Central Highlands
Rural Health

2025/2026

ANNUAL REPORT

CENTRAL HIGHLANDS RURAL HEALTH









DECLARATION

To receive this publication in an accessible format, phone (03) 5321 6500, using the National Relay Service 13 36 77 if required, or email info@chrh.org.au.

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In this document, 'Aboriginal' refers to both Aboriginal and Torres Strait Islander people. 'Indigenous' or 'Koori/Koorie' is retained when part of a title of a report, program or quotation.

Available at Central Highlands Rural Health Website:
https://www.chrh.org.au

Responsible Bodies Declaration

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Central Highlands Rural Health for the year ending 30 June 2026.



The Hon. Mary Delahunty

Board Chair

17/09/2026

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ABOUT THIS REPORT

This Central Highlands Rural Health report is prepared for the Minister for Health, the Parliament of Victoria and the community of Central Highlands Rural Health, in accordance with government and legislative requirements and Financial Reporting Directives. This report covers the period from 1 July 2025 to 30 June 2026 (referred to throughout the report as 2025-2026).

The responsible Ministers during the reporting period were:

Minister for Health
Minister for Ambulance Services
The Hon Mary-Anne Thomas MP — From 1 July 2025 to 15 April 2026

Minister for Health
Minister for Ambulance Services
Minister for Water
Hon Harriet Shing MP — From 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 — From 1 July 2025 to 30 June 2026

Minister for Disability
Minister for Children
The Hon Lizzie Blandthorn MP — From 1 July 2025 to 30 June 2026

The Annual Report will be presented at the Central Highlands Rural Health Annual General Meeting. Following this, it will be available on the Central Highlands Rural Health website.
https://www.chrh.org.au

Central Highlands Rural Health was established on 30 November 2019, under the Victorian Health Services Act 1988. It was formed through the amalgamation of the Hepburn Health Service and Kyneton District Health.

ABOUT OUR ORGANISATION

Central Highlands Rural Health (CHRH) has played an important part of the Macedon Ranges and Hepburn Shire communities for more than 160 years. We provide various healthcare services to people living in rural areas, with campuses in Clunes, Creswick, Daylesford, Kyneton and Trentham.

This includes hospitals in Kyneton, Creswick, and Daylesford, aged care facilities in Daylesford, Trentham, and Creswick and community nursing and community health services across our campuses.

Our community is made up of a mix of rural and peri-urban populations. We have long-time residents, people who have moved to enjoy a rural lifestyle, and commuters who travel to nearby cities like Ballarat, Bendigo, and Melbourne. About one-third of our community lives in rural areas. We value and support the diversity within our community and understand that different people have different needs and lifestyles.

At CHRH, we work together with medical professionals and healthcare partners across the region to provide a wide range of services. Our goal is to ensure that people have smooth transitions between hospital and home care and that everyone has access to high-quality healthcare. We are also preparing for the future needs of our growing community.

We are proud to serve and support the people in these areas with their healthcare needs. Each of our campuses is named after the town in which it is located - Clunes Health, Creswick Health, Daylesford Health, Kyneton Health, and Trentham Health. This shows our strong connection to and involvement with each local community.



Traditional Owners

Central Highlands Rural Health respectfully acknowledges that our organisation is on Dja Dja Wurrung, Taungurung and Wurundjeri Woi Wurrung Country, whose ancestors and descendants are the traditional owners of this Country.

We acknowledge that they have been custodians for many centuries, and continue to perform age old ceremonies of celebration, initiation and renewal. We acknowledge their living culture and their unique role in the life of this region.

Diversity Commitment

Central Highlands Rural Health recognises, supports and celebrates the diversity of the communities within which we work. Our services are delivered to people of all ages and health status, with a focus on care of the aged and disadvantaged.

ORGANISATION MISSION STATEMENT

Our Core Purpose is to deliver Best Care for every person, every time.

ORGANISATION VALUES

Act with Respect

We are respectful through our behaviours, attitudes and words to one another. We listen and support those we work with and care for.

Be Responsive, Kind and Caring

Caring for people is at the centre of everything we do. We are involved in decisions about their care and service.

Act with Integrity and be Accountable

We always do what we say we are going to do and we hold our colleagues to account.

Commit to Learning and Reflection

We embrace a culture that fosters learning and improvement, and we strive for that in ourselves.

ORGANISATION GOALS

Central Highlands Rural Health (CHRH) has developed four strategic directions to guide the organisation's operations. The goals are based on the common areas of focus, as well as the individual strategic plans.

Goal 1	**Excellence in services:** We will deliver outstanding care, ensuring rural communities receive healthcare equal to or better than that available in metropolitan areas within our scope of practice.
Goal 2	**Meeting Community Needs:** We will ensure our services are driven by the priorities and preferences of our diverse communities, responding to emerging health needs with agility and foresight.
Goal 3	**Efficiency, Locally Delivered:** We will achieve operational excellence by delivering services efficiently, maximising value for our communities balancing the benefits of our independence with regional decision-making.
Goal 4	**People Earning the Trust of Patients, Community and Each Other:** We will attract, develop and retain a workforce that is highly capable, trusted and valued by the communities we serve.

BOARD OF DIRECTORS

The Central Highlands Rural Health (CHRH) Board of Directors are appointed by the Governor in Council on the recommendation of the Minister for Health.

The Board's responsibilities include:

- Ensuring the care delivered is of the highest quality and meets the needs of the communities they serve
- Setting the strategic directions of CHRH within the framework of government policy
- Exercising the clinical and corporate governance of CHRH and establish policies
- Being accountable to government and stakeholders to ensure corporate governance
- Overseeing operational and financial performance



The Hon. Mary Delahunty, Chair
Joined KDH board in 2019

Former state government minister. Proven leader in media, government and the not-for-profit sectors.



Ken Gray, Deputy Chair
Joined CHRH board in 2020

37 years' experience as a corporate lawyer. Specialises in mediation and transaction facilitation.



Astrid Edwards
Joined CHRH board in 2024

Astrid is an educator and researcher dedicated to social and climate justice.



Phillip Thomson
Joined HHS board in 2014

Experienced business leader in mining, health, telecommunications, real estate and banking services.



Professor Sandy Heriot
Joined KDH board in 2019

Clinical Director of Cancer Surgery at Peter Mac. Active researcher on complex colorectal disease.



Gina Dougall
Joined CHRH board in 2025

Experienced board director and public health leader with a passion for community health.



Louise Johnson
Joined CHRH board in 2022

Extensive executive C-suite and Board level experience across the government and NFP sectors.



Professor Jeffrey Zajac
Joined HHS board in 2017

Chairman of the Division of Medicine and Director of the Department of Endocrinology at Austin Health. Clinical endocrinologist.



Sally Kirkright
Joined CHRH board in 2022

Commercial senior executive (C-suite) and Non-Executive Director with banking and finance, sports, mental health and wellbeing, family and social services experience.



Pauline Stanton
Joined CHRH board in 2022

Former Deputy Pro Vice Chancellor Business International and Head of School in business faculties at RMIT, La Trobe University and Victoria University.

*Position holders correct as of 30 June 2026.

BOARD SUB-COMMITTEES

Audit and Risk

The Audit and Risk Committee is responsible for the operation of the financial risk management framework of Central Highlands Rural Health (CHRH). The committee oversee the risk management framework, the performance and independence of the internal and external audits, and the effectiveness of management.

Board Directors: Ken Gray (Chair), The Hon. Mary Delahunty, Sandy Heriot, Sally Kirkright, Astrid Edwards.

Clinical Governance

The Clinical Governance Committee acts to ensure that clinical governance framework and systems are in place within CHRH for the effectiveness of all clinical services. The committee is in place to monitor and improve quality and safety, and to deliver high quality care.

Board Directors: Sandy Heriot (Chair), Jeffrey Zajac, The Hon. Mary Delahunty, Sally Kirkright, Louise Johnson.

Clinical Review and Credentialing

The Clinical Review and Credentialing Committee is responsible for ensuring health professionals at CHRH are credentialed within a defined scope of practice within the health service's capability framework. The Committee also considers applications relating to the introduction of any new therapeutic interventions.

Board Directors: Sandy Heriot (Chair), Jeffrey Zajac, The Hon. Mary Delahunty.

Governance, Remuneration and Nominations

The Governance, Remuneration and Nominations Committee advises the Board on matters relating to Executive staff remuneration, contractural arrangements, Board effectiveness & nominations, Executive performance, and assists the Board in relation to governance.

Board Directors: Pauline Stanton (Chair), Ken Gray, Phillip Thomson, The Hon. Mary Delahunty, Astrid Edwards.

Community Advisory Committee

The Community Advisory Committee is to advise the Board, advocate on behalf of the community, consumers and carers, and provide direction and leadership in relation to the integration of consumer, carer and community member views into all levels of CHRH service operations, planning, and policy development.

Board Directors: Louise Johnson (Chair), Pauline Stanton, Sally Kirkright, Gina Dougall.

Consumer representatives: Elizabeth Ballinger, Greg Roberts, Janet Wood, Madeleine Ellis, Lana de Kort, Peter Hanrahan, Stephanie Harper, Wendy Fletcher, Sid Gorman.

Engagement and Fundraising Committee

The Engagement and Fundraising Committee is an advisory committee to the Board of Management. Its purpose is to assist the Board and Executive by broadly overseeing the strategic and financial governance, leadership and decision making of CHRH's fundraising activities and initiatives.

Board Directors: Sally Kirkright (Chair), Pauline Stanton, Louise Johnson, Gina Dougall.

SENIOR LEADERSHIP TEAM

Chief Executive Officer (CEO)
Maree Cuddihy
The CEO reports to the Board of Directors and assumes overall responsibility for the leadership and management of Central Highlands Rural Health (CHRH) in accordance with the strategies, policies and budgets approved by the Board.

Executive Director of Community Operations (Deputy CEO)
Phil Catterson
The Executive Director of Community Operations is responsible for the strategic and operational leadership, policy, professional development, patient care and delivery of CHRH's Community Nursing, Community Health and Wellbeing, Allied Health and Volunteer services.

Executive Director of Clinical Operations
Susan Jennings
The Executive Director of Clinical Operations is responsible for planning, directing and evaluating all clinical activities within CHRH. The position is responsible for leadership, policy, professional development, patient care and service delivery, including the ongoing implementation and development of evidence-based best practice, in our acute and aged care facilities.

Director of Medical Services
Dr Andrew Walby
The Director of Medical Services is responsible for the Medical Administration of CHRH and for implementation of Clinical Governance as approved by the Board. The Director of Medical Services is the authorised Senior Medical Officer under Section 120 DA (Guidelines on the Compulsory Testing Provisions of the Health Act 1958).

Director of Quality and Safety
Michelle Oliver
The Director of Quality and Safety oversees and leads quality processes and improvement initiatives, ensuring consistency of policies and procedures, providing oversight of clinical risk management, work health and safety issues and systems, and imbedding an 'accreditation ready' approach across the service.

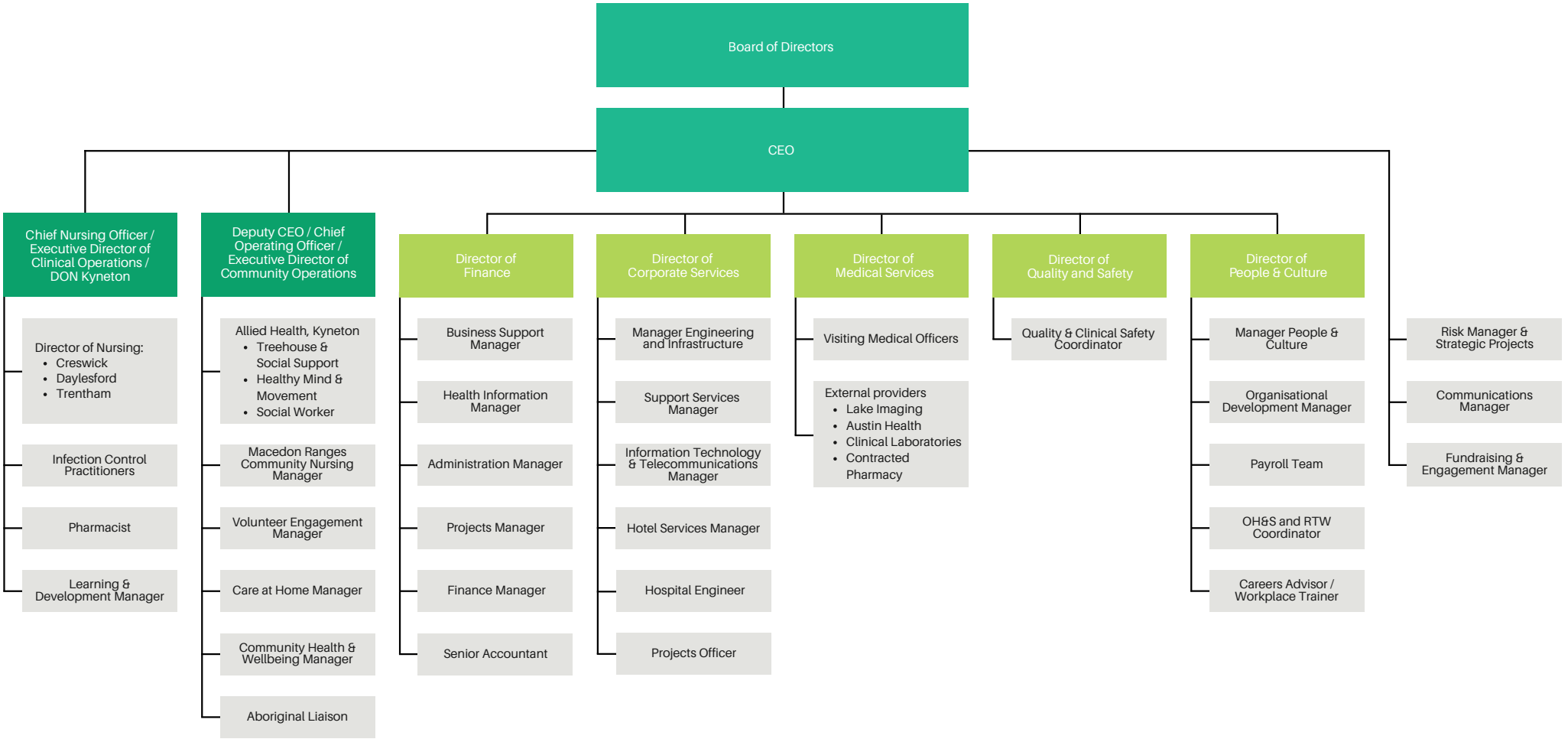
Director of Finance
Brenda Rooney
The Director of Finance develops workforce and systems initiatives to support the organisation to provide safe and effective care. The position oversees the daily operations of the CHRH financial operations and administrative services, including health information systems.

