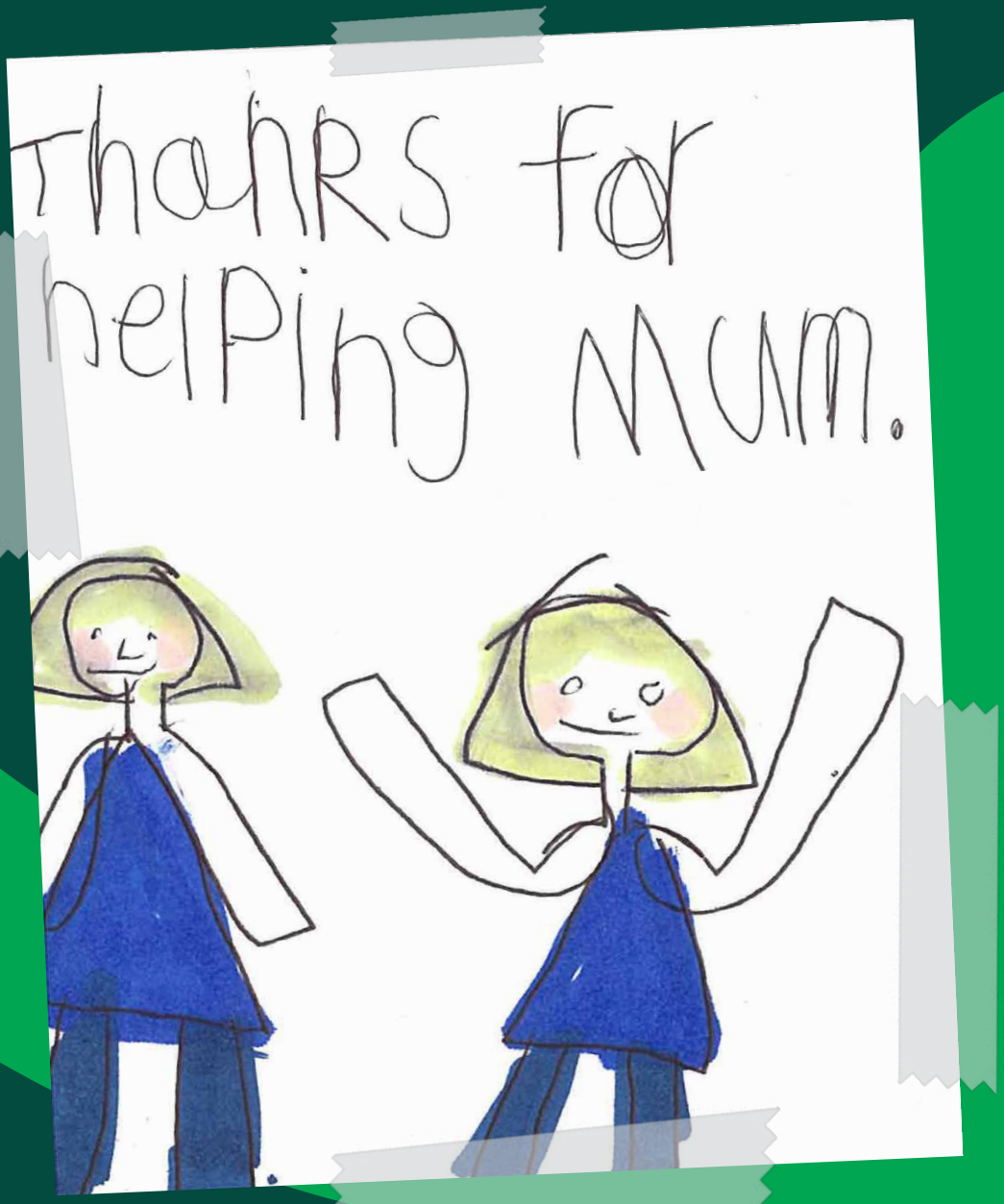
Latrobe Regional Health

# Here for Gippsland




Annual Report 2025/26

# Our values

## Person-Centred

We show empathy and put you at the heart of every action.

## Respect

We listen actively, speak kindly and treat you with dignity.

## Integrity

We are honest, transparent and accountable in all we do.

## Excellence

We are committed to high quality care, fostering a culture of innovation and continuous improvement.

## Collaboration

We work as one team, valuing every role and contribution.

## Declaration

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

**Andrew Way**
Chair, Board of Directors
Latrobe Regional Health

30 September 2026

## About this report

Latrobe Regional Health (LRH) is a public health service established under the Health Services Act 1988 (Vic.)

This Annual Report outlines the activities and operational performance of LRH from 1 July 2025 to 30 June 2026 and provides detailed financial statements. Results reflect the available data at the time of publication and is subject to validation by official sources from the Department of Health.

The responsible Minister(s) for the reporting period was/were:

**Minister for Health**
**Minister for Ambulance Services**
The Hon Mary-Anne Thomas
(1 July 2025 to 15 April 2026)

**Minister for Health**
**Minister for Ambulance Services**
Hon Harriet Shing MP
(15 April 2026 to 30 June 2026)

**Minister for Health Infrastructure**
The Hon Melissa Horne MP
(From 1 July 2025 to 30 June 2026)

**Minister for Mental Health**
**Minister for Ageing**
The Hon Ingrid Stitt MP
(1 July 2025 to 30 June 2026)

Latrobe Regional Health acknowledges the Gunaikurnai and Bunurong peoples as the traditional custodians of the lands on which our services are located. We acknowledge the strength, resilience and survival of Aboriginal people and are committed to providing an accessible and culturally responsive service that works in partnership with community members for better health outcomes.

We are committed to improving the health and wellbeing of all Aboriginal and Torres Strait Islander peoples and we recognise and respect their connection to their ancestral lands.

Latrobe Regional Health values our community's diversity. We are committed to providing an inclusive, welcoming and safe service and workplace for everyone who engages with our organisation regardless of race, culture, religion, sexuality, gender identity, age or ability.

### Annual Report artwork

Thank you to some of our youngest Gippslanders, whose colourful creations have brightened our work, and this year's Annual Report.

# Contents


Operational Highlights ..... 4

Message from the Board Chair & Chief Executive ..... 5

Our Year of Progress ..... 6

About Latrobe Regional Health ..... 18

Financial Information ..... 32

Disclosures & Attestations ..... 38

Environmental Performance ..... 44

Statement of Priorities ..... 52

Financial Statements ..... 64

Disclosure Index ..... 114

# Operational highlights

**People treated at LRH**



| | |
|---|---|
| 2021-22 | 159,498 |
| 2022-23 | 167,493 |
| 2023-24 | 180,398 |
| 2024-25 | 182,922 |
| **2025-26** | **206,634** |

**Emergency Department presentations**



| | |
|---|---|
| 2021-22 | 41,304 |
| 2022-23 | 39,730 |
| 2023-24 | 39,151 |
| 2024-25 | 40,336 |
| **2025-26** | **41,591** |

**Surgical procedures**



| | |
|---|---|
| 2021-22 | 10,105 |
| 2022-23 | 10,867 |
| 2023-24 | 10,327 |
| 2024-25 | 12,341 |
| **2025-26** | **11,973** |

**Outpatients**



| | |
|---|---|
| 2021-22 | 68,743 |
| 2022-23 | 76,093 |
| 2023-24 | 87,733 |
| 2024-25 | 85,361 |
| **2025-26** | **107,887** |

**Number of births**



| | |
|---|---|
| 2022-23 | 898 |
| 2023-24 | 859 |
| 2024-25 | 940 |
| **2025-26** | **920** |



# Message from the Board Chair and Chief Executive

## Every person in Gippsland deserves access to outstanding healthcare, close to home.

That belief has shaped everything we've worked towards during the past year.

Across Latrobe Regional Health, we've expanded specialist services, strengthened hospital and community care, invested in our workforce and built the partnerships needed to meet the future healthcare needs of our region. Through the Gippsland Local Health Service Network, we're working more closely than ever with health services across Gippsland to strengthen clinical collaboration, build workforce capability and improve access to care for our communities.

More people can now receive life-saving cardiac care locally. Young people have greater access to specialist mental health support. Patients are participating in world-class clinical trials without travelling to Melbourne. These achievements may look different, but they share a common purpose: ensuring Gippslanders can access more of the care they need, closer to home.

Behind every one of these achievements are people. Our staff, volunteers, consumer representatives, students, researchers, board members and partners bring skill, compassion and commitment to their work every day. Their willingness to embrace new ideas, challenge themselves and continually improve is what makes progress possible.

This report reflects what we've achieved during the past year, but it also shows where we're heading as an organisation. Every improvement creates an opportunity to do more, do better and continue meeting the changing needs of our community.

This year also marks the conclusion of Linda McCoy's nine years as Chair of the Board. Linda's leadership has helped guide LRH through one of the most significant periods in its history, and her steady guidance, integrity and commitment to our community have helped shape the organisation's future. On behalf of everyone at LRH, we thank Linda for her outstanding contribution and wish her every success in the next chapter.

The following pages tell the story of a year in which LRH continued to grow, not for growth's sake, but so more Gippslanders can access the care they need, when and where they need it. Together, they reflect the progress we've made and the strong foundations we're building for the future.

**Linda McCoy** **Don McRae**



# Our Year of Progress

More Gippslanders received specialist care closer to home in 2025–26 as LRH expanded services, strengthened hospital and community care, and improved the way people accessed healthcare across the region.

Throughout the year, we invested in our workforce, research and partnerships to strengthen care today while building the capability needed to meet the future healthcare needs of our growing region.

The following highlights are organised around the four strategic pillars of our Strategic Plan 2024–2028. Together, they showcase some of the initiatives, achievements and improvements that shaped the year.

**Strategic Pillar 1:**

## Care that puts the person in the centre

Every decision we make should make care easier to access, more responsive and more connected to what matters most to our patients, families and community.

This year, we expanded specialist services, introduced new models of care and improved the way people move through our health service. Together, these initiatives are helping more Gippslanders receive the right care, at the right time, closer to home.

**Improving urgent mental health care**

**Around 300 people experiencing mental ill health present to LRH's Emergency Department each month.**

To better support these consumers, LRH introduced dedicated Mental Health Navigators to improve coordination of care and patient flow through Mitchell, the organisation's short stay mental health unit.

The new role has contributed to steady month-on-month improvements in occupancy, with admissions increasing towards the target of 60 patients each month. Improved patient flow has also reduced 24-hour emergency department breaches and Code Grey incidents by enabling consumers to access appropriate care more quickly.

**Every minute matters**

Lifesaving cardiac care is now available closer to home for Gippsland patients following the introduction of LRH's STEMI service.

For the first time, people experiencing the most severe type of heart attack can receive emergency angioplasty and stent treatment at LRH, avoiding the delays associated with transfer to Melbourne.

Every minute saved helps preserve heart muscle and improves the chances of survival and recovery. The service also allows patients to remain closer to family and support networks during a critical time while expanding access to specialist cardiac care within the region.

**Lived experience helping shape better care**

**People with lived experience of mental ill health are helping shape the way care is delivered across LRH.**

During 2025–26, peer workers were embedded across the Emergency Department, access services, HOPE, community mental health and inpatient settings, helping consumers and families navigate care, strengthening transitions between services and ensuring lived experience is reflected in service delivery and recovery planning.

By bringing lived experience into multidisciplinary teams, Mental Health Services has improved continuity of care, strengthened transitions between services and ensured consumers and carers have a stronger voice in planning and recovery.

**A more personalised path to surgery**

LRH completed the redesign of its Patient Support Unit during the year, creating a more coordinated and personalised experience from referral through to surgery.

Dedicated Surgical Liaison Nurses now guide patients through every stage of their surgical journey, providing a single point of contact, improving communication and helping ensure patients are well prepared before theatre time becomes available.

Alternative pathways, including referrals to the Osteoarthritis Hip and Knee Service, are helping some patients avoid or delay surgery through conservative treatment, while new online education resources make it easier for regional patients to prepare for surgery closer to home.

Together with broader theatre optimisation initiatives, the redesigned model is improving access to planned surgery while making better use of operating theatre capacity.

**More specialist care, closer to home**

Access to specialist care expanded during the year with the opening of new outpatient consulting suites in Princes Street, Traralgon.

The additional capacity enables more specialist appointments while supporting the organisation's long-term planned care strategy.

The expansion also creates capacity for future growth in specialist services, allowing more Gippslanders to receive care closer to home.

**A simpler way to stay connected**

Patients preparing for surgery or specialist appointments can now complete much of the process online through LRH's new VicKey patient portal.

The secure platform allows patients to complete health questionnaires and receive updates before their appointment, reducing paperwork and making it easier to stay informed throughout

their care. By integrating VicKey with LRH's clinical and patient administration systems, the portal also strengthens waitlist management and care coordination, helping patients feel better prepared while supporting more efficient services.

### Improving access to emergency care

LRH continued its participation in the Department of Health's Timely Emergency Care Collaborative (TECC), delivering measurable improvements in patient flow throughout the Emergency Department.

During the year, ambulance transfer wait times improved significantly, while the average time from clinical decision to admit to transfer to an inpatient bed reduced by 2.5 hours.

The collaborative brings together clinicians and operational teams to identify practical improvements that reduce delays and help patients access the right care sooner.

### Expanding mental health support for young people

This year saw the establishment of the Traralgon Youth Prevention and Recovery Care (YPARC) service, expanding access to specialist mental health support for young people across Gippsland.

LRH delivered the clinical and digital infrastructure needed to support the new 24-hour residential service, creating a connected environment for both consumers and staff. YPARC provides a recovery-focused alternative to hospital admission, helping young people access the support they need closer to home while building independence and preparing for a successful return to the community

### Supporting healthier recovery

Allied Health services continued to expand beyond treatment alone, supporting recovery, rehabilitation and long-term wellbeing.

Highlights included the expansion of the Neurodevelopment Clinic for children across Gippsland, new exercise programs supporting people undergoing cancer treatment, and the introduction of Leisure and Lifestyle Assistants to provide meaningful activities for patients experiencing dementia or delirium.

### A smoother journey home

A dedicated Transit Lounge was established during the year to improve the discharge experience for patients while supporting hospital-wide patient flow.

Since opening, more than 1,100 patients have used the service as they prepared to leave hospital or transfer to another care setting.

The Transit Lounge enables inpatient beds to become available earlier in the day, improving access for patients waiting to be admitted and supporting more efficient flow throughout the hospital.

### Better access to specialist mental health services

More people across Gippsland can now access specialist mental health care closer to home.

During the year, Mental Health Services expanded psychology and neuropsychology services across community and inpatient settings, strengthened specialist eating disorder services and worked with the Centre of Excellence in Eating Disorders (CEED) to build local clinical capability. New models of care for the Complex Residential Care Unit and Secure Extended Care Unit are also helping deliver more consistent, evidence-informed care.





## Strategic Pillar 2:
# Talent that delivers results

Delivering exceptional healthcare starts with exceptional people.

Throughout the year, LRH invested in attracting, developing and supporting the workforce needed to deliver outstanding care today while building capability for the future.

### Creating a better place to work

Creating a workplace where people feel supported to grow and succeed remained a key priority throughout the year.

New initiatives improved the employee experience from recruitment through to career development, including a Talent Acquisition Plan, Employee Referral Program, a face-to-face induction program and a new online performance and development process.

Culture improvement plans across Mental Health and Medical Services are also helping build positive, high-performing workplaces where people feel supported to do their best work.

### Growing the next generation of doctors

LRH continues to strengthen its reputation as a destination for early-career doctors, welcoming 31 interns in 2026 and again securing a full intake for 2027.

A highlight of this year's recruitment was the increase in direct matches, with seven interns choosing LRH outside the central allocation process. All seven grew up in Gippsland, demonstrating strong early progress towards the organisation's long-term goal of attracting and retaining local medical talent.

By providing high-quality training opportunities close to home, LRH is helping build a skilled and sustainable medical workforce for the region's future.

### Building a stronger mental health workforce

A targeted international recruitment campaign brought 70 mental health professionals from the United Kingdom, India, New Zealand, Zimbabwe and Nigeria to Gippsland, significantly strengthening workforce capacity and helping address long-standing workforce shortages.

The appointments have reduced critical vacancies, strengthened service sustainability and improved the organisation's ability to provide high-quality mental health care closer to home.

Alongside the recruitment campaign, LRH invested in senior clinical leadership and specialist training pathways across nursing, psychology, occupational therapy, social work and psychiatry, helping build the workforce needed to meet the region's future mental health needs.



### Investing in staff wellbeing

The majority of actions under the Wellbeing @ Work Action Plan were delivered during the year, alongside an expansion of LRH's Health and Safety team.

Initiatives included targeted training to address bullying and harassment, expanded staff recognition programs and the introduction of an Incident Review Team to strengthen organisational learning following workplace incidents.

We also strengthened our approach to workplace injury management through earlier intervention and recovery-at-work initiatives, reducing the average cost of workers' compensation claims by 65 per cent compared with the previous year while supporting earlier and more sustainable return-to-work outcomes.

The Staff Wellbeing Centre continued to offer a free wellbeing and counselling service, along with nicotine replacement and dietetics support. Wellness Wednesday sessions are available each week to staff across the service.

Together, these initiatives are helping create a healthier, safer and more supportive workplace for our people.

### Strengthening Allied Health capability

Clinical Educators were introduced across most Allied Health disciplines, strengthening supervision, supporting evidence-based practice and helping develop the next generation of allied health professionals.

The initiative is improving opportunities for staff development while building a sustainable workforce for the future.

### Leading regional medical education

LRH clinicians continue to play an increasingly important role in shaping medical education across regional Victoria.

During the year, Dr Rebecca Fraser was appointed one of Victoria's Rural Directors of Training for Psychiatry, while Dr Arif Kozgar accepted the role of Associate Professor and Clinical Dean at Monash Rural Health Gippsland.

Together, these appointments recognise the expertise of LRH clinicians and strengthen opportunities for medical education and training across Gippsland.

### Growing our own workforce

LRH continued to invest in the development of its future workforce, supporting staff to build specialist skills while creating opportunities for the next generation of healthcare professionals.

During the year, 83 staff were supported to undertake postgraduate study, with scholarships awarded to clinicians in the Cardio Cath Lab and Operating Theatre to strengthen specialist capability in these critical services.

The Registered Undergraduate Student of Nursing and Midwifery (RUSON/M) program also continued to provide students with paid clinical experience alongside their studies, helping develop a skilled workforce for the future while supporting patient care today.






