2025 - 30 Jun 2026
Ms M. Prictor	1 Jul 2025 - 30 Jun 2026
Dr G. Toncich	1 Jul 2025 - 30 Jun 2026
Mr G. Hanlon	1 Jul 2025 - 30 Jun 2026
Accountable Officers	
Ms A. McEvoy (Chief Executive Officer)	1 Jul 2025 - 30 Jun 2026

Remuneration of Responsible Persons

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

Income Band	2026 No	2025 No
$0 - $9,999	8	10
$10,000 - $19,999	1	-
$300,000 - $309,999	1	1
Total Numbers	**10**	**11**

	2026 $'000	2025 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**359**	**358**

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

Note 8.3 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.

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

	Total Remuneration	
	2026 $'000	2025 $'000
Total remuneration [i]	1,107	1,008
Total number of executives	7	5
Total annualised employee equivalent [ii]	5.0	5.0

[i] The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Kyabram District 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.

Note 8.4 Related parties

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

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

Significant transactions with government related entities

Kyabram District Health Service received funding from government related entities of $28.723 m (2025: $29.443m) and indirect contributions of $0.25 m (2025: $0.23 m). Balances outstanding as at 30 June 2026 are $0.154 m (2025: $0.153 m).

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

Key management personnel

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

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

Entity	KMPs	Position Title
Kyabram District Health Service	Mr C. Motton	Chair of the Board
Kyabram District Health Service	Ms J. Austin	Board Member
Kyabram District Health Service	Mr H. Hayes	Board Member
Kyabram District Health Service	Ms C. Lever	Board Member
Kyabram District Health Service	Ms J. Murphy	Board Member
Kyabram District Health Service	Ms M. Prictor	Board Member
Kyabram District Health Service	Ms S. Rodriquez	Board Member
Kyabram District Health Service	Dr G. Toncich	Board Member
Kyabram District Health Service	Mr G. Hanlon	Board Member
Kyabram District Health Service	Ms A. McEvoy	Chief Executive Officer
Kyabram District Health Service	Mr J. Laughlin	Director of Corporate Services
Kyabram District Health Service	Ms M. Hodder	Director of Clinical Services (to March 2026)
Kyabram District Health Service	Ms K. Scorey	Director of Clinical Services (from March 2026)
Kyabram District Health Service	Ms A. Dobson	Director of People & Culture
Kyabram District Health Service	Mr K Tse	Director of Medical Services
Kyabram District Health Service	Ms C. Jones	Director of Primary Health (to April 2026)
Kyabram District Health Service	Mr A. Watson	Director of Primary Health (from April 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 Annual Report.

	2026 $'000	2025 $'000
Total compensation - KMPs [i]	1,466	1,366

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

Transactions with KMPs and other related parties

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

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

There were no related party transactions required to be disclosed for Kyabram District Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2026 (2025: none).

Note 8.5 Remuneration of Auditors

	2026 $'000	2025 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	28	27
Total remuneration of auditors	**28**	**27**

Note 8.6 Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest 2026 %	Ownership Interest 2025 %
Loddon Mallee Rural Health Alliance (LMRHA)	Information Technology Services	5.73	5.8

	2026 $'000	2025 $'000
Total revenue and income	1,519	1,045
Total expenses	(1,558)	(1,211)
Total net result	(39)	(166)
Total other economic flows	-	-
Comprehensive result for the year	(39)	(166)
Total assets	1,412	1,341
Total liabilities	1,080	970
Total equity	332	371

Contingent liabilities and capital commitments

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



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