Director of Corporate Services
Kristie Lawson
The Director of Corporate Services has high level strategic and operational oversight across the organisation's Corporate Services, including Information Technology, Hotel and Environmental Services, Infrastructure and Fleet, Gardening, Supply and Procurement, Emergency Management, and all related support services (such as capital projects, contracts and asset management).

Director of People and Culture
Matthew Francalanza
The Director of People and Culture provides high level strategic and operational oversight of people and workforce related initiatives, including culture & wellbeing, workforce planning, recruitment & selection, remuneration & employee benefits, occupational health & safety, employee relations and industrial relations.

*Position holders correct as of 30 June 2026.

ORGANISATION CHART



OUR SERVICES

At Central Highlands Rural Health, we deliver an array of health services across the Macedon Ranges and Hepburn Shire, aimed at promoting and enhancing the health and wellness of our community members.

HOSPITAL SERVICES

Acute facilities in Daylesford and Kyneton and our sub-acute centre in Creswick, provide residents with an intimate, welcoming environment.

Diagnostics

Diagnostic services are available at both Kyneton and Daylesford. Kyneton Health offers on-site pathology and imaging services, while Daylesford Health provides on-site imaging. Community members can also access pathology services through the Daylesford Urgent Care Centre. These services are utilised by both inpatients and the broader community.

Dialysis

Central Highlands Rural Health provides dialysis close to home through the Royal Melbourne Hospital's Regional and Rural Dialysis Program. With three chairs in Kyneton and three in Daylesford, patients can visit up to three times a week for specialist care, reducing the need to travel long distances while maintaining strong links to metropolitan expertise and support.

Oncology

Kyneton Health Oncology Services delivers specialist treatment and supportive care for people with cancer and other chronic health conditions requiring infusion or transfusion therapy. The service includes an Oncology Clinic led by a visiting Medical Oncologist and Nurse Practitioners and provides chemotherapy, immunotherapy, blood transfusions, and a range of specialist medical infusions for patients living across the region.

Palliative Care

A unique blend of hospital and community nursing teams ensures a seamless transition between home and hospital for patients needing palliative care. Intended for those diagnosed with life-limiting illnesses, our palliative care focuses on symptom management and enhancing quality of life.

Surgery

Kyneton Health hosts an operating theatre prepared for minor and intermediate-level surgeries. With surgical teams operating nine days every fortnight, most procedures are conducted on a day-visit or short-stay basis. Our surgical team comprises highly proficient visiting surgeons and anesthetists associated with leading teaching hospitals.

In addition, our newly redeveloped operating theatre at Daylesford Health provides a modern, purpose-built space for safe and efficient surgical procedures. Designed to meet contemporary clinical standards, the facility supports a range of minor surgeries. The upgrade strengthens the delivery of surgical services in the region, reducing the need to travel for care.

Transition Care Program

Transition Care Programs (TCP) help people over 65 years plan their care after an extended hospital stay. This short-term care includes case management, nursing, personal care, allied health and social work while a long-term plan is finalised.

Urgent Care Centres

Urgent Care Centres in Daylesford and Kyneton are managed by a team of highly trained nurses working alongside local GPs and supported by tertiary hospitals and Virtual Emergency doctors after hours.

Our workforce includes Rural and Isolated Practice Registered Nurses (RIPRNs), Nurse Practitioners and Nurse Practitioner Candidates who, through specialised training and advanced clinical expertise, provide an extended range of primary care and emergency services. Together, they play a vital role in strengthening access to high quality healthcare and reinforcing rural health services.

OUR SERVICES

IN-HOME SERVICES

We offer a spectrum of services designed to support your independent living within the comfort of your own home.

District Nursing

At the core of our District Nursing program are home visits. Our nursing team provide expertise in managing your everyday needs, including medication management, diabetic management, chronic disease management, wound care, continence, and stomal care.

Support at Home

Under the Support at Home framework, we provide the Home Support packages - tailored long-term support for older individuals wishing to stay in their homes for longer. These packages cover a range of services including personal care, household tasks, meal preparation, health services, and transportation. Each package is designed in partnership with the client and their family to ensure support is flexible, responsive to changing needs, and focused on maintaining independence and quality of life.

Post Acute Care

Our post acute care supports people as they recover at home following a hospital stay. The short-term program includes nursing, personal care, and allied health tailored to individual needs. It aims to reduce hospital readmissions, promote independence, and help clients regain confidence and mobility while remaining safely in their own home.

Delivered Meals

In addition to our other In-Home Services, our Delivered Meals service aims to assist the elderly and those with disabilities in maintaining their independence for as long as possible.

RESIDENTIAL AGED CARE SERVICES

Central Highlands Rural Health prides itself on delivering top-tier, permanent and respite residential aged care services in a welcoming, safe environment. We focus on creating a warm and familiar environment that promotes residents' wellbeing and sense of home.

At our Creswick, Daylesford and Trentham aged care homes, we use the evidence-based Age-Friendly Health System 4Ms approach — What Matters (to the resident), Mind, Medication and Mobility. This holistic model helps us deliver complex care that's tailored to each resident's priorities, supporting better health outcomes and more positive experiences by focusing on what matters most to them.

Creswick Aged Care

Located in the rural township of Creswick, our Creswick Aged Care home offers 30 recently renovated beds, each with a private ensuite. Residents enjoy both communal and cosy dining and living areas, along with integrated outdoor gardening spaces, creating a welcoming and homely environment. Co-located with Creswick Hospital, the home ensures 24-hour nursing and medical coverage, offering residents a comforting sense of security. Our residents also benefit from a secure garden, facility transport, and access to various specialist services.

Daylesford Aged Care

Daylesford Aged Care, conveniently situated near the Daylesford town centre, is a cosy home featuring 30 beds, housed in a blend of single and double rooms. Co-located with Daylesford Hospital, this home assures 24-hour nursing and medical cover and access to many specialist services.

Trentham Aged Care

A 35-bed facility is co-located with Trentham Community Health Centre and Springs Medical. Our residents are guaranteed 24-hour nursing and medical coverage and access to specialist services.

OUR SERVICES

COMMUNITY HEALTH + WELLBEING

Diabetes Education

We provide education, management, and counseling for individuals with Type 1, Type 2, Gestational Diabetes, Pre-Diabetes, and those in the prevention phase of Diabetes. This service is accessible to all age groups.

Dietetics

Dietitians assist individuals in comprehending the correlation between nutrition and health. They evaluate and plan diets for those dealing with conditions like diabetes, cancer, high cholesterol, being overweight or underweight, food allergies and intolerances, as well as providing nutrition-specific guidance for different stages of life. By incorporating evidence-based guidelines, individual preferences, and medical history, a dietitian can devise recommendations to achieve specific health goals.

Exercise Physiology

Exercise Physiologists (EPs) are university-qualified Allied Health Professionals who provide exercise-based interventions and education for people with acute, sub-acute and chronic health conditions. EPs develop tailored, evidence-based exercise programs and lifestyle strategies to support individual health, functional goals and overall wellbeing.

Healthy Mind and Movement

The Healthy Mind and Movement program acts as a bridge between hospital care and home self-care. It primarily aids older community members in enhancing exercise endurance and overall fitness, boosting their independence and wellbeing. The program also supports individuals with newly diagnosed or early-onset dementia or mild cognitive impairment. Conducted at Kyneton Health, it includes three fully funded 12-week programs, all coordinated on-site by a physiotherapist. The service also provides oncology prehabilitation and rehabilitation programs, supporting people before, during and after cancer treatment to maintain strength, function, confidence and quality of life.

Occupational Therapy

Occupational Therapists assist individuals of all ages in overcoming obstacles that impede their everyday life activities. They work closely with people to enable them to resume these activities. Our therapists also offer home, hospital, and nursing home visits across all our facilities.

Physiotherapy

Physiotherapists evaluate, diagnose, plan, and manage the care of patients across various domains, including musculoskeletal, cardiothoracic, and neurological injuries and conditions, for all ages. Physiotherapy sessions can be one-on-one or in small groups.

Podiatry

Podiatrists specialise in preventing, diagnosing, treating, and rehabilitating medical and surgical conditions affecting the feet and lower limbs. These conditions can stem from bone and joint disorders such as arthritis, soft tissue and muscular pathologies, or neurological and circulatory diseases.

Social Support

Social Support groups are a chance for older people with varying abilities and their unpaid carers to get out and be with others living in the community. We offer a wide range of social activities, which include outings and centre-based groups that help people to stay independent. Our programs also include tailored support for people living with dementia, offering meaningful connection, stimulation, and respite for carers.

Social Work

We offer a range of general Social Work and Welfare services across our five campuses. They aim to provide short-term support and where appropriate make referrals to specialist providers.

Speech Pathology

Speech Pathologists assist people of all ages facing communication or swallowing difficulties. Working as part of a broader health professional team, they can support a range of issues, such as problems with speech, voice, language comprehension and usage, fluency, reading, writing, and eating and drinking.

Women's Health

Central Highlands Rural Health offers specialist women's health services through our Women's Health Clinic and Sexual and Reproductive Health Hub. Services include contraception, IUDs, menopause management, PCOS and endometriosis care, vulval health, and sexual health screening. Led by experienced GPs and visiting specialists, these services aim to support women at all stages of life with accessible, confidential, and inclusive care.

YEAR IN REVIEW

The past year has been one of significant change for health and aged care services across Australia.

For Central Highlands Rural Health, it has also been a year of opportunity. An opportunity to strengthen the way we care for our communities, invest in our people, and ensure our services remain sustainable and responsive in a rapidly evolving environment.

In 2025, we launched our Strategic Plan 2025-2028. More than a document, the plan provides a clear vision for the future and a framework for every decision we make.

Throughout 2025-26, our work has been guided by four strategic priorities: delivering excellence in services, meeting community needs, ensuring efficiency through locally delivered care, and fostering a culture built on trust between our people, patients, residents, clients and communities.

Across every part of the organisation, these priorities have shaped how we have responded to change and where we have focused our efforts.

Aged Care Reforms

One of the most significant challenges this year was the introduction of Australia's new Aged Care Act in November 2025.

While the reforms brought substantial legislative and operational requirements, they also reinforced something we have always believed: that older people deserve care that is safe, respectful, responsive and centred on their individual needs.

Our teams worked tirelessly to prepare for these changes, strengthening systems, governance, workforce capability and service delivery models to ensure a seamless transition for residents and clients.

In our Residential Aged Care facility in Creswick, a successful renewal of registration audit demonstrated both our readiness for reform and our ongoing commitment to quality care.

Our Care at Home team also worked tirelessly ahead of the reforms. It implemented a new client management system to support the delivery of Home Support services.

> **"Meeting the healthcare needs of a growing region requires innovation, adaptability and a strong workforce.**
>
> **Throughout the year, our teams have responded to increasing demand, strengthened clinical services and expanded access to specialist care, ensuring more people can receive the right care, in the right place, at the right time."**
>
> - Maree Cuddihy, CEO
> at Central Highlands Rural Health

Introduced in July 2025, the system was developed through extensive collaboration between care partners, coordinators, personal care assistants and administrative staff. The platform aligns with the requirements of the new Aged Care Act and the forthcoming Support at Home program, while improving operational efficiency and strengthening service sustainability.

Meeting the needs of our growing region

Demand for healthcare services increased significantly throughout the year, particularly in urgent care. Rather than viewing this pressure as a challenge alone, we saw it as a call to strengthen our capability. Through workforce development, clinical education and new models of care, we have expanded the skills within our teams and increased our capacity to provide timely care close to home.

The appointment of our first Nurse Practitioner in Daylesford and the continued growth of advanced nursing pathways are important examples of how we are investing in sustainable rural healthcare solutions.

Women's Health

Our commitment to community need is also reflected in the continued growth of services that address gaps in access to care. The Women's Health Clinic and Sexual and Reproductive Health Hub continued to provide specialised, compassionate care for women across our region.

For many women, these services have reduced the need to travel long distances while providing access to expert, multidisciplinary support in a trusted local environment. Feedback from clients consistently reminds us that quality healthcare is not only about clinical outcomes but also about being heard, respected and supported.

Care closer to home

Throughout the year, we remained focused on delivering care closer to home. Whether through community health programs, residential aged care, home support services or hospital-based care, we have worked to ensure people can access the right care in the right place at the right time. This focus on locally delivered services improves outcomes for individuals while strengthening the sustainability of healthcare across our region.

Investing in our people

Building a strong and capable workforce remains essential to achieving this goal. Rural health services face ongoing workforce challenges, and we continue to invest in attracting, developing and retaining talented people.

Programs such as Positive Leadership in Rural Health (PLiRH) reflect our belief that leadership exists at every level of an organisation. By supporting staff to grow their skills, confidence and capability, we are strengthening not only our workforce today but also the future sustainability of our organisation.

Increased collaboration

This spirit of partnership extends beyond our organisation. As an active contributor to the Grampians Local Health Service Network, we continue to work alongside health services across the region to improve safety, quality and patient outcomes. We know that strong healthcare systems are built through collaboration, shared learning and collective responsibility.

> **"The Board remains focused on creating a sustainable future for our organisation and the communities we serve.**
>
> **By supporting innovation, strengthening partnerships and maintaining a clear strategic direction, we are ensuring Central Highlands Rural Health remains trusted, responsive and capable of meeting future challenges and opportunities."**
>
> - The Hon. Mary Delahunty, Board Chair at Central Highlands Rural Health

Victorian Public Healthcare Awards Finalist

Our hard work and dedication to providing our communities with the Best Care possible was recognised by our peers as we were a finalist for the Premier's Award for Best Small Health Service at the 2025 Victorian Public Healthcare Awards. This was our third year in a row being a finalist which is a testament to the hard work, dedication, and passion of our entire team.

As we reflect on the year, we are proud of how our staff, volunteers, medical professionals and community partners have embraced change while remaining focused on what matters most: providing exceptional care for the people who rely on us.

On behalf of the Board and Executive Team, I thank every member of the CHRH community for their dedication, compassion and commitment. Together, we are building a stronger, more connected and more sustainable future for healthcare in our region.

The Hon. Mary Delahunty



Board Chair
Central Highlands Rural Health

Maree Cuddihy



CEO
Central Highlands Rural Health

SUMMARY OF ACTIVITIES

Central Highlands Rural Health's BEST CARE clinical governance framework focuses on delivering care and services that are PERSONAL, SAFE, CONNECTED and RIGHT with the overall purpose of providing Best Care for every person, every time.

