

TERANG & MORTLAKE
HEALTH SERVICE

Annual Report 2025/26

Our VISION

To be a leader in the development of a vibrant, healthier community

Terang & Mortlake Health Service acknowledges the traditional owners of the lands on which we work, the Kirrae Whurrong people and pay respects to Elders past, present and emerging

TERANG & MORTLAKE
HEALTH SERVICE

We VALUE

COMPASSION AND RESPONSIVENESS
We care for the needs of our community and each other

EQUITY AND FAIRNESS
We make decisions objectively, without favouritism or bias

ETHICAL BEHAVIOUR
We act in a transparent yet confidential way

ACCOUNTABILITY
We use resources efficiently and fulfil our roles responsibly

EXCELLENCE
We strive for excellence in the delivery of healthcare

RESPECT
We respect the rights of all individuals

Our STRATEGIC GOALS

A PROVIDER OF EXCEPTIONAL CARE

We will improve the experience of our community by listening, engaging and designing models of carethat deliver the highest standards of safety and quality in a timely way

A GREAT PLACE TO WORK

We will create the environment to attract, recruit, develop and retain the highest calibre of talent. A culture of open and honest communication, in a supportive environment, will enable our people to be their best and to grow professionally

A LEADING RURAL PROVIDER

We will assume our role as a small rural provider of health services that are appropriate for our catchment population across Terang, Mortlake and surrounding areas. We will be leaders in the key areas of service access and integration

A PARTNER TO IMPROVE PEOPLE'S HEALTH

We will work in partnership to address barriers to healthcare. Providing inclusive, culturally appropriate, psychologically safe and respectful services

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Health Service PROFILE

The Terang & Mortlake Health Service was established on 1st November 1994, following the amalgamation of the Terang & District (Norah Cosgrave) Hospital and the Mortlake District Hospital.

The Terang Hospital Campus comprises 14 acute beds with an Urgent Care Centre, Theatre suite and an adjoining 15 bed Aged Care Facility.

A wide range of health care services are provided from the Terang Campus. In addition to care provided by the general practitioners, specialists in gynaecology, endoscopic and general surgery provide services in Terang on a regular basis.

The Terang Social Centre was established in 1985, and provides a focus for a variety of community-based services and well-being activities which are of assistance to disabled, injured and elderly clients. Construction of the Josie Black Community Health Centre, at the front of the original Social Centre, was completed in May 2006. The Josie Black Community Health Centre provides a modern venue for the delivery of broad range of healthcare services formerly provided at the Terang Hospital and at the Living Well Centre. These include District Nursing services, Diabetes Education, Health Promotion and Allied Health services such as Podiatry, Speech Pathology, Dietetics, Occupational Therapy and Physiotherapy.

The health promotion program plays a vital role in improving the health and well being of our community by designing, coordinating and delivering meaningful health messages that encourage health lifestyles and prevent poor health outcomes. Working across all age groups, with a particular focus on children and young people, the program supports individuals, families and communities to make informed choices about their health.

The former Mortlake District Hospital, which was established in March 1922, underwent a significant role change following the amalgamation with bed-based services de-commissioned, effective from 1st November 1994. The Mortlake Community Health Centre now provides a broad range of primary care, allied health services, chronic disease management, social welfare and health promotion programs.

Services PROVIDED

COMMUNITY HEALTH

The Community Health department provides Allied Health and Nursing support services in the following areas:

- Diabetes Education
- Dietetics
- District Nursing
- Health Promotion
- Live Life Well Program
- Mortlake Community Health Centre Outpatients Clinic
- Occupational Therapy
- Physiotherapy
- Podiatry
- Social work
- Speech Pathology
- Well Women's Clinic –Cervical Screening
- Wound Management

Services are also provided to Community members to assist them with maintaining and improving their health:

- Advance Care Planning
- Community Education programs and events
- Carer Support groups
- Gentle Exercises
- Walking groups
- Presentations to Community groups and other Health Agencies
- Social Support group

Terang and Mortlake Health Service offers Coordinated Care to assist community members to achieve maximum independence compatible with abilities.

- District Nursing Service
- Volunteer Transport
- Meals on Wheels



ACUTE CARE

Acute patient services are provided in the 14-bed Hospital encompassing a theatre suite, day stay and Urgent Care Centre.

- 24-hour Urgent Care
- General Medicine
- General and Gynaecological Surgery
- Endoscopic and Laparoscopic procedures
- Palliative Care



AGED CARE

MOUNT VIEW RESIDENTIAL AGED CARE FACILITY

Mount View is a purpose built 15-bed aged care facility co-located with the Acute Hospital. It is considered to be an outstanding example of residential aged care.

- Permanent Residential Aged Care



OTHER SERVICES & PROGRAMS

- Maternal and Child Health Service - (Moyne Shire)
- Financial Counselling
- Hearing Services
- Alcohol and Other Drugs counselling

BOARD CHAIR, DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S *Report*

The 2025–26 financial year has been one of both achievement and adaptation for TMHS. Despite a number of operational challenges, the organisation has maintained stable service delivery for our communities while continuing to achieve patient experience results that rank among the highest in Victoria.

A noteworthy milestone during the year was the transition of our Urgent Care Centre to a full-time Medical Telehealth model. This innovative approach has ensured continued access to high-quality urgent care services despite ongoing medical workforce challenges and has been embraced by both our nursing workforce and the community. The model has strengthened service sustainability while maintaining safe, timely and person-centred care.

The continuation of reduced baseline funding for a second consecutive year required disciplined financial management and careful prioritisation of resources. TMHS adopted a conservative approach to capital infrastructure investment while maintaining a strong focus on operational efficiencies, ensuring that frontline clinical services and patient care remained our highest priority.

Collaboration across the South West Local Health Service Network has continued to be a major focus throughout the year. In line with the Victorian Department of Health's Health Services Plan and Statement of Expectations, TMHS has worked closely with neighbouring health services to strengthen regional partnerships, embed collaborative governance arrangements and progress a range of shared strategic initiatives. The Board and Executive have actively participated in regional planning and leadership forums, helping to shape the future direction of the Network while ensuring TMHS remains well positioned to contribute to an integrated, sustainable and high-performing regional health system.

A significant achievement during the year was the completion of a comprehensive strategic planning process to guide the future direction of TMHS. The development of the Strategic Plan was informed by extensive consultation with our communities, staff, consumers, volunteers, partner organisations and key stakeholders across Terang and Mortlake. Through community forums, surveys and targeted engagement activities, valuable local insights were gathered to ensure the Strategic Plan reflects the priorities, aspirations and healthcare needs of the communities we serve. The resulting plan provides a clear roadmap for the organisation, reinforcing our commitment to delivering sustainable, high-quality healthcare that remains responsive to the changing needs of our region.

The health service has remained responsive to the needs of our community, maintaining a strong focus on quality, safety and the delivery of person-centred care. This commitment is reflected in consistently high levels of patient satisfaction achieved through the Victorian Healthcare Experience Survey (VHES) and our local consumer feedback processes.

Our workforce has continued to demonstrate resilience, professionalism and compassion while navigating a period of significant change across the health sector. Through initiatives such as the Little Things Matter campaign and our peer recognition program, staff have continued to support one another while exemplifying the values and behaviours outlined in the Terang & Mortlake Health Service Organisational Values and Employee Charter.

TMHS also continued to invest in the development of its workforce through the introduction of the inaugural Ian Brown Memorial Scholarships. Registered Nurses Nicole Foster and Jacqueline Raudino were awarded scholarships to support their studies towards Rural and Isolated Practice Registered Nurse qualifications. This investment reflects TMHS's commitment to strengthening the capability of our rural nursing workforce and ensuring our community continues to receive high-quality care close to home.