## Strategic Pillar 3:
# A better today

Continuous improvement is part of everyday practice at LRH.

Across the organisation, teams introduced practical improvements that enhanced safety, strengthened clinical care and improved the experience of patients, residents and staff.

### Protecting Gippsland from public health threats

The Gippsland Region Public Health Unit continued to strengthen the region's ability to prevent and respond to emerging public health risks.

During the year, more than 2,000 Gippslanders received a measles, mumps and rubella (MMR) vaccination through a coordinated regional program delivered in partnership with local councils, community pharmacies and health providers. The initiative expanded access to vaccination across Gippsland, helping protect communities against the increasing risk of measles outbreaks.



### Investing in staff safety

LRH continued to strengthen the safety of its workforce through practical improvements and a long-term focus on preventing and responding to occupational violence and aggression (OVA).

During the year, personal duress alarms were introduced into more areas/units to provide staff with faster access to assistance when responding to potentially unsafe situations. Alongside this, LRH worked with union representatives, Health and Safety Representatives and multidisciplinary staff to develop a three-year Occupational Violence and Aggression Action Plan, creating a clear roadmap for ongoing improvements across the organisation.

In partnership with university partners, LRH also commenced research into Code Grey responses and OVA activity within medical units. The findings will help inform future initiatives to improve staff safety while strengthening the care provided to patients.

### Building clinical leadership capability

Clinical leadership strengthened during the year with all Divisional Director positions now substantively filled.

A new fortnightly forum brings divisional leaders together to address operational issues, strengthen collaboration and improve governance across the organisation. Divisional Directors and Clinical Leads also completed a shared leadership development program, creating greater consistency in leadership capability and expectations across LRH.

### Safer medication management

Macalister Nursing Home transitioned to the BESTMED electronic medication management system during the year, replacing paper-based medication charts with a connected digital solution.

The new system supports medication prescribing, administration and dispensing while strengthening communication between clinicians, pharmacies and care teams. It improves medication safety, reduces the risk of errors and gives clinicians access to accurate, real-time information when caring for residents.

### Strengthening hospital security

Security services were expanded to provide 24-hour coverage across inpatient areas, strengthening safety for patients, visitors and staff. Security teams were also provided with specialist training.

The increased presence improves the organisation's ability to respond to safety incidents, supports frontline teams and contributes to a safer care environment across LRH.

### Making mental health support easier to access

Several practical improvements made it easier for consumers and families to access the right care at the right time.

A new Mental Health Phone Triage System improved responsiveness and streamlined access to support, while Transitional Care Coordinators strengthened discharge planning and connections between inpatient and community teams. In Infant, Child and Youth Mental Health, a Centralised Intake Pilot reduced duplication, improved consistency across Gippsland and enabled clinicians to spend more time providing therapeutic care.



## Strategic Pillar 4:
# Building a better tomorrow

Meeting the future healthcare needs of Gippsland means investing in our workforce, services, partnerships and innovation today.

Throughout the year, LRH strengthened the foundations for sustainable, high-quality healthcare by expanding regional partnerships, growing research and clinical trials, investing in education and building the workforce that will care for our community into the future.

### Growing our Own

Developing a sustainable medical workforce starts with investing in local talent.

**Throughout the year, LRH expanded its Rural Generalist and advanced specialist training programs, creating more opportunities for doctors to train, live and build their careers in Gippsland.**

Gippsland is now home to the largest Rural Generalist training program in regional Victoria, with 73 trainees across the region, including 10 based at LRH. Many have strong local connections, demonstrating the success of the "Growing Our Own" approach to developing a workforce that understands and is committed to the communities it serves.

The year also saw continued growth in advanced specialist training, with new and expanded accredited programs across general medicine, cardiology, infectious diseases, geriatrics, endocrinology, palliative care and haematology. New partnerships will further expand training opportunities in areas including cardiology and obstetrics, helping ensure Gippsland communities have access to highly skilled medical care for years to come.

### Strengthening services across Gippsland

LRH expanded its role as a regional service provider through the growth of shared services across the Gippsland health network.

During the year, regional payroll, health information unit and business reporting services were expanded, enabling participating health services to benefit from shared expertise, greater consistency and improved operational efficiency.

The work reflects LRH's growing role in supporting collaboration and capability across the Gippsland health system.

### Research changing lives

Innovative healthcare is becoming more accessible in Gippsland, with LRH's Research and Clinical Trials Unit reaching an important milestone during the year by activating its 60th clinical trial since the program began in 2019.

More than 750 people have now participated in clinical trials at LRH, with research expanding across 13 medical specialties. This means more Gippsland patients can access new and emerging treatments close to home, while contributing to advances in healthcare that will benefit future patients.

The year also saw clinical trials expand into respiratory medicine, providing local access to new treatment options for people living with Chronic Obstructive Pulmonary Disease (COPD). With rates of lung disease significantly higher in Gippsland than the Victorian average, the trial responds to a growing need within the local community.

For one participant living with severe dermatitis, taking part in a clinical trial at LRH meant accessing treatment that was previously only available in Melbourne.

"Nothing else was working. Joining a clinical trial 18 months ago changed my life. The care, dedication and professionalism brought me back to a place of health I feared I wouldn't return to."

Through its vision of Research for Change, LRH continues to bring innovative care closer to home while helping shape the future of healthcare for Gippsland.

### Young people shaping healthier futures

Young people from across Gippsland took the lead in developing authentic health messages through the No Filter: Real Stories Gippsland campaign.

Working alongside all six Gippsland councils, the Gippsland Region Public Health Unit established a Youth Co-Design Group, enabling young people to create locally relevant resources to help prevent vaping. The project has created a sustainable, region-wide approach to prevention that strengthens collaboration, builds youth capability and supports healthier communities into the future.

### Designing the future of mental health care

Planning continued for the next generation of mental health services across Gippsland.

Work progressed on a regional Centralised Intake Model, a dedicated Infant and Child Mental Health specialty stream for children aged 0–11 years, expanded lived and living experience leadership, and strengthened psychology governance and referral pathways. Together, these initiatives are creating a more integrated, sustainable and responsive mental health system for the future.

### Connecting care across the region

The Digital Trials Project is helping shape new ways of delivering mental health care across regional and remote Gippsland.

The project introduced innovative technology, including Starlink-enabled vehicles, to improve connectivity for clinicians working in areas with limited telecommunications coverage. By reducing barriers to communication, the initiative supports more flexible models of care and helps ensure consumers can stay connected with services, regardless of where they live.

### Building a more sustainable future

As part of LRH's commitment to environmental sustainability, Support Services began identifying opportunities to recover and repurpose materials across the organisation.

Working with teams across the organisation, the project is identifying materials that can be recovered, repurposed or redirected to create greater value while reducing environmental impact. The work supports LRH's commitment to embedding more sustainable practices across the organisation.

### Learning together

Grand Rounds evolved into a whole-of-health-service weekly education program during the year, creating new opportunities for clinicians across LRH to learn from one another, share expertise and strengthen multidisciplinary care.

The expanded program supports continuous learning across the organisation and helps build the knowledge and capability needed to deliver high-quality care into the future.






I've always been treated with care and respect, and sometimes look forward to visits these days.

Even down to the staff that bring my cup of tea. I feel as though I have my life back as a result of this ward.

**David, Oncology**

# Working together to improve Aboriginal and Torres Strait Islander health and wellbeing

Improving health outcomes for Aboriginal and Torres Strait Islander people is a shared responsibility across Latrobe Regional Health.

During 2025–26, we continued to strengthen partnerships with Aboriginal Community Controlled Organisations, expand our Aboriginal and Torres Strait Islander workforce, embed culturally safe practices into the way care is delivered and support community-led approaches to health and wellbeing.

Working alongside Aboriginal and Torres Strait Islander communities has helped ensure services are designed with, rather than for, the people who use them.





**Partnering with community**

Strong partnerships with Aboriginal Community Controlled Organisations continue to shape the way services are delivered at LRH.

Our longstanding partnership with Ramahyuck District Aboriginal Corporation continues to strengthen care coordination, improve transitions between services and provide patients with access to on-site Social and Emotional Wellbeing support during their hospital stay. During the year, LRH also worked with Gunaikurnai Land and Waters Aboriginal Corporation (GLaWAC) and local Aboriginal communities to develop our first Aboriginal and Torres Strait Islander Cultural Responsiveness Policy, while progressing new partnership agreements with other Aboriginal Community Controlled Health Organisations across Gippsland.

Through the Gippsland Region Public Health Unit, LRH also partnered with Aboriginal Community Controlled Organisations to co-design prevention initiatives that promote health, strengthen connection to Country and support culturally relevant approaches to wellbeing. Initiatives such as the Indigenous Surf Carnival, World No Tobacco Day activities and the Relighting the Firesticks project demonstrate the value of working alongside communities to improve long-term health outcomes.

**Embedding Aboriginal and Torres Strait Islander cultural safety into patient care**

Creating culturally safe healthcare remains a priority across LRH.

New pathways introduced during the year ensure Aboriginal and Torres Strait Islander patients can be identified earlier and connected with the Aboriginal Health Unit before planned surgery. Aboriginal Hospital Liaison Officers and Clinical Care Coordinators now work alongside Surgical Liaison Nurses to support culturally appropriate care planning, helping patients navigate their surgical journey and reducing barriers to treatment.

The approach has contributed to a sustained reduction in elective surgery cancellations for Aboriginal and Torres Strait Islander patients while improving access to coordinated, culturally safe care. Similar approaches are also being embedded across maternity services, emergency care, mental health and discharge planning to provide more connected support throughout the patient journey.

**Growing an Aboriginal workforce**

A culturally safe health service starts with a supported and thriving workforce.

During the year, LRH completed a comprehensive review of its Aboriginal Employment Plan and developed an implementation toolkit to help leaders translate the plan into practical action. The toolkit provides guidance on culturally safe recruitment, flexible work practices, mentoring, career development and creating welcoming workplaces.

The Aboriginal Health Unit has grown in response to increasing demand for services, while Aboriginal staff have access to culturally informed supervision, mentoring and professional development opportunities that support career progression and long-term employment at LRH.

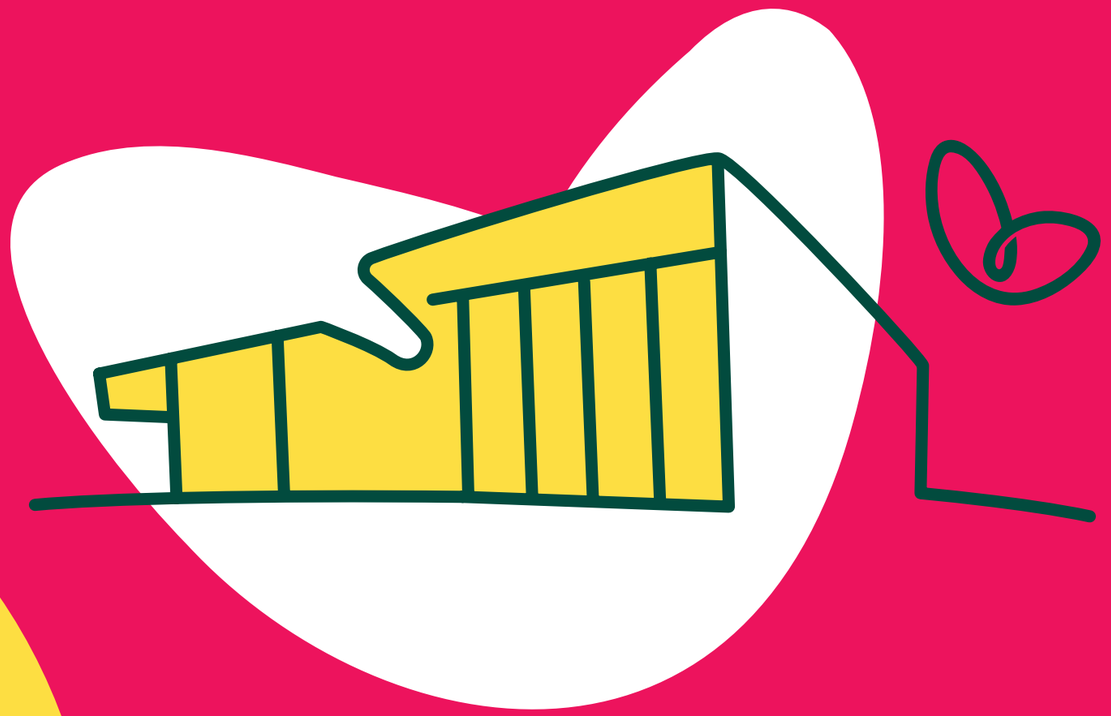
**Creating welcoming environments**

Creating culturally safe healthcare extends beyond clinical care to the environments in which people receive treatment.

Throughout the year, LRH created more welcoming spaces through Aboriginal artwork, culturally meaningful gardens, patient privacy curtains featuring Aboriginal designs and improved signage and resources. These initiatives help patients and families feel recognised, respected and connected while receiving care.

Cultural safety education also expanded across the organisation, with mandatory learning, tailored training programs and locally developed resources helping staff build the knowledge and confidence to provide culturally responsive care in every setting.

# About Latrobe Regional Health





## Our story

LRH is a public health service established under the Health Services Act 1988 (Vic.).

LRH was formed by the merger of two public hospitals, in Traralgon and Moe, and a nursing home in Morwell in 1991. LRH became the major provider of acute mental health and community-based services in 1995. These services include inpatient care at the main hospital, as well as community mental health support at eight different sites across Gippsland. Residential support and care facilities are also available in Traralgon and Bairnsdale, further extending the scope of mental health care.

Our local community is the Latrobe Valley and wider Gippsland region, east of Melbourne with a population of more than 300,000. About a quarter of the population lives in the Latrobe region.

For every 100 people in Latrobe, 28 experience very high disadvantage, 64 (adults) consume alcohol at levels likely to increase the risk of lifetime harm and 22 (adults) are smokers. Avoidable deaths due to heart-related issues are higher than the Victorian average, as are avoidable deaths due to cancer, chronic obstructive pulmonary disease and diabetes.[1]

As a regional health service, LRH provides leadership, care pathways and tertiary referral services.

LRH has a comprehensive range of services including cardiac care, surgery, medical and renal services, emergency care, aged care, obstetrics, pharmacy, allied health, and rehabilitation. Medical and radiation oncology services are delivered at the Gippsland Cancer Care Centre, which is located on site.

Outpatient care includes allied health consultations, group therapies, specialist clinics and pain management services.

With a workforce of approximately 3,000, LRH is the largest public sector employer in Gippsland. Our team includes a diverse array of professionals, including nursing, clinical and medical, as well as finance, corporate services, information technology, supply chain management, administration, catering and environmental services.

LRH continues to uphold its commitment to delivering exceptional services and supporting the health and wellbeing of its population.



[1] Gippsland PHN Health Needs, Our Vision: a measurably healthier Gippsland, Latrobe City 2025, Snapshot. https://gphn.org.au/what-we-do/health-planning-research-and-evealuation/fact-sheets/

# Board of Directors



## Linda McCoy

### Board Chair

Linda has held chief executive and executive management positions across the community health and acute sectors in Victoria for the past 30 years, including an administrator role in a metropolitan community health centre. Linda has been involved in the development of statewide strategic policy and was a member of the final Victorian Quality Council.



## Elizabeth Delahunty

### Deputy Board Chair

Elizabeth has extensive experience as a chief executive officer and executive in various leading software and technology businesses in the health sector for Australia and Asia Pacific. She brings business acumen, governance, strategy, communications, digital technology and cybersecurity experience. Elizabeth is also a board member of The Baker Foundation.



## Chelsea Caple

Chelsea has worked in community consultation, stakeholder engagement and sports administration with organisations such as the AFL, Calisthenics Victoria and Tennis Australia for more than 15 years. Chelsea has a passion for governance, strategy, policy and business development, specifically in our local region and has experience as a director at Bass Coast Community Foundation, Convenor of Gymnastics Victoria South East Region and previous board member at Gippsland Women's Health.



## Dr Bernadette Hickey

Bernadette is a physician and intensivist with 25 years of experience, mostly at St Vincent's Hospital Melbourne, and is also a Graduate of the Australian Institute of Company Directors. In addition, Bernadette is a member of the Royal Australasian College of Physicians' national examining panel and participates in college post graduate training as a mentor and examiner.





## Ian Maxfield

Ian has a strong professional and personal involvement in regional Victoria, particularly in the Gippsland region having represented the seat of Narracan in the Victorian Parliament. Through diverse roles and public service, Ian has developed a skillset extending across industrial relations, human resource management and governance.



## Kathryn Munro

Kathryn brings significant finance, accounting, governance and risk management experience to the board, along with skills in business analysis, strategy, project oversight and contingency planning. She also sits on the Adult, Community and Further Education (ACFE) Board and is a Finance, Investment and Audit board committee member for the Australian Psychological Society.

Kathryn's previous board experience was with a number of joint ventures in Australia and New Zealand.



## Leanne Williams

Leanne is an experienced C-Suite executive, non-executive director and Chartered Accountant. She is an experienced chairperson on audit and finance committees, Graduate of the Australian Institute of Company Directors and Graduate of Melbourne Business School's Leading Transformational Change. Leanne brings significant experience in progressive leadership, strategy, audit, and finance.



## Michael Gorton AM

Michael Gorton AM is a senior partner at Russell Kennedy Lawyers and has more than 30 years of experience advising the health and medical sector, assisting boards of health organisations to understand their legal obligations for effective governance structures, governance policies and implementing risk management strategies. Michael is the Chair of Monash Health, Chair of Wellways Australia and Chair of Holmesglen Institute (TAFE). He is the former Chair of Peninsula Health and Alfred Health, a past board member of Ambulance Victoria and a former Chair of the Australian Health Practitioner Regulation Agency (AHPRA). Michael was previously on the Australasian College for Emergency Medicine Board and a former Chair of the Victorian Equal Opportunity and Human Rights Commission.



## Joanne Nowotny

Joanne, a Gippsland local, is a former nurse and an experienced lawyer and conciliator. She has held leadership roles in nursing, on a hospital board and in the public sector. Joanne has experience conciliating complex healthcare and privacy disputes with a focus on contributing to improvement in patient care systems. Joanne is Co-Director of Peninsula Paediatrics and Allergy and has extensive skills in governance, leadership, change management and knowledge of the healthcare sector, from clinical, patient safety and operational perspectives.