Over the last 12 months, there has been a real focus on continuous improvement as we implement ideas and initiatives that enhance the programs and services across our organisation.

Acute Services

Acute Projects

- **PVT SAM:** Our organisation (Kyneton, Daylesford, and Creswick) participated in the Safer Care Victoria PVT SAM collaborative to reduce inappropriate prescribing of anticoagulants, by improving VTE prophylaxis and anticoagulant management. This project reinforced the importance of a multidisciplinary approach to VTE prevention.
- **HIRAID Framework:** The Loddon Mallee Region was on the of the first Health Service Partnerships in Victoria to implement the HIRAID nursing framework (History including Infection risk, Red flags, Assessment, Interventions, Diagnostics, communication and reassessments). Urgent Care Nurses from Kyneton were invited to participate in an instructor's course in Bendigo, giving the nursing staff tools and knowledge to implement the HIRAID framework in their health service. The HIRAID framework was rolled out to Kyneton Urgent Care Centre over a six-month period and received amazing positive feedback from nursing and medical staff.
- **Sepsis Management:** A quality improvement project was completed to strengthen the early recognition and treatment of sepsis, helping ensure patients receive timely care when they become unwell. The project introduced an updated sepsis pathway, enhanced staff education, the NEWS2 clinical assessment tool, and streamlined processes for urgent pathology collection. Regular performance reporting helped drive staff engagement and continuous improvement.

Dialysis

As the satellite dialysis service for Royal Melbourne Hospital, CHRH provides life-sustaining treatment closer to home for people across our region. Dialysis services are available in both Daylesford and Kyneton, with three treatment chairs at each location.

During the reporting period, the Kyneton service delivered 1,163 dialysis treatments. This was an increase of 12.6% on the previous financial year. The Daylesford Dialysis Unit expanded from a three-day service to six days per week, increasing capacity to nine treatment sessions weekly and providing 1,114 treatments throughout the year. This was an increase of 31% on the previous financial year.

This local access to dialysis care helps improve quality of life for patients and their families by reducing travel time and enabling treatment to be delivered within the community.

Surgical Services

The 25/26 FY saw an expansion of perioperative services at Daylesford Health with the addition of Gynaecology and Opthalmology resulting in a total of 489 theatre separations.

In conjunction with Kyneton Hospital, there were 80 gynaecological surgical separations between the two campuses as a direct result of State Government funding toward laparoscopic endometriosis surgery/treatment. Kyneton Theatre completed a total of 2,148 separations during the reporting period.

Creswick Acute

Following the return of Creswick Acute inpatient capacity to 10 beds in June 2025, Creswick Acute has continued to build momentum, with occupancy levels steadily increasing throughout the year. Activity has increased following the reopening of services demonstrating both the need for and value of local acute healthcare services within our community.

The growth in activity reflects the important role Creswick Acute plays in providing accessible, high-quality care close to home for local community members, while also supporting healthcare needs across the wider region. By delivering care locally, the service helps reduce the need for patients and families to travel to larger regional centres, improving convenience and continuity of care.

SUMMARY OF ACTIVITIES

Urgent Care Centres

Presentations to CHRH's 24-hour Rural Urgent Care Centres in Kyneton and Daylesford continued to increase throughout 2025-26, reflecting growing community awareness of and reliance on these services.

At Kyneton, presentations rose by 10.3% compared with the previous financial year, increasing from 5,689 in 2024-25 to 6,277 in 2025-26. This follows a 9.4% increase the year before, when presentations grew from 5,199 in 2023-24 to 5,689. Over the past two years, presentations have increased by 1,078.

Demand also continued to grow strongly at Daylesford. Presentations increased from 2,067 in 2023-24 to 3,090 in 2024-25, before reaching 3,361 in 2025-26. This represents growth of 62.6% over two years, with an additional 1,294 presentations. In 2025-26 alone, activity increased by 8.8% compared with the previous year.

The sustained growth across both sites highlights the community's increasing reliance on local urgent care services and the importance of providing timely healthcare close to home.

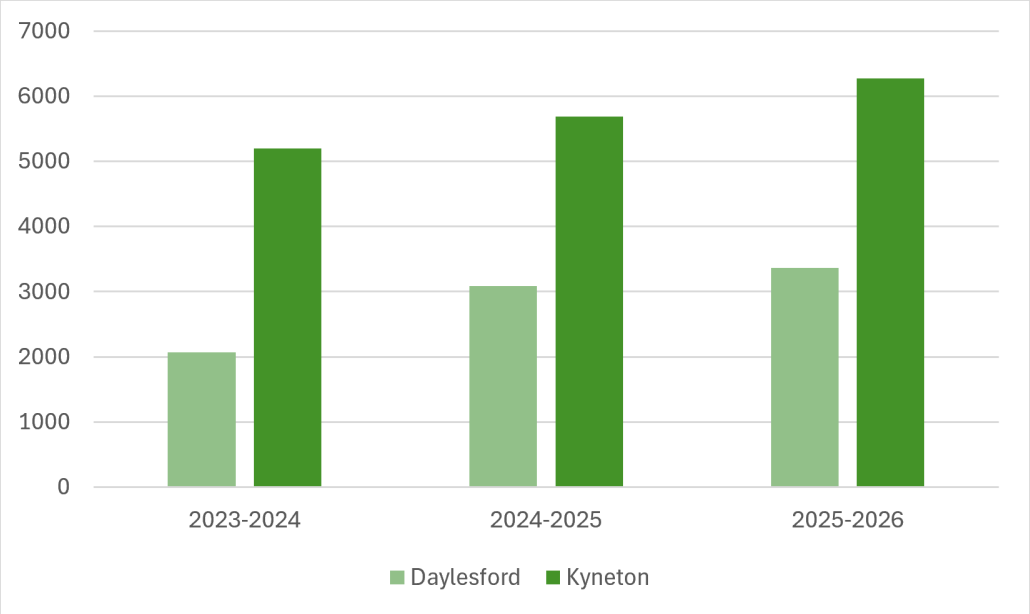
Central Highlands Rural Health reached an important milestone this year with Daylesford-based clinician James Stoddart becoming the organisation's first Nurse Practitioner. This achievement represents a significant step forward in the delivery of urgent care services across the region.

This role enhances the capacity and flexibility of the Daylesford Urgent Care Centre, helping to reduce wait times, improve patient flow and ensure people can access timely care closer to home.

Working alongside local General Practitioners and healthcare teams, James supports a more sustainable and responsive model of care for the growing needs of the Hepburn Shire community.

James' achievement as CHRH's first Nurse Practitioner reflects the organisation's commitment to developing advanced clinical roles. With several other nurses currently undertaking Nurse Practitioner training, CHRH is building a strong pipeline of skilled clinicians to support the future healthcare needs of rural communities.

Urgent Care Presentations



SUMMARY OF ACTIVITIES

Aged Care

Responding to Aged Care Reform

The introduction of the new Aged Care Act in November 2025 marked a significant milestone for aged care services across Australia and prompted substantial preparation across CHRH's Residential Aged Care and Home Care programs. Extensive work was undertaken to align policies, practices and systems with the strengthened legislative requirements, while continuing to enhance the quality, safety and responsiveness of care. These reforms have strengthened our ability to deliver safe, high-quality and person-centred services, ensuring older people in our communities continue to receive care that respects their rights, preferences and wellbeing.

Aged Care Audit Success

Creswick Aged Care successfully met the strengthened Aged Care Quality Standards, having been deemed compliant under the new requirements. The assessment process was supported by positive feedback from both residents and staff and demonstrated the service's readiness for reform and ongoing commitment to delivering high-quality care.

Strengthening Clinical Care at Daylesford

Daylesford Aged Care continued to enhance care for residents with the introduction of an Aged Care Onsite Pharmacist in February 2026.

The pharmacist works closely with residents, nurses and doctors to ensure medications are being used safely and effectively. By reviewing medications and providing expert advice, the role helps reduce the risk of medication-related problems and supports residents to achieve the best possible health outcomes.

The team also invested in building staff skills, with four employees attending La Trobe University training focused on recognising and responding to the health needs of older people. More staff are scheduled to take part in future workshops.

To support this work, Daylesford Aged Care secured grant funding to purchase specialised assessment equipment, giving staff additional tools to monitor residents' health and wellbeing and respond quickly when support is needed.

Resident-Led Menu Development and Food Focus Groups

CHRH remains committed to providing high-quality food and dining experiences through ongoing consultation with residents and continuous menu improvement initiatives. Residents participated in menu sampling sessions for the revised Summer Menu prior to its introduction in December 2025, providing valuable feedback on meal options and preferences. These sessions also offered opportunities for residents to discuss their broader dining experiences with staff.

Menu planning continues to be informed by resident feedback, staff input, nutritional requirements, and advice from Dietetics and Speech Pathology teams. Recipes, cooking processes and menu offerings are regularly reviewed and refined to ensure meals remain appealing, nutritious and responsive to resident preferences.

Food Focus Groups continue to play an important role in resident engagement. During 2025–26, residents participated in interactive food experiences including smoothie-making activities and tasting sessions for new menu items. Feedback gathered through these sessions directly influenced menu development, with popular options such as mini pies incorporated into the Winter Menu introduced in June 2026.

Improvements at Trentham

A range of equipment purchases and facility upgrades enhanced the resident experience at Trentham Aged Care throughout the year. New pizza makers have created opportunities for shared cooking activities and social engagement, while the facility's greenhouse has been revitalised with new vegetable plantings to encourage resident participation in gardening activities and provide access to home-grown produce.

Infrastructure improvements included the replacement of carpet with durable vinyl flooring in the servery, selected resident rooms and staff areas, improving safety, comfort and functionality for both residents and staff. Staff also benefited from grant-funded professional development, with team members attending a three-day training program focused on the comprehensive assessment of older people.

SUMMARY OF ACTIVITIES

Enhancing Services at Creswick

As part of the final stages of the Creswick redevelopment project, an onsite laundry service was introduced for residents' personal clothing. The initiative included dedicated laundry facilities and the appointment of a staff member to oversee daily operations.

The new service has improved turnaround times, strengthened oversight of personal clothing management and enhanced residents' ability to maintain involvement in clothing choices and wardrobe management. These improvements support dignity, independence and quality of life for residents.

Research Partnership with La Trobe University
During 2025–26, Creswick Residential Aged Care participated in a research project led by the Australian Centre for Evidence-Based Aged Care (ACEBAC) at La Trobe University.

The project is examining Resident of the Day (ROD) practices across residential aged care services with the aim of developing a more consistent and evidence-based approach to resident review processes.

Supporting Resident's Right to Intimacy

Residential Aged Care teams strengthened education and resources relating to sexuality, intimacy and privacy, recognising the importance of supporting residents' rights, dignity, choice and quality of life. This included staff education programs, the development of guiding principles and practice resources, and the creation of resident information materials. Residents were provided with information through brochures and individual discussions, encouraging awareness of their rights and fostering open, respectful conversations.

Treehouse4Two receives extra funding

Treehouse4Two continues to provide a highly valued service for people living with dementia and their carers. During 2025/26, the program delivered 10 retreats attended by 123 participants, including 55 people living with dementia and 68 carers. Since commencing in May 2023, Treehouse4Two has hosted 28 retreats, supporting a total of 317 participants, comprising 143 people living with dementia and 174 carers. A major milestone was achieved in 2026 when additional Commonwealth funding was secured to continue the program for a further three years.

Life in Residential Aged Care

A residents at Trentham Aged Care taking part in lifestyle activities.





SUMMARY OF ACTIVITIES

In-home Services

Macedon Ranges Community Nursing

Macedon Ranges Community Nursing (MRCN) continued to provide essential community-based healthcare services that enabled people to remain safe and independent at home.

Across the year, the service supported 561 clients through more than 11,300 occasions of service, delivering over 527,000 minutes of direct care across community nursing, palliative care, Hospital in the Home, Transition Care, Commonwealth Home Support Programme (CHSP), Department of Veterans Affairs, and Home Care Package services.

A major focus for the year was preparing for significant aged care reform, including implementation of the strengthened Aged Care Quality Standards and the transition to the new CHSP model. Staff worked collaboratively to review policies, strengthen clinical governance frameworks, enhance documentation practices and build workforce capability to ensure consumers continue to receive safe, high-quality and person-centred care. The accreditation process provided an opportunity to demonstrate our compliance with the strengthened Aged Care Quality Standards and our readiness to deliver services in an evolving aged care environment.

The service remained responsive to changing community needs, with increasing demand for programs that support people to recover at home and avoid unnecessary hospital admissions. Post Acute Care services expanded during the year (from 63 in 2024/25 to 85 in 2025/26), supporting more consumers following hospital discharge and contributing to improved health outcomes and continuity of care.

MRCN also continued to provide specialist nursing care such as Community Palliative Care. Through strong partnerships with local health services, general practitioners and service providers, the team delivered coordinated care that improved client experiences and supported people to remain connected to their communities.

The commitment, adaptability and expertise of staff have MRCN well for the future, ensuring the organisation remains responsive to evolving community expectations and aged care reform whilst continuing to deliver exceptional care close to home.

Care at Home

Care at Home provides a broad range of services delivered through the Home Support Program, Community Nursing, Transition Care Program (TCP), Grampians Watch and a range of Commonwealth and state-funded programs.

A significant milestone during 2025-26 was the commencement of the new Support at Home program on 1 November 2025 which provides the framework for ongoing home support services, restorative care, end-of-life pathways, and assistive technology and home modifications.

To support these reforms, the Home Support Program implemented a new client management system, The Lookout Way, in July 2025. The transition was a significant project, requiring extensive staff training, system configuration, data migration and process redesign.

Throughout this period of change, demand for services continued to grow. The Home Support Program supported an average of 133 clients per month, including 53 new clients entering the service during the year. A total of 47 clients exited the program, with the majority transitioning to permanent residential aged care.

Community Nursing (including Continence and Diabetes Education) continued to play a vital role in supporting clients across a range of funding streams, including the Commonwealth Home Support Programme, Home Support Program, Transition Care Program, Post Acute Care and Hospital in the Home. Over the past 12 months, Community Nursing provided 8730 hours of care (direct & indirect) to 748 clients, delivering clinical expertise and responsive support that enables people to remain safely at home.

The Personal Care Assistant team also expanded during the year, providing 14235 hours (includes travel time) of support to clients across the community.