Mt View, our Public Sector Residential Aged Care service, maintained 4- and 5-star quality ratings throughout the year while achieving an average occupancy rate of 99.7%, reflecting the confidence our community places in the high standard of care provided by our dedicated staff.

Government capital grants, equipment funding, donations and bequests continue to play an important role in supporting the long-term sustainability of the organisation through investment in infrastructure and equipment. While these funds are recognised as income in accordance with Australian Accounting Standards and contribute to the reported financial result, they are not available to support the day-to-day operating activities of the health service.

A summary of TMHS's financial performance is provided in the Financial Overview, with the accompanying Financial Statements and Notes presenting a comprehensive account of the organisation's financial position and performance for the 2025–26 financial year.



Director and CEO's of South West Local Health Service Network

LEADERSHIP & GOVERNANCE

The Terang and Mortlake communities have been served by an engaged and dedicated Board of nine Directors during the 2025-26 year. A diverse skill set of skills has meant that the Board has been able to respond to a range of issues in a comprehensive manner.

The Health Service welcomed Michelle Beasley as a new Board Director in July 2025. Michelle adds depth to our clinical governance with a strong quality background.

The Board received one resignation from John Parker who resigned from the Board in March 2026 due to personal reasons. We thank John for his contribution to the Board and his specific support relating to Information Technology and cybersecurity issues.

SERVICES TO PATIENTS, RESIDENTS & CLIENTS

Terang & Mortlake Health Service has continued to explore service provision that serves our community close to home.

During the 2025-2026 year, provision of theatre services has continued to be a point of difference between TMHS and many other small rural health services. Low waiting list times and consistently exceeding targets for the National Bowel Screening Program and adenoma detection rates has ensured early identification and access to treatment for our rural community.

Terang Hospital has maintained the use of telehealth services where required in the Urgent Care Centre with presentations exceeding 2,000 for the first time since 2021-2022. The well-embedded Virtual Admission Service on the acute ward with associated ward rounds and after-hours care continues to provide safe high-quality care within the local community, allowing our regular General Practitioners more work-life balance whilst having reassurance that their patients continue to receive inpatient medical care.

Nursing Staff have undertaken Rural Urgent Care Nursing Education with support from the Alfred Emergency Academic Centre and funded by the Victorian Department of Health, improving assessment and clinical skills. This work alongside participation in the Safer Care Victoria Sepsis Program has seen an increase in the early detection and treatment of sepsis within the Urgent Care Centre.

TMHS Infection Prevention Coordinator Jill O'Brien completed education with the Safer Care Victoria "Check Again Network" Penicillin de-labelling program enabling her to provide safe well-supported penicillin allergy assessments and testing for low-risk patients. This work provides patients with access to antibiotics previously thought to be a risk to them.

HEALTH, SAFETY & WELLBEING

2025-26 saw a continued focus on the health, safety and wellbeing of our employees with effective systems in place for managing health, safety and wellbeing risks. The OHS team, supported by the OHS Committee is primarily responsible for the development and maintenance of health, safety, injury management, return to work, incident and hazard investigation and security systems.

HUMAN RESOURCES

The Human Resources team provides ongoing support to TMHS to ensure all departments are able to deliver a high standard of care and services in the Healthcare and Aged Care Industry through best practice recruitment practices and a strong focus on developing TMHS employees.

Employer Visa Sponsorship has continued to be a strong focus over the last 12 months as a recruitment strategy. TMHS have welcomed 3 international employees and TMHS has been fully committed to supporting our new employees and their families to relocate from overseas and make the journey to Southwest Victoria. We continue to provide ongoing support ensuring their smooth transition into the local community and organisation.

Attracting, developing and retaining our skilled workforce has been a continued focus throughout 2025/26 to ensure we maintain our high standard of care and service delivery. Throughout the year we welcomed 25 new staff; 13 in Nursing including two Graduate Nurses, 5 in General Services, 5 in Community Services, 1 in Corporate Services and 1 employee in a new role as a member of the LHSN.

As a small rural health service, TMHS continues to be challenged in the recruitment space to ensure we can continue to provide exceptional care and service to our community. As a member of the South West Local Health Service Network, we will continue to work collaboratively to ensure our workforce planning meets the requirements of the Department of Health to benefit our community.



CLINICAL GOVERNANCE, QUALITY & RISK MANAGEMENT

Our Health Service is subject to a number of periodic accreditation reviews which ensure that safety and quality benchmarks are achieved and that these factors remain a paramount focus, with the standards as follows:

National Safety & Quality Health Service (NSQHS) Standards (Acute & Community)

- Standard 1 - Clinical governance
- Standard 2 - Partnering with consumers
- Standard 3 - Preventing and controlling infections
- Standard 4 - Medication safety
- Standard 5 - Comprehensive care
- Standard 6 - Communicating for safety
- Standard 7 - Blood management
- Standard 8 - Recognising and responding to acute deterioration

Strengthened Aged Care Quality Standards (Residential Aged Care & Community)

- Standard 1 – The Individual
- Standard 2 – The Organisation
- Standard 3 – Care and Services
- Standard 4 – The Environment
- Standard 5 – Clinical Care
- Standard 6 – Food and Nutrition
- Standard 7 – The Residential Community

Our acute services, along with elements of our community services, underwent accreditation against the National Safety & Quality Health Service (NSQHS) Standards via a Short Notice Assessment in October 2025. The health service was commended on the exceptional clinical services provided, with work undertaken to strengthen the cultural safety provided to our Aboriginal & Torres Strait Islander consumers.

Our residential aged care facility, Mount View, and community services provided through Josie Black Community Health Centre and Mortlake Community Health Centre continued to provide quality and safe funded aged care services to the community, transitioning to services under the new Aged Care Act (commenced 1 November 2025), and the associated reforms arising from the Royal Commission into Aged Care Quality and Safety. The implementation of the new Aged Care Act saw a new suite of standards (the Strengthened Aged Care Quality Standards) become effective, along with the commencement of the Support at Home program. TMHS previously participated in the pilot project to inform how the strengthened Quality Standards can be effectively implemented (during FY2023/24), with the participation of Mount View in this project allowing our team to be involved in the preliminary development and consultation period for the guidance documents and audit methodologies supporting the strengthened standards, and to ensure that the voices and needs of the older persons within our local community were heard and considered in the midst of implementing a strengthened national system for aged care services.

Dr Didir Imran concluded his service to Terang & Mortlake Health Service as its Director of Medical Services in October 2025. Dr Miranda Sollychin commenced as Director of Medical Services to Terang & Mortlake Health Service through South West Healthcare in November 2025, before transitioning to her new role as Chief Medical Officer. Dr Vidya Muraleedharan commenced in April 2026. Drs Imran, Sollychin & Muraleedharan have been involved in clinical review and medical practitioner credentialing processes and have offered their expertise at various clinical meetings during the year.

COMMUNITY ADVISORY COMMITTEE

The Community Advisory Committee at Terang & Mortlake Health Service (previously known as Partnering with Consumers Committee) continues to promote a strong and cohesive consultative partnership between the health service and the broader community by advocating on behalf of the consumers and community by promoting safe and quality patient-centred care, choice and autonomy, respect and patients' rights.

The Terang & Mortlake Health Service Auxiliary has continued to champion the spirit of our community, organising events to raise funds for the health service. During the 2025/26 financial year, the auxiliary raised money through an open garden day at Woolloongoon, and the annual events (Jazz Afternoon and Bowls/ Croquet/Golf Afternoon), with $10,000 being donated to the health service to assist with the purchase of a new colonoscope (ensuring ongoing access to gastroenterology surgical services through the Terang Hospital).