# Board Committees

## Audit & Risk Committee

Elizabeth Delahunty (chair)
Linda McCoy (ex officio),
Leanne Williams,
Joanne Nowotny,
Don McRae,
Jon Millar,
Mark Wilkins,
Michael Glaubitz,
Adrian Shearer,
Chelsea Caple,
Mark Umstad (board delegate).

## Quality Committee

Bernadette Hickey (Chair),
Linda McCoy (ex officio),
Elizabeth Delahunty,
Michael Gorton,
Don McRae,
Jon Millar,
Simone Redpath,
Mike Gatsi (from Dec 2024),
Dr Ian Graham,
Dr Katherine Willis-Sullivan,
Mark Wilkins,
Anita Raymond, Kylie Osborne,
Fiona Derham, Tricia Wright,
Franca Di Sisto (from Jan 2025),
Louise McMahon, Nicole
Tierney, Lucie Newberry
(community representative),
Lynne Smith (community
representative).
Mark Umstad (board delegate)

## Community Advisory Committee

Ian Maxfield (chair),
Linda McCoy (ex officio),
Bernadette Hickey,
Joanne Nowotny,
Graeme Sennett
(community co-chair),
Annie Day, Colin Fleming,
Kay McShane, Christina
Richardson,
Paul Fry,
Janet Needham,
Susie Grumley,
Mark Umstad (board delegate)

## Finance Committee

Kathryn Munro (Chair),
Linda McCoy (ex officio),
Michael Gorton,
Chelsea Caple,
Andrew Fordyce,
Don McRae,
Jon Millar,
Michael Glaubitz,
Mark Umstad (board delegate)

## Primary Care and Population Health Advisory Committee

Leanne Williams (chair)
Linda McCoy (ex officio),
Chelsea Caple,
Kathryn Munro,
Andrew Fordyce,
Don McRae,
Jon Millar,
Annelies Titulaer,
Dr Alyce Wilson,
Amanda Proposch,
Meredith Davey (from Aug
2024),
Sally Wilson (from Oct 2024),
Julie McQueen,
Anne-Maree Kaser,
Awhiora Nia,
Lou-Anne Mooney,
Louise Sparkes,
Belinda Brookes,
Tammy Lee Chatwin,
Vicki Doherty,
Kellie Core,
Mark Umstad (board delegate)

In attendance:
Tim Owen (from Feb 2025)

Invited guests to all meetings:
Ellen-Jane Browne,
Kate Graham

## Executive Performance & Remuneration Committee

Linda McCoy (Chair),
Elizabeth Delahunty,
Ian Maxfield,
Mark Umstad (board delegate)

Invited guest:
Don McRae



# Executive



## Chief Executive

### Don McRae

**RN, RM, Grad Dip (CCN), BAppSc., MHM, GAICD**

The Chief Executive is accountable to the Board of Directors for the planning, implementation and evaluation of Latrobe Regional Health (LRH) services. Don provides leadership to support the provision of high quality, safe, cost effective and responsive health services to the Latrobe Valley and across the Gippsland region. He is responsible for the implementation of the strategic, business and quality plans as approved by the LRH Board of Directors.



## Chief Operating Officer

### Jon Millar

**MBA**

The Chief Operating Officer is responsible for safe effective operation of our service. Jon oversees the clinical services division and financial services. He provides leadership in the provision of clinical services across the organisation in partnership with the Chief Medical Officer and the Chief Nurse. The role is responsible for the Chief Financial Officer and both are accountable to the Chief Executive for LRH's budget performance. Jon also oversees health information, planning and redevelopment and the Gippsland Region Public Health Unit.



## Deputy Chief Operating Officer

### Simone Redpath

**RN. PostGrad Dip (Critical Care), Master of Leadership**

The Deputy Chief Operating Officer supports clinical aspects of the Chief Operating Officer's role and is responsible for identifying improvements to service access and patient flow.



## Chief Financial Officer

### Michael Glaubitz

**CPA**

As Chief Financial Officer, Michael provides strategic leadership across all financial operations to ensure strong fiscal governance, financial sustainability, and informed decision-making in alignment with organisational objectives. He is responsible for delivering accurate and timely financial information, supporting long-term planning, and ensuring accountability through financial compliance with legislative and departmental reporting obligations.



## Acting Chief Medical Officer

(May – August 2025)

### Dr Yohan Nathan

**FRACMA, MBBS (Monash), MPH/MHM (Economics), B. BioMed Sci, Dip. Anat.**



## Chief Medical Officer

(From September 2025)

### Dr Katherine Willis-Sullivan

**MBBS (hons)**

The Chief Medical Officer works closely with the Deputy Chief Medical Officer (responsible for senior and junior medical staff, credentialing and pharmacy) and the General Manager Medical Services (responsible for the medical workforce unit, BreastScreen and the consulting suites). With a focus on developing the medical workforce, the Chief Medical Officer provides high level medical advice and support, with responsibility for clinical governance, professional standards, continuous improvement, and patient safety.



## Chief Nurse, Executive Director Education, Quality and Research

### Anita Raymond

**RN. BN. Grad Dip (ICU), MN, Grad Cert (Academic Practice), PhD.**

As Chief Nurse, Anita addresses current workforce and practice challenges and seeks to ensure a safe, skilled, and supported nursing workforce that delivers high-quality patient care. Additionally, she champions ongoing nursing professional development opportunities, scope of practice enhancement and strategies to improve staff wellbeing.

As Executive Director of Education, Quality and Research, Anita provides strategic leadership and oversight across a broad portfolio that includes Education and Training, Quality and Innovation, encompassing risk management and consumer feedback. She oversees research and clinical trials. Her directorate also covers complex care services, including infection control and diabetes education. Additionally, Anita oversees the Staff Wellbeing Centre and the Occupational Violence and Aggression team.





## Executive Director Mental Health

### Mike Gatsi

**MBA, DMS**

As Executive Director Mental Health, Mike is responsible for leading the delivery, performance, and reform of mental health services across child, youth, adult, and older adult streams. This includes acute inpatient units, community-based services, and crisis response programs. The role includes overseeing service development aligned with the recommendations of the Royal Commission into Victoria's Mental Health System and the Mental Health and Wellbeing Act 2022.

The Executive Director Mental Health ensures services are safe, person-centred, and accessible, while supporting the integration of lived and living experience into all levels of service design and governance. A key priority is developing an engaged, resilient, and skilled workforce, while strengthening regional partnerships and innovative models of care to address the diverse needs of the Gippsland community.



## Executive Director People & Culture

### Mark Wilkins

**Grad Dip (HR)**

The Executive Director People and Culture leads the development of a responsive, innovative, and strategic People and Culture service. This role involves fostering collaborative relationships with the LRH Executive, senior leadership teams, clinicians, staff, and key stakeholders within the Victorian public health sector. Mark is also responsible for support services across the organisation including catering and cleaning services, security and ground maintenance.



## Chief Information Officer

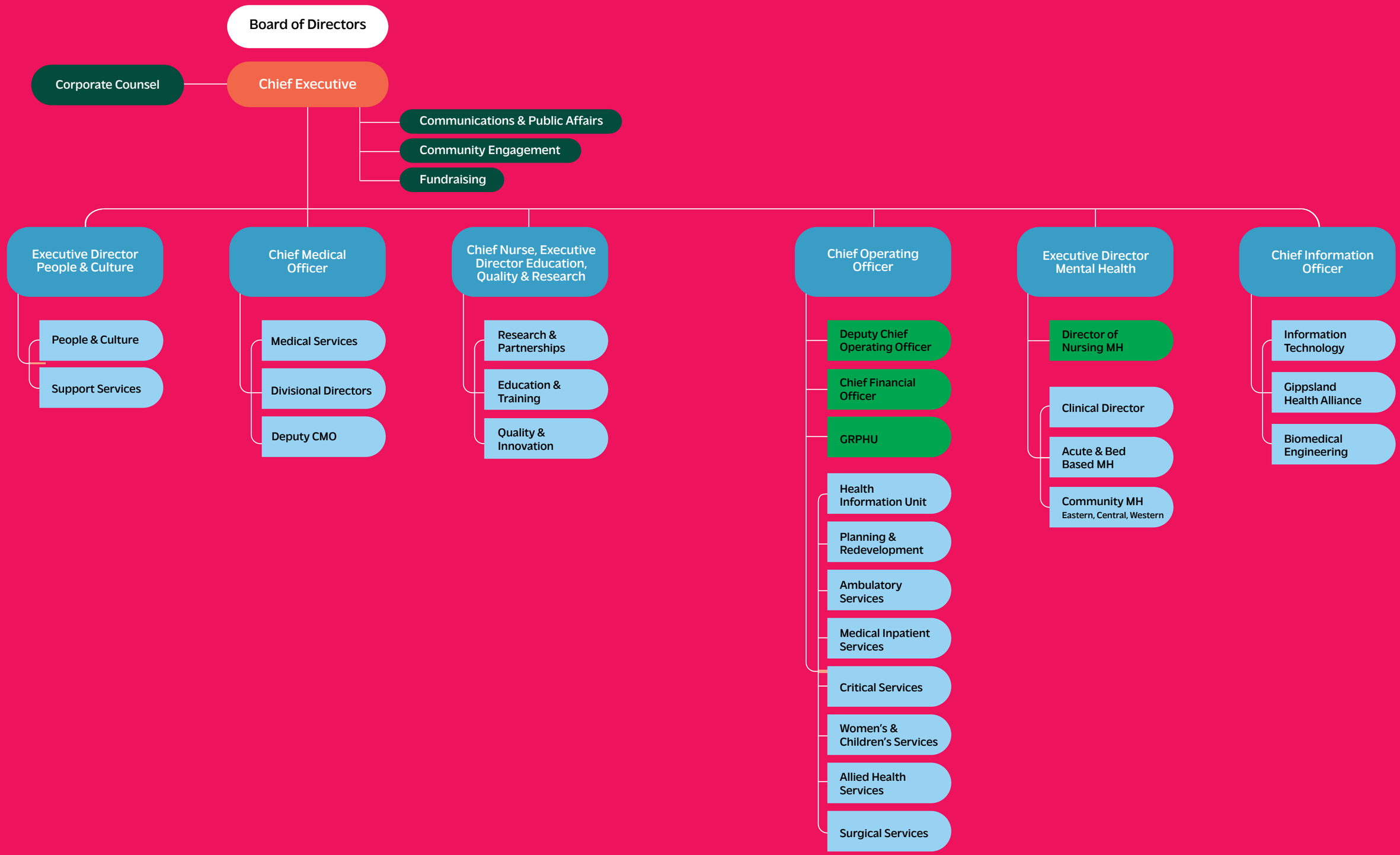
### Adrian Shearer

**BEng (Electronic and Computers), DipMgt**

The Chief Information Officer (CIO) oversees the Gippsland Health Alliance (GHA), information and communications technology (ICT) services and biomedical engineering at LRH. Adrian provides high-level leadership and advice on policies, planning, and the development and implementation of innovative ICT strategies and services across LRH and the broader health alliance.

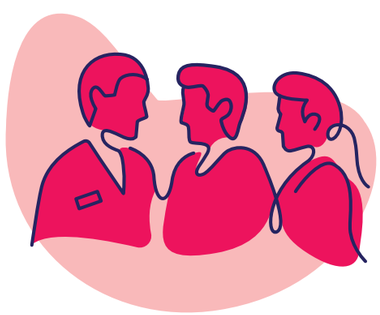
# Organisational Structure

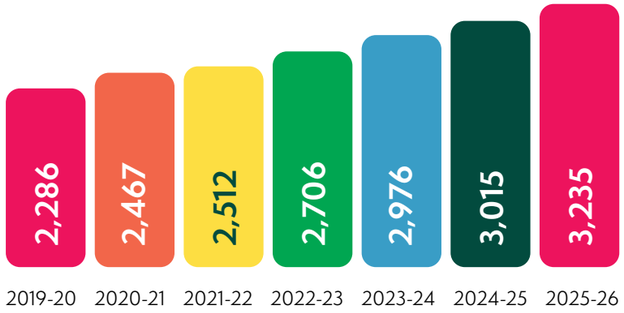
as at 30 June 2026



# Workforce

Latrobe Regional Health's goal is to grow and support a skilled and diverse workforce. We are committed to improving public sector employment and career outcomes for Aboriginal people.






In 2025-26 Latrobe Regional Health employed 3,235 staff across Gippsland. The largest category of employees is nursing staff.

At 30 June 2026 staffing levels by labour category were as follows:

| Hospitals labour category | June current month FTE* | | Average monthly FTE** | |
|---|---|---|---|---|
| | 2025 | 2026 | 2025 | 2026 |
| Nursing | 1,009.31 | 1,089.86 | 984.53 | 1,041.80 |
| Administration & Clerical | 378.76 | 407.85 | 374.60 | 380.74 |
| Medical Support | 123.97 | 144.21 | 118.17 | 134.37 |
| Hotel & Allied Services | 139.07 | 152.24 | 136.43 | 149.75 |
| Medical Officers | 25.44 | 21.88 | 21.74 | 21.80 |
| Hospital Medical Officers | 187.98 | 216.58 | 177.12 | 199.45 |
| Sessional Clinicians | 56.35 | 66.50 | 53.58 | 60.79 |
| Ancillary Staff (Allied Heath) | 151.62 | 181.95 | 147.57 | 170.62 |
| Total Staff Employed – FTE | 2,072.49 | 2,281.06 | 2,013.74 | 2,159.33 |

Employees have been correctly classified in workforce data collections.

* FTE stands for full-time equivalent positions.

**Employment and conduct principles**

LRH aligns its desired behaviours, policies and practices to public sector values and the hospital's own core values which are approved by the Board of Directors. Our staff are expected to adhere to the Public Sector Code of Conduct for Victorian Public Sector Employees issued by the Victorian Public Sector Commissioner. Our Workplace Conduct Policy is consistent with the Charter of Human Rights and Responsibilities Act 2006 (Vic) and promotes the principles of equal opportunity and fair and reasonable treatment of others.



**Workforce Inclusion**

Our commitment to diversity, equity and inclusion is supported through a dedicated Diversity & Inclusion Committee, a Diversity & Inclusion Plan, Aboriginal Employment Plan and a Gender Equality Plan. These frameworks provide a structured approach to promoting a diverse and inclusive workforce, strengthening cultural safety and supporting equitable employment opportunities, including for Aboriginal and Torres Strait Islander peoples.

Together, these policies, plans and governance arrangements support LRH in fostering a workplace where all staff are valued, respected and able to contribute, free from discrimination, harassment and unfair treatment.

# Occupational Health and Safety

In 2025-26 LRH managed an increased number of WorkCover claims, including several psychological injury claims. Despite the rise in claim numbers, the overall cost of claims decreased, reflecting LRH's continued focus on injury management, early intervention, and positive return to work outcomes.

LRH continues to promote a strong and positive reporting culture, encouraging staff to report incidents, hazards, and near misses promptly. Increased reporting enables trends and emerging risks to be identified earlier, allowing controls to be reviewed and implemented to prevent further harm to employees. Enhanced reporting also supports timely injury management and recovery, contributing to improved workforce wellbeing and reduced claim costs.

LRH has maintained a strong focus on its incident reporting framework, driving increased reporting of incidents, hazards and near misses across the organisation. This increase reflects a positive reporting culture and greater staff engagement, supporting earlier risk identification, improved trend analysis and the implementation of targeted controls to prevent harm and enhance workplace safety.

Further enhancements to data collection and reporting processes, including refinements to reporting filters and automated data capture, have improved the accuracy, consistency, and reliability of incident reporting metrics. These improvements provide greater visibility of operational risks and support evidence-based decision-making across the organisation.

LRH remains committed to supporting the physical and psychological wellbeing of its workforce through a range of initiatives, including the Staff Wellbeing Centre, presentations by The Resilience Project, and access to wellbeing resources. The organisation continues to implement and progress its Wellbeing @ Work Action Plan, ensuring best-practice approaches to employee health, safety, and wellbeing are achieved and maintained.

| Occupational Health and Safety Statistics | 2025-26 | 2024-25 | 2023-24 |
|---|---|---|---|
| The number of reported hazards/incidents for the year per 100 FTE | **75.66** | **84.97** | **9.22** |
| The number of 'lost time' standard WorkCover claims for the year per 100 FTE | **1.06** | **0.89** | **0.56** |
| The average cost per WorkCover claim for the year ('000) | **$18,715** | **$54,552** | **$76,698** |

## Occupational Violence

Our work to address high numbers of occupational violence and aggression (OVA) incidents experienced by staff continues. We have created two dedicated OVA positions to lead our efforts and are examining successful strategies implemented by metropolitan hospitals.

| Occupational violence statistics | 2025-26 |
|---|---|
| Workcover accepted claims with an occupational violence cause per 100 FTE | **0.32** |
| Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked. | **1.58** |
| Number of occupational violence incidents reported | **2204** |
| Number of occupational violence incidents reported per 100 FTE | **98.04** |
| Percentage of occupational violence incidents resulting in a staff injury, illness or condition | **5.44** |

## 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 the course of a planned or unplanned Code Grey, the incident must be included.

Accepted Workcover claims – Accepted Workcover claims that were lodged in 2024-25.

Lost time – defined as greater than one day.

Injury, illness or condition – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.




All the staff, midwives and doctors were absolutely amazing throughout the 3 days we were there and all the lead up to having our third son.

**Christine, Maternity**

# Financial *Information*





## Summary of Financial Information

During the 2025/26 financial year, the Victorian State Government through the Department of Health (DH) provided $426.9 million in operating grants and $4.5 million towards targeted capital works and equipment. Commonwealth grants were also provided through the Pharmaceutical Benefits Scheme, Aged Care and Radiology/Oncology Equipment Replacement Program totalling $24.4 million.

Revenue from operating activities showed an increase of $40.98 million, 8.9 per cent higher than previous financial year.

Total expenses (excluding depreciation) increased by $32.2 million, 6.9 per cent from 2024/25. Employee Expenses increased by $29.6 million (8.9 per cent), Supplies and Consumables were down $0.7 million (0.8 per cent), and Other Operating Expenses were $3.3 million higher (6.2 per cent).

Operating activities provided a net cash inflow of $0.5 million. Investing activities provided a net cash outflow of $11.3 million. There was also a net cash outflow from financing activities of $0.72 million.  The overall net cash result was a decrease of $11.6 million in cash held. Cash and cash equivalents at end of financial year totalled $19.4 million.