The 12 -16 week Transition Care Program supported 49 clients following hospital discharge, helping them regain independence and functional capacity. Positive client outcomes were demonstrated through improvements in Barthel Index scores, highlighting the program's effectiveness in supporting recovery and reducing the need for ongoing care services.

SUMMARY OF ACTIVITIES

Community Health and Wellbeing

Central Highlands Rural Health continued to strengthen the health and wellbeing of the Hepburn Shire community throughout 2025/26 by delivering accessible, community-based services that support individuals and families across all life stages.

Maternal & Child Health

Maternal and Child Health services continued to help parents navigate the joys and challenges of raising young children. Throughout the year, families accessed a range of services, including 907 Key Ages and Stages consultations, 126 additional consultations, 104 phone consultations and 42 lactation consultations, ensuring parents could receive advice and support when they needed it most.

Families facing additional challenges received tailored support through the Enhanced Maternal and Child Health Program, which provided 764 hours of assistance during the year. The Sleep and Settling Program also offered 78 hours of support through home visits, clinic appointments and telehealth, helping parents develop strategies to support their child's sleep and wellbeing. The team further supported families experiencing complex circumstances through 20 Family Violence consultations.

Six six-week New Parent Groups and weekly Small Talk Playgroups were held in Daylesford and Creswick, creating opportunities for parents and carers to connect, share experiences and build confidence, while supporting children's early learning and development.

Mental Wellbeing

The Mental Wellbeing team continued to provide strength-based, client-centred support to individuals and families. Services included Alcohol and Other Drug counselling for young people at Daylesford College, emergency relief assistance for more than 150 individuals and families, and support, advocacy, safety planning and referrals for people experiencing family violence, elder abuse or mental health challenges.The team also delivered mental health education to CHRH staff and community groups, including trauma-informed care and mindfulness sessions, and provided support following critical incidents. Partnerships with Grampians Mental Health, Ballarat Community Health and The Orange Door strengthened referral pathways and access to care.

Oral Health

Eligible adults accessed dental treatment through CHRH's voucher program with private dental providers, while children eligible for the Child Dental Benefits Schedule continued to access care through community and private dental services.

Physical Wellbeing

Allied Health services continued across four campuses, focusing on workforce growth, service development, quality improvement and community partnerships. Key achievements included successful recruitment across Allied Health disciplines, expansion of community exercise programs, continuation of hydrotherapy programs, leadership development through the PLiRH program, and the introduction of Speech Pathology student placements through partnerships with Victoria University, the University of Melbourne and Deakin University. Collaboration between Speech Pathology and Dietetics was strenthened to support CHRH's focus on Food and Nutrition standards.

Population Health

The Population Health team continued to support healthier communities across Hepburn Shire by working with schools, kindergartens and community organisations to build healthy habits, strengthen wellbeing and create supportive environments for people of all ages. Through initiatives including Healthy Places (formerly the Achievement Program), Smiles 4 Miles, Vic Kids Eat Well, Healthy Lunchboxes, Puberty Education, Vaping Prevention, Live4Life Hepburn, Cook Chef & Us and the Creswick Men's Friendship Shed, the team helped improve health literacy, encourage healthy lifestyle choices, strengthen social connections and support positive mental health outcomes.

Women's Health

CHRH's Women's Health Clinic continued to provide local access to specialist care, helping women receive timely support closer to home. During 2025/26, the clinic delivered 1,421 appointments, including 1,280 face-to-face consultations and 141 telehealth appointments. By offering both in-person and telehealth appointments, the Clinic improved access to specialist care for women across the region, reducing travel and supporting earlier intervention and ongoing health management. Strong demand for the service continues to demonstrate the value of providing local women's healthcare.

SUMMARY OF ACTIVITIES

Kyneton Allied Health

The Kyneton Allied Health team consists of Administrative Support Officers, Allied Health Assistants, Dietitian, Exercise Physiologists, Occupational Therapists, Podiatrist and Physiotherapists.

Over the past year, the 12-week Healthy Mind and Movement (HMM) exercise programs continue to provide support for a diverse range of clients including those with decreased mobility, strength & balance, falls risks, dementia, diabetes and cancer.

The team provided 2,235 occasions of client services to these group participants aimed at increasing both their physical and mental wellbeing.

Our Clinicians have continued to accept GP Chronic Condition Management Plans (GP CCMPs) across all areas of Allied Health including: Dietetics, Exercise Physiology, Lymphoedema, Occupational Therapy, Physiotherapy, Podiatry and Vestibular Physiotherapy.

The team has delivered 830 consultations over the past year, allowing clients to access bulk-billed, high quality Allied Health care across the Macedon Ranges.

Post-Acute Care (PAC) referrals aim to help people recover post a hospital admission and avoid re-admission. An increase in demand was noted and demonstrated with 448 home visits supported by our Occupational Therapists and Physiotherapists over the last year.

On the Acute Ward, Allied Health Clinicians have supported patients across all areas including Acute, Transitional Care, Day Oncology/Infusions and Dialysis. Collaboration between Nursing and Allied increased communication between the Nursing and Allied Health teams has been observed during Complex Care, Transitional Care and Day Oncology / Infusions case meetings. This has contributed to an increase in referrals to the Allied Health team to support delivery of care that is personal, integrated and responsive to client needs.

Infection Prevention and Control

Central Highlands Rural Health (CHRH) continued to strengthen its commitment to Infection Prevention and Control (IPC) throughout 2025/26, ensuring the safety and wellbeing of patients, residents, staff and visitors across all service settings. Guided by evidence-based practice and national standards, the IPC program supports safe, high-quality care through effective governance, surveillance, outbreak management, antimicrobial stewardship, workforce development and consumer engagement.

During the year, CHRH continued to enhance IPC leadership across its residential aged care services through dedicated IPC Lead Nurses. Supported by the IPC Clinical Nurse Consultants, these roles have strengthened local oversight of infection prevention strategies, outbreak preparedness and response, surveillance activities, and staff education, ensuring ongoing compliance with legislative and accreditation requirements.

Workforce capability remained a key focus, with the Novice Infection Control Program continuing to support the development of emerging IPC practitioners. Through targeted education, mentoring and practical experience, the program has strengthened organisational capability and fostered the next generation of infection prevention professionals.

CHRH continued its participation in the National Hand Hygiene Initiative, achieving consistently high hand hygiene compliance rates across all campuses throughout 2025/26. These results reflect the organisation's strong culture of safety, ongoing staff education and commitment to best-practice infection prevention measures.

Healthcare worker immunisation remained a priority, with CHRH achieving a 100% influenza vaccination compliance rate among healthcare workers in 2025. This result demonstrates the organisation's commitment to protecting vulnerable patients and residents, reducing the risk of vaccine-preventable disease transmission, and maintaining a healthy workforce.

Through these initiatives, CHRH continues to foster a culture of safety, quality and continuous improvement, ensuring infection prevention and control remains a cornerstone of person-centred care across the organisation.

SUMMARY OF ACTIVITIES

Engagement & Fundraising

This year, our Engagement & Fundraising efforts focused on strengthening relationships, growing community support, and creating meaningful opportunities for people to connect with the wide range of services provided by CHRH.

Through a combination of donor stewardship, community campaigns, events, partnerships, and digital engagement, we expanded our reach and strengthened our impact, with more than $153,000 donated through various fundraising channels.

These funds have supported a diverse range of projects and equipment across our communities, including the commencement of works on the Community Garden at Clunes Health, plans for a new outdoor pergola and updated kitchenette at Trentham Aged Care, essential Urgent Care equipment at Daylesford Health including a wall-mounted monitor and children's resuscitation trolley, new beds for Creswick Health, and automated blinds for Kyneton Dialysis and palliative care rooms.

Whether received through bequests, one-off donations, regular giving, or community fundraising activities, every dollar is carefully allocated through a thorough governance and approval process to ensure it delivers the greatest possible benefit.

Our community engagement activities provided many opportunities to connect with residents and stakeholders. We participated in events including Trentham Spudfest, the Daylesford ChillOut Festival, and ANZAC Day wreath-laying services, while also delivering internal and external service information sessions. Through local media, online platforms, and digital publications, we further increased awareness of CHRH services and strengthened our presence across the communities we serve.

We are deeply grateful to our donors, supporters, corporate partners, volunteers, and advocates whose generosity and commitment continue to make this work possible. Their support enables us to deliver vital healthcare services, respond to emerging community needs, and invest in the future of our organisation. Together, we are helping to improve health outcomes and enhance the wellbeing of our communities.

People and Culture

CHRH continued to strengthen its workplace culture during the year through targeted leadership development, psychological safety initiatives, staff engagement activities and ongoing action in response to employee feedback.

A key achievement was the Positive Leadership in Rural Health (PLiRH) program, developed in-house in response to staff feedback and sector workforce challenges. Thirteen staff from clinical and administrative areas graduated from the inaugural 12-month program, which combined workshops, coaching, mentoring and workplace improvement projects. Participants progressed into leadership roles and delivered tangible improvements across aged care, community health, human resources and workplace culture. The program's success has attracted external recognition through academic evaluation, publication and international conference presentations, with a second cohort commencing in 2025.

CHRH measures culture through a range of formal and local feedback mechanisms, including the People Matter Survey, psychosocial hazard reviews, workgroup analysis and employee feedback. Results from the 2026 People Matter Survey demonstrate a strengthening organisational culture, with employee engagement increasing to 78% (+8%), pride in working at CHRH rising to 85% (+9%), and organisational connection increasing to 77% (+10%). Staff perceptions of manager capability also improved, including recognition (73%, +11%) and effective leadership (84%, +6%). Psychological safety continued to strengthen, with more employees reporting they felt safe to raise concerns and contribute ideas.

Learning and continuous improvement remain embedded across the organisation through clinical education, online learning resources and the Just Culture Framework, which encourages learning from incidents and supports open communication. New staff awards introduced in 2025 further celebrated excellence and reinforced CHRH's values.

By investing in leadership, learning and staff wellbeing, CHRH is building a culture where people feel connected, supported and empowered to deliver safe, personal, connected and right care to the communities we serve.

SUMMARY OF ACTIVITIES

Aboriginal Health & Wellbeing

Reconciliation Advisory Committee

Central Highlands Rural Health strengthened its commitment to reconciliation through the establishment of a Reconciliation Advisory Committee, which includes local First Nations community representatives. The committee meets quarterly and provides advice to support culturally safe and responsive health service delivery.

Work is underway to strengthen consultation with Traditional Owner groups, and a Welcome to Country was held during National Reconciliation Week. Ongoing engagement with Ballarat and District Aboriginal Cooperative (BADAC) supports CHRH's commitment to self-determination, partnership and collaboration with First Nations communities to improve health and wellbeing outcomes.

National Reconciliation Week

Central Highlands Rural Health proudly recognised National Reconciliation Week by participating in events across the region that celebrated culture, connection and reconciliation.

At the Kyneton campus, staff attended a Smoking Ceremony led by Taungurung Elder Aunty Joanne Honeysett. Aunty Jo, a Wawa Biik guide, artist and respected community leader, generously shared her knowledge and culture, creating a meaningful opportunity for reflection and connection to Country.

Smoking Ceremony in Kyneton



In Creswick, staff and residents from Creswick Aged Care attended a community Flag Raising Ceremony hosted by Hepburn Shire Council at the Creswick Hub. These events provided an opportunity to come together, reflect on the reconciliation journey and reaffirm a shared commitment to respect, understanding and cultural connection.

Cultural Learning and Development

Building cultural capability across the organisation remained a key focus throughout 2025 and 2026. Executive staff and Board Directors participated in a cultural immersion experience with Waaman Tours, led by Dja Dja Wurrung Elder Uncle Rick Nelson. The tour explored culturally significant sites and provided valuable insights into the living culture, history and knowledge of the Jaara people, fostering greater understanding, respect and connection.

In 2025, Girraway Ganyi delivered two face-to-face Cultural Safety and Awareness workshops attended by 40 staff members, including Executive team members, managers and frontline staff. The workshops strengthened participants' understanding of culturally safe practice and their role in improving health outcomes for Aboriginal and Torres Strait Islander peoples.

In 2026, Gabirra delivered four Cultural Humility workshops, supporting staff to further explore the principles of cultural humility and its importance in delivering culturally safe and respectful care.

A First Nations education survey, developed with advice from First Nations community members, provided valuable feedback on staff learning needs and will inform future training and development initiatives.

The Aboriginal Health Team also developed and delivered training focused on the question, "Are you Aboriginal and/or Torres Strait Islander?" The training supports consistent identification practices, referral pathways and awareness of Aboriginal Community Controlled Organisations (ACCOs). This initiative has been rolled out across all CHRH sites and remains ongoing. To further support awareness, a complementary communication campaign featuring screensavers and posters was launched in partnership with the Learning and Development and Communications teams.

SUMMARY OF ACTIVITIES

Corporate Services

Trentham Aged Care Nurse call

In December 2025 the Regional Hospital Infrastructure Fund (RHIF) application for the Trentham Aged Care Nurse call replacement was successful. The project is valued at $350,000 and is an investment that replaces an antiquated, end of life system to ensure resident safety and statutory regulatory compliance.

Website project

Following a competitive procurement process, CHRH commenced a website redevelopment project in May 2026. Having the website redeveloped professionally, will provide not only a good first impression of CHRH that enables community to find the information required, but it will enable a lot of contemporary functionality that we don't currently have.

Emergency Management

Bushfire preparedness has long been a discussion topic since meeting with the western departmental emergency management team in July 2025 following advice relating to the bushfire season being brought forward and commencing in October 2025.

As four of CHRH sites are in a heightened bushfire risk area, staff undertook our usual preparedness activities including fire fuel load assessments and planning for a table top exercise considering bushfire preparedness.

We ran a tabletop exercise around Bushfire Readiness at Trentham on 15 September with DOH EM Western Region facilitating. It was a beneficial session that provided us the opportunity to work through a catastrophic fire day in the region and planning for the lead up.

Expectations for the future

"As we look to the future, our communities can be confident that Central Highlands Rural Health is well positioned to meet the changing needs of our growing region. Guided by our Strategic Plan 2025-2028, we will continue to focus on delivering high-quality, person-centred care that is responsive, sustainable and designed around the needs of the people we serve.

The implementation of aged care reforms, the growth of innovative models of care, and ongoing investment in workforce development have strengthened our foundation for the years ahead.

We will continue to build our capability, expand access to locally delivered services, and embrace opportunities that improve health and wellbeing outcomes for our communities. Through strong partnerships, collaboration across the health sector, and a culture built on trust, respect and excellence, we remain committed to ensuring people can access the right care, in the right place, at the right time.