During the past year, the committee consisted of a membership of nine community advisory representatives - Colin Long (Chairperson), Eve Black, Judy Blackburn, Dianne Murphy, Susan Keane, Bernadette McKinnon, Claudia Morris, Tracy O'Brien and Kristy Crawley - who were supported by health service staff in their involvement. Throughout the year one of our community advisory representatives stepped down and we wish to thank Dianne Murphy for her time, community spirit and engagement throughout her involvement with the committee. We also welcomed Kristy Crawley to the committee, bringing her experience as both an active member of the Terang & Mortlake community and an Aboriginal Health Practitioner in training.

FACILITIES & EQUIPMENT

- 2 Clements suction units
- 1 Colonoscope
- 8 x leather recliner chairs for Mt View Aged Care
- Stryker laparoscopy tower- capture device, camera box, head and coupler
- Atherton Kangaroo Medical Equipment Drying Cabinet
- Aspire Pressure Relief Shell Chair
- Welch Alleyn Connex Spot Monitor

The Health Service was also fortunate to receive two significant donations this year resulting in valuable equipment purchases for the benefit of consumers. We were overwhelmingly supported by a community donation allowing for the purchase of a number of top of the range leather recliner chairs for our Mt View Residents. Additionally, the TMHS Auxiliary donated significant funds which resulted in the purchase of a new colonoscope to support our surgical services.

Mt View received two significant grants; an Aged Care Quality improvement grant from the Victorian Department of Health enabling purchase of an array of Dementia Sensory devices and equipment and a Residential Aged Care Equipment Grant from the Victorian State Government.

COMMUNITY SUPPORT & VOLUNTEERS

Terang & Mortlake Health Service continues to benefit from the generosity, commitment and goodwill of our local community. Throughout 2025–26, community organisations, donors and volunteers played a vital role in enhancing the services and care we provide to our patients, residents and clients.

We sincerely thank the Terang Aged Care Trust for its generous funding towards the purchase of pressure-relieving mattresses, supporting improved comfort, safety and clinical outcomes for those in our care. We also acknowledge the outstanding efforts of the Hospital Auxiliary, whose members once again dedicated countless hours to fundraising throughout the year. Their unwavering commitment enabled the purchase of valuable theatre equipment, contributing directly to the quality of care delivered by our surgical services.

We are equally grateful for the generosity of individual donors and the Terang Op Shop, whose financial contributions continue to support initiatives that enhance the experience of those who access our services.

Our volunteer workforce remained strong throughout 2025–26, with volunteer numbers remaining stable following the successful transition of the Meals on Wheels program from Corangamite Shire to Terang & Mortlake Health Service. This transition has strengthened our ability to provide an essential community service while ensuring our Terang-based consumers continue to receive reliable, locally coordinated support.

The contribution of our volunteers extends far beyond the hours they generously give. Through their compassion, kindness and commitment, they create meaningful connections, enhance the wellbeing of our consumers and enrich the culture of our organisation. Whether delivering meals, supporting fundraising activities or assisting in countless other ways, our volunteers embody the spirit of community that underpins rural healthcare. Their quiet dedication is deeply appreciated, and we extend our sincere thanks for the invaluable difference they make every day.

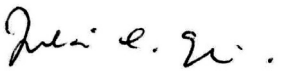
CONCLUSION

Terang & Mortlake Health Service has continued to strengthen its partnership with our community over the past year, delivering care that is responsive, person-centred and collaborative. Through ongoing engagement and meaningful consultation, our community has played an important role in shaping the future of our services, providing valuable feedback that has informed service improvements and strengthened the way we deliver care.

RESPONSIBLE BODIES DECLARATION

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for the Terang & Mortlake Health Service for the year ending 30 June 2026.





Ben Dennis
Board Chair
22/9/2026

Julia Ogdin
Chief Executive Officer
22/9/2026

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

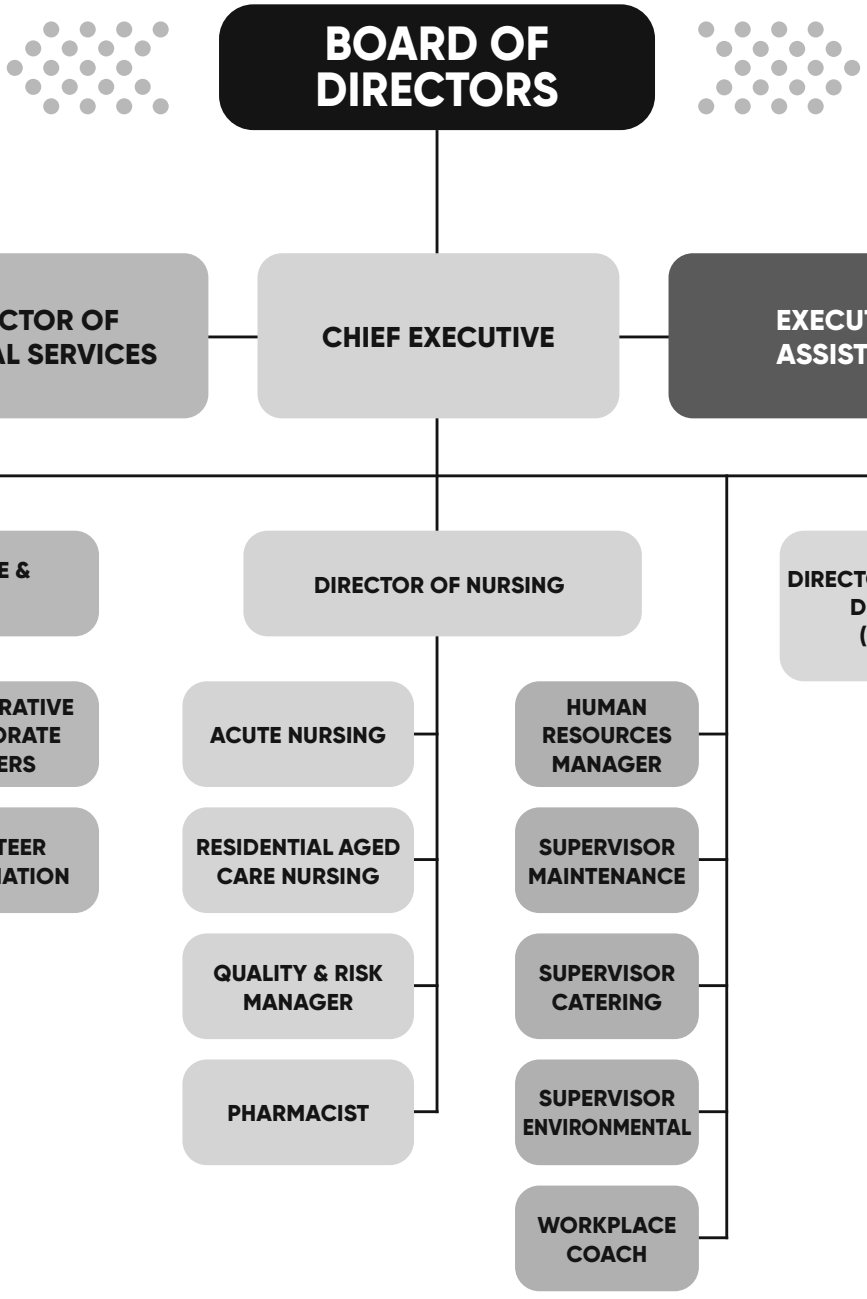
The following information must be retained and made available upon request:

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

This information is available on request from:
Chief Executive Officer
Terang & Mortlake Health Service
Phone: (03) 559 20222
Email: info@tmhs.vic.gov.au
Julia Ogdin
Accountable Officer
Terang & Mortlake health Service
22 September 2026