The current asset ratio at 30 June 2026 was 0.31, a decrease from 0.38 at 30 June 2025.

Major capital works projects continued in 2025/26 including the Cath Lab fit out, Youth Prevention and Recovery Centre (YPARC) and Mental Health Intensive Care Area.

There were no events subsequent to balance date which had a significant effect on the operations of LRH in subsequent years.

# Financial Information

| Key Performance Indicator | 2026 $000 | 2025 $000 | 2024 $000 | 2023 $000 | 2022 $000 |
|---|---|---|---|---|---|
| **Operating Result** | (1,297) | (17,640) | (28,411) | 368 | 1,389 |
| Total Revenue | 504,694 | 463,423 | 454,939 | 514,749 | 390,228 |
| Total Expenses | 535,935 | 507,435 | 444,440 | 409,374 | 367,464 |
| **Net Result From Transactions** | **(31,241)** | **(44,012)** | **10,499** | **105,375** | **22,764** |
| Total other economic flows | 1,431 | 2,323 | 1,522 | (649) | (3,638) |
| **Net Result** | **(29,810)** | **(41,689)** | **12,021** | **104,726** | **19,126** |
| Total Assets | 648,318 | 663,940 | 685,637 | 546,812 | 411,487 |
| Total Liabilities | 118,579 | 117,982 | 97,990 | 94,787 | 101,434 |
| **Net Assets/Total Equity** | **529,739** | **545,958** | **587,647** | **452,025** | **310,053** |

* The Operating Result is the result for which Latrobe Regional Health is monitored against in its Statement of Priorities

# Reconciliation of Net Result from Transactions and Operating Result

| | 2025/26 $'000 | 2024/25 $'000 | 2023/24 $'000 | 2022/23 $'000 | 2021/22 $'000 | 2020/21 $'000 | 2019/20 $'000 |
|---|---|---|---|---|---|---|---|
| **Net operating result** | (1,297) | (17,640) | (28,411) | - | 368 | 1,389 | 331 |
| Capital purpose income | 4,496 | 14,582 | 63,669 | 127,066 | 40,189 | 13,001 | 11,714 |
| Specific Income | | | | | | | |
| COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply | - | 274 | 550 | 1,370 | 3,157 | 1,811 | 247 |
| State Supply items consumed up to 30 June 2025 | (44) | (268) | (637) | (1,509) | (3,137) | (1,666) | (168) |
| Assets provided free of charge | - | - | - | - | - | (74) | - |
| Assets received free of charge | - | - | 32 | 438 | 631 | 2,223 | 64 |
| Expenditure for capital purpose | (515) | (3,408) | (5,258) | (5,692) | (1,915) | (4,185) | (4,762) |
| Depreciation and amortisation | (33,774) | (37,521) | (19,502) | (16,947) | (16,529) | (16,125) | (15,448) |
| Impairment of non-financial assets | - | - | - | - | - | - | - |
| Finance costs (other) | (106) | (31) | 56 | - | - | - | - |
| **Net result from transactions** | **(31,241)** | **(44,012)** | **10,499** | **104,726** | **22,764** | **(3,626)** | **(8,022)** |

* The Operating Result is the result for which Latrobe Regional Health is monitored against in its Statement of Priorities



# Consultancies information

**Details of consultancies (under $10,000)**

In 2025 – 26, there were two consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2025 – 26 in relation to these consultancies is $15,500 (excluding GST).

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

In 2025 – 26, there were six consultancies where the total fees payable to the consultants were more than $10,000. The total expenditure incurred during 2025 – 26 in relation to these consultancies is $620,537 (excluding GST).

**Details of consultancies**

| Consultant | Purpose of consultancy | Start date | End Date | Total approved project fee (excluding GST) | Expenditure 2025-26 (excluding GST) | Future expenditure (excluding GST) |
|---|---|---|---|---|---|---|
| **Balanced Effect Pty Ltd** | Fundraising: Establishing a Foundation & Philanthropy Strategy. Fundraising System Support. | Dec-25 | Mar-26 | $40,180 | $40,180 | NIL |
| **Catherine Helen Jones** | Clinical Governance Review | Jun-26 | Jun-26 | $11,250 | $11,250 | NIL |
| **Creative Change Consulting** | Facilitation of Workshop with Board Chairs & Chief Executives of Gippsland Local Health Service Network | Dec-25 | Dec-25 | $8,000 | $8,000 | NIL |
| **Future Leadership Pty Ltd** | Consultation with Chair for Committee Administration and Vote Appointment Process | Sep-25 | Sep-25 | $7,500 | $7,500 | NIL |
| **Future Leadership Pty Ltd** | "Facilitation of CEO Forum Draft CEO Committee Terms of Reference" | Aug-25 | Aug-25 | $13,074 | $13,074 | NIL |
| **Nous Group Pty Ltd** | Clinical Services Plan for Gippsland Local Health Service Network | Mar-26 | Jun-26 | $533,731 | $533,731 | NIL |
| **Suzanne Maree Callaway** | Incident Reporting and Investigation Systems and Processes Review | Aug-25 | Aug-25 | $11,801 | $11,801 | NIL |
| **Suzanne Maree Callaway** | Clinical Governance Review | Jun-26 | Jun-26 | $10,502 | $10,502 | NIL |

* The Operating Result is the result for which Latrobe Regional Health is monitored against in its Statement of Priorities

### Information and communication technology (ICT) expenditure

The total ICT expenditure incurred during 2025-26 is $17,443,946 (excluding GST) with the details shown below:

| Business as usual (BAU) ICT expenditure | Non-Business As Usual (non- BAU) ICT expenditure | | |
|---|---|---|---|
| Total (excluding GST) | Total = Operational expenditure and Capital Expenditure (excluding GST) | Operational expenditure (excluding GST) | Capital expenditure (excluding GST) |
| $17,165,640 | $278,307 | $ - | $278,307 |

### Social procurement activities under the Social Procurement Framework

Latrobe Regional Health has undertaken activities to support its Social Procurement Strategy during FY2026, these include continuing to support our employment opportunities for Victorian Aboriginal people through traineeship programs, attending information sessions held by Department of Jobs, Skills, Industry and Regions (DJSIR) and supporting prospective suppliers in developing their social procurement understanding and information requirements as a part of the procurement process.

| Objectives | No. of Business Engaged | Total Spend FY26 |
|---|---|---|
| Number of Social Benefit Suppliers | 6 | $590,460.12 |
| Number of Victorian Aboriginal businesses engaged | 3 | $3,060.00 |
| Number of Social Enterprises supporting people with a disability | 3 | $587,147.12 |

### Grants and transfer payments

Not applicable. Latrobe Regional Health did not administer any grants, transfer payments or Commercial-in-Confidence grants in 2025-2026.



I would like to commend each staff member ( from cleaners, to care givers , nurses and doctors) for their patient centred approach towards my daughter. I could not fault any care provision. All staff involved in my daughter's care were highly professional, caring and sensitive to her special needs. Thank you for being wonderful.

**Chloe, Day Procedure Unit**

# Disclosures *and* Attestations





# Disclosures required under legislation

**Freedom of Information Act 1982**

The Victorian Freedom of Information (FOI) Act 1982 allows the public to request access to documents held at LRH including their health records and information about the processes and activities of government agencies.

Applications clearly describing the documents being requested from LRH can be made via email foi@lrh.com.au or to:

The Freedom of Information Officer
Latrobe Regional Health
PO Box 424
Traralgon VIC 3844

The standard fee from 1 July 2025 is $33.60. Search fees and administrative costs may also be applied. More information can be obtained from the LRH website Freedom of Information - LRH or the Health Information Unit (03) 5173 8844.

During 2025-26, LRH received 612 FOI applications, of these 562 were valid requests made during the 12 months to 30 June 2026.

There were 252 decisions made within the statutory time period (30 days). Of the decisions made outside time, 96 were made within a further 45 days and 39 decisions were made between 46 and in 99 days. Three decisions took longer than 100 days.

A total of 363 FOI access decisions were made where access to documents was granted in full. There were 33 requests which were granted in part and one request was denied in full. In addition, three requests were withdrawn, eight were not proceeded with and there were no documents for three requests. One was completed outside of the act and a further 150 were not yet finalised.

During 2025-26, three requests were subject to a complaint/internal review by the Office of the Victorian Information Commissioner. No requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Freedom of Information requests
1 July 2025 – 30 June 2026.

| | |
|---|---|
| Requests received | 612 |
| Valid requests | 562 |
| Access granted in full | 363 |
| Access granted in part | 33 |
| Access denied in full | 1 |
| Not yet finalised* | 150 |
| Other # | 15 |
| Not finalised in 2024/2025^ | 44 |

* A decision with regard to release had not been made at 30/6/2026

# Indicates requests that were withdrawn, did not proceed, nil documents available or completed outside the act

^indicates valid requests not finalised in 2024/2025 that were finalised during 2025/2026

**Building Act 1993**

Latrobe Regional Health (LRH) owns, leases and manages a diverse portfolio of clinical, administrative and residential properties across Gippsland to support the delivery of healthcare services. This includes the main hospital campus at Traralgon West, specialist consulting clinics and administration buildings, community health facilities in Bairnsdale and Wonthaggi, and a number of leased and externally managed sites from which health services are delivered.

LRH complies with the building and maintenance requirements of the Building Act 1993. Building permits are obtained for all applicable capital works, while annual audits of Certificates of Occupancy are undertaken by a registered building surveyor to confirm ongoing compliance. Independent fire safety audits are also completed every five years in accordance with the Human Services Fire Risk Management Guidelines.

To support workforce accommodation, LRH manages 31 residential properties, comprising seven owned properties and 24 privately leased houses and units. All buildings occupied by staff, patients and visitors are maintained to meet applicable essential safety measures and legislative compliance requirements.

During 2025/26, LRH completed a capital refurbishment of a mental health clinical area and received a Certificate of Final Inspection following completion of the works. No emergency orders or building orders were issued for any buildings owned or operated by LRH during the reporting period.

Building maintenance services are delivered through contracted service providers working in partnership with LRH. Planned preventative maintenance, statutory inspections and responsive maintenance programs help ensure LRH facilities remain safe, compliant and fit for purpose, supporting the continued delivery of high-quality healthcare services across the region.

**Public Interest Disclosure Act 2012**

Latrobe Regional Health (LRH) is committed to the aims and objectives of the Public Interest Disclosures Act 2012 (Vic).

LRH does not tolerate detrimental action being taken against any person in relation to the making of a public interest disclosure or any other 'whistleblower' disclosure protected by law.

LRH has developed procedures for the protection of persons from detrimental action being taken against them by LRH's board members, officers and employees.

The procedures are readily available to LRH's board members, officers and employees through LRH's intranet and are also provided on request.

**Statement on National Competition Policy**

Latrobe Regional Health complies with the requirements of the Victorian Government's Competitive Neutrality Policy Victoria. The relevant principles of the policy are applied to significant business activities to ensure fair competition, particularly where the health service undertakes revenue-generating activities.

No competitive neutrality complaints were made against Latrobe Regional Health during the reporting period.

**Carers Recognition Act 2012**

The Carers Recognition Act 2012 acknowledges and values the importance of people with a care role and recognises the contribution they make to the Victorian community.

At LRH, a carer may be a consumer's or patient's next of kin, guardian, family member, delegated community member, or another significant person nominated by the consumer or patient. LRH recognises the principles of the Act and has incorporated them into a range of organisational practices that are supported by policies including Person-Centred Care, Family Meetings, and Consumer, Carer and Community Partnerships.

LRH's Carer Consultants, who bring lived experience as carers of people with ill health, play an important advisory and supportive role within the organisation. We also use internal feedback mechanisms and the Victorian Healthcare Experience Survey to monitor and improve carers' experiences.

LRH has taken all practical measures to meet its obligations under the Act. These measures include:

- Promoting the principles of the Act with people in a care role who access our services.
- Ensuring staff are aware of and understand the care relationship principles outlined in the Act.
- Considering the care relationship principles when developing and reviewing policies, including flexible working arrangements and leave provisions for staff.
- Ensuring carers are involved in reviewing organisational processes and have opportunities to contribute through committees, focus groups and surveys.
- Implementing priority actions identified in the Victorian Carer Strategy 2025-2035.

Through these initiatives, LRH demonstrates its commitment to recognising, respecting and supporting people with caring responsibilities, ensuring they feel valued and are supported to maintain their own health and wellbeing.

**Local Jobs First Act 2003**

During the reporting period, Latrobe Regional Health did not commence or complete any projects that were subject to the requirements of the Local Jobs First policy. Consequently, no Local Industry Development Plans, Major Project Skills Guarantee obligations, or associated reporting obligations were required.

**Emergency Procurement and Procurement Complaints Disclosures**

Disclosure of Emergency Procurements

Latrobe Regional Health did not activate emergency procurement provisions during the 2025–26 reporting period. Accordingly, no emergency procurement activities were undertaken and no expenditure was incurred under emergency procurement arrangements during the year.

**Disclosure of procurement complaints**

Latrobe Regional Health received no procurement-related complaints during the 2025–26 reporting period. Accordingly, there are no procurement complaints or associated matters to report for the year.

**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 LRH 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:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by LRH about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates, and levies charged by LRH;
- details of any major external reviews carried out on LRH;
- details of major research and development activities undertaken by LRH;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by LRH to develop community awareness of LRH and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within LRH and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by LRH, the purposes of each committee and the extent to which the purposes have been achieved; and
- 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 Office**
Latrobe Regional Health
Phone: (03) 5173 8811
Email: enquiries@lrh.com.au

## Attestations

### Financial Management Compliance

I, Andrew Way, on behalf of the Responsible Body, certify that Latrobe Regional Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

**Andrew Way**
Chair, Board of Directors
Latrobe Regional Health
30 September 2026

### Data Integrity Declaration

I, Don McRae certify that Latrobe Regional Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Latrobe Regional Health has critically reviewed these controls and processes during the year.

**Don McRae**
Chief Executive
Latrobe Regional Health
30 September 2026

### Conflict of Interest Declaration

I, Don McRae, certify that Latrobe Regional Health 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 Latrobe Regional Health and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documentation at each executive board meeting.

**Don McRae**
Chief Executive
Latrobe Regional Health
30 September 2026

### Integrity, Fraud and Corruption Declaration

I, Don McRae certify that Latrobe Regional Health has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Latrobe Regional Health during the year.

**Don McRae**
Chief Executive
Latrobe Regional Health
30 September 2026

### Compliance with Health Share Victoria (HSV) Purchasing Policies

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

**Don McRae**
Chief Executive
Latrobe Regional Health
30 September 2026

### Safe Patient Care Act 2015

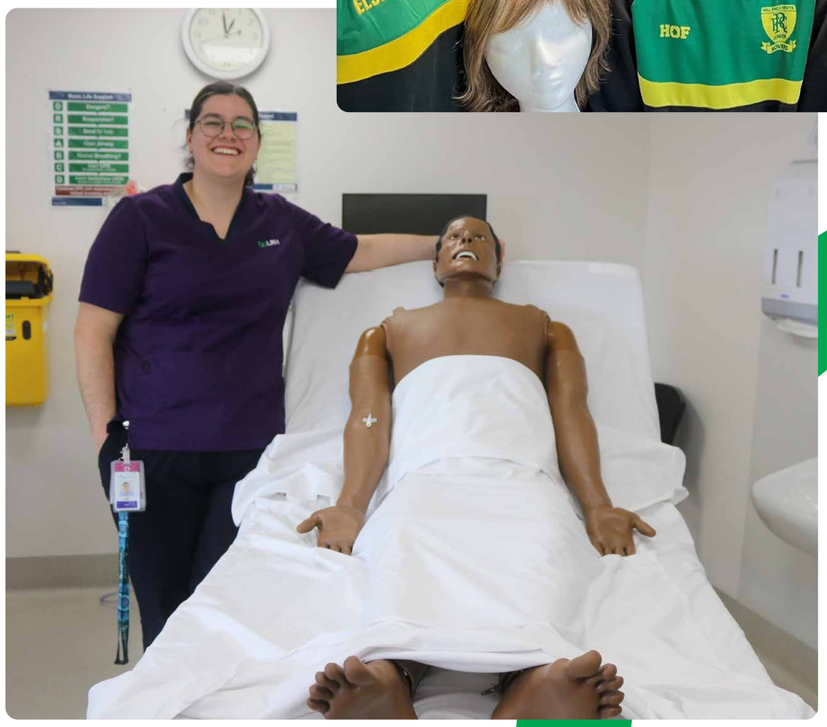
Latrobe Regional Health has no matters to report in relation to its obligations under section 40 of the Safe Patient Care Act 2015.



During the past 18 months of treatment the nurses and officer staff have been absolutely amazing, their dedication and caring attitude. Makes your worst days feel pleasant. They are very friendly and sincere and always have a smile to greet you. They all treat you like family. They are very special people.

**Sharon, Oncology**



# Environmental *Performance*





# Environmental Performance

LRH is required to disclose aspects of energy and resource consumption and environmental performance.