As healthcare continues to evolve, our focus will remain on listening to our communities, supporting our people, and providing exceptional care close to home. Together, we are creating a stronger, more connected and more sustainable future for health and aged care across the Central Highlands region."

- Maree Cuddihy, CEO at Central Highlands Rural Health

WORKFORCE DATA

Workforce Data by Labour Category

Hospitals labour category	JUNE Current Month FTE*		Average Monthly FTE**	
	2025	2026	2025	2026
Nursing	188.65	187.03	187.06	187.16
Administration and Clerical	77.14	80.64	76.87	77.83
Medical Support	0	0	0	0
Hotel and Allied Services	86.17	90.43	85.70	79.35
Medical Officers	0	0	0	0
Hospital Medical Officers	0	0	0	0
Sessional Clinicians	0.71	0.76	0.60	0.76
Ancillary Staff (Allied Health)	44.90	45.44	45.52	44.70

Workforce Data by Labour Category

Central Highlands Rural Health is committed to applying merit and equity principles when appointing staff. The selection processes ensure applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

WORKFORCE INCLUSION POLICY

As an organisation, we acknowledge and recognise the diversity of communities around us and support and celebrate these as we embed our Gender Equality Operational Policy and promote Gender Equality throughout our Health service.

Our responsibilities have been:

- To model and practice respectful and equitable behaviour.
- To promote equal and respectful relationships between women, men and gender diverse people by embedding principles of gender equality and prevention of violence into all relevant organisational processes, projects, plans, programs, policy, services, work plans, research and partnerships.
- To break down gender roles, stereotypes and norms that restrict women, men and gender diverse people from achieving their maximum potential.
- Promote non-violent social norms by ensuring that all internal and external organisational communication is respectful and gender equitable.
- To ensure that the language we use in communicating with our clients promotes gender equality principles and the prevention of violence.
- To recognise that real change becomes possible when we have open and challenging conversations about gender equality and reflecting on our own actions and behaviours.
- To promote and implement CHRH activities related to gender equality.

This financial year, we met our obligations under the Gender Equality Act by submitting our 2026 Gender Equality Progress Report and Gender Equality Action Plan to the Gender Equality Commission. Submitted on 13 May 2026, these reports highlight the achievements and progress made since our 2023 report and are currently being reviewed by the Commission.

OCCUPATIONAL HEALTH AND SAFETY

Central Highlands Rural Health is committed to the safety, health and wellbeing of our staff by providing a safe work environment for all members of the workforce, volunteers, contractors and the public.

Central Highlands Rural Health allocates resources to the management of Occupational Health and Safety (OH&S) by implementing a 'Safety First' approach. Central Highlands Rural Health complies with the Occupational Health and Safety (OH&S) Act 2004, the Occupational Health and Safety (OH&S) Regulations 2017, and all relevant standards and codes of practice.

Occupational Health and Safety Data

Occupational Health and Safety Statistics	2023-2024	2024-2025	2025-2026
The number of reported hazards/incidents for the year per 100 FTE	131.60	99.73	85.20
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.39	2.10	1.75
The average cost per WorkCover claim for the year ('000)	$40.00	$59.00	$8.00

Occupational violence statistics	2025-2026
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	41
Number of occupational violence incidents reported per 100 FTE	10.28
Percentage of occupational violence incidents resulting in a staff injury, illness, or condition	10%

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 2025-2026.
- Lost time – is 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.

SUMMARY OF FINANCIAL RESULTS

Financial Information

	2026 $000	2025 $000	2024 $000	2023 $000	2022 $000
OPERATING RESULT*	527	28	-1,325	100	0
Total revenue	75,984	73,907	70,272	63,296	61,656
Total expenses	80,876	73,796	67,813	63,889	61,809
Net result from transactions	-4,892	111	2,459	-593	-153
Total other economic flows	180	163	122	-93	348
Net result	-4,712	274	2,581	-686	195
Total assets	149,186	149,797	149,399	115,337	101,788
Total liabilities	41,238	37,137	37,013	37,169	29,092
Net assets/Total equity	107,948	112,660	112,386	78,168	72,696

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

Reconciliation between the Net Result from Transactions to the Statement of Priorities Operating Result

	2025-2026 ($000)
Operating result	527
Capital purpose income	2,814
Specific income	-
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	-
State supply items consumed up to 30 June 2026	-
Assets provided free of charge	892
Assets received free of charge	-
Expenditure for capital purpose	-102
Depreciation and amortisation	-8,131
Impairment of non-financial assets	-
Finance costs (other)	-
Net result from transactions	-4,892

Summary of financial position

Central Highlands Rural Health reported a $0.53 million operating surplus against a breakeven target. The net result for the year was a $4.892M deficit. The comprehensive result for the year was a deficit of $4.712M. Revenue and income from transactions for the year was $75.984M and expenses from transactions for the year $80.876M.

In 2025/2026, there were no significant changes to the financial position of Central Highlands Rural Health.

CONSULTANCIES

In 2025-2026, there were nil consultancies where the total fees payable to the consultants were less than $10,000.

In 2025-2026, there were nil consultancies where the total fees payable to the consultants were $10,000 or greater.

DISCLOSURE OF ICT EXPENDITURE

For the 2025-2026 reporting period, Central Highlands Rural Health had a total ICT expenditure of $3,350,000, with the details shown below.

($ thousand)

All operational ICT expenditure	**ICT expenditure related to projects to create or enhance ICT capabilities**		
Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
3,315	35	12	23

SOCIAL PROCUREMENT

Central Highlands Rural Health (CHRH) has been guided by the Victorian Government Social Procurement Framework (SPF) and applies the SPF to the procurement of goods and services undertaken by CHRH. Under the SPF, and CHRH Social Procurement Strategy (SPS), CHRH prioritised the SPF objectives of:
Environmentally sustainable outputs.

- Opportunities for Victorians with disability
- Women's equity and safety

Under these objectives, the following outcomes were prioritised:

- Purchasing from Victorian social enterprises and Australian disability Enterprises.
- Adoption of family violence leave by Victorian Government suppliers.
- Gender equality within Victorian Government suppliers.
- Adoption of sustainable business practices by suppliers to the Victorian Government.

An activity which supported the SPS included engaging a local social benefit supplier to undertake gardening and grounds maintenance at Kyneton Health. This initiative commenced in August 2024 and employs individuals living with disability, providing meaningful work and employment.

Key achievements in delivering SPF outcomes included a social procurement direct spend of $10,597.19 (ex GST) for the financial year to June 2026. CHRH engaged with two social benefit suppliers and purchased from two Victorian social enterprises in 2025/2026.
purchased from four Victorian social enterprises in 2024/2025.

PROCUREMENT COMPLAINTS

In 2025-2026, there were nil reports.

DISCLOSURE OF EMERGENCY PROCUREMENTS

In 2025-2026, there were nil reports.

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

Central Highlands Rural Health has put in place appropriate controls and processes to ensure it is compliant with the mandatory requirements for the Asset Management Accountability Framework.

GRANTS AND TRANSFER PAYMENTS

Central Highlands Rural Health did not administer any grants, transfer payments or Commercial-in-Confidence grants in 2025-2026.

REVIEW AND STUDY EXPENSES

In 2025-2026, there were nil declarations.

LOCAL JOBS FIRST ACT DISCLOSURES

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

ENVIRONMENTAL PERFORMANCE

CHRH is a member of the Global Green and Healthy Hospital network and participates in the Grampians Region Climate Action Framework Working Group and Loddon Mallee Public Health Unit climate initiatives.

Five key projects, designed to reduce emissions and improve energy efficiency, have commenced with the Victorian Health Building Authority (VHBA). An internal project to streamline waste management is underway and CHRH has installed our first charging station for EVs.

CHRH continues to report against the environmental sustainability actions in the Strategic Plan and is compliant with the expanded reporting criteria under Financial Reporting Direction (FRD) 24. The Environmental Sustainability Committee has revised the Sustainability Action Plan (2024-27) and the CHRH strategic risks associated with climate change adaption. Environmental data is being reviewed and adjustment to account for the completion of several building projects.

Five key projects at CHRH, designed to reduce emissions and improve energy efficiency, have commenced with the Victorian Health Building Authority (VHBA) during the financial year.

The Solar projects embarked on increasing site-based electricity generation using solar PV arrays to reduce consumption / reliance on grid generated electricity.

The estimated additional solar generation:

- Creswick Health 82,100kWh
- Kyneton Health 171,700kWh
- Trentham Health 82,100kWh

Additionally, Trentham Health domestic hot water heat pumps to reduce natural gas consumption by increasing electrification of the site hot water heating. The effectiveness of this project has reduced gas consumption on site and the operating hours of the heat pump system. The estimated energy saving 131,400kWh.

Meanwhile, at Daylesford Health the replacement of two natural gas heating hot water boilers with a high temperature heat pump has an estimated energy saving of 274,900kWh.

ENVIRONMENTAL PERFORMANCE

ELECTRICTY USE	2025/26	2024/25	2023/24
EL1 Total electricity consumption segmented by source (MWh)			
Purchased	2,167.41	2,155.04	1,795.64
Self-generated	368.71	329.80	354.75
EL1 Total electricity consumption (MWh)	**2,536.13**	**2,484.84**	**2,150.39**
L2 On site-electricity generated [MWh]			
Solar Electricity	368.71	329.80	354.75
EL3 On-site installed generation capacity (kW converted to MW) segmented by:			
Diesel Generator	0.93	0.93	0.93
Solar System	0.61	0.20	0.20
EL4 Total electricity offsets segmented by offset type (MWh)			
LGCs voluntarily retired on the entity's behalf	1,880.91	N/A	N/A
RPP (Renewable Power Percentage in the grid)	374.94	394.62	336.86
EL4 Total electricity offsets (MWh)	**2,167.41**	**394.62**	**336.86**

TOTAL ENERGY USE	2025/26	2024/25	2023/24
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)			
Total energy usage from stationary fuels (F1) (MJ)	15,046,137.90	16,722,776.00	15,482,537.10
Total energy usage from transport (T1) (MJ)	342,435.40	315,804.60	1,006,907.90
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**15,388,573.30**	**17,038,580.60**	**16,489,445.00**
E2 Total energy usage from electricity (MJ)			
Total energy usage from electricity (MJ)	9,130,060.51	8,945,432.65	7,741,398.60
E3 Total energy usage segmented by renewable and non-renewable sources (MJ)			
Renewable	9,130,060.80	2,607,900.87	2,489,815.59
Non-renewable (E1 + E2 - E3 Renewable)	15,388,573.01	23,376,112.38	21,741,028.01
E4 Units of Stationary Energy used normalised: (F1+E2) / normaliser renewable and non-renewable sources (MJ)			
Energy per unit of Aged Care OBD (MJ/Aged Care OBD)	737.12	782.28	716.10
Energy per unit of LOS (MJ/LOS)	2,090.10	2,478.82	2,323.09
Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD)	544.94	594.63	547.37
Energy per unit of Separations (MJ/Separations)	3,647.59	4,643.31	4,449.88
Energy per unit of floor space (MJ/m2)	894.01	1,004.64	936.32

ENVIRONMENTAL PERFORMANCE

GREENHOUSE GAS EMISSIONS	2026/2025	2025/2024	2024/2023
G1, G2 & G3 Total scope one (direct) & (indirect) greenhouse gas emissions [tonnes CO2e]			
Carbon Dioxide	817.68	902.84	889.80
Methane	1.75	1.93	1.86
Nitrous Oxide	0.95	1.00	1.21
Total	**820.38**	**905.77**	**892.87**
Medical/Refrigerant gases			
Nitrous oxide	7.17	2.38	N/A
Sevoflurane	1.82	0.60	N/A
Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**829.37**	**908.76**	**892.87**
G2 Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)			
Electricity	1,451.91	1,421.58	1,181.03
Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	**1,451.91**	**1,421.58**	**1,181.03**
G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (t CO2-e)			
Commercial air travel	N/A	N/A	N/A
Waste emissions (WR5)	35.25	93.24	160.67
Indirect emissions from Stationary Energy	295.97	300.21	255.20
Indirect emissions from Transport Energy	5.90	5.44	17.33
Paper emissions	N/A	N/A	N/A
Water emissions	41.26	38.10	33.78
Any other Scope 3 emissions	N/A	N/A	0.00
Total Scope 3 greenhouse gas emissions (t CO2-e)	**378.38**	**436.98**	**466.98**

STATIONARY ENERGY	2026/2025	2025/2024	2024/2023
F1 Total fuels used in buildings and machinery segmented by fuel type (MJ)			
Natural gas	12,662,768.70	14,237,352.00	12,552,492.80
LPG	2,383,369.20	2,485,424.00	2,930,044.30
F1 Total fuels used in buildings (MJ)	**15,046,137.90**	**16,722,776.00**	**15,482,537.10**
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (t CO2-e)			
Natural gas	652.51	733.65	646.83
LPG	144.43	150.62	177.56
F2 Greenhouse gas emissions from stationary fuel consumption (t CO2-e)	**796.94**	**884.27**	**824.39**

ENVIRONMENTAL PERFORMANCE

TRANSPORTATION ENERGY	2026/2025	2025/2024	2024/2023
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type (MJ)			
Non-executive fleet - Gasoline	242,522.90	262,231.60	867,318.70
Petrol	**242,522.90**	**262,231.60**	**867,318.70**
Non-executive fleet - Diesel	99,912.50	53,573.00	139,589.20
Diesel	**99,912.50**	**53,573.00**	**139,589.20**
Total energy used in transportation (vehicle fleet) (MJ)	**342,435.40**	**315,804.60**	**1,006,907.90**
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (t CO2-e)			
Non-executive fleet - Gasoline	16.40	17.73	58.65
Petrol	**16.40**	**17.73**	**58.65**
Non-executive fleet - Diesel	7.04	3.77	9.83
Diesel	**7.04**	**3.77**	**9.83**
Total Greenhouse gas emissions from transportation (vehicle fleet) (t CO2-e)	**23.43**	**21.50**	**68.48**

WATER USE	2026/2025	2025/2024	2024/2023
W1 Total units of metered water consumed by water source (kL)			
Potable water (kL)	29,412.73	23,291.23	20,131.60
Total units of water consumed (kL)	**29,412.73**	**23,291.23**	**20,131.60**
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)	0.90	0.71	0.62
Water per unit of LOS (kL/LOS)	2.54	2.25	2.01
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.66	0.54	0.47
Water per unit of Separations (kL/Separations)	4.44	4.21	3.86
Water per unit of floor space (kL/m2)	1.09	0.91	0.81