TERANG & MORTLAKE
HEALTH SERVICE

Organisational Structure




Vivi
TERANG & MORTLAKE
HEALTH SERVICE

STATEMENT OF *Priorities*

STRATEGIC PRIORITIES FOR 2025-26

Part A: Strategic Priorities
Terang and Mortlake Health Service contributed to the Department of Health Operational Plan 2025-26 through the following strategic priorities:

INNOVATE AND IMPROVE ACCESS AND CARE

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

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

HEALTH SERVICE DELIVERABLES	OUTCOMES:
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	Residents and Relatives survey undertaken with changes to inpatient amenities and the intergenerational program to incorporate gardening and food security following feedback. Identification of exercise program opportunities in Aged Care. The initiative was supported through a vote of Mt View House Committee. Aged Care Quality Grant utilised following the consultation with residents to identify and purchase items to improve resident experience and independence. Successful IDAHOBIT Community event designed and driven in collaboration with Local LGBTIQA+ community members and the health promotion team. Establishment of respectable behaviour sessions for local schools Adopted the Strength for Life program and embedded it into two community locations **ACHIEVED**
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.	Residents and Relatives survey undertaken with changes to inpatient amenities and the intergeneration program to incorporate gardening and food security following feedback. Reviewed and refined the TMHS Complaints Policy Implementation of updated peri-operative surgical services framework Improved cultural experience – new Indigenous consumer feedback form implemented. Engaged with Southwest Healthcare's Aboriginal Liaison Unit to create culturally relevant forms of communication. Displayed Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) maps of Indigenous Australia in all TMHS campuses. **ACHIEVED** PMS date reported through Workforce, Capability & Culture Committee for staff input and management. Working group formed to act on outcomes. Review and improvement of incident reporting process.
Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	Comprehensive education package designed for TMHS. Redesigned orientation package Identification of Aged Care staff education requirements through the Residential in reach program. Identification of Cultural training programme for Community Service leaders in NAIDOC week. **IN PROGRESS**

GOAL: Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint.

HEALTH SERVICE DELIVERABLES	OUTCOMES:
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.	Monitoring of criteria led surgical discharge timeframes. Procurement of new anaesthetists to support optimisation of surgical services Participation in collaborative SWLHSN project to standardise theatre documentation across SWLHSN sites. Participation in Trak Edition User Acceptance Training to evaluate new work flows and practices within the system to improve access to monitoring and list management **IN PROGRESS**
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).	Monitoring throughput of Your Care Pathway regional partnership Refining and redesigning Hospital Admission Risk Program in partnership with South West Healthcare. Reviewing the referral pathways for surgical provision to ensure equitable access and patient flow. Designing a process to embed the Victorian Virtual Emergency Doctor (VVED) into Mortlake nurse led outpatient department to ensure vulnerable client groups are assisted to access urgent care via telehealth. **IN PROGRESS**

PRUDENT, SUSTAINABLE AND EFFECTIVE USE OF RESOURCES

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

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

HEALTH SERVICE DELIVERABLES	OUTCOMES:
Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	Ensuring constant expenditure control measures are in place and adhered to. Employment of suitable permanent staff to reduce the employment of expensive agency staff including sourcing of personnel from overseas. Exploring collaboration with SWLHSN members including consultation with a regional financial services provider. Electrification of Hot Water Service to reduce operating costs **ACHIEVED**
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.	Victorian Agency of Health Information (VAHI) reporting continually shows TMHS in the top 10% of efficiency across the state. Hospital Victoria benchmarking project provides the Health Service with data to support the efficient use of resources. Alignment with Hospital Victoria's Common Chart of Accounts project. **ACHIEVED**
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.	Employment of Graduate nurses Revamp of CHSP reporting tool targeting service provision measures Reallocation of service provision removing after hours employment following review of activity and client demand TMHS participate in the SWLHSN Equity and Flow project to support bed-based resources and efficiency Development of Sepsis Information packages for patients and families utilising the Sepsis recognition improvement grant Targeted work to ensure My Aged Care is embedded into Trakcare for Data Exchange reporting compliance **IN PROGRESS**

A STRONGER WORKFORCE

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

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

HEALTH SERVICE DELIVERABLES	OUTCOMES:
Implement processes to sustain workforce supply and fulfill obligations, including those under the Gender Equality Act 2020 by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care.	Completion of Certificate 4 in Health Administration by four staff. SWLHSN appointment of Gender and Diversity Project Officer to service the region and support compliance against the Gender Equality Act with a focus on rural and regional lens Human Resources Manager participation in; • SWLHSN Gender Equality Community of Practice • SWLHSN SHRFV Workshop • ER/IR Directors Rural & Regional Workshop • Victorian Health Organisation Gender Equity Network Meetings **IN PROGRESS**
Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	Participation in the annual People Matter Survey (PMS) **ACHIEVED**

IMPROVING ABORIGINAL HEALTH AND WELLBEING

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

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

HEALTH SERVICE DELIVERABLES	OUTCOMES:
Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	Facilitated an Aboriginal Liaison Officer presentation relating to cultural safety by Southwest Healthcare Participation in the 'Long Walk' by two TMHS staff CEO attended Budj Bim cultural training session for health service leaders Actively engaged with the Department of Health and EMAC to develop geographically specific culturally appropriate education program. Staff have engaged with Aboriginal education program via internal education platform. **IN PROGRESS**
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.	Identified the need for a strengthened relationship with the local Aboriginal community and subsequently established a relationship with Kirrae Health Service. Representative from Kirrae Health Service now sitting on TMHS Community Advisory Committee. TMHS participation in Kirrae Health Service Closing the Gap Community day. Partnership established for supervised practice of Aboriginal Health Worker. **IN PROGRESS**

Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	Aim to make certain that consumers are identified in appropriate manner on presentation to the Health Service and identify those Aboriginal consumers who wish their information to be shared with appropriate cultural pathway ensuring that presentations are monitored to ensure follow up in areas of targeted promotion.. Promotion of Aboriginal Liaison Officer services that are available through Southwest Healthcare relating to Chronic disease and cancer diagnosis pathways. Refresher education for staff through meeting pathways and staff briefing to ensure correct identification protocol is followed. **IN PROGRESS**

MOVING FROM COMPETITION TO COLLABORATION

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

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

HEALTH SERVICE DELIVERABLES	OUTCOMES:
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).	Establishment of SWLHSN Residential In Reach project with appointment of project officer to facilitate the project. Equity and Access Framework developed and implemented Identification of Clinical Capabilities to ensure appropriate patient flow. Active participation in the SWLHSN Clinical Service plan. Appointment of SWLHSN Regional Family Violence project officer to facilitate gap analysis throughout the region. Identification of staff to participate in priority area committees. **ACHIEVED**

Performance PRIORITIES

Part B: Performance Priorities

HIGH QUALITY AND SAFE CARE

Table 10: High quality and safe care

KEY PERFORMANCE MEASURE	TARGET	OUTCOME
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	99%
Adverse events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 days from notification of the event	Submit within 30 business days	100%
Aged Care		
Public sector residential aged care services overall star rating	Minimum rating 3 stars	100%
Patient experience		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses	96.7%	97.6%
Aboriginal Health		
The difference between the number of Aboriginal patients who discharge against medical advice compared to non-Aboriginal patients.	0%	-

* Result suppressed due to less than 10 responses.

STRONG GOVERNANCE, LEADERSHIP AND CULTURE

Table 11: Organisational Culture

People Matters Survey

Results from the People Matter Survey conducted in 2025-2026 with results published in the Annual Monitor

KEY PERFORMANCE INDICATOR	TARGET	RESULT
Organisational Culture		
People matter survey - Percentage of staff with an overall positive response to safety culture survey questions	80%	*80%

*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.