## FRD24 Report: Latrobe Regional Hospital Organisation Hierarchy (Jul-25 to Jun-26)

| Greenhouse Gas Emissions | Jul-25 to Jun-26 | Jul-24 to Jun-25 | Jul-23 to Jun-24 |
|---|---|---|---|
| **G1 Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)** | | | |
| Carbon Dioxide | 2,184.70 | 2,098.43 | 2,167.41 |
| Methane | 4.25 | 4.08 | 3.98 |
| Nitrous Oxide | 1.28 | 1.24 | 1.72 |
| **Total** | **2,190.22** | **2,103.75** | **2,173.11** |
| **Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (t CO2-e)** | **2,190.22** | **2,100.81** | **2,032.49** |
| **Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (t CO2-e)** | | **2.94** | **140.62** |
| **Medical/Refrigerant gases** | | | |
| Nitrous oxide | 116.18 | 38.58 | |
| Sevoflurane | 19.17 | 6.37 | |
| **Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)** | **2,325.56** | **2,103.75** | **2,173.11** |
| **G2 Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)** | | | |
| Electricity | 7,452.58 | 7,288.22 | 6,606.00 |
| **Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)** | 7,452.58 | 7,288.22 | 6,606.00 |
| **G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (t CO2-e)** | | | |
| Commercial air travel | | | |
| Waste emissions (WR5) | 166.95 | 166.95 | 220.59 |
| Indirect emissions from Stationary Energy | 1,182.09 | 1,152.83 | 973.33 |
| Indirect emissions from Transport Energy | | 0.72 | 35.52 |
| Paper emissions | | | |
| Water emissions | 197.30 | 180.61 | 115.73 |
| Any other Scope 3 emissions | 0.00 | 0.00 | 0.00 |
| **Total Scope 3 greenhouse gas emissions (t CO2-e)** | **1,546.35** | **1,501.12** | **1,345.17** |

| Greenhouse Gas Emissions | Jul-25 to Jun-26 | Jul-24 to Jun-25 | Jul-23 to Jun-24 |
|---|---|---|---|
| **G(Opt) Net greenhouse gas emissions (t CO2-e)** | | | |
| **Gross greenhouse gas emissions (G1 + G2 + G3) (t CO2-e)** | **11,324.49** | **10,893.09** | **10,124.28** |
| Total gross reported greenhouse gas emissions per bed-day (t CO2-e/OBD) | 0.09 | 0.09 | 0.08 |
| Carbon Neutral Electricity | 0.00 | 0.00 | 0.00 |
| Green Power Electricity | 0.00 | 0.00 | 0.00 |
| Purchased LGCs | -8,634.97 | 0.00 | 0.00 |
| **Any Reduction Measures Offsets purchased (EL4-related)** | **-8,464.66** | | |
| **Any Offsets purchased** | **-8,464.66** | **0.00** | **0.00** |
| **Net greenhouse gas emissions (t CO2-e)** | **2,859.84** | **10,893.09** | **10,124.28** |

| Electricity Use | Jul-25 to Jun-26 | Jul-24 to Jun-25 | Jul-23 to Jun-24 |
|---|---|---|---|
| **EL1 Total electricity consumption segmented by source (MWh)** | | | |
| Purchased | 11,122.22 | 11,051.18 | 10,043.78 |
| Self-generated | 568.99 | 1,138.12 | |
| **EL1 Total electricity consumption (MWh)** | **11,691.21** | **11,051.18** | **10,043.78** |
| **EL2 On site-electricity generated (MWh) segmented by:** | | | |
| **Consumption behind-the-meter** | | | |
| Solar Electricity | 1,313.34 | 1,138.12 | |
| **Total Consumption behind-the-meter (MWh)** | **1,313.34** | **1,138.12** | |
| **Exports** | | | |
| Solar Electricity | 20.30 | | |
| **Total Electricity exported (MWh)** | **20.30** | | |
| **EL2 Total On site-electricity generated (MWh)** | **1,333.64** | | |
| **EL3 On-site installed generation capacity (kW converted to MW) segmented by:** | | | |
| Diesel Generator | 7.85 | 7.85 | 7.85 |
| Solar System | 1.68 | 1.34 | 1.30 |
| **EL3 Total On-site installed generation capacity (MW)** | **9.53** | **9.19** | **9.15** |
| **EL4 Total electricity offsets segmented by offset type (MWh)** | | | |
| LGCs voluntarily retired on the entity's behalf | 9,385.84 | | |
| RPP (Renewable Power Percentage in the grid) | 1,991.99 | 2,022.34 | 1,883.84 |
| **EL4 Total electricity offsets (MWh)** | **11,122.22** | **2,022.34** | **1,883.84** |



| Stationary Energy | Jul-25 to Jun-26 | Jul-24 to Jun-25 | Jul-23 to Jun-24 |
|---|---|---|---|
| **F1 Total fuels used in buildings and machinery segmented by fuel type (MJ)** | | | |
| Natural gas | 42,503,798.30 | 40,768,699.30 | 39,442,818.70 |
| F1 Total fuels used in buildings (MJ) | 42,503,798.30 | 40,768,699.30 | 39,442,818.70 |
| **F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (t CO2-e)** | | | |
| Natural gas | 2,190.22 | 2,100.81 | 2,032.49 |
| **F2 Greenhouse gas emissions from stationary fuel consumption (t CO2-e)** | **2,190.22** | **2,100.81** | **2,032.49** |

| Transportation Energy | Jul-25 to Jun-26 | Jul-24 to Jun-25 | Jul-23 to Jun-24 |
|---|---|---|---|
| **T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type (MJ)** | | | |
| Non-executive fleet - Gasoline | 3,233,084.00 | 4455525.69 | 1,659,650.70 |
| **Petrol** | **3,233,084.00** | **4455525.69** | **1,659,650.70** |
| Non-executive fleet - Diesel | 634,838.18 | 621,333.70 | 403,269.60 |
| **Diesel** | **634,838.18** | **621,333.70** | **403,269.60** |
| **Total energy used in transportation (vehicle fleet) (MJ)** | **3,867,922.18** | **5,076,859.39** | **2,062,920.30** |
| **T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category** | | | |
| **T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (t CO2-e)** | | | |
| Non-executive fleet - Gasoline | 218.61 | 308.28 | 112.23 |
| **Petrol** | **218.61** | **308.28** | **112.23** |
| Non-executive fleet - Diesel | 44.57 | 43.41 | 28.39 |
| **Diesel** | **44.57** | **43.41** | **28.39** |
| **Total Greenhouse gas emissions from transportation (vehicle fleet) (t CO2-e)** | **263.18** | **351.69** | **140.62** |
| **T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)** | | | |
| Total distance travelled by commercial air travel | | | |
| **T(opt1) Total vehicle travel associated with entity operations (1,000 km)** | | | |
| Total vehicle travel associated with entity operations (1,000 km) | | | |
| **T(opt2) Greenhouse gas emissions from vehicle fleet (t CO2-e per 1,000 km)** | | | |
| t CO2-e per 1,000 km | | | |

| Total Energy Use | Jul-25 to Jun-26 | Jul-24 to Jun-25 | Jul-23 to Jun-24 |
|---|---|---|---|
| **E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)** | | | |
| Total energy usage from stationary fuels (F1) (MJ) | 42,503,798.30 | 40,768,699.30 | 39,442,818.70 |
| Total energy usage from transport (T1) (MJ) | **3,867,922.18** | **5,076,859.39** | 2,062,920.30 |
| **Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)** | **46,371,720.48** | **45,845,558.69** | **41,505,739.00** |
| E2 Total energy usage from electricity (MJ) | | | |
| Total energy usage from electricity (MJ) | 40,026,602.61 | 39,784,259.94 | 36,157,619.22 |
| E3 Total energy usage segmented by renewable and non-renewable sources (MJ) | | | |
| Renewable | 40,026,602.70 | 7,280,432.88 | 6,781,819.07 |
| Non-renewable (E1 + E2 - E3 Renewable) | 46,371,720.39 | 73,314,334.06 | 70,881,539.15 |
| E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser | | | |
| Energy per unit of Aged Care OBD (MJ/Aged Care OBD) | 32,556.37 | 27,049.35 | 25,627.27 |
| Energy per unit of LOS (MJ/LOS) | 646.50 | 653.25 | 641.81 |
| Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD) | 633.91 | 637.84 | 626.13 |
| Energy per unit of Separations (MJ/Separations) | 1,836.54 | 1,807.05 | 1,760.11 |
| Energy per unit of floor space (MJ/m2) | 1,380.42 | 1,373.71 | 1,372.13 |

| Water Use | Jul-25 to Jun-26 | Jul-24 to Jun-25 | Jul-23 to Jun-24 |
|---|---|---|---|
| **W1 Total units of metered water consumed by water source (kL)** | | | |
| Potable water (kL) | 140,651.73 | 110,418.10 | 68,968.30 |
| **Total units of water consumed (kL)** | **140,651.73** | **110,418.10** | **68,968.30** |
| **W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity** | | | |
| Water per unit of Aged Care OBD (kL/Aged Care OBD) | 291.34 | 37.08 | 23.38 |
| Water per unit of LOS (kL/LOS) | 5.79 | 0.90 | 0.59 |
| Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD) | 5.67 | 0.87 | 0.57 |
| Water per unit of Separations (kL/Separations) | 16.43 | 2.48 | 1.61 |
| Water per unit of floor space (kL/m2) | 12.35 | 1.88 | 1.25 |

The increase in water consumption over the past two years was primarily attributed to a significant leak identified in the mains water supply to the main campus in December 2025. The leak was subsequently rectified, resulting in a substantial reduction in water consumption and a return towards normal usage levels.



| Waste and Recycling | Jul-25 to Jun-26 | Jul-24 to Jun-25 | Jul-23 to Jun-24 |
|---|---|---|---|
| **WR1 Total units of waste disposed of by waste stream and disposal method (kg)** | | | |
| Landfill (total) | | | |
| General waste - bins | 13,465.27 | 13,465.27 | 13,502.57 |
| General waste - compactors | | | 40,920.00 |
| General waste - skips | 63,115.50 | 63,115.50 | 63,286.50 |
| **Offsite treatment** | | | |
| Clinical waste - incinerated | 9,623.99 | 9,623.99 | 9,647.84 |
| Clinical waste - sharps | 8,373.14 | 8,373.14 | 8,397.82 |
| Clinical waste - treated | 36,963.29 | 36,963.29 | 37,052.07 |
| **Recycling/recovery (disposal)** | | | |
| Batteries | | | 172.80 |
| Cardboard | | 116,454.04 | 116,455.78 |
| Commingled | | 20,149.75 | 20,206.56 |
| **Total units of waste disposed (kg)** | **131,541.19** | **268,144.99** | **309,641.94** |
| **WR1 Total units of waste disposed of by waste stream and disposal method (%)** | | | |
| **Landfill (total)** | | | |
| General waste | 58.22% | 28.56% | 38.01% |
| **Offsite treatment** | | | |
| Clinical waste - incinerated | 7.32% | 3.59% | 3.12% |
| Clinical waste - sharps | 6.37% | 3.12% | 2.71% |
| Clinical waste - treated | 28.10% | 13.78% | 11.97% |
| **Recycling/recovery (disposal)** | | | |
| Batteries | | | 0.06% |
| Cardboard | | 43.43% | 37.61% |
| Commingled | | 7.51% | 6.53% |
| **WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method** | | | |
| Total waste to landfill per patient treated ((kg general waste)/PPT) | 0.35 | 0.36 | 0.58 |
| Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT) | 0.25 | 0.26 | 0.27 |
| Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT) | | 0.65 | 0.67 |

| Waste and Recycling | Jul-25 to Jun-26 | Jul-24 to Jun-25 | Jul-23 to Jun-24 |
|---|---|---|---|
| **WR4 Recycling rate (%)** | | | |
| Weight of recyclable and organic materials (kg) | | 136,603.80 | 136,835.14 |
| Weight of total waste (kg) | 131,541.19 | 268,144.99 | 309,641.94 |
| **Recycling rate (%)** | | **50.94%** | **44.19%** |
| **WR5 Greenhouse gas emissions associated with waste disposal (t CO2-e)** | | | |
| t CO2-e | 166.95 | 166.95 | 220.59 |

| Normalisation Factors | Jul-25 to Jun-26 | Jul-24 to Jun-25 | Jul-23 to Jun-24 |
|---|---|---|---|
| **1000km (Corporate)** | | | |
| 1000km (Non-emergency) | | | |
| Aged Care OBD | 2,535.00 | 2,978.00 | 2,950.00 |
| ED Departures | 41,591.00 | 40,326.00 | 40,082.00 |
| FTE | 2,214.00 | | 1,917.00 |
| LOS | 127,658.00 | 123,312.00 | 117,792.00 |
| OBD | 130,193.00 | 126,290.00 | 120,742.00 |
| PPT | 216,722.00 | 211,193.00 | 203,776.00 |
| Separations | 44,938.00 | 44,577.00 | 42,952.00 |
| TotalAreaM2 | 59,786.50 | 58,639.00 | 55,097.33 |

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

*The girls in special care are beyond amazing, they go above and beyond every shift. They are worth their weight in gold, my partner and I are very appreciative for all the work and support they have given us during our babies admission.*

**Maggie, Special Care Nursery**



# Statement of Priorities




# Reporting of outcomes from Statement of Priorities 2025-26

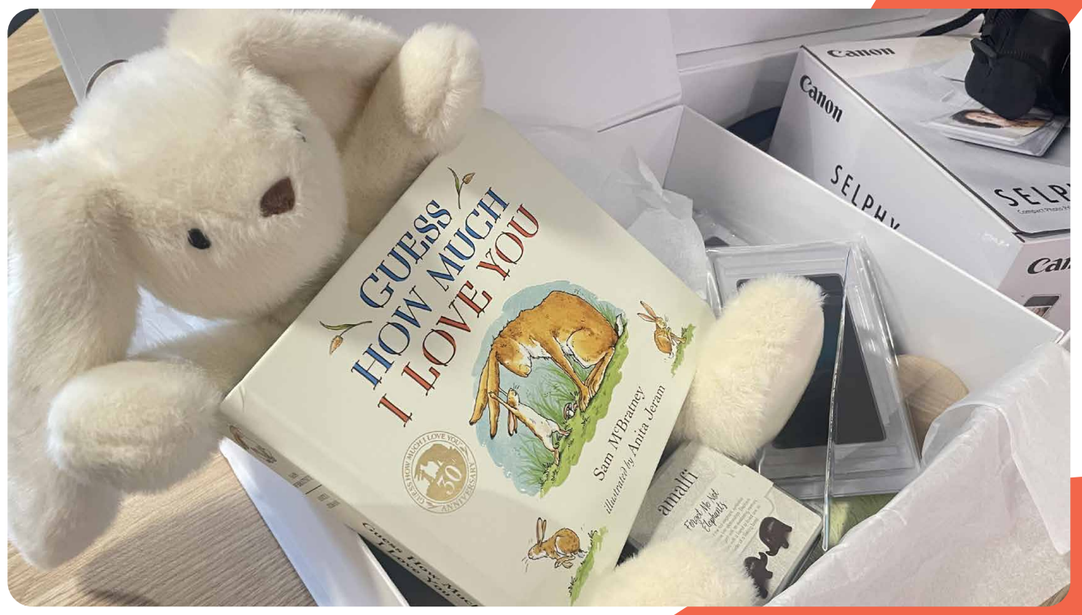
The Statement of Priorities is an annual accountability agreement between Victorian public healthcare services and the Minister for Health. They outline key performance expectations, targets and funding for the year as well as government service priorities.

**Part A: provides an overview of the strategic priorities for 2025-26**

**Part B: lists performance priorities and agreed targets**

**Part C: focuses on activity across acute, subacute and mental health services**

Results reflect the available data at the time of writing.



# Part A:
# Strategic Priorities

**Innovate and improve access and care**

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

| 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**<br>Consumer input continued to be embedded across strategic planning, policy development and service evaluation.<br>Lived and living experience was incorporated into emergency department models of care, while Mental Health commenced development of a dedicated Consumer Advisory Strategy aligned with the broader Consumer Advisory Committee.<br>These initiatives strengthened consumer participation in service design and quality improvement. |
| | 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**<br>LRH strengthened its safety culture by embedding Just Culture principles into case and system reviews and introducing a "safe to fail" approach to organisational learning.<br>The Serious Clinical Incident Review Team (SCIRT) became operational, the Clinical Governance Framework was revised to align with the Victorian Clinical Governance Framework and a new Clinical Scorecard using the methodology of the Institute for Healthcare Improvement was introduced to strengthen oversight, transparency and quality improvement.<br>An organisation-wide Patient Safety Culture Survey identified priority areas to inform future improvement. |
| | Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement. | **Achieved**<br>An integrated education program strengthened leadership capability in quality and safety. A 12-week development program for managers and clinical leaders focused on risk management, incident investigation, patient safety and consumer feedback, while targeted trauma-informed training was delivered to emergency department and security staff.<br>Mental Health also progressed implementation of a workforce capability framework aligned with statewide reform. |
| **Improve access to timely emergency care by implementing system-wide patient flow strategies that reduce emergency department wait times and improve ambulance-to-hospital transfer times.** | Implement all relevant standards outlined in the Standards for Safe and Timely Ambulance and Emergency Care (STAEC) for Victorians and the accompanying Implementation Guide. | **Achieved**<br>All priority STAEC implementation actions were completed by December 2025, with remaining actions progressing as planned. Improvements included introduction of ambulance offload escalation processes, daily monitoring of ambulance offload performance, embedding the Mental Health Navigator role which has led to improved flow through MHAOD hub, reduced code greys in ED and reduction in 24hr violations and initiatives to improve emergency department patient flow. 2.5 hour improvement in identifying clinical decision to admit<br>These initiatives contributed to sustained improvements in ambulance offload performance and timely access to emergency care. |
| **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**<br>Theatre optimisation initiatives included embedding Surgical Liaison Nurses, strengthening pre-operative triage pathways, improving theatre utilisation and expanding same-day surgery initiatives. LRH also developed telehealth pre-admission education.<br>LRH's theatre optimisation work was recognised through a presentation at the Department of Health's Planned Care Delivery and Reform Community of Practice, demonstrating improvements in theatre efficiency and multidisciplinary collaboration. |
| | Proactively manage planned surgery and specialist clinics (or outpatients) waitlists, for example validating and supporting patients into optimal care pathways such as evidence based alternatives to surgery and optimisation pathways. A particular focus should be applied to long-waiting patients and priority population groups (for example, Aboriginal and Torres Strait Islander patients and under-18 patients). | **Achieved**<br>Alternative care pathways continued to expand through optimisation clinics, strengthened pre-operative triage and improved management of orthopaedic outpatient waitlists.<br>Strong partnerships between the Aboriginal Health Unit (AHU) and Aboriginal Community Controlled Health Organisations (ACCHOs) and the Patient Support Unit strengthened support for Aboriginal patients throughout their planned care journey. Targeted ATSI clients who self-postponed surgery to identify and remove barriers for not wanting to attend planned surgery. Success with complex clients who have been difficult to engage.<br>Additional funding reduced long-wait paediatric ear, nose and throat patients by 35 per cent. |
| **Support the implementation of the "Next Phase of Reform" to deliver inclusive, personalised, compassionate, integrated mental health and wellbeing care in the community.** | Progress mental health reform: Implement mental health services per department guidelines, and engage in reform related initiatives to improve access to community mental health services, crisis reforms, headspace integration, youth and adolescent inpatient care, catchment removal as well as infant, child and youth age streaming. | **In progress**<br>Mental Health Services implemented age-streamed leadership structures across infant, child and youth, adult and older adult, and bed-based services. Work also continued to strengthen integrated models of care, improve emergency department mental health pathways, integrate lived experience into service delivery and strengthen regional service coordination in line with statewide reform. |
| | Partner with Safer Care Victoria in one or more mental health improvement programs: elimination of restrictive intervention, improving sexual safety, implementation of the zero suicide framework and reducing compulsory treatment. | **In progress**<br>LRH continued partnering with Safer Care Victoria across four improvement streams, including reducing compulsory treatment, reducing restrictive interventions, improving sexual safety and implementing the Zero Suicide Framework. Progress included ligature audits, implementation of sexual safety risk assessment tools, weekly multidisciplinary review forums and ongoing quality improvement activities. |
| | Progress partnerships, whether through a formal partnership, MoU or exchange of letters, with local community based mental health services (including Mental Health and Wellbeing Locals, Headspace and other local NGO providers) and deliver initiatives that align with the objectives of the Mental Health and Wellbeing Act 2022, and in accordance with the priorities outlined in Victoria's next phase of reform for Mental Health and Wellbeing. | **In progress**<br>LRH strengthened partnerships with community mental health providers through regular stakeholder forums, participation in the Gippsland Mental Health Alliance and progression of MOUs with Neami and Wellways. Regional collaboration also continued through emergency services forums and establishment of the Gippsland Mental Health Regional Huddle. |