ENVIRONMENTAL PERFORMANCE

WASTE AND RECYCLING	2026/2025	2025/2024	2024/2023
WR1 Total units of waste disposed of by waste stream and disposal method (kg)			
Landfill (total)			
General waste - skips	24,273.00	68,879.00	114,684.50
Offsite treatment			
Clinical waste - incinerated	N/A	N/A	304.56
Clinical waste - sharps	130.15	130.15	797.59
Clinical waste - treated	2,714.58	2,714.58	6,334.87
Recycling/recovery (disposal)			
Cardboard	2,618.90	21,364.20	12,870.00
Commingled	N/A	N/A	31,266.40
Total units of waste disposed (kg)	**29,736.63**	**93,087.93**	**166,257.91**
WR1 Total units of waste disposed of by waste stream and disposal method (%)			
Landfill (total)			
General waste	81.63%	96.03%	69.27%
Offsite treatment			
Clinical waste - incinerated	N/A	N/A	0.18%
Clinical waste - sharps	0.44%	0.18%	0.48%
Clinical waste - treated	9.13%	3.78%	3.77%
Recycling/recovery (disposal)			
Cardboard	N/A	N/A	7.67%
Commingled	N/A	N/A	18.63%
WR2 Percentage of office sites covered by dedicated collection services for each waste stream			
Printer cartridges	N/A	N/A	N/A
Batteries	N/A	N/A	N/A
e-waste	N/A	N/A	N/A
Soft plastics	N/A	N/A	N/A
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)	0.48	1.41	2.44
Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT)	0.06	0.06	0.16
Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT)	N/A	N/A	0.93

ENVIRONMENTAL PERFORMANCE

WASTE AND RECYCLING	2026/2025	2025/2024	2024/2023
WR4 Recycling rate (%)			
Weight of recyclable and organic materials (kg)	N/A	N/A	44,136.40
Weight of total waste (kg)	27,117.73	71,723.73	167,825.59
Recycling rate (%)	N/A	N/A	**26.30%**
WR5 Greenhouse gas emissions associated with waste disposal (t CO2-e)			
t CO2-e	35.25	93.24	160.67

NORMALISATION FACTORS	2026/2025	2025/2024	2024/2023
1000km (Corporate)	0.00	0.00	0.00
1000km (Non-emergency)	0.00	0.00	0.00
Aged Care OBD	32,872.00	32,998.00	32,322.00
ED Departures	0.00	0.00	0.00
FTE	404.00	388.00	375.00
LOS	11,567.00	10,355.00	9,997.00
OBD	44,365.00	43,167.00	42,428.00
PPT	50,993.00	48,695.00	47,647.00
Separations	6,628.00	5,528.00	5,219.00
TotalAreaM2	32,998.00	32,998.00	32,322.00

LEGISLATION

Freedom of Information Act 1982

During 2025-2026, Central Highlands Rural Health received 63 applications. These requests were all received from the individual or their representative. Central Highlands Rural Health made 63 FOI decisions during the 12 months ended 30 June 2026. There were 63 decisions made within the statutory time periods. Of the total decisions made, 63 granted access to documents in full. Of requests finalised, the average number of days under the statutory time (including extended timeframes) to decide the request was 8 days. During 2025 2026, 0 requests were subject to a complaint/internal review by Office of the Victorian Information Commissioner. 1 request progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Building Act 1993

Central Highlands Rural Health ensures that all buildings, plant and equipment in its control are maintained and operated according to the statutory requirements of the Building Act 1993 as per Minister for Finance Guideline Building Act 1993/Standards for Publicly Owned Buildings November 1994. Works and maintenance undertaken to ensure conformity with relevant Standards are as follows:

Building works	
Building certified for approval	2
Works in construction and subject of mandatory inspections occupancy permits issued	2
Occupancy permits issued	2

Maintenance	
Notices issued for rectification of substandard buildings requiring urgent attention	0
Involving major expenditure and urgent attention	0
Building condition assessment	0
Essential services maintenance (per campus)	5

Compliance with the Public Interest Disclosures Act 2012

Central Highlands Rural Health takes very seriously all allegations of improper conduct by its employees or the Board of Directors. The Public Interest Disclosure Act 2012 is designed to protect people who disclose information about serious misconduct within the Victorian Public Sector and to provide a framework for investigation into these matters.

Central Highlands Rural Health cannot receive complaints which trigger the protections contained in the Act. Individuals who want to make a Public Interest Disclosure that trigger protections under the Act should make that disclosure directly to IBAC:

Independent Broad-based Anti-corruption Commission (IBAC)
GPO Box 24234, Melbourne Victoria
Ph. 1300 735 135
www.ibac.vic.gov.au

Statement on National Competition Policy

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any net advantage arising from government ownership is accounted for if it is not in the public interest. Government businesses that undertake significant business activities are required to implement competitive neutrality measures (such as setting competitive neutral prices), which accounts for any net advantage that comes from public ownership. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on removing resource allocation distortions. All competitive neutrality requirements are met in accordance with the Government's policy on National Competition as outlined in the Guide to Implementing Competitive Neutral Pricing Principles.

LEGISLATION

Carers Recognition Act 2012

At Central Highlands Rural Health, we understand the important role carers play in the life of consumers. We welcome carer participation and encourage our staff to recognise and promote the rights and roles of carers. Central Highlands Rural Health takes all practical measures to comply with the Carers Recognition Act 2012.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

Details in respect of the items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament, and the public on request (subject to the freedom of information requirements, if applicable):

- 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 the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates, and levies charged by the entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- 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:

Central Highlands Rural Health
Freedom of Information Administrator
Phone: (03) 5321 6500
Email: info@chrh.org.au
Address: PO Box 465, Daylesford, Victoria, 3460

ATTESTATIONS

Financial Management Compliance Attestation

I, Mary Delahunty, on behalf of Central Highlands Rural Health, certify that Central Highlands Rural Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



The Hon. Mary Delahunty
Board Chair
Central Highlands Rural Health
17/09/2026

Data Integrity

I, Maree Cuddihy, certify that Central Highlands Rural Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Central Highlands Rural Health has critically reviewed these controls and processes during the year.



Maree Cuddihy
Chief Executive Officer
Central Highlands Rural Health
17/09/2026

Conflict of Interest

I, Maree Cuddihy, certify that Central Highlands Rural 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 Central Highlands Rural 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 documenting at each executive board meeting.

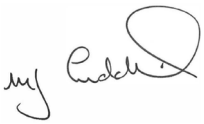


Maree Cuddihy
Chief Executive Officer
Central Highlands Rural Health
17/09/2026

ATTESTATIONS

Integrity, Fraud and Corruption Declaration

I, Maree Cuddihy, certify that Central Highlands Rural Health has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviews and addressed at Central Highlands Rural Health during the year.



Maree Cuddihy
Chief Executive Officer
Central Highlands Rural Health
17/09/2026

Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Maree Cuddihy, on behalf of Central Highlands Rural Health, certify that Central Highlands Rural Health has no material compliance deficiency with respect to the HSV Purchasing Policies as required by the Health Services Act 1988 (Vic). While instances of non-material non-compliance have been identified during the reporting period, Central Highlands Rural Health has an agreement in place with HealthShare Victoria to address and rectify these issues. These instances do not constitute material non-compliance and have not had a significant impact on procurement governance or operational integrity. Central Highlands Rural Health has implemented appropriate internal controls, which have been critically reviewed throughout the year.



Maree Cuddihy
Chief Executive Officer
Central Highlands Rural Health
17/09/2026

Safe Patient Care Act 2015

Central Highlands Rural Health has nil disclosures to report in relation to its obligations under Section 40 of the Safe Patient Care Act 2015.



Maree Cuddihy
Chief Executive Officer
Central Highlands Rural Health
17/09/2026

DISCLOSURE INDEX

The Annual Report of Central Highlands Rural 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.

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DISCLOSURE INDEX

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STATEMENT OF PRIORITIES – STRATEGIC PRIORITIES

Strategic Priority - Innovate and improve access and care

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

Goal: Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care.	
Deliverables	**Progress**
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.	CHRH strengthened consumer participation in governance through the renewal of its Best Care Framework aligned to the Victorian Clinical Governance Framework. Consumer representation on the Clinical Governance Committee ensures consumer perspectives inform service improvement and decision-making.
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.	CHRH strengthened its safety culture through consistent complaints reporting and implementation of the Best Care and Just Culture Frameworks. Staff confidence in reporting safety concerns increased to 83%, while 88% of staff believe managers act on patient safety issues. Eighty-five per cent of staff would recommend CHRH for care.
Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	CHRH strengthened leadership and quality improvement capability through the Improvement on the Run program, supporting a culture of accountability, continuous improvement and evidence-based service redesign. CHRH developed the Positive Leadership in Rural Health (PLiRH) program in response to staff feedback and workforce challenges. The 12-month program combines workshops, coaching, mentoring and workplace improvement projects to build leadership capability, strengthen performance and accountability and support continuous improvement. In 2024/25, thirteen staff from clinical and administrative areas completed the inaugural program, delivering measurable improvements across aged care, community health, human resources and workplace culture. Several participants progressed into leadership roles, supporting succession planning and workforce sustainability. Program effectiveness is evidenced through academic evaluation, publication, international conference presentations, and the commencement of a second cohort of nine participants in 2025/26.
Goal: Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint.	
Deliverables	**Progress**
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.	CHRH expanded elective surgery capacity through additional theatre sessions at Kyneton and Daylesford. Funding through the Women's Health and Wellbeing Program increased access to laparoscopic procedures for endometriosis and related conditions, improving timely access to care.
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).	Strengthened planned surgery access and referral management through participation in a Patient Support Unit funded improvement project, supporting compliance with the Planned Surgery Access Policy 2024, improved management of Open Access Endoscopy referrals, and enhanced oversight of Planned Surgery Preparation Lists.

STATEMENT OF PRIORITIES – STRATEGIC PRIORITIES

Strategic Priority - Prudent, sustainable and effective use of resources

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

Goal: Develop and implement initiatives to strengthen financial sustainability. By delivering sustainable, responsible budgets, we can ensure a well-managed, viable, and sustainable health system for the future.	
Deliverables	**Progress**
Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	CHRH successfully implemented its Financial Management Improvement Plan and delivered all Budget Action Plan initiatives. Strong financial management resulted in a surplus operating position while maintaining service delivery and organisational sustainability.
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.	Stage 1 of Power BI has been rolled out and all managers have received training. This is an ongoing project with further improvements and developments that will be made over time.
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.	CHRH is committed to using available resources responsibly and efficiently to maximise the benefit to our community. We will continue to review and improve our services to ensure consumers receive safe, timely and person-centred care. By streamlining processes, strengthening partnerships, supporting our workforce and embracing innovative models of care, we aim to improve access, build service capacity and reduce waiting times, while maintaining a strong focus on quality, safety and value.

STATEMENT OF PRIORITIES – STRATEGIC PRIORITIES

Strategic Priority - A stronger workforce

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

Goal: Position Victoria as a leader in employee experience, capability, and capacity by focusing on future roles and professional development in line with the Victorian Health Workforce Strategy to ensure a regenerative and sustainable workforce.	
Deliverables	**Progress**
Implement processes to sustain workforce supply and fulfill obligations, in-cluding 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.	CHRH invested in workforce capability through the Positive Leadership in Rural Health Program and organisation-wide Know Better, Be Better training. Workforce initiatives supporting flexible work, leadership development and an inclusive workplace have contributed to CHRH meeting its Gender Equality Act 2020 obligations and strengthening employee experience.
Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	CHRH achieved a strong People Matter Survey participation rate of 76%, providing valuable workforce insights to support strategic planning, employee engagement and workforce sustainability initiatives.

STATEMENT OF PRIORITIES – STRATEGIC PRIORITIES

Strategic Priority - Improving Aboriginal health and wellbeing

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

Goal: Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture. Address racism and provide Aboriginal people with culturally safe healthcare and referral pathways between mainstream and community-controlled health services.	
Deliverables	**Progress**
Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	CHRH enhanced cultural safety capability across the organisation through a program of Aboriginal-led education delivered by independent Aboriginal organisations and leaders. Executive, board and staff participation in cultural immersion, cultural safety and cultural humility training increased understanding of culturally safe practice and strengthened CHRH's capacity to provide respectful, culturally responsive care. Feedback from a First Nations education survey is informing future workforce development initiatives.
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.	CHRH strengthened partnerships with First Nations communities through the Reconciliation Advisory Committee and ongoing engagement with local Aboriginal organisations. These partnerships support culturally informed service planning and reconciliation initiatives.
Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	CHRH improved identification processes and staff capability through organisation-wide training and awareness campaigns, supporting stronger referral pathways and more culturally responsive care for Aboriginal and Torres Strait Islander patients.

STATEMENT OF PRIORITIES – STRATEGIC PRIORITIES

Strategic Priority - Moving from Competition to Collaboration

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

Goal: Collaborate within the Local Health Service Network to build a more integrated health system, with better access and experience for patients, strengthened workforce, consistently high-quality care, and more sustainable healthcare delivery.	
Deliverables	**Progress**
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).	CHRH actively contributes to the Grampians Local Health Service Network through representation on working groups across the priority areas of Access, Equity and Flow; Workforce; Safety and Quality; and Shared Services. CHRH provides the Chair and Secretariat for the Clinical Governance Priority Group and continues to support regional initiatives that improve service integration, workforce sustainability and patient outcomes.

STATEMENT OF PRIORITIES – PERFORMANCE PRIORITIES

High Quality and Safe Care

Quality performance measure

Key performance measure	Target	Result
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	100%
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	Average across 3 facilities 4.3 stars
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	98.6%
Aboriginal health		
The difference between the number of Aboriginal patients who discharged against medical advice compared to non-Aboriginal patients	0%	0%

*N/A - Less than 10 responses were received for the period due to the relative size of the Health Service.

STATEMENT OF PRIORITIES – PERFORMANCE PRIORITIES

Strong Governance, Leadership and Culture

People Matter Survey

Key performance measure	Target	Result
Organisational Culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	80%	77%

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

Timely Access to Care

Key performance measure	Target	Result
Percentage of urgency category planned surgery patients admitted within 30 days	100%	100%
Percentage of all planned surgery patients admitted within the clinically recommended time	94%	97.5%
Number of patients admitted from the planned surgery waiting list	790	810
Percentage of patients on the waiting list who have waited longer than the clinically recommended time for their respective triage category	25% proportional improvement from prior year	4.30
Optimisation of surgical inpatient length of stay (LOS) including through the use of virtual and home-based pre- and post-operative models of care	Reduction in average LOS for surgical patients by 2% from prior year	1.06

STATEMENT OF PRIORITIES – PERFORMANCE PRIORITIES

Effective Financial Management

Financial Reporting

Key performance measure	Target	Result
Operating result ($m)	0	0.527
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	Achieved
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	5% movement in forecast revenue and expenditure forecasts	Achieved

STATEMENT OF PRIORITIES – ACTIVITY AND FUNDING

Activity Reporting

Funding type	Result
Aged Care	
Residential Aged Care	33,435
HACC	3,068
Mental Health and Drug Services	
Drug Services	159
Primary Health	
Community Health / Primary Care Programs	4,085
Small Rural	
Small Rural Acute	661

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Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Central Highlands Rural Health

Opinion	I have audited the financial report of Central Highlands Rural 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 their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and 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.