EFFECTIVE FINANCIAL MANAGEMENT

KEY PERFORMANCE INDICATOR	TARGET	RESULT
Operating result ($m)	0.00	-0.99
Average number of days to pay trade creditors	60 days	31 days
Average number of days to receive patient fee debtors	60 days	44 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.54
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	not achieved

Activity AND FUNDING

Part C: Activity and Funding

The performance and financial framework within which state government-funded organisations operate is described in the POLICY guide and Funding Rules of the Department of Health Policy and Funding Guidelines 2025-2026 and can be found at

https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health-services.

SMALL RURAL		
	2025-26 Activity achievement	**Units**
Small Rural Acute	432	NWAU equivalents
Small Rural Primary Health; HACC Program for Young Persons (PYP) and Commonwealth Home Support Program (CHSP)		
Nursing	10,689	Service Hours
Allied Health	3830	Service Hours
Social Work	305	Service Hours
Dietetics	483	Service Hours
Occupational Therapy	314	Service Hours
Physiotherapy	609	Service Hours
Podiatry	1020	Service Hours
Speech Pathology	320	Service Hours
Social support	16,125	Service Hours
Residential Aged Care	5,461	Bed days
Meals on Wheels	6,549	Total Meals
HACC	1792	Service Hours
Community Health/primary care programs	6105	Service Hours
Small rural acute	7	Separations

Our COMMITTEES

PRINCIPAL COMMITTEES

The Principal Committees of the Board of Directors oversee major areas of Health Service Management, Performance and Planning. Brief descriptions of each Committee, which are regularly reviewed against their respective terms of reference, are detailed as follows:-

BOARD OF DIRECTORS

The Board of Directors are responsible for the overall direction of the Health Service including planning, staffing, patient care, safety and financial management.

The Board of Directors is also responsible for the appointment of the Chief Executive Officer and whilst refraining from intervention in the day-to-day management entrusted to the Chief Executive Officer, the Board must be fully aware of the Health Services performance, needs and problems.

Senior staff are required to observe the Health Services by-law's and are responsible for the implementation and application of the established policies of the Board of Directors and its committees.

BOARD REMUNERATION & EXECUTIVE COMMITTEE

The Board Remuneration & Executive Committee comprises the office bearers of the Board of Directors. This Committee is empowered with the authority of the Board to act on its behalf on matters arising between meetings, but all decisions relating to policy must be referred to the next full meeting of the Board of Directors.

The Committee also has responsibility for monitoring the performance and contractual arrangements of the Chief Executive.

CLINICAL GOVERNANCE & QUALITY COMMITTEE

The Clinical Governance & Quality Committee is responsible for the co-ordination of the Clinical Governance Framework and Quality Improvement Framework & Management Plan. Its functions include the assessment and evaluation of the quality of services provided by the Health Service including the review of clinical practices or clinical competence of persons providing these services. Due to the sensitivity and confidentiality of this information the Committee has been granted statutory immunity under section 139 of the Health Service Act 1988 (as amended).

This committee reports to the Board of Directors on the overall quality, effectiveness, appropriateness and use of services rendered to patients in the Health Service.

PHYSICAL PLANNING & HUMAN RESOURCES COMMITTEE

This committee monitors the maintenance of Health Service grounds, buildings and equipment, makes recommendations to the Board of Directors on major and minor works and replacements and, plans delivery of health services based on identified community need. This committee also monitors human resources and Workcover data to provide the Board with information relating to workforce sustainability and health.

AUDIT & COMPLIANCE COMMITTEE

The Audit & Compliance Committee assists the Health Service Board in fulfilling its financial oversight responsibilities in line with the requirements of the Financial Management Compliance framework.

This Committee monitors and oversees the following:

- Financial performance and the financial reporting process, including the annual financial statements.
- The scope of work, performance and independence of both internal and external auditors.
- The engagement and dismissal by management of any internal audit service providers.
- The operation and implementation of the financial risk management framework.
- Matters of accountability and internal control affecting the operations of the agency.
- The agency's process for monitoring compliance with laws and regulations and its own Code of Conduct and Code of Financial Practice.

Sub-Committees

CLINICAL SERVICES & MEDICATION SAFETY COMMITTEE

The Clinical Services & Medication Safety committee has the role of an advisory mechanism to the Clinical Governance and Quality Improvement Committee.

The committee monitors all aspects of clinical care including medication management, audit results and corrective action plans and monitors the implementation of recommendations from all Clinical and Medication Safety incident reviews, Root Cause Analyses, Clinical and Medication Safety Quality Improvement Activities and other advisory mechanisms relating to clinical risk mitigation and improved practice.

The committee oversees the development, review and implementation of policies and procedures for the assessment, planning and delivery of coordinated patient / consumer care to ensure best possible outcomes in line with the Australian Commission on Safety and Quality in Health Care Clinical Care Standards, Aged Care Quality and Safety Commission, Strengthened Aged Care Quality Standards and Safer Care Victoria recommendations.

INFECTION PREVENTION COMMITTEE

The Infection Prevention Committee makes recommendations to the Clinical Governance and Quality Improvement Committee on matters of policy, relating to the standards of practice regarding Health Service sanitation and medical asepsis in the promotion of a safe environment for patients, staff and visitors to the Health Service.

NUTRITION MANAGEMENT COMMITTEE

The Nutrition Management Committee provides governance and oversight of nutrition and food services across the organisation. The committee supports the delivery of safe, high-quality, and person-centred nutritional care by monitoring compliance with relevant standards, reviewing nutrition-related policies and practices, and promoting continuous improvement

COMMUNITY HEALTH COMMITTEE

The Community Health Committee facilitates the development of philosophy, goals and objectives in the planning, development, implementation and evaluation of Population Health and Health Promotion programs.

This committee also promotes an understanding of population health and health promotion philosophy, goals and objectives throughout the organisation.

Provides a forum for health service planning and facilitate networking at a local, regional and state facilitates.

OCCUPATIONAL HEALTH AND SAFETY COMMITTEE

The Occupational Health and Safety Committee meets bimonthly and has representatives across the Health Service. The Committee reviews and advises upon existing policies, programs and practices of Health and Safety Issues and recommends solutions.

It examines, analyses and advises upon incident investigations hazard reports, environment and work practices. It also considers written reports on incidents, accidents and injuries, formulating corrective and preventative guidelines to meet compliance with all relevant legislation, regulations, standards and codes of practice.

COMMUNITY ADVISORY COMMITTEE

The Community Advisory Committee provides strategic advice and leadership to strengthen partnerships between Terang & Mortlake Health Service and the communities it serves. The Committee ensures that the voices, lived experiences and perspectives of consumers, carers and community members are meaningfully incorporated into the planning, design, delivery, evaluation and continuous improvement of health services.

Working in partnership with the Board, Executive and staff, the Committee promotes person-centred, equitable and inclusive care by fostering genuine engagement and collaboration. Through informed advice and community representation, the Committee supports the health service to respond to local needs, improve the quality and accessibility of services, and enhance the health and wellbeing of the communities of Terang, Mortlake and surrounding districts.

WORKFORCE CAPABILITY AND CULTURE COMMITTEE

The Workforce Capability and Culture Committee provides strategic oversight and advice to support the development of a capable, engaged and high-performing workforce. The Committee promotes a positive, safe and inclusive workplace culture by supporting initiatives that enhance workforce capability, wellbeing, leadership, learning and organisational performance.

Through oversight of workforce planning, professional development, staff engagement and employee wellbeing, the Committee assists Terang & Mortlake Health Service to attract, develop and retain a skilled and responsive workforce. The Committee supports the delivery of safe, high-quality, person-centred care by fostering a culture of continuous learning, accountability, collaboration and continuous improvement.