## 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. | **Achieved**<br>Executive-led Budget Action Plan initiatives continued throughout the year, improving LRH's forecast financial position from an approved operating deficit to a forecast surplus while maintaining compliance with Government funding and policy requirements. Budget reviews continued to identify efficiencies and support sustainable service delivery. |
| | 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**<br>LRH expanded its use of activity, financial and workforce analytics to strengthen operational decision-making.<br>National Weighted Activity Unit optimisation workshops improved activity capture within Community Mental Health, while enhanced performance reporting, Closewatch reviews and targeted budget monitoring strengthened financial sustainability and operational performance. |
| | Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost of service delivery, improve safety, capacity and reduce unnecessary waiting. | **Achieved**<br>Targeted monitoring of workforce expenditure, overtime, agency utilisation and other high-cost service areas supported more efficient use of resources while maintaining patient-facing services.<br>Data-driven decision-making strengthened operational performance, service capacity and financial sustainability.<br>Established craft group business meetings to discuss above |

## 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. | **In progress**<br>LRH continued implementing actions under its Gender Equality, Diversity and Inclusion, People and Culture, Medical Cultural and Mental Health Cultural Plans.<br>Workforce initiatives included a revised organisation-wide orientation program, establishment of the Safe Workplace Incident Review Team, implementation of an Occupational Violence and Aggression Action Plan, introduction of an Amber Alert system within the electronic medical record, and appointment of 19 Occupational Violence and Aggression Ambassadors to strengthen workplace safety and culture. |
| | Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning. | **Achieved**<br>A People and Culture Dashboard was developed to strengthen workforce reporting and monitoring of workforce trends.<br>Preparation for the 2026 People Matter Survey, delivery of organisational pulse surveys and improved workforce analytics supported evidence-based workforce planning and strategic decision-making. |

**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.**<br>**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. | In progress<br>LRH continued to strengthen cultural safety capability through partnerships with Aboriginal Community Controlled Health Organisations, the University of Melbourne and Aboriginal community members.<br>Initiatives included trauma-informed education, culturally safe palliative care training and implementation of Closing the Gap projects to improve culturally responsive care. |
| | 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. | In progress<br>LRH continued to strengthen partnerships with ACCHOs across Gippsland through development of MOUs and collaborative initiatives to improve coordinated care, discharge planning, workforce development and culturally safe services.<br>Partnerships with Ramahyuck were expanded, with additional agreements with other organisations progressing across the region. |
| | Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways. | In progress<br>The Aboriginal Health Unit strengthened systems to identify and support Aboriginal and Torres Strait Islander patients through improved follow-up of patients who left care early, strengthened referral pathways, recruitment of a Clinical Care Coordinator and collaborative initiatives to improve care coordination and close the gap in health outcomes. |

**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). | In progress<br>LRH continued progressing Gippsland Local Health Service Network priorities through development of the Regional Clinical Services Plan, regional workforce planning and implementation of the Safer Together program.<br>A regional clinical governance maturity assessment and capacity dashboard were also progressed to strengthen collaboration and support a more integrated regional health system. |



# Part B:
# Performance Priorities

## High quality and safe care

| Key Performance Indicator | Target | Result |
|---|---|---|
| **Infection prevention and control** | | |
| Percentage of healthcare workers immunised for influenza | 95% | 95% |
| **Continuing care** | | |
| Average change in the functional independence measure (FIM) score per day of care for rehabilitation separations | ≥ 0.645 | 0.908 |
| **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% | 90.0% |
| **Aboriginal Health** | | |
| Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice | 0% | 1.8% |
| Difference between the percentage of Aboriginal patients and non-Aboriginal patients presenting to ED who did not wait to be treated | 0% | 3.5% |
| **Mental Health*** | | |
| **Mental Health Patient Experience** | | |
| Percentage of consumers who rated their overall experience with a service in the last three months as positive | 80% | 58.9% |
| Percentage of consumers/families/carers reporting a 'very good' or 'excellent' overall experience of the service | 80% | 38.3% |
| Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected | 90% | 64.4% |
| Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service | 90% | 73.2% |

| Mental Health follow-ups, readmissions, and seclusions | | |
|---|---|---|
| Percentage of consumers followed up within 7 days of separation - inpatient | 88% | 86% |
| Percentage of consumers re-admitted within 28 days of separation - inpatient | < 14% | 13% |
| Rate of seclusion episodes per 1,000 occupied bed days - inpatient | ≤ 6 | 7 |

*Mental Health data collection has been affected by ongoing protected industrial action.

## Strong governance, leadership and culture

| Key Performance Indicator | Target | Result |
|---|---|---|
| **Organisational culture** | | |
| People Matter Survey – Percentage of staff with an overall positive response to safety culture survey questions | 80% | 71% |

## Timely access to care

| Key Performance Indicator | Target | Result |
|---|---|---|
| **Planned surgery** | | |
| Percentage of urgency category 1 planned surgery patients admitted within 30 days | 100% | 100% |
| Percentage of all planned surgery patients admitted within the clinically recommended time. | 94% | 81% |
| Number of patients admitted from the planned surgery waiting list | 4,800 | 5,015 |
| Percentage of patients on the waiting list who have waited longer than the clinically recommended time for their respective triage category | 16.7% | 17.6% |
| Optimisation of surgical inpatient length of stay (LOS), including through the use of virtual and home-based pre- and post-operative models of care | 1.32 | 1.42 |
| **Emergency care** | | |
| Percentage of patients transferred from ambulance to emergency department within 40 minutes | 55% | 60% |
| Number of emergency patients with a length of stay in the ED greater than 24 hours | Zero | 112 |
| Average ED length of stay (LOS) for admitted patients, in minutes | 644 | 704 |
| Average ED length of stay (LOS) for non-admitted patients, in minutes | 291 | 298 |



| Mental Health | | |
|---|---|---|
| Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours | 65% | 27% |
| Percentage of departures from emergency departments to a mental health bed within 8 hours | 80% | 48% |
| Number of admitted mental health occupied bed days | 17,372 | 17,077 |
| Number of community mental health service hours | 69,120 | 69,145 |
| **Specialist Clinics** | | |
| Percentage of patients referred by a GP or external specialist who attended a first appointment within the recommended timeframe | 95% | 97.5% |
| **Home Based Care** | | |
| Percentage of admitted bed days delivered at home | 6.3% | 7.9% |

** The Department of Health, in collaboration with LRH, has recalibrated the target from 5,500 to 5,200.

## Effective financial management

| Key Performance Indicator | Target | Result |
|---|---|---|
| Operating result ($M) | 0.00 | -$1.3M |
| Adjusted current asset ratio | 0.7 or 3% improvement from health service base target | 0.31 |
| 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 | 0.23% |

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

Part C:

# Activity

## High quality and safe care

| Funding Type | 2025-26 Activity Achievement |
|---|---|
| **Consolidated Activity Funding** | |
| Acute admitted, subacute admitted, emergency services, non-admitted NWAU | 51,173 |
| Acute admitted mental health NWAU | 8,112 |
| **Acute Admitted** | |
| Acute admitted DVA | 252 |
| Acute admitted TAC | 153 |
| **Subacute/Non-Acute, Admitted & Non-admitted** | |
| Subacute - DVA | 15 |
| Transition care – bed days | 5359 |
| Transition care – home days | 6,427 |
| **Mental Health and Drug Services** | |
| Mental health ambulatory | 1,497 |
| Mental health residential | 3,653 |
| Mental health service system capacity | |
| Mental health subacute | 3,651 |
| **Primary Health** | |
| Community health other | |
| **Small Rural** | |
| Small rural mental health | 5,118 |
| Small rural health workforce | |
| **Others** | |
| Health workforce | |
| Other specified funding | 3,003 |




Ty has been nothing short of exceptional. His warm and welcoming nature and lack of judgement has been a true blessing. The knowledge of lived experience has not only given me hope but has me believe there is a much brighter future ahead. I can honestly say that without his honest open rapport I would not be anywhere near as well as I am today and in actual fact I believe he has saved my life.

**Michael, Mental Health, Alcohol or Other Drugs**

# Financial Report






# 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 Latrobe Regional Health have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and the financial position of Latrobe Regional Health 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 25 August 2026.

**Board Member**

Andrew Way
Chair, Board of Directors

**Accountable Officer**

Don McRae
Chief Executive Officer

**Chief Finance & Accounting Officer**

Michael Glaubitz
Chief Finance and Accounting Officer

# Independent Auditor's Report

Victorian Auditor-General's Office

***To the Board of Latrobe Regional Health***

**Opinion**

I have audited the financial report of Latrobe Regional Health (the health service) which comprises the:

- balance sheet as at 30 June 2026
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including material accounting policy information
- board member's, accountable officer's and chief finance & accounting officer's declaration.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and Australian Accounting Standards - Simplified Disclosures.

**Basis for Opinion**

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Board's responsibilities for the financial report**

The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the *Financial Management Act 1994,* and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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



**Auditor's responsibilities for the audit of the financial report**

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

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

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

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

MELBOURNE
27 August 2026

Simone Bohan
*as delegate for the Auditor-General of Victoria*

# Comprehensive Operating Statement

## Latrobe Regional Health
## 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) | 401,823 | 323,410 |
| Government Grants | 2.1(b) | 69,010 | 106,781 |
| Other sources of income | 2.1(c) | 33,861 | 33,232 |
| **Total revenue and income from transactions** | | **504,694** | **463,423** |
| | | | |
| **Expenses from transactions** | | | |
| Employee expenses | 3.1(a) | (361,609) | (332,024) |
| Supplies and consumables | 3.1(c) | (83,472) | (84,144) |
| Depreciation and amortisation | 4.1(a), 4.2 | (33,774) | (37,521) |
| Other operating expenses | 3.1(d) | (57,080) | (53,746) |
| **Total Expenses from transactions** | | **(535,935)** | **(507,435)** |
| | | | |
| **Net result from transactions - net operating balance** | | **(31,241)** | **(44,012)** |
| | | | |
| **Other economic flows included in net result** | | | |
| Net gain on sale of non-financial assets | | 23 | 21 |
| Net gain/(loss) on financial instruments | | (275) | 992 |
| Other gain from other economic flows | | 1,683 | 1,310 |
| **Total other economic flows included in net result** | | **1,431** | **2,323** |
| | | | |
| **Net result** | | **(29,810)** | **(41,689)** |
| | | | |
| **Other economic flows - other comprehensive income** | | | |
| **Items that will not be reclassified to net result** | | | |
| Changes in property, plant and equipment revaluation surplus | | - | - |
| Changes in the fair value of equity instruments at fair value through other comprehensive income | | - | - |
| | | | |
| **Items that may be reclassified subsequently to net result** | | | |
| Changes in the fair value of debt instruments at fair value through other comprehensive income | | - | - |
| **Total other comprehensive income** | | **-** | **-** |
| | | | |
| **Comprehensive result** | | **(29,810)** | **(41,689)** |

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



# Balance Sheet

## Latrobe Regional Health
## As at 30 June 2026

| | Note | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| **Financial assets** | | | |
| Cash and cash equivalents | 6.2 | 19,445 | 31,014 |
| Receivables | 5.1 | 24,823 | 19,642 |
| Investments and other financial assets | 5.3 | 26,850 | 25,520 |
| **Total financial assets** | | **71,118** | **76,176** |
| | | | |
| **Non-financial assets** | | | |
| Prepayments | | 1,866 | 1,936 |
| Inventories | 5.5 | 1,333 | 1,396 |
| Property, plant and equipment | 4.1 | 574,001 | 584,432 |
| **Total non-financial assets** | | **577,200** | **587,764** |
| | | | |
| **Total assets** | | **648,318** | **663,940** |
| | | | |
| **Liabilities** | | | |
| Payables | 5.5 | 29,138 | 37,103 |
| Borrowings | 6.1 | 3,875 | 995 |
| Employee benefits | 3.1(b) | 85,088 | 79,701 |
| Monies held in trust | 5.9 | 478 | 183 |
| **Total liabilities** | | **118,579** | **117,982** |
| | | | |
| **Net assets** | | **529,739** | **545,958** |
| | | | |
| **Equity** | | | |
| Reserves | | 319,859 | 319,859 |
| Contributed capital | | 40,778 | 27,187 |
| Accumulated surplus/(deficit) | | 169,102 | 198,912 |
| **Total equity** | | **529,739** | **545,958** |

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

# Statement of Changes in Equity

## Latrobe Regional Health
## 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** | **286,707** | **33,152** | **27,187** | **240,601** | **587,647** |
| Net result for the year | - | - | - | (41,689) | (41,689) |
| **Balance at 30 June 2025** | **286,707** | **33,152** | **27,187** | **198,912** | **545,958** |
| Net result for the year | - | - | - | (29,810) | (29,810) |
| Capital contribution | - | - | 13,591 | - | 13,591 |
| **Balance at 30 June 2026** | **286,707** | **33,152** | **40,778** | **169,102** | **529,739** |

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



# Cash Flow Statement

## Latrobe Regional Health
## For the Financial Year Ended 30 June 2026

| | Note | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| **Cash Flows from operating activities** | | | |
| Receipts from Government | | 450,760 | 413,308 |
| Commercial activity revenue received | | 15,000 | 15,188 |
| Donations and bequests received | | 180 | 78 |
| Other receipts | | 33,681 | 32,586 |
| **Total receipts** | | **499,621** | **461,160** |
| | | | |
| Payments to employees | | (354,539) | (320,134) |
| Payments for supplies and consumables | | (88,529) | (91,937) |
| GST paid to ATO | | 1,012 | (77) |
| Other payments | | (57,080) | (34,416) |
| **Total payments** | | **(499,136)** | **(446,564)** |
| | | | |
| **Net cash flows from/(used in) operating activities** | | **485** | **14,596** |
| | | | |
| **Cash Flows from investing activities** | | | |
| Proceeds from sale of non-financial assets | | 657 | (965) |
| Purchase of non-financial assets | | (10,386) | (9,537) |
| Proceeds from sale of financial assets | | - | 21 |
| Purchase of financial assets | | (1,605) | - |
| Capital donations and bequests received | | - | 171 |
| **Net cash flows from/(used in) investing activities** | | **(11,334)** | **(10,310)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Receipt of borrowings | | - | (785) |
| Payment for lease liabilities | | (1,015) | (1,021) |
| Repayment of accommodation deposits | | (17) | 120 |
| Receipt of accommodation deposits | | 312 | - |
| **Net cash flows from/(used in) financing activities** | | **(720)** | **(1,686)** |
| | | | |
| **Net increase/(decrease) in cash and cash equivalents held** | | **(11,569)** | **2,600** |
| Cash and cash equivalents at beginning of year | | 31,014 | 28,414 |
| **Cash and cash equivalents at end of year** | 6.2 | **19,445** | **31,014** |

# Notes to the Financial Statements

## Latrobe Regional Health
## For the Financial Year Ended 30 June 2026

### Structure


***1.1 Basis of preparation of the financial statements***
***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 Latrobe Regional Health for the year ended 30 June 2026.

Latrobe Regional Health is a not-for-profit entity established as a public agency in 1991 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 FMA and applicable Australian Accounting Standards (AASs), which include interpretations, issued by the Australian Accounting Standards Board (AASB).

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

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

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

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 Latrobe Regional Health on 25 August 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

Interests in joint arrangements are accounted for by recognising in Latrobe Regional Health's financial statements, its share of assets and liabilities and any revenue and expenses of such joint arrangements

Latrobe Regional Health has the following joint arrangements:

- Gippsland Health Alliance (GHA)

Details of the joint arrangements are set out in Note 8.7.

Latrobe Regional Health's principal address is:

Cnr. Princes Highway and Village Avenue
Traralgon West, Victoria 3844

### Note 1.4 Economic dependency

Latrobe Regional Health 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. Latrobe Regional Health 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 Latrobe Regional Health's operations and on that basis, the financial statements have been prepared on a going concern basis.

# Note 2: Funding delivery of our services

Latrobe Regional Health's overall objective is to provide quality health services and to be a leading regional healthcare provider delivering timely, accessible, integrated and responsive services to the Gippsland community. Latrobe Regional Health is predominantly funded by grant funding for the provision of outputs. Latrobe Regional Health also receives income from the supply of services.

**Significant judgement – Grants revenue**

Latrobe Regional Health has exercised significant judgement in determining the appropriate accounting treatment for amounts received in relation to grant revenue. Management has assessed whether the relevant funding arrangements contain enforceable agreements with sufficiently specific performance obligations and, consequently, whether the arrangements fall within the scope of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*.

Where funding arrangements contain enforceable agreements with sufficiently specific performance obligations, amounts received are recognised under AASB 15. Where the funding arrangements do not contain enforceable agreements with sufficiently specific performance obligations, amounts received are recognised under AASB 1058.