Simone Bohan
as delegate for the Auditor-General of Victoria

MELBOURNE
23 September 2026

Financial Statements
Financial Year ended 30 June 2026

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

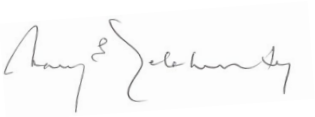
The attached financial statements for Central Highlands Rural Health have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994* , applicable Financial Reporting Directions, Australian Accounting Standards including 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 Central Highlands Rural 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 17th September, 2026.

Board member



Mary Delahunty

Chair

Daylesford
17th September, 2026

Accountable Officer



Maree Cuddihy

Chief Executive Officer

Daylesford
17th September, 2026

Chief Finance & Accounting Officer



Brenda Rooney

Chief Financial and Accounting Officer

Daylesford
17th September, 2026

Comprehensive Operating Statement
Central Highlands Rural 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)	34,417	30,148
Government Grants	2.1 (b)	39,118	40,756
Other sources of income	2.1 (c)	2,449	3,003
Total revenue and income from transactions		**75,984**	**73,907**
Expenses from transactions			
Employee expenses	3.1 (a)	(56,524)	(52,746)
Supplies and consumables	3.1 (c)	(8,072)	(6,866)
Depreciation and amortisation	4.1(a), 4.2	(8,129)	(7,222)
Other operating expenses	3.1 (d)	(8,151)	(6,962)
Total expenses from transactions		**(80,876)**	**(73,796)**
Net result from transactions - net operating balance		**(4,892)**	**111**
Other economic flows included in net result			
Net gain on sale of non-financial assets		23	145
Net loss on financial instruments		(9)	-
Other gain from other economic flows		166	18
Total other economic flows included in net result		**180**	**163**
Net result		**(4,712)**	**274**
Comprehensive result		**(4,712)**	**274**

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

Balance Sheet
Central Highlands Rural Health
As at 30 June 2026

	Note	2026 $'000	2025 $'000
Financial assets			
Cash and cash equivalents	6.2	28,846	24,407
Receivables	5.1	6,662	6,264
Total financial assets		**35,508**	**30,671**
Non-financial assets			
Prepayments		680	858
Inventories		141	143
Property, plant and equipment	4.1	112,645	118,059
Intangible assets		212	66
Total non-financial assets		**113,678**	**119,126**
Total assets		**149,186**	**149,797**
Liabilities			
Payables	5.2	4,075	3,834
Contract liabilities	5.4	1,861	1,533
Borrowings	6.1	1,336	1,381
Employee benefits	3.1(b)	12,968	12,156
Monies held in trust	5.3	20,998	18,233
Total liabilities		**41,238**	**37,137**
Net assets		**107,948**	**112,660**
Equity			
Reserves		46,920	46,920
Contributed capital		68,888	68,888
Accumulated deficit		(7,860)	(3,148)
Total equity		**107,948**	**112,660**

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

Cash Flow Statement
Central Highlands Rural Health
For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from Government		66,123	61,619
Commercial activity revenue received		2,720	2,734
Donations and bequests received		-	4
Other receipts		7,526	7,066
Total receipts		**76,369**	**71,423**
Payments to employees		(55,905)	(51,827)
Payments to suppliers and consumables		(10,321)	(9,716)
GST (paid to) / received from ATO		(26)	345
Other payments		(5,263)	(4,113)
Total payments		**(71,515)**	**(65,311)**
Net cash flows from operating activities		**4,854**	**6,112**
Cash flows from investing activities			
Proceeds from sale of non-financial assets		195	145
Purchase of non-financial assets		(3,033)	(5,825)
Capital donations and bequests received		153	665
Net cash flows used in investing activities		**(2,685)**	**(5,015)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(31)	(479)
Repayment of accommodation deposits		(3,557)	(5,129)
Receipt of accommodation deposits		5,858	6,300
Net cash flows from financing activities		**2,270**	**692**
Net increase in cash and cash equivalents held		**4,439**	**1,789**
Cash and cash equivalents at beginning of year		24,407	22,618
Cash and cash equivalents at end of year	6.2	**28,846**	**24,407**

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

Statement of Changes in Equity
Central Highlands Rural
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	**44,862**	**2,058**	**68,888**	**(3,422)**	**112,386**
Net result for the year	-	-	-	274	274
Balance at 30 June 2025	**44,862**	**2,058**	**68,888**	**(3,148)**	**112,660**
Net result for the year	-	-	-	(4,712)	(4,712)
Balance at 30 June 2026	**44,862**	**2,058**	**68,888**	**(7,860)**	**107,948**

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

Notes to the Financial Statements
Central Highlands Rural Health
For the Financial Year Ended 30 June 2026

Structure

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

Note 1 About this Report

These financial statements represent the financial statements of Central Highlands Rural Health for the year ended 30 June 2026.

Central Highlands Rural Health is a not-for-profit entity established as a public agency on 1st November 2019 under the *Health Services Act 1988 (Vic)* . A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation

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

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

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

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

Consistent with the requirements of AASB 1004 *Contributions* , contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of Central Highlands Rural 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 Central Highlands Rural Health on 17th September, 2026.

Note 1.2 Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

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

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

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

Note 1.3 Reporting Entity

The financial statements include all the controlled activities of Central Highlands Rural Health.

Central Highlands Rural Health's principal address is:

17 Hospital Road
Daylesford, Victoria 3460

Note 1.4 Economic dependency

Central Highlands Rural 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. Central Highlands Rural 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 Central Highlands Rural Health operations and on that basis, the financial statements have been prepared on a going concern basis.

Note 2 Funding delivery of our services

Central Highlands Rural Health's overall objective is to provide quality health service and to be a leading regional healthcare provider delivering timely, accessible, integrated and responsive services to our region. Central Highlands Rural Health predominantly receives income (grants) for the provision of health service outputs. Central Highlands Rural Health also receives income from the supply of services.

Significant judgement - Grant revenue

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

Structure

2.1 Revenue and income from transactions

Note 2.1 Revenue and income from transactions

	Note	2026 $'000	2025 $'000
Revenue from contracts with customers	2.1(a)	34,417	30,148
Government Grants	2.1(b)	39,118	40,756
Other sources of income	2.1(c)	2,449	3,003
Total revenue and income from transactions		**75,984**	**73,907**

Note 2.1(a) Revenue from contracts with customers

	2026 $'000	2025 $'000
Government grants (State) - Operating	4,714	4,107
Government grants (Commonwealth) - Operating	22,608	19,177
Patient and resident fees	4,375	4,130
Commercial activities	2,720	2,734
Total revenue from contracts with customers	**34,417**	**30,148**

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 Central Highlands Rural Health's goods or services. Central Highlands Rural Health 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 Central Highlands Rural Health's revenue streams, with information detailed below relating to Central Highlands Rural Health's material revenue streams:

Government grant	Performance obligation
Commonwealth Residential Aged Care Grants	Funding is provided for the provision of care for aged care residents within facilities at Central Highlands Rural Health. The performance obligations include provision of residential accommodation and care from nursing staff and personal care workers. Revenue is recognised at the point in time when the service is provided within the residential aged care facility.

Patient and resident fees

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

Notes to the Financial Statements
Central Highlands Rural Health
For the Financial Year Ended 30 June 2026

Note 2.1(b) Government Grants

	2026 $'000	2025 $'000
Government grants (State) - Operating	37,650	35,213
Government grants (State) - Capital	1,468	5,543
Total Government grants	**39,118**	**40,756**

How we recognise Government grants

Government grants

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Central Highlands Rural 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 Central Highlands Rural 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.

Notes to the Financial Statements
Central Highlands Rural Health
For the Financial Year Ended 30 June 2026

Note 2.1(c) Other sources of income

	Note	2026 $'000	2025 $'000
Other capital purpose income		9	8
Capital donations		153	657
Assets received free of charge or for nominal consideration		-	101
Other income from operating activities		1,288	1,115
Income from non-operating activities		999	1,122
Total other sources of income		**2,449**	**3,003**

Note 3 The cost of delivering our services

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

Structure

3.1 Expenses incurred in the delivery of services

Note 3.1 Expenses incurred in the delivery of services

	Note	2026 $'000	2025 $'000
Employee expenses	3.1(a)	56,524	52,746
Supplies & Consumables	3.1(c)	8,072	6,866
Other operating expenses	3.1(d)	8,151	6,962
Total expenses incurred in the delivery of services		**72,747**	**66,574**

Note 3.1(a) Employee expenses

	2026 $'000	2025 $'000
Salaries and wages	47,058	44,525
Superannuation expense [(1)]	5,287	4,802
Agency expenses	1,087	935
Fee for service medical officer expenses	3,092	2,484
Total employee expenses	**56,524**	**52,746**

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

How we recognise employee expenses

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

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

Note 3.1(b) Employee related provisions

	2026 $'000	2025 $'000
Current provisions for employee benefits		
Accrued days off	142	111
Annual leave	4,395	3,838
Long service leave	5,700	5,091
Provision for on-costs	1,581	1,425
Total current provisions for employee benefits	**11,818**	**10,465**
Non-current provisions for employee benefits		
Long service leave	993	1,453
Provision for on-costs	157	238
Total non-current provisions for employee benefits	**1,150**	**1,691**
Total provisions for employee benefits	**12,968**	**12,156**

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 Central Highlands Rural 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 Central Highlands Rural Health expects to wholly settle within 12 months or
- present value – if Central Highlands Rural 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 Central Highlands Rural 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 Central Highlands Rural Health expects to wholly settle within 12 months or
- present value – if Central Highlands Rural 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. The on-costs provision is immaterial in 2026.

Note 3.1(c) Supplies and consumables

	2026 $'000	2025 $'000
Drug supplies	2,142	1,429
Medical and surgical supplies (including Prostheses)	1,351	1,143
Diagnostic and radiology supplies	250	247
Other supplies and consumables	4,329	4,047
Total supplies and consumables	**8,072**	**6,866**

How we recognise supplies and consumables

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

Note 3.1(d) Other operating expenses

	2026 $'000	2025 $'000
Fuel, light, power and water	916	1,036
Repairs and maintenance	676	252
Maintenance contracts	548	456
Medical indemnity insurance	561	465
Other administration expenses	5,393	4,706
Finance costs	57	47
Total other operating expenses	**8,151**	**6,962**

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 Central Highlands Rural 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

Central Highlands Rural 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 Central Highlands Rural 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	18,002	18,002	(604)	(501)	17,398	17,501
Buildings at fair value	97,913	94,063	(12,283)	(6,013)	85,630	88,050
Works in progress at cost	1,950	4,982	-	-	1,950	4,982
Plant, equipment and vehicles at fair value	16,901	15,440	(9,234)	(7,914)	7,667	7,526
Total property, plant and equipment	**134,766**	**132,487**	**(22,121)**	**(14,428)**	**112,645**	**118,059**

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.

Notes to the Financial Statements
Central Highlands Rural Health
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Note 4.1(a) Reconciliation 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	**17,501**	**88,050**	**4,982**	**7,526**	**118,059**
Additions	-	-	817	1,964	2,781
Disposals	-	-	-	(172)	(172)
Net transfers between classes	-	3,849	(3,849)	-	-
Depreciation	(103)	(6,269)	-	(1,651)	(8,023)
Balance at 30 June 2026	**17,398**	**85,630**	**1,950**	**7,667**	**112,645**

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, Central Highlands Rural 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 Central Highlands Rural 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
Land [1]	2,062	2,062	(604)	(501)	1,458	1,561
Plant, equipment and vehicles [1]	2,487	2,287	(1,180)	(931)	1,307	1,356
Total right-of-use assets	**4,549**	**4,349**	**(1,784)**	**(1,432)**	**2,765**	**2,917**

	Land $'000	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2025[1]	**1,561**	**1,356**	**2,917**
Additions	-	514	514
Disposals	-	(172)	(172)
Depreciation	(103)	(391)	(494)
Balance at 30 June 2026	**1,458**	**1,307**	**2,765**

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

How we recognise right-of-use assets

Initial recognition

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

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

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

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

Subsequent measurement

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

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

4.1(c) Impairment of property, plant and equipment

The recoverable amount of the primarily non-financial physical assets of Central Highlands Rural 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.

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

Note 4.2 Depreciation and amortisation

How we recognise depreciation

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

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

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
Right of use land	30 Years	30 Years
Buildings	4 - 46 years	4 - 46 years
Plant, equipment and vehicles (including leased assets)	1 - 30 years	1 - 30 years
Intangible assets	4 years	4 years

Note 5 Other assets and liabilities

This section sets out those assets and liabilities that arose from Central Highlands Rural Health's operations.

Structure

5.1 Receivables
5.2 Payables
5.3 Monies held in trust
5.4 Contract liabilities

Note 5.1 Receivables

	Note	2026 $'000	2025 $'000
Current receivables			
Contractual			
Inter hospital debtors		197	405
Trade receivables		356	1,140
Patient fees		497	518
Allowance for impairment losses		(31)	(34)
Other receivable		1,837	595
Total contractual receivables		**2,856**	**2,624**
Statutory			
GST receivable		358	332
Total statutory receivables		**358**	**332**
Total current receivables		**3,214**	**2,956**
Non-current receivables			
Contractual			
Long service leave - Department of Health		3,448	3,308
Total contractual receivables		**3,448**	**3,308**
Total non-current receivables		**3,448**	**3,308**
Total receivables		**6,662**	**6,264**
(i) Financial assets classified as receivables			
Total receivables		6,662	6,264
GST receivable		(358)	(332)
Total financial assets classified as receivables	7.1	**6,304**	**5,932**

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.