INFORMATION MANAGEMENT COMMITTEE

The Information Management Committee reviews client information, prior to it being made available for public distribution to ensure it is accurate, relevant and easily understandable. This committee is also responsible for ensuring that information is managed in a way that helps the organisation to meet its goals in relation to the provision of high quality care.

Office Bearers & COMMITTEE

FOR THE YEAR ENDED 30TH JUNE 2026

CHAIR

Benjamin Dennis
First Appointed – 01.07.2019
Audit and Compliance Committee
Physical Planning and Human Resources Committee,
Clinical Governance & Quality Committee

DEPUTY CHAIR

Jane Henderson
First Appointed – 01.07.2020
Physical Planning and Human Resources Committee
Clinical Governance & Quality Committee

TREASURER

Narelle Magee
First Appointed – 01.07.2024
Treasurer effective July 2025
Audit & Compliance Committee
Clinical Governance & Quality Committee

COMMITTEE MEMBERS

John Parker
First Appointed – 01.07.2022 – Resigned 17/02/2026
Clinical Governance & Quality Committee
Audit & Compliance Committee

Dr. Afaf Haddad
First Appointed – 01.07.2022
Clinical Governance & Quality Committee
Physical Planning & Human Resource Committee

Su Ann Teoh
First Appointed – 01.07.2022
Clinical Governance & Quality Committee
Audit & Compliance Committee

David McIntyre
First Appointed – 01.07.2022
Audit & Compliance Committee
Physical Planning & Human Resource Committee

David Ware
First Appointed – 01.07.2024
Clinical Governance & Quality Committee
Physical Planning & Human Resource Committee
Audit & Compliance Committee

Evelyn Jonkman
First Appointed – 01.07.2024
Clinical Governance & Quality Committee
Audit & Compliance Committee

Michelle Beasley
First Appointed – 01.07.2025
Clinical Governance & Quality Committee

BOARD OF DIRECTORS MEETING ATTENDANCE 2025-2026	
Ben Dennis	11 /11
Jane Henderson	10 /11
John Parker (Resigned 17/02/2026)	5/11
Narelle McGee	9 /11
Su Ann Teoh	9/11
Dr. Afaf Hadad	11/11
Evelyn Jonkman	9/11
Michelle Beasley	10/11
David Ware	10/11
David McIntyre	11/11

Board meetings are conducted on the 4th Tuesday of the month with the exception of January.

INDEPENDENT AUDIT & COMPLIANCE COMMITTEE MEMBERS

Nigel Bruckner (Chair)
B. Bus. (Acc.), C.A, F.T.I.A First Appointed – 01.07.2013

Jacob Alldis
LLB (Honours)
B. Bus. (Commerce) Grad. Dip. Legal Practice
First Appointed – 24.08.2021

Ken Davey
F. Inst. of Legal Executives (Vic) First Appointed – 01.07.2010

SOLICITORS

Taits Legal

BANKERS

National Australia Bank

AUDITOR-GENERAL'S AGENT

RSD Audit

Executive STAFF

CHIEF EXECUTIVE OFFICER
J.C. Ogdin
B. HSc. (Speech Path.),
Grad. Cert. Quality Management,
MIHM, FCHSM

DIRECTOR OF NURSING
M.J. Mitchell R.N.

DIRECTOR OF COMMUNITY HEALTH and DIRECTOR OF NURSING (MORTLAKE CAMPUS)
J.E. Bourman
R.N. Grad Cert Ng (Cont. Nurse Adv.)

DIRECTOR OF FINANCE & ADMINISTRATION
T.F. Pekin
CPA B.Bus (Accounting)

DIRECTOR OF MEDICAL SERVICES
Dr Miranda Sollychin BSc, MD, MPsych, MHLM,
Dr Vidya Muraleedharan MBBS, MS (Ophthalmology)

STAFF LISTING

NURSE UNIT MANAGERS
- E. Mioduchowski
  R.N., Grad. Dip. Anaesthetics & Recovery
  (Acute Ward)
- L.McKenzie R.N. (Perioperative Unit)
- J.L. Payne R.N
  (Aged Care Nurse Unit Manager Shared Role, resumed 30.03.2026)
- D. Pickering RN
  (Aged Care Nurse Unit Manager) Shared Role
- M. Neupane RN
- (Aged Care Nurse Unit Manager) Shared Role) ceased 30.03.2026,
- N. Porter, R.N. (District Nursing)

HEALTH INFORMATION OFFICER
- M. Covey, Clinical Coder
- J. Burgoyne, Clinical Coder

CLINICAL PHARMACIST
- Ahmed Hussein
  BPharmSc MPS CredPharm (MMR, ACOP)

PERMANENT AND VISITING ALLIED HEALTH STAFF
- A.Vogels B.App Sc. (Occupational therapy)
- M Rayfield, B.App Sc. (Physiotherapy)
  resigned May 2026
- R. Owen, B.App Sc. (Physiotherapy)
- E. Dalco B.App Sc. (Speech Pathology)
- A.Khalaf B.App Sc. (Podiatry)
- E O'Brien B.App Sc (Podiatry)
- I.Jorgensen BNutDiet (APD)

VISITING MEDICAL STAFF
- Dr J. Altree, BA(hons), BSc, MBBS, FRACGP
- Dr. B. Healey BSc, MBBS, Clinical Dip. Palliative Care
- Dr. C. Bonney MD, F.A.N.Z.C.A
- Dr. T. Jayasinghe MDCHB
- Dr. K. Cornell, M.B., B.S
- Dr. G. Kilminster, M.B., B.S., F.A.N.Z.C.A
- Mr. S. George, M.B., B.S.
- Dr. C. Lim, B. Med
- Dr. D. Gunawardana, M.B., B.S.
- Dr. J. Moloney, M.B., B.S, DCH, ACEM, D.R.A.N.Z.C.O.G, F.R.A.C.G.P.
- Dr. S. Hammond, BBiomedSc, MBBS, CertWH, SHCP, FACRRM resigned April 2026
- Dr. P. Sabeti, BBiomedSc, MD
- Dr. A. Singh, M.B., B.S.
- Dr. S. Thazhath, M.B., B.S., MD, FRACP, PhD
- Dr. E. Webb-Smith, MDDB, ARANZCOG

Statutory INFORMATION

In accordance with the Directions of the Minister for Finance under the *Financial Management Act 1994* Section 45 and 53Q(4) the following disclosures are made for the Responsible Ministers and the Accountable Officers.

MINISTER FOR HEALTH
MINISTER FOR AMBULANCE SERVICES
The Hon Mary-Anne Thomas MP
(30 June 2025 to 15 April 2026)

MINISTER FOR HEALTH
MINISTER FOR AMBULANCE SERVICES
MINISTER FOR WATER
Hon Harriet Shing MP
(15 April 2026 to 30 June 2026)

MINISTER FOR HEALTH INFRASTRUCTURE
The Hon Melissa Horne MP
(30 June 2025 to 30 June 2026)

MINISTER FOR MENTAL HEALTH
MINISTER FOR AGEING
The Hon Ingrid Stitt MP
(1 July 2025 to 30 June 2026)

MINISTER FOR DISABILITY
MINISTER FOR CHILDREN
The Hon Lizzie Blandthorn MP
(1 July 2025 to 30 June 2026)

MANNER OF ESTABLISHMENT
Terang and Mortlake Health Service is an incorporated body under, and regulated by, the *Health Services Act* 1988 Terang and Mortlake Health Service is a public health service established under the *Health Services Act 1988 (Vic).*

REQUESTS LODGED UNDER THE FREEDOM OF INFORMATION ACT 1982
Requests for documents in the possession of Terang and Mortlake Health Service are directed to the Chief Executive Officer, the nominated Freedom of Information Officer, and all requests are processed in accordance with the *Freedom of Information Act 1982.* A legislation fee of $31.80 and associated photocopy charges per application apply.