## Structure

***2.1 Revenue and income from transactions***

### Note 2.1 Revenue and income from transactions

| | Note | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|---|
| Revenue from contracts with customers | 2.1(a) | 401,823 | 323,410 |
| Government grants | 2.1(b) | 69,010 | 106,781 |
| Other sources of income | 2.1(c) | 33,861 | 33,232 |
| **Total revenue and income from transactions** | | **504,694** | **463,423** |

### Note 2.1(a) Revenue from contracts with customers

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| Government grants (State) - Operating | 386,823 | 308,352 |
| Government grants (Commonwealth) - Operating | - | - |
| Patient and resident fees | 4,804 | 5,369 |
| Private practice fees | 4,322 | 4,476 |
| Commercial activities | 5,874 | 5,213 |
| **Total revenue from contracts with customers** | **401,823** | **323,410** |

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

This policy applies to each of Latrobe Regional Health's revenue streams, with information detailed below relating to Latrobe Regional Health'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.<br>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.<br>Revenue is recognised at point in time, which is when a patient is discharged. |

**Patient and resident fees**

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

**Commercial activities**

Revenue from commercial activities includes items such as salary packaging, BioMedical Engineering, Private Medical Consulting Suites, Tandara Caravan Park, Lung Function Clinic and Cafeteria. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

## Note 2.1(b) Government grants

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| Government grants (State) - Operating | 40,115 | 67,695 |
| Government grants (Commonwealth) - Operating | 24,399 | 24,504 |
| Government grants (State) - Capital | 4,496 | 14,582 |
| Government grants (Commonwealth) - Capital | - | - |
| **Total Government grants** | **69,010** | **106,781** |

### How we recognise Government grants

### Government grants

Latrobe Regional Health 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 Latrobe Regional Health has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, Latrobe Regional Health 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 Latrobe Regional Health 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 Latrobe Regional Health'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 Latrobe Regional Health as follows:

| Supplier | Description |
|---|---|
| Victorian Managed Insurance Authority | The Department of Health purchases non-medical indemnity insurance for Latrobe Regional Health which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions. |
| Victorian Infrastructure Delivery Authority | The Department of Health made payments to the Victorian Infrastructure Delivery Authority to fund capital works projects during the year ended 30 June 2026, on behalf of Latrobe Regional Health. |
| 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 | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|---|
| Other capital purpose income | | - | - |
| Capital donations | | 228 | 170 |
| Assets received free of charge or for nominal consideration | 2.1(d) | 180 | 352 |
| Other income from operating activities | | 29,377 | 28,922 |
| Income from non-operating activities | | 4,076 | 3,788 |
| **Total other sources of income** | | **33,861** | **33,232** |

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

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| Cash donations and gifts | 180 | 78 |
| Plant and equipment | - | 274 |
| Land, buildings, road, infrastructure and earthworks at fair value | - | - |
| Personal protective equipment and other consumables | - | - |
| Other Services | - | - |
| **Total fair value of assets and services received free of charge or for nominal consideration** | **180** | **352** |

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

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

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

# Note 3: The cost of delivering our services

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

## Structure

***3.1 Expenses incurred in the delivery of services***

### Note 3.1 Expenses incurred in the delivery of services

| | Note | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|---|
| Employee expenses | 3.1(a) | 361,609 | 332,024 |
| Supplies and consumables | 3.1(c) | 83,472 | 84,144 |
| Other operating expenses | 3.1(d) | 57,080 | 53,746 |
| **Total expenses incurred in the delivery of services** | | **502,161** | **469,914** |

### Note 3.1(a) Employee expenses

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| Salaries and wages | 298,229 | 274,961 |
| Superannuation expense [(1)] | 31,904 | 27,408 |
| Agency expenses | 18,525 | 15,076 |
| Fee for service medical officer expenses | 12,951 | 14,579 |
| **Total employee expenses** | **361,609** | **332,024** |

(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.

The defined benefit plan(s) provides benefits based on year of service and final average salary. The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans. Latrobe Regional Health does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its

employees. Instead, Latrobe Regional Health accounts for contributions to these plans as if they were defined contribution plans.

The Department of Treasury and Finance discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability.

## Note 3.1(b) Employee related provisions

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| **Current provisions for employee benefits** | | |
| Accrued days off | 1,062 | 932 |
| Annual leave | 33,151 | 30,422 |
| Long service leave | 33,320 | 32,074 |
| Provision for on-costs | 9,212 | 8,806 |
| **Total current provisions for employee benefits** | **76,745** | **72,234** |
| | | |
| **Non-current provisions for employee benefits** | | |
| Long service leave | 7,461 | 6,585 |
| Provision for on-costs | 882 | 882 |
| **Total non-current provisions for employee benefits** | **8,343** | **7,467** |
| | | |
| **Total provisions for employee benefits** | **85,088** | **79,701** |

**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 Latrobe Regional Health 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 Latrobe Regional Health expects to wholly settle within 12 months or
present value – if Latrobe Regional Health 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 Latrobe Regional Health 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 Latrobe Regional Health expects to wholly settle within 12 months or
present value – if Latrobe Regional Health 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

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| Drug supplies | 23,420 | 22,860 |
| Medical and surgical supplies (including Prostheses) | 33,222 | 34,933 |
| Diagnostic and radiology supplies | 19,308 | 16,338 |
| Other supplies and consumables | 7,522 | 10,013 |
| **Total supplies and consumables** | **83,472** | **84,144** |

**How we recognise supplies and consumables**

**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

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| Fuel, light, power and water | 4,115 | 3,705 |
| Repairs and maintenance | 1,522 | 1,380 |
| Maintenance contracts | 7,557 | 5,769 |
| Medical indemnity insurance | 9,194 | 7,314 |
| Other administration expenses | 34,586 | 35,547 |
| Finance costs | 106 | 31 |
| **Total other operating expenses** | **57,080** | **53,746** |

**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 Latrobe Regional Health. 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

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

**Significant judgement – Fair value measurement**

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

## Structure

***4.1 Property, plant and equipment***
***4.2 Depreciation and amortisation***

### Note 4.1 Property, plant and equipment

| | Gross carrying amount | | Accumulated depreciation | | Net carrying amount | |
|---|---|---|---|---|---|---|
| | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 |
| Land at fair value - Crown | 3,816 | 3,816 | | | 3,816 | 3,816 |
| Land at fair value - Freehold | 8,430 | 8,257 | - | - | 8,430 | 8,257 |
| Buildings at fair value | 570,630 | 553,209 | (52,085) | (27,034) | 518,545 | 526,175 |
| Works in progress at cost | 4,369 | 5,513 | | | 4,369 | 5,513 |
| Plant, equipment and vehicles at fair value | 97,279 | 91,192 | (58,438) | (50,521) | 38,841 | 40,671 |
| **Total property, plant and equipment** | **684,524** | **661,987** | **(110,523)** | **(77,555)** | **574,001** | **584,432** |

**How we recognise property, plant and equipment**

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

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

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

| | Land $'000 | Buildings $'000 | Works in progress $'000 | Plant, equipment and vehicles $'000 | Total $'000 |
|---|---|---|---|---|---|
| **Balance at 1 July 2025** | **12,073** | **526,175** | **5,513** | **40,671** | **584,432** |
| Additions | 645 | 14,431 | 3,460 | 5,441 | 23,977 |
| Disposals | (472) | - | (19) | (143) | (634) |
| Revaluation increments/(decrements) | - | - | - | - | - |
| Net transfers between classes | - | 3,487 | (4,585) | 1,098 | - |
| Depreciation | - | (25,548) | - | (8,226) | (33,774) |
| **Balance at 30 June 2026** | **12,246** | **518,545** | **4,369** | **38,841** | **574,001** |

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, Latrobe Regional Health 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 Latrobe Regional 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 |
| Concessionary Land | 646 | 473 | | | 646 | 473 |
| Buildings [1] | 1,697 | 1,441 | (529) | (559) | 1,168 | 882 |
| Plant, equipment and vehicles [1] | 2,773 | 49 | (363) | - | 2,410 | 49 |
| **Total right-of-use assets** | **5,116** | **1,963** | **(892)** | **(559)** | **4,224** | **1,404** |

| | Right-of-use Concessionary Land $'000 | Buildings $'000 | Plant, equipment and vehicles $'000 | Total $'000 |
|---|---|---|---|---|
| **Balance at 1 July 2025 [1]** | **473** | **882** | **49** | **1,404** |
| Additions | 646 | 729 | 2,724 | 4,099 |
| Disposals | (473) | - | - | (473) |
| Net Transfers between classes | | - | - | - |
| Depreciation | | (443) | (363) | (806) |
| **Balance at 30 June 2026** | **646** | **1,168** | **2,410** | **4,224** |

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



### How we recognise right-of-use assets

#### Initial recognition

When Latrobe Regional Health enters a contract, which provides the health service with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

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

The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

- any lease payments made at or before the commencement date
- any initial direct costs incurred and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

#### Subsequent measurement

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

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

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

The recoverable amount of the primarily non-financial physical assets of Latrobe Regional Health, 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.

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

## Note 4.2 Depreciation and amortisation

### How we recognise depreciation

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

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

**How we recognise amortisation**

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

**Useful lives of non-current assets**

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

| | 2026 | 2025 |
|---|---|---|
| Buildings | 30 - 45 years | 30 - 45 years |
| Leasehold buildings | 5 - 40 years | 5 - 40 years |
| Plant, equipment and vehicles (including leased assets) | 2 - 10 years | 2 - 10 years |

# Note 5: Other assets and liabilities

This section sets out those assets and liabilities that arose from Latrobe Regional Health's operations.

## Structure

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

## Note 5.1 Receivables

| | Note | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|---|
| **Current receivables** | | | |
| **Contractual** | | | |
| Inter hospital debtors | | 852 | 680 |
| Trade receivables | | 2,983 | 2,152 |
| Patient fees | | 888 | 765 |
| Allowance for impairment losses | 5.3 | (100) | (80) |
| Other receivable | | 5,232 | 3,170 |
| **Total contractual receivables** | | **9,855** | **6,687** |
| **Statutory** | | | |
| GST receivable | | 1,137 | 1,029 |
| **Total statutory receivables** | | **1,137** | **1,029** |
| **Total current receivables** | | **10,992** | **7,716** |
| **Non-current receivables** | | | |
| **Contractual** | | | |
| Long service leave - Department of Health | | 13,831 | 11,926 |
| **Total contractual receivables** | | **13,831** | **11,926** |
| **Total non-current receivables** | | **13,831** | **11,926** |
| **Total receivables** | | **24,823** | **19,642** |
| *(i) Financial assets classified as receivables* | | | |
| Total receivables | | 24,823 | 19,642 |
| GST receivable | | (1,137) | (1,029) |
| Total financial assets classified as receivables | 7.1 | **23,686** | **18,613** |

**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 Investments and other financial assets

| | Operating Fund | | Total | |
|---|---|---|---|---|
| | 2026 $'000 | 2025 $'000 | 2026 $'000 | 2025 $'000 |
| **Current** | | | | |
| **Financial assets at amortised cost** | | | | |
| Term deposits > 3 months | - | - | - | - |
| **Total current financial assets** | **-** | **-** | **-** | **-** |
| **Non-current** | | | | |
| **Financial assets at amortised cost** | | | | |
| Term deposits > 12 months | - | - | - | - |
| **Financial assets at fair value through net result** | | | | |
| Managed investment schemes | 26,850 | 25,520 | 26,850 | 25,520 |
| **Total non-current financial assets** | **26,850** | **25,520** | **26,850** | **25,520** |
| **Total investments and other financial assets** | **26,850** | **25,520** | **26,850** | **25,520** |
| **Represented by:** | | | | |
| Health service investments | 26,850 | 25,520 | 26,850 | 25,520 |
| **Total investments and other financial assets** | **26,850** | **25,520** | **26,850** | **25,520** |

**How we recognise investments and other financial assets**

Latrobe Regional Health's investments and other financial assets are made in accordance with Standing Direction 3.7.2 - Treasury Management, including the Central Banking System.

Latrobe Regional Health manages its investments and other financial assets in accordance with an investment policy approved by the Board.

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

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

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement, are subject to annual review for impairment, in accordance with Note 5.3.

## Note 5.3 Impairment of financial assets

| | Note | 2026 $'000 | 2025 $'000 |
|---|---|---|---|
| Impairment loss on contractual receivables | | | |
| From transactions | 5.1 | (100) | (80) |
| In other economic flows | | - | - |
| Impairment loss on statutory receivables | | - | - |
| Impairment loss on contract assets | | - | - |
| | | **(100)** | **(80)** |

**How we recognise impairment of financial assets**

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

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

Contractual receivables at amortised cost

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

The expected credit loss rates applied at 30 June 2026 vary from 0.0% for contractual receivables that are current to 100% for contractual receivables that are more than 90 days past due (30 June 2025: from 0.0% to 81.3%).

Statutory receivables at amortised cost

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



## Note 5.4 Inventories

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| **Current inventories** | | |
| Supplies and consumables | 1,333 | 1,396 |
| **Total inventories** | **1,333** | **1,396** |

**How we recognise inventories**

Inventories include goods held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets.

Inventories are measured at the lower of cost and net realisable value.

## Note 5.5 Payables

| | Note | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|---|
| **Current payables** | | | |
| **Contractual** | | | |
| Trade creditors | | 4,831 | 3,794 |
| Accrued salaries and wages | | 6,071 | 7,975 |
| Accrued expenses | | 12,956 | 12,549 |
| Other | | 2,585 | 11,210 |
| **Total contractual payables** | | **26,443** | **35,528** |
| **Statutory** | | | |
| GST payable | | 2,695 | 1,575 |
| **Total statutory payables** | | **2,695** | **1,575** |
| **Total current payables** | | **29,138** | **37,103** |
| **Total non-current payables** | | **-** | **-** |
| **Total payables** | | **29,138** | **37,103** |
| *(i) Financial liabilities classified as payables* | | | |
| Total payables | | 29,138 | 37,103 |
| GST payable | | (2,695) | (1,575) |
| Total financial liabilities classified as payables | 7.1 | **26,443** | **35,528** |

**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 Latrobe Regional Health 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 5.6 Monies held in trust

| | Note | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|---|
| **Current monies held in trust** | | | |
| Patient monies | | 10 | 6 |
| Refundable accommodation deposits | | 468 | 177 |
| Other monies | | - | - |
| **Total current monies held in trust** | | **478** | **183** |
| | | | |
| **Non-current monies held in trust** | | | |
| Patient monies | | - | - |
| Other monies | | - | - |
| **Total non-current monies held in trust** | | **-** | **-** |
| | | | |
| **Total monies held in trust** | | **478** | **183** |
| | | | |
| *** Represented by:** | | | |
| - Cash assets | 6.2 | 478 | 183 |
| - Investment and other financial assets | | - | - |
| | | **478** | **183** |

**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 Latrobe Regional Health upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home.

RAD/accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/accommodation bond in accordance with the *Aged Care Act 1997*.



# Note 6: How we finance our operations

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

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

## Structure

***6.1 Borrowings***
***6.2 Cash and cash equivalents***
***6.3 Commitments for expenditure***

### Note 6.1 Borrowings

| | Note | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|---|
| **Current borrowings** | | | |
| Lease liability | 6.1(a) | 1,124 | 367 |
| **Total current borrowings** | | **1,124** | **367** |
| | | | |
| **Non-current borrowings** | | | |
| Lease liability | 6.1(a) | 2,751 | 628 |
| **Total non-current borrowings** | | **2,751** | **628** |
| | | | |
| **Total borrowings** | 7.1 | **3,875** | **995** |

**How we recognise borrowings**

Borrowings refer to interesting bearing liabilities mainly raised from funds raised through lease liabilities and other interest-bearing arrangements.

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

**Terms and conditions**

| | | | | | Maturity Dates | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Weighted average interest rate | Carrying Amount | Nominal Amount | Less than 1 Month | 1-3 Months | 3 months - 1 Year | 1-5 Years | Over 5 years |
| **30 June 2026** | **Note** | **(%)** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Lease liabilities | 6.1 | 4.79% | 3,875 | 3,875 | - | - | 1,124 | 2,751 | - |
| **Total Financial Liabilities** | | | **3,875** | **3,875** | **-** | **-** | **1,124** | **2,751** | **-** |

| | | | | | Maturity Dates | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Weighted average interest rate | Carrying Amount | Nominal Amount | Less than 1 Month | 1-3 Months | 3 months - 1 Year | 1-5 Years | Over 5 years |
| **30 June 2025** | **Note** | **(%)** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** | **$'000** |
| Lease liabilities | 6.1 | 3.79% | 995 | 995 | - | - | 367 | 628 | - |
| **Total Financial Liabilities** | | | **995** | **995** | **-** | **-** | **367** | **628** | **-** |

## Interest expense

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| Interest on lease liabilities | 106 | 31 |
| **Total interest expense** | **106** | **31** |

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

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

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

## Note 6.1(a) Lease liabilities

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| **Current lease liabilities** | | |
| Lease liability | 1,124 | 367 |
| **Total current lease liabilities** | **1,124** | **367** |
| | | |
| **Non-current lease liabilities** | | |
| Lease liability | 2,751 | 628 |
| **Total non-current lease liabilities** | **2,751** | **628** |
| | | |
| **Total lease liabilities** | **3,875** | **995** |

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

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| Not longer than one year | 1,278 | 386 |
| Longer than one year but not longer than five years | 2,902 | 650 |
| Longer than five years | - | - |
| **Minimum future lease liability** | **4,180** | **1,036** |
| Less unexpired finance expenses | (305) | (41) |
| **Present value of lease liability** | **3,875** | **995** |

### How we recognise lease liabilities

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

To apply this definition, Latrobe Regional Health ensures the contract meets the following criteria:

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

Latrobe Regional Health's lease arrangements consist of the following:

| Type of asset leased | Lease term |
|---|---|
| Leased buildings | 3 years |
| Leased plant, equipment, furniture, fittings and vehicles | 2 years |

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

The following low-value and short-term lease payments are recognised in profit or loss:

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| Expenses related to short-term leases | - | - |
| Expenses relating to leases of low-value assets | 342 | 398 |
| **Total amounts recognised as expense** | **342** | **398** |

**Initial measurement**

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Latrobe Regional Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 2% to 6%.