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

Note 5.2 Payables

	Note	2026 $'000	2025 $'000
Current payables			
Contractual			
Trade creditors		422	525
Accrued salaries and wages		1,423	1,781
Accrued expenses		1,688	1,233
Deferred capital grant income		148	-
Other		371	271
Total contractual payables		**4,052**	**3,810**
Statutory			
GST Payable		23	24
Total statutory payables		**23**	**24**
Total current payables		**4,075**	**3,834**
Total payables		**4,075**	**3,834**
(i) Financial liabilities classified as payables			
Total payables		4,075	3,834
Deferred capital grant income		(148)	-
GST payable		(23)	(24)
Total financial liabilities classified as payables	7.1	**3,904**	**3,810**

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 Central Highlands Rural 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 5.3 Monies held in trust

	Note	2026 $'000	2025 $'000
Current monies held in trust			
Patient monies		119	112
Refundable accommodation deposits		19,153	16,852
Other monies		1,726	1,269
Total current monies held in trust		**20,998**	**18,233**
Total other liabilities		**20,998**	**18,233**
*** Represented by:**			
- Cash assets	6.2	20,998	18,233
- Investment and other financial assets		-	-
		20,998	**18,233**

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 Central Highlands Rural 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 5.4 Contract liabilities

	2026 $'000	2025 $'000
Current		
Contract liabilities	1,861	1,533
Total current contract liabilities	**1,861**	**1,533**
Non-current		
Contract liabilities	-	-
Total non-current contract liabilities	**-**	**-**
Total contract liabilities	**1,861**	**1,533**

How we recognise contract liabilities

Contract liabilities include consideration received in advance in respect of Commonwealth Home Support Program, Commonwealth Aged Care Medicare revenue and State Government grants. The balance of contract liabilities was higher than the previous reporting period due to increased State Government Grants not yet recognised.

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

Note 6 How we finance our operations

This section provides information on the sources of finance utilised by Central Highlands Rural Health during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of Central Highlands Rural 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	2026 $'000	2025 $'000
Current borrowings			
Lease liability	6.1(a)	653	422
Advances from government		-	24
Total current borrowings		**653**	**446**
Non-current borrowings			
Lease liability	6.1(a)	683	935
Total non-current borrowings		**683**	**935**
Total borrowings	7.1	**1,336**	**1,381**

How we recognise borrowings

Borrowings refer to interesting bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities and other interest-bearing arrangements.

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

Terms and conditions of borrowings

					Maturity Dates			
30 June 2026	**Note**	**Weighted average interest rate (%)**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1-3 Months $'000**	**3 months - 1 Year $'000**	**1-5 Years $'000**	**Over 5 years $'000**
Lease liabilities	6.1	3.87%	1,336	1,336	55	165	433	683	-
Total Financial Liabilities			**1,336**	**1,336**	**55**	**165**	**433**	**683**	**-**

					Maturity Dates			
30 June 2025	**Note**	**Weighted average interest rate (%)**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1-3 Months $'000**	**3 months - 1 Year $'000**	**1-5 Years $'000**	**Over 5 years $'000**
Lease liabilities	6.1	3.87%	1,357	1,357	35	105	282	935	-
Advances from government	6.1	3.20%	24	24	-	-	24	-	-
Total Financial Liabilities			**1,381**	**1,381**	**35**	**105**	**306**	**935**	**-**

Note 6.1(a) Lease liabilities

Central Highlands Rural Health's lease liabilities are summarised below:

	2026 $'000	2025 $'000
Current lease liabilities		
Lease liability	653	422
Total current lease liabilities	**653**	**422**
Non-current lease liabilities		
Lease liability	683	935
Total non-current lease liabilities	**683**	**935**
Total lease liabilities	**1,336**	**1,357**

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

	2026 $'000	2025 $'000
Not longer than one year	696	536
Longer than one year but not longer than five years	728	892
Minimum future lease liability	**1,424**	**1,428**
Less unexpired finance expenses	(88)	(71)
Present value of lease liability	**1,336**	**1,357**

How we recognise lease liabilities

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

To apply this definition, Central Highlands Rural 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 Central Highlands Rural Health and for which the supplier does not have substantive substitution rights
- Central Highlands Rural 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 Central Highlands Rural Health has the right to direct the use of the identified asset throughout the period of use and
- Central Highlands Rural Health has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Central Highlands Rural Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased plant, equipment, furniture, fittings and vehicles	2 to 5 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. Central Highlands Rural 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).

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 Central Highlands Rural Health incremental borrowing rate. Our lease liability has been discounted by rates of between [1.01%] to [5.38%].

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.

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.

Notes to the Financial Statements
Central Highlands Rural Health
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Note 6.2 Cash and Cash Equivalents

	Note	2026 $'000	2025 $'000
Cash on hand (excluding monies held in trust)		11	11
Cash at bank (excluding monies held in trust)		7,837	6,163
Total cash held for operations		**7,848**	**6,174**
Cash at bank (monies held in trust)		20,998	18,233
Total cash held as monies in trust	5.3	**20,998**	**18,233**
Total cash and cash equivalents	7.1	**28,846**	**24,407**

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	398	-	-	398
Total commitments (inclusive of GST)	**398**	**-**	**-**	**398**
Less GST recoverable	(36)	-	-	(36)
Total commitments (exclusive of GST)	**362**	**-**	**-**	**362**

30 June 2025	Less than 1 year $'000	1-5 Years $'000	Over 5 years $'000	Total $'000
Capital expenditure commitments	105	-	-	105
Total commitments (inclusive of GST)	**105**	**-**	**-**	**105**
Less GST recoverable	(10)	-	-	(10)
Total commitments (exclusive of GST)	**95**	**-**	**-**	**95**

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

Central Highlands Rural 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

Central Highlands Rural 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 Central Highlands Rural 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.*

30 June 2026	Note	Carrying amount $'000	Total interest income/ (expense) $'000
Financial assets at amortised cost			
Cash and cash equivalents	6.2	28,846	999
Receivables	5.1	6,304	-
Total financial assets [i]		**35,150**	**999**
Financial liabilities at amortised cost			
Payables	5.2	3,904	-
Borrowings	6.1	1,336	(57)
Other financial liabilities - Refundable Accommodation Deposits	5.3	19,153	-
Other financial liabilities - patient monies held in trust	5.3	119	-
Total financial liabilities [i]		**24,512**	**(57)**

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

30 June 2025	Note	Carrying amount $'000	Total interest income/ (expense) $'000
Financial assets at amortised cost			
Cash and cash equivalents	6.2	24,407	1,122
Receivables	5.1	5,932	-
Total financial assets [i]		**30,339**	**1,122**
Financial liabilities at amortised cost			
Payables	5.2	3,810	-
Borrowings	6.1	1,381	(47)
Other financial liabilities - Refundable Accommodation Deposits	5.3	16,852	-
Other financial liabilities - patient monies held in trust	5.3	112	-
Total financial liabilities [i]		**22,155**	**(47)**

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

How we categorise financial instruments

Financial assets at amortised cost

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

- the assets are held by Central Highlands Rural 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.

Central Highlands Rural Health recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities at amortised cost

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

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

Central Highlands Rural 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
- Central Highlands Rural 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
- Central Highlands Rural 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 Central Highlands Rural Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Central Highlands Rural 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, Central Highlands Rural 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

Details of financial estimates of contingent assets or contingent liabilities are as follows:

Contingent liabilities

Non-quantifiable

A settlement for employment litigation is currently being negotiated. The matter is ongoing and the amount cannot be reliably measured. It is unknown if there will be any financial implications.

How we measure and disclose contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the health service, or
- present obligations that arise from past events but are not recognised because:
  - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations or
  - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Note 7.3 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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.

Central Highlands Rural 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.

Central Highlands Rural 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 Central Highlands Rural Health's independent valuation agency for property, plant and equipment.

Fair value determination: non-financial physical assets

AASB 2010-10 *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 Central Highlands Rural 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, Central Highlands Rural 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, Central Highlands Rural Health considers the current use as its highest and best use.

Non-specialised land and non-specialised buildings

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

Specialised land and specialised buildings

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

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

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

For Central Highlands Rural 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. Central Highlands Rural 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 Central Highlands Rural Health who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment, furniture, fittings

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

Significant assumptions

Asset class	Valuation technique	Significant assumption	Range (weighted average)[(i)]
Specialised land	Market approach	Community Service Obligations adjustment	20%[(ii)]
Specialised buildings	Current replacement cost approach	Cost per square metre Useful life	$1,000 - $1,500/m^2 ($1,300) 4 - 46 years (23 years)
Vehicles	Current replacement cost approach	Cost per unit Useful life	$17,000 - $65,000 ($33,000 per unit) 4 - 6 years (4 years)
Plant and equipment	Current replacement cost approach	Cost per unit Useful life	$1,000 - $600,000 ($16,000 per unit) 3 - 30 years (9 years)

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

[(ii)] CSO adjustments of 20% was applied to reduce the market approach value for Central Highlands Rural Health's specialised land.

Note 8 Other disclosures

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

Structure

8.1 Ex-gratia payments
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

At balance date, there have been no ex-gratia payments (2025: $Nil)

Notes to the Financial Statements
Central Highlands Rural Health
For the Financial Year Ended 30 June 2026

Note 8.2 Responsible persons disclosures

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

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 Jul 2025 - 14 April 2026
Minister for Ambulance Services	1 Jul 2025 - 14 April 2026
The Honourable Harriet Shing MP:	
Minister for Health	15 April 2026 - 30 June 2026
Minister for Ambulance Services	15 April 2026 - 30 June 2026
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	1 Jul 2025 - 30 June 2026
Minister for Prevention of Family Violence	15 April 2026 - 30 June 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	1 Jul 2025 - 30 June 2026
Minister for Ageing	1 Jul 2025 - 30 June 2026
Minister for Multicultural Affairs	15 April 2026 - 30 June 2026
The Honourable Lizzie Blandthorn MP:	
Minister for Children	1 Jul 2025 - 30 June 2026
Minister for Disability	1 Jul 2025 - 30 June 2026
Governing Boards	
Mary Delahunty (Chair of the Board)	1 Jul 2025 - 30 Jun 2026
Phillip Thomson	1 Jul 2025 - 30 Jun 2026
Georgina Dougall	1 Jul 2025 - 30 Jun 2026
Dr Alexander Heriot	1 Jul 2025 - 30 Jun 2026
Dr Jeffrey Zajac	1 Jul 2025 - 30 Jun 2026
Ken Gray	1 Jul 2025 - 30 Jun 2026
Louise Johnson	1 Jul 2025 - 30 Jun 2026
Sally Kirkright	1 Jul 2025 - 30 Jun 2026
Pauline Stanton	1 Jul 2025 - 30 Jun 2026
Astrid Edwards	1 Jul 2025 - 30 Jun 2026
Accountable Officers	
Ms Maree Cuddihy (Chief Executive Officer)	1 Jul 2025 - 30 Jun 2026

Notes to the Financial Statements
Central Highlands Rural Health
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Remuneration of Responsible Persons

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

Income Band	2026 No	2025 No
$0 - $9,999	10	10
$370,000 - $379,999	-	1
$380,000 - $389,999	1	-
Total Numbers	**11**	**11**

	2026 $'000	2025 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**424**	**414**

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

Note 8.3 Remuneration of executives

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

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

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	**2025 $'000**
Total remuneration [i]	1,770	1,704
Total number of executives	7	8
Total annualised employee equivalent [ii]	6.5	6.5

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

Notes to the Financial Statements
Central Highlands Rural Health
For the Financial Year Ended 30 June 2026

Note 8.4 Related parties

Central Highlands Rural 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 – the Grampians Rural Health Alliance and
- all health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

Significant transactions with government related entities

Central Highlands Rural Health received funding from government related entities of $42.6 m (2025: $44.0 m) and indirect contributions of $0.35 m (2025: $0.70 m). Balances outstanding as at 30 June 2026 are $1.9 m (2025: $1.3 m).

Expenses incurred by Central Highlands Rural 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 Central Highlands Rural 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 Central Highlands Rural Health and its controlled entities, directly or indirectly.

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

Entity	KMPs	Position Title
Central Highlands Rural Health	Mary Delahunty	Board Chair
Central Highlands Rural Health	Phillip Thomson	Board Member
Central Highlands Rural Health	Georgina Dougall	Board Member
Central Highlands Rural Health	Dr Alexander Heriot	Board Member
Central Highlands Rural Health	Dr Jeffrey Zajac	Board Member
Central Highlands Rural Health	Ken Gray	Board Member
Central Highlands Rural Health	Louise Johnson	Board Member
Central Highlands Rural Health	Sally Kirkright	Board Member
Central Highlands Rural Health	Pauline Stanton	Board Member
Central Highlands Rural Health	Astrid Edwards	Board Member
Central Highlands Rural Health	Maree Cuddihy	Chief Executive Officer
Central Highlands Rural Health	Phillip Catterson	Executive Director Community Operations
Central Highlands Rural Health	Susan Jennings	Executive Director Clinical Operations
Central Highlands Rural Health	Brenda Rooney	Director of Finance
Central Highlands Rural Health	Kristie Lawson	Director of Corporate Services
Central Highlands Rural Health	Michelle Oliver	Director Quality & Risk
Central Highlands Rural Health	Dr Andrew Walby	Director Medical Services
Central Highlands Rural Health	Matt Francalanza	Director People & Culture

Notes to the Financial Statements
Central Highlands Rural Health
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Remuneration of key management personnel

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

	2026 $'000	2025 $'000
Total compensation - KMPs [i]	2,194	2,118

[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 Central Highlands Rural 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 Central Highlands Rural Health Board of Directors, Chief Executive Officer and Executive Directors in 2026 (2025: none).

Note 8.5 Remuneration of Auditors

	2026 $'000	2025 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	47	45
Total remuneration of auditors	**47**	**45**

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 %
Grampians Rural Health Alliance	Provision of Information Technology Services	5.41	5.22

For the year ended 30 June 2026, Central Highlands Rural Health's share of the joint operations financials was:

	2026 $'000	2025 $'000
Total revenue and income	762	635
Total expenses	(754)	(603)
Total net result	8	32
Total other economic flows	-	-
Comprehensive result for the year	8	32
Total assets	2,009	1,521
Total liabilities	1,726	1,246
Total equity	283	275

Contingent liabilities and capital commitments

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

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Central Highlands
Rural Health

Clunes Health
69 Service St,
Clunes, VIC 3370
(03) 5345 9750

Creswick Health
1 Napier St,
Creswick, VIC 3363
(03) 5345 9100

Daylesford Health
17 Hospital St,
Daylesford, VIC 3460
(03) 5321 6500

Kyneton Health
7-25 Caroline Chisholm Drive,
Kyneton, VIC 3444
(03) 5422 9900

Trentham Health
22-24 Victoria St,
Trentham, VIC 3458
(03) 5421 7200