A total of 4 valid requests for information under the *Freedom of Information Act* were processed during the 2025-26 financial year.

Freedom of Information Officer
Julia Ogdin
Chief Executive
info@tmhs.vic.gov.au

WORKFORCE DATA

	June Current Month FTE 2025	June Current Month FTE 2026	Average Monthly FTE 2025	Average Monthly FTE 2026
HOSPITALS LABOUR CATEGORY				
Nursing	49.14	51.56	46.35	48.91
Administration and Clerical	12.05	14.02	12.02	13.08
Medical Support	1.59	1.22	1.41	1.68
Hotel and Allied Services	25.55	23.27	24.98	24.82
Ancillary Support (Allied Health)	3.29	2.05	2.94	2.37
TOTAL	**91.62**	**92.12**	**87.70**	**90.97**

WORK PLACE INCIDENTS (OCCUPATIONAL HEALTH & SAFETY)

Terang & Mortlake Health Service continues to regularly review and develop policies and procedures in accordance with relevant legislative requirements with a strong focus on safety management and the timely reporting of hazards and incidents via Riskman. There were 0 new reported WorkCover incidents during the 2025-26 financial year.

	2025-26	2024-25	2023-24	2022-23
OCCUPATIONAL HEALTH AND SAFETY STATISTICS				
The number of reported hazards/incidents for the year per 100 FTE	53.92	44.73	67.10	37.3
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0	0	3.41	4.8
The average cost per WorkCover claim for the year ($'000)	6.77	5.47	54.92	19.82

OCCUPATIONAL VIOLENCE

Terang & Mortlake Health Service have continued to be proactive, promote and support employees to ensure a safe workplace. There were 0 new occupational violence incidents that were reported to Work Safe as Workcover claims during the 2025-26 financial year.

TMHS are proactive and remain committed to utilising external Occupational Rehabilitation Services with a desired outcome of a more efficient and effective return to work transition back into the workplace for the injured worker.

	2025-26
OCCUPATIONAL VIOLENCE STATISTICS	
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	15
Number of occupational violence incidents reported per 100 FTE	16.51
Percentage of occupational violence incidents resulting in staff injury, illness or condition	13.33

DEFINITIONS

For the purposes of the above statistics the following definitions apply:

Occupational Violence – any incident where an employee is abused, threatened, or assaulted in circumstances arising out of, or in the course of their employment.

Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during a planned or unplanned Code Grey, it must be included.

Accepted Workcover claims –claims accepted and lodged in 2025-26.

Lost time – is defined as greater than one day.

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

CONSULTANCIES INFORMATION

Details of consultancies (under $10,000)

In 2025-26 there were no consultancies where the total fees payable to the consultants were less than $10,000.

Details of consultancies (over $10,000)

In 2025-26, there was one consultancy where the total fees payable to the consultant were $10,000 or greater. The total expenditure incurred during 2025-26 in relation to this consultancy was $17,053 (excl. GST).

The purpose of this consultancy was to support Terang & Mortlake Health Service's strategic planning process.

CONSULTANT	PURPOSE	START DATE	END DATE	TOTAL APPROVED PROJECT FEE	EXPENDITURE 2025-26 (EX GST)	FUTURE EXPENDITURE (EX GST)
Kelloway Lonsdale	Strategic Planning support	5/2/2026	31/7/2026	$18,132	$17,053	$1,079

GOVERNMENT ADVERTISING CAMPAIGN

Terang & Mortlake Health Service has nil reports relating to relevant activities or circumstances triggering the disclosure threshold of $100,000 on government advertising expenditure.

In accordance with the Victorian Government Advertising Certification Framework, Terang & Mortlake Health Service reports that no advertising campaigns with a total media placement expenditure of $100,000 or more were conducted during the reporting period 2025-26. As such, no government advertising campaigns required certification or public disclosure under the relevant state requirements during this period.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2025-26 is $457,847 (excluding GST) with details

ALL OPERATIONAL ICT EXPENDITURE	ICT EXPENDITURE RELATED TO PROJECTS TO CREATE OR ENHANCE ICT CAPABILITIES		
BUSINESS AS USUAL (BAU) ICT EXPENDITURE (EXCLUDING GST)	NON-BUSINESS AS USUAL (NON-BAU) ICT EXPENDITURE (EXCLUDING GST)	OPERATIONAL EXPENDITURE (EXCLUDING GST)	CAPITAL EXPENDITURE (EXCLUDING GST)
$454,794	$3053	$0	$3053

BUILDING ACT 1993

Terang and Mortlake Health Service complies with the *Building Act 1993,* which encompasses the Building Code of Australia, under the guidelines for publicly owned buildings issued by the Minister for Finance before 1994 in all redevelopment and maintenance issues.

In 2025-26, the following audits and assessments were undertaken to ensure compliance with the *Building Act 1993:*

- Emergency Warning Intercom System (EWIS) Panel upgrade
- Annual Essential Service Audit – August 2025

PUBLIC INTEREST DISCLOSURE ACT 2012 (VIC)

Terang and Mortlake Health Service has in place appropriate procedures for disclosures in accordance with the *Public Interest Disclosure Act 2012* (formerly known as the Protected Disclosures Act 2012). No public interest disclosures were made under the Act in 2025-26.

CARERS RECOGNITION ACT 2012

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

- Promoting the principles of the Act to people in care relationships who receive our services and to the wider community through the sharing of information.
- Ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act and what they mean for staff.
- Considering the care relationships principles set out in the Act when setting policies and providing services such as reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act.)

LOCAL JOBS FIRST ACT 2003

The Local Jobs First Act 2003 introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs first policy in all projects valued at $3 million or more in metropolitan Melbourne or for state-wide projects, or $1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at $20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

Terang and Mortlake Health Service abides by the principles of the Local Jobs First Act 2003. In 2025-26 there were no contracts completed by Terang and Mortlake Health Service under this Act.

WORKFORCE INCLUSION POLICY - GENDER EQUALITY ACT 2020

TMHS has continued to implement the strategies contained within our Gender Equality Action Plan 2021 – 2025 in compliance with the *Gender Equality Act 2020*. Our Progress Report, based on our Workforce Gender Audit, was submitted to the Commission in June 2026 indicating progress on all but one indicator.

TMHS's commitment to Gender Equality is evident through our ongoing training and development of our workforce, our completion of Gender Impact Assessments on new services and policies and our membership of the LHSN Community of Practice.

Areas of achievement from our Gender Equality Action Plan include;

- Explored opportunities to enable more flexibility to job sharing
- Resistance to disclosure or non-disclosure – new onboarding form explains why we ask specific questions of new staff.

- Encourage more male and LGBTIQA+ employees to apply for roles in our health service – All job ads now include an invitation to people of all genders and sexual orientation.
- Develop a workforce culture that calls out inappropriate behaviour and understands that reporting is not a punitive action – New RiskMan module for reporting psychological hazards and risks.
- Workforce consultation to further explore what a culturally safe workplace means to our staff – Doorstop education and promotion from Workplace Coach, staff survey's and PMS Action Plan.
- Completed Gender Impact Assessments towards embedding Gender Equality in everything we do.

STATEMENT ON NATIONAL COMPETITION POLICY AND COMPETITIVE NEUTRALITY POLICY VICTORIA

Terang and Mortlake Health Service adheres to competitive neutral pricing principles for all new contracts for services provided to the private sector, to ensure a level playing field.