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

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

**Subsequent measurement**

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

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



## Note 6.2 Cash and Cash Equivalents

| | Note | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|---|
| Cash on hand (excluding monies held in trust) | | 7 | 8 |
| Cash at bank (excluding monies held in trust) | | 18,960 | 30,823 |
| **Total cash held for operations** | | **18,967** | **30,831** |
| | | | |
| Cash on hand (monies held in trust) | | - | - |
| Cash at bank (monies held in trust) | | 478 | 183 |
| **Total cash held as monies in trust** | 5.9 | **478** | **183** |
| | | | |
| **Total cash and cash equivalents** | 7.1 | **19,445** | **31,014** |

## Note 6.3 Commitments for expenditure

| 30 June 2026 | Less than 1 year $'000 | 1-5 Years $'000 | Over 5 years $'000 | Total $'000 |
|---|---|---|---|---|
| Capital expenditure commitments | 3,029 | - | - | 3,029 |
| Operating expenditure commitments | 4,721 | 6,024 | - | 10,745 |
| Non-cancellable short term and low value lease commitments | - | - | - | - |
| **Total commitments (inclusive of GST)** | **7,750** | **6,024** | **-** | **13,774** |
| Less GST recoverable | | | | (1,252) |
| **Total commitments (exclusive of GST)** | | | | **12,522** |

| 30 June 2025 | Less than 1 year $'000 | 1-5 Years $'000 | Over 5 years $'000 | Total $'000 |
|---|---|---|---|---|
| Capital expenditure commitments | 3,145 | - | - | 3,145 |
| Operating expenditure commitments | 5,355 | 10,270 | - | 15,625 |
| Non-cancellable short term and low value lease commitments | 96 | - | - | 96 |
| **Total commitments (inclusive of GST)** | **8,596** | **10,270** | **-** | **18,866** |
| Less GST recoverable | | | | (1,715) |
| **Total commitments (exclusive of GST)** | | | | **17,151** |

### 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**

Latrobe Regional Health 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

Latrobe Regional Health 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 Latrobe Regional Health'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*.

**Note 7.1 Financial instruments**

| 30 June 2026 | 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 | 6.2 | 19,445 | - | 4,076 | - | - |
| Receivables | 5.1 | 23,686 | (27) | - | - | - |
| Investments and other financial assets | 5.3 | - | - | - | - | - |
| Financial assets at fair value through profit or loss | | | | | | |
| Investments and other financial assets | 5.2 | 26,850 | (248) | - | - | - |
| **Financial assets at fair value through other comprehensive income** | | | | | | |
| Investments and other financial assets | 5.3 | - | - | - | - | - |
| **Total financial assets** [i] | | **69,981** | **(275)** | **4,076** | **-** | **-** |
| | | | | | | |
| **Financial liabilities at amortised cost** | | | | | | |
| Payables | 5.5 | 26,443 | - | - | - | - |
| Borrowings | 6.1 | 3,875 | - | - | - | - |
| Other financial liabilities - Refundable Accommodation Deposits | 5.6 | 468 | - | - | - | - |
| Other financial liabilities - patient monies held in trust | 5.6 | 10 | - | - | - | - |
| **Total financial liabilities** [i] | | **30,796** | **-** | **-** | **-** | **-** |

| 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 | 6.2 | 31,014 | - | 3,868 | - | - |
| Receivables | 5.1 | 18,613 | - | - | - | 15 |
| Investments and other financial assets | 5.3 | - | - | - | - | - |
| **Financial assets at fair value through net result** | | | | | | |
| Investments and other financial assets | 5.2 | 25,520 | 977 | - | - | - |
| **Financial assets at fair value through other comprehensive income** | | | | | | |
| Investments and other financial assets | 5.3 | - | - | - | - | - |
| **Total financial assets** [i] | | **75,147** | **977** | **3,868** | **-** | **15** |
| | | | | | | |
| **Financial liabilities at amortised cost** | | | | | | |
| Payables | 5.5 | 35,528 | - | - | - | - |
| Borrowings | 6.1 | 995 | - | - | - | - |
| Other financial liabilities - Refundable Accommodation Deposits | 5.6 | 177 | - | - | - | - |
| Other financial liabilities - patient monies held in trust | 5.6 | 6 | - | - | - | - |
| **Total financial liabilities** [i] | | **36,706** | **-** | **-** | **-** | **-** |

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

### How we categorise financial instruments

Financial assets at amortised cost

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

- the assets are held by Latrobe Regional Health 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.

Latrobe Regional Health recognises the following assets in this category:

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

Financial assets at fair value through net result

Latrobe Regional Health initially designates a financial instrument as measured at fair value through net result if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or recognising the gains and losses on them, on a different basis
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial asset can be managed and evaluated consistently on a fair value basis, or
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through net result is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Latrobe Regional Health recognises listed equity securities as mandatorily measured at fair value through net result and has designated all managed investment schemes as well as certain 5-year government bonds as fair value through net result.

### 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.

Latrobe Regional Health 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
- Latrobe Regional Health 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
- Latrobe Regional Health 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 Latrobe Regional Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Latrobe Regional Health'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, Latrobe Regional Health'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 is 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:

- Financial assets and liabilities at fair value through net result
- Property, plant and equipment, with the exception of right-of-use assets arising under AASB16, 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.

Latrobe Regional Health 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.

Latrobe Regional Health 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 Latrobe Regional Health's independent valuation agency for property, plant and equipment.

**Fair value determination: management investment schemes**

Latrobe Regional Health invests in managed funds, which are not quoted in an active market, and which may be subject to restrictions on redemptions.

Latrobe Regional Health considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investment, to ensure they are reasonable and appropriate. The net asset value of these funds is used as an input into measuring their fair value, and is adjusted as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund.

Latrobe Regional Health classifies these funds as Level 2.

**Fair value determination: equities**

Equities are valued at fair value with reference to a quoted (unadjusted) market price from an active market.

Latrobe Regional Health classifies these instruments as Level 1.

**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 Latrobe Regional Health'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, Latrobe Regional Health 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, Latrobe Regional Health considers the current use as its highest and best use.

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

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

Specialised land and specialised buildings

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

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

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

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

For Latrobe Regional Health, 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. Latrobe Regional Health 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 Latrobe Regional Health who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Furniture, fittings, plant and equipment

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

**Significant assumptions**

Description of significant assumptions applied to fair value measurement:

| Asset class | Valuation technique | Significant assumption | Range (weighted average)[(i)] |
|---|---|---|---|
| Specialised land | Market approach | Community Service Obligations adjustment | 80% |
| Specialised buildings | Current replacement cost approach | Cost per square metre | $8,157.76 /$m^2$ |
| | | Useful life | 5 - 48 years (28 average years) |
| Vehicles | Current replacement cost approach | Cost per unit | $13,356 - $51,545 ($30,454.47 Average |
| | | Useful life | 5 years |
| Plant, equipment, furniture and fittings | Current replacement cost approach | Cost per unit | $5,000 - $3,000,000 ($42,224.4 average per |
| | | Useful life | 5 - 10 years (7 years) |

# 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

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| Latrobe Regional Health has made the following ex gratia expenses: | | |
| Forgiveness or waiver of debt | 95 | 55 |
| Compensation for economic loss | - | - |
| Property damage payments | - | - |
| **Total ex-gratia expenses** | **95** | **55** |

Includes ex-gratia for both individual items and in aggregate that are greater than or equal to $5,000.

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



### 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.

### Note 8.2 Responsible persons disclosures

| | Period |
|---|---|
| The Honourable Mary-Anne Thomas MP: | |
| Minister for Health | 1 Jul 2025 - 14 Apr 2026 |
| Minister for Ambulance Services | 1 Jul 2025 - 14 Apr 2026 |
| The Honourable Harriet Shing MP: | |
| Minister for Health | 15 Apr 2026 - 30 Jun 2026 |
| Minister for Ambulance Services | 15 Apr 2026 - 30 Jun 2026 |
| The Honourable Melissa Horne MP: | |
| Minister for Health Infrastructure | 1 Jul 2025 - 30 Jun 2026 |
| The Honourable Ingrid Stitt MP: | |
| Minister for Mental Health | 1 Jul 2025 - 30 Jun 2026 |
| Minister for Ageing | 1 Jul 2025 - 30 Jun 2026 |
| Minister for Multicultural Affairs | 1 Jul 2025 - 30 Jun 2026 |
| Minister for Prevention of Family Violence | 1 Dec 2025 - 30 Apr 2026 |
| The Honourable Lizzy Blandthorn MP: | |
| Minister for Children | 1 Jul 2025 - 30 Jun 2026 |
| Minister for Disability | 1 Jul 2025 - 30 Jun 2026 |
| **Governing Boards** | |
| Linda McCoy (Chair of the Board) | 1 Jul 2025 - 30 Jun 2026 |
| Ian Maxfield | 1 Jul 2025 - 30 Jun 2026 |
| Chelsea Caple | 16 Sep 2025 - 30 Jun 2026 |
| Bernadette Hickey | 1 Jul 2025 - 30 Jun 2026 |
| Kathryn Munro | 1 Jul 2025 - 30 Jun 2026 |
| Leanne Williams | 1 Jul 2025 - 30 Jun 2026 |
| Elizabeth Delahunty | 1 Jul 2025 - 30 Jun 2026 |
| Michael Gorton | 1 Jul 2025 - 30 Jun 2026 |
| Andrew Fordyce | 1 Jul 2025 - 30 Jun 2026 |
| Mark Umstad | 1 Jul 2025 - 30 Jun 2026 |
| **Accountable Officers** | |
| Don McRae (Chief Executive Officer) | 1 Jul 2025 - 30 Jun 2026 |

**Remuneration of Responsible Persons**

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

| Income Band | Total 2026 No | Total 2025 No |
|---|---|---|
| $20,000 - $29,999 | 4 | 7 |
| $30,000 - $39,999 | 4 | 1 |
| $60,000 - $69,999 | - | 1 |
| $70,000 - $79,999 | 1 | - |
| $410,000 - $419,999 | - | 1 |
| $430,000 - $439,999 | 1 | - |
| **Total Numbers** | **10** | **10** |

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| **Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:** | **750** | **701** |

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.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated, and a number of executive officers retired, resigned or were retrenched in the past year. This has had a significant impact on remuneration figures for the termination benefits category.

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

| | Total Remuneration 2026 $'000 | Total Remuneration 2025 $'000 |
|---|---|---|
| Total remuneration [i] | 2,400 | 2,058 |
| Total number of executives | 10 | 10 |
| Total annualised employee equivalent [ii] | 8.4 | 8.0 |

[i] The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Latrobe Regional Health 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

Latrobe Regional Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

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

### Significant transactions with government related entities

Latrobe Regional Health received funding from the DH of $431 m (2025: $389 m) and indirect contributions of $2.695 m (2025: $3.709 m). Balances outstanding as at 30 June 2026 are $15.8 m (2025: $12.8 m).

Expenses incurred by Latrobe Regional Health 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 Latrobe Regional Health 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 Latrobe Regional Health and its controlled entities, directly or indirectly.

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

## Note 8.4 Related Parties

| Entity | KMPs | Position Title |
|---|---|---|
| Latrobe Regional Health | Linda McCoy | Board Chair |
| Latrobe Regional Health | Chelsea Caple | Board Member (16/09/2025-30/06/2026) |
| Latrobe Regional Health | Ian Maxfield | Board Member |
| Latrobe Regional Health | Bernadette Hickey | Board Member |
| Latrobe Regional Health | Kathryn Munro | Board Member |
| Latrobe Regional Health | Leanne Williams | Board Member |
| Latrobe Regional Health | Elizabeth Delahunty | Board Member |
| Latrobe Regional Health | Michael Gorton | Board Member |
| Latrobe Regional Health | Andrew Fordyce | Board Member |
| Latrobe Regional Health | Mark Umstad | Ministerial Delgate |
| Latrobe Regional Health | Don McRae | Chief Executive |
| Latrobe Regional Health | Jon Millar | Chief Operating Officer |
| Latrobe Regional Health | Simone Redpath | Deputy Chief Operating Officer |
| Latrobe Regional Health | Yohan Nathan | Chief Medical Officer (01/07/2025 - 30/08/2025) |
| Latrobe Regional Health | Katherine Willis-Sullivan | Chief Medical Officer (01/09/2025 - 30/06/2026) |
| Latrobe Regional Health | Anita Raymond | Executive Director Education, Quality & Research<br>Chief Nurse |
| Latrobe Regional Health | Mike Gatsi | Executive Director of Mental Health/Chief Mental Health Nurse |
| Latrobe Regional Health | Mark Wilkins | Executive Director People & Culture |
| Latrobe Regional Health | Adrian Shearer | Executive Director of Information Services |
| Latrobe Regional Health | Monica Holdsworth | Executive Director of Regional Services (01/07/2025 - 14/11/2025) |
| Latrobe Regional Health | Rachel Meehan | Executive Director of Regional Services (17/11/2025 - 30/06/2026) |

**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.

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| Total compensation - KMPs [i] | 3,150 | 2,759 |

[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 Latrobe Regional Health, 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 Latrobe Regional Health Board of Directors, Chief Executive Officer and Executive Directors in 2026 (2025: none).

Except for the transaction listed above, there were no other related party transactions required to be disclosed for Latrobe Regional Health Board of Directors in 2026 (2025: none).

## Note 8.5 Remuneration of Auditors

| | Total 2026 $'000 | Total 2025 $'000 |
|---|---|---|
| **Victorian Auditor-General's Office** | | |
| Audit of the financial statements | 59 | 56 |
| **Total remuneration of auditors** | **59** | **56** |

## Note 8.6 Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

## Note 8.7 Joint arrangements

| | Principal Activity | Ownership Interest 2026 % | Ownership Interest 2025 % |
|---|---|---|---|
| Gippsland Health Alliance | Provision of Information Technology Services | 26.0 | 26.7 |

For the year ended 30 June 2026, Latrobe Regional Health's share of the joint operations financials was:

| | 2026 $'000 | 2025 $'000 |
|---|---|---|
| Total revenue and income | 6,348 | 6,404 |
| Total expenses | (6,817) | (6,277) |
| Total net result | (469) | 127 |
| Total other economic flows | - | - |
| Comprehensive result for the year | (469) | 127 |
| Total assets | 5,118 | 5,798 |
| Total liabilities | 2,675 | 3,361 |
| Total equity | 2,443 | 2,437 |

**Contingent liabilities and capital commitments**

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

# Disclosure *Index*



The annual report of Latrobe Regional Health 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 | 3 |
| FRD 22 | Purpose, functions, powers and duties | 14 |
| FRD 22 | Nature and range of services provided | 14 |
| FRD 22 | Activities, programs and achievements for the reporting period | 4-17 |
| FRD 22 | Significant changes in key initiatives and expectations for the future | 5 |
| **Management and structure** | | |
| FRD 22 | Organisational structure | 26 |
| FRD 22 | Workforce data/ employment and conduct principles | 28 |
| FRD 22 | Workforce inclusion policy | 29 |
| FRD 22 | Occupational Health and Safety | 29 |
| **Financial and other information** | | |
| FRD 22 | Summary of the financial results for the year | 33 |
| FRD 22 | Significant changes in financial position during the year | 33 |
| FRD 22 | Operational and budgetary objectives and performance against objectives | 54-62 |
| FRD 22 | Subsequent events | 33 |
| FRD 22 | Details of consultancies under $10,000 | 35 |
| FRD 22 | Details of consultancies over $10,000 | 35 |
| FRD 22 | Disclosure of ICT expenditure | 36 |
| FRD 22 | Asset Management Accountability Framework | N/A |
| FRD 22 | Disclosure of social procurement activities under the Social Procurement Framework | 36 |
| FRD 22 | Disclosure of reviews and study expenses | N/A |
| FRD 22 | Disclosure of grants and transfer payments | N/A |
| FRD 22 | Application and operation of Freedom of Information Act 1982 | 39 |

| | | |
|---|---|---|
| FRD 22 | Compliance with building and maintenance provisions of Building Act 1993 | 39 |
| FRD 22 | Application and operation of Public Interest Disclosure Act 2012 | 40 |
| FRD 22 | Statement on National Competition Policy | 40 |
| FRD 22 | Application and operation of Carers Recognition Act 2012 | 40 |
| FRD 22 | Additional information available on request | 41 |
| FRD 24 | Environmental data reporting | 45 |
| FRD 25 | Local Jobs First Act 2003 disclosures | 41 |

**Compliance attestation and declaration**

| | | |
|---|---|---|
| SD 5.1.4 | Financial Management Compliance attestation | 42 |
| SD 5.2.3 | Declaration in report of operations | 42 |
| | Attestation on Data Integrity | 42 |
| | Attestation on managing Conflicts of Interest | 42 |
| | Attestation on Integrity, Fraud and Corruption | 42 |
| | Compliance with HealthShare Victoria (HSV) Purchasing Policies | 42 |

**Other reporting requirements**

| | | |
|---|---|---|
| | Reporting of outcomes from Statement of Priorities 2025-2026 | 53-62 |
| | Occupational Violence reporting | 30 |
| | Reporting obligations under the Safe Patient Care Act 2015 | 42 |
| | Reporting of compliance regarding Car Parking Fees (if applicable) | N/A |

***Financial statements***

**Declaration**

| | | |
|---|---|---|
| SD 5.2.2 | Declaration in financial statements | 65 |

**Other requirements under Standing Directions 5.2**

| | | |
|---|---|---|
| SD 5.2.1(a) | Compliance with Australian accounting standards and other authoritative pronouncements | 65 |
| SD.5.2.1(a) | Compliance with Standing Directions | 65 |
| SD.5.2.1(b) | Compliance with Model Financial Report | 65 |

**Other disclosures as required by FRDs in notes to the financial statements [a][b]**

| | | |
|---|---|---|
| FRD 11 | Disclosure of Ex gratia Expenses | 106 |
| FRD 103 | Non-Financial Physical Assets | 83 |
| FRD 110 | Cash Flow Statements | 71 |
| FRD 112 | Defined Benefit Superannuation Obligations | 79 |
| FRD 114 | Financial Instruments – general government entities and public non-financial corporations | 93,99 |




***Legislation***


| | |
|---|---|
| Freedom of Information Act 1982 (Vic) (FOI Act) | 39 |
| Building Act 1993 | 39 |
| Public Interest Disclosure Act 2012 | 40 |
| Carers Recognition Act 2012 | 40 |
| Local Jobs Act 2003 | 41 |
| Financial Management Act 1994 [b] | 3 |


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.



Latrobe Regional Health




**Latrobe Regional Health and its community-based services are located on the traditional lands of the Gunaikurnai and Bunurong peoples.**

Village Avenue,
Traralgon West
PO Box 424 Traralgon,
Victoria 3844

T: 03 5173 8000
F: 03 5173 8444

ABN 18 128 843 652

www.lrh.com.au

# Annual Report 2025/26