ENVIRONMENTAL SUSTAINABILITY PERFORMANCE

Terang and Mortlake Health Service (TMHS) continues to commit to maintaining and improving the health and wellbeing of the people and communities we serve. We recognise the need to use our resources wisely and effectively without compromising our standards of care.

We also acknowledge our responsibility to provide a leadership role for environmental sustainability. In this regard, TMHS has developed and implemented an organisation-wide Environmental Management Plan to reduce energy use, conserve water and reduce the volume of waste sent to landfill. It is an expectation that all members of the TMHS team play their part to minimize unnecessary energy waste and actively participate in recycling initiatives.

The 25-26 reporting year saw TMHS act on the site wide audit results from 24-25 conducted by FG Advisory working through the installation of electric hot water services to degasify our acute and residential aged care departments.

The 25-26 year presented TMHS with an opportunity to migrate from the compressed natural gas network which was supported by the Victorian Infrastructure Development Authority.

TMHS continues to work closely with its Local Health Network partners to progress regional goals in relation to environmental sustainability.

TMHS has complied with the Australian Nursing & Midwifery Federation's (ANMF) Enterprise Bargaining Agreement Clause relating to climate change mitigation and sustainability and we now have a dedicated nursing presence on the Sustainability Committee who are working to identify and act on opportunities for change.

GREENHOUSE GAS EMISSIONS	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
G1 Total Scope 1 (direct) greenhouse gas emissions (CO2-e(t))			
Carbon Dioxide	151.73	154.64	164.23
Methane	0.22	0.23	0.23
Nitrous Oxide	0.32	0.34	0.36
Total	**152.28**	**155.21**	**164.83**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (t CO2-e)	**102.43**	**104.55**	**106.05**
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (t CO2-e)	**49.85**	**50.66**	**58.78**
Medical/Refrigerant gases			
Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**152.28**	**155.21**	**164.83**
G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]			
Electricity	264.19	214.74	223.96
Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	**264.19**	**214.74**	**223.96**
G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (t CO2-e)			
Commercial air travel	3.14	0.58	0.28
Waste emissions (WR5)	23.42	23.42	34.70
Indirect emissions from Stationary Energy	46.22	40.21	38.69
Indirect emissions from Transport Energy	12.49	12.68	14.74
Paper emissions			
Water emissions	7.73	9.31	8.18
Any other Scope 3 emissions	0.00	0.00	0.00
Total Scope 3 greenhouse gas emissions (t CO2-e)	**93.00**	**86.21**	**96.59**
G(Opt) Net greenhouse gas emissions (CO2-e(t))			
Gross greenhouse gas emissions (G1 + G2 + G3) (t CO2-e)	**509.47**	**456.16**	**485.39**
Total gross reported greenhouse gas emissions per bed-day (t CO2-e/OBD)	0.07	0.06	0.07
Carbon Neutral Electricity	0.00	0.00	0.00
Green Power Electricity	0.00	0.00	0.00
Purchased LGCs	-328.03	0.00	0.00
Any Reduction Measures Offsets purchased (EL4-related)	**-300.07**		
Any Offsets purchased	**-300.07**		
Net greenhouse gas emissions (t CO2-e)	**209.40**	**456.16**	**485.39**

ELECTRICITY USE	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
EL1 Total electricity consumption segmented by source (MWh)			
Purchased	394.11	325.47	340.51
Self-generated	138.72	158.70	149.49
EL1 Total electricity consumption (MWh)	**532.83**	**484.17**	**490.00**
EL2 On site-electricity generated [MWh] segmented by:			
Consumption behind-the-meter			
Solar Electricity	138.72	158.70	149.49
Total Consumption behind-the-meter (MWh)	**138.72**	**158.70**	**149.49**
Exports			
Solar Electricity	25.34		
Total Electricity exported (MWh)	**25.34**		
EL2 Total On site-electricity generated (MWh)	**164.06**	**158.70**	**149.49**
EL3 On-site installed generation capacity [kW converted to MW] segmented by:			
Diesel Generator	0.20	0.20	0.20
Solar System	0.10	0.10	0.10
EL3 Total On-site installed generation capacity (MW)	**0.30**	**0.30**	**0.30**
EL4 Total electricity offsets segmented by offset type [MWh]			
LGCs voluntarily retired on the entity's behalf	356.55		
RPP (Renewable Power Percentage in the grid)	67.94	59.65	63.88
EL4 Total electricity offsets (MWh)	**394.11**	**59.65**	**63.88**

STATIONARY ENERGY	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
F1 Total fuels used in buildings and machinery segmented by fuel type (MJ)			
Natural gas	1,806,194.70	1,806,194.70	1,845,202.60
LPG	154,377.30	189,434.50	180,974.30
F1 Total fuels used in buildings (MJ)	**1,960,572.00**	**1,995,629.20**	**2,026,176.90**
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e]			
Natural gas	93.07	93.07	95.08
LPG	9.36	11.48	10.97
F2 Greenhouse gas emissions from stationary fuel consumption (t CO2-e)	**102.43**	**104.55**	**106.05**

TRANSPORTATION ENERGY	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]			
Executive fleet - Gasoline	136,557.20	153,865.80	196,201.50
Non-executive fleet - Gasoline	272,758.90	248,698.70	317,127.30
Petrol	**409,316.10**	**402,564.50**	**513,328.80**
Executive fleet - Diesel	108,091.50	106,339.00	88,281.90
Non-executive fleet - Diesel	206,799.50	226,554.80	253,605.90
Diesel	**314,891.00**	**332,893.80**	**341,887.80**
Total energy used in transportation (vehicle fleet) (MJ)	**724,207.10**	**735,458.30**	**855,216.60**
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
Road Vehicles	10	10	14
Passenger vehicles	8 (80%)	8 (80%)	**11 (79%)**
Internal combustion engines			
Petrol	3	3	6
Diesel	1	1	**1**
Hybrid	4	4	**4**
Goods carrying incl. vans & utes	1 (10%)	1 (10%)	1 (7%)
Internal combustion engines			
Diesel	1	1	1
Buses	**1 (10%)**	**1 (10%)**	**2 (14%)**
Internal combustion engines			
Diesel	1	1	2
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (t CO2-e)			
Executive fleet - Gasoline	9.23	10.40	13.26
Non-executive fleet - Gasoline	18.44	16.82	21.45
Petrol	**27.68**	**27.22**	34.71
Executive fleet - Diesel	7.61	7.49	6.22
Non-executive fleet - Diesel	14.56	15.95	17.86
Diesel	**22.17**	**23.44**	**24.07**
Total Greenhouse gas emissions from transportation (vehicle fleet) (t CO2-e)	**49.85**	**50.66**	**58.78**
T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)			
Total distance travelled by commercial air travel	6,250.00	2,766.00	1,322.00

TOTAL ENERGY USE	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]			
Total energy usage from stationary fuels (F1) (MJ)	1,960,572.00	1,995,629.20	2,026,176.90
Total energy usage from transport (T1) (MJ)	724,207.10	735,458.30	855,216.60
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**2,684,779.10**	**2,731,087.50**	**2,881,393.50**
E2 Total energy usage from electricity [MJ]			
Total energy usage from electricity (MJ)	1,918,175.00	1,743,020.45	1,764,017.42
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]			
Renewable	1,918,174.90	786,069.40	768,144.07
Non-renewable (E1 + E2 - E3 Renewable)	2,684,779.20	3,688,038.55	3,877,266.84
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD (MJ/Aged Care OBD)	712.61	690.94	700.59
Energy per unit of LOS (MJ/LOS)	2,555.17	2,241.40	2,030.10
Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD)	557.21	528.13	520.85
Energy per unit of Separations (MJ/Separations)	6,913.99	5,924.96	5,477.16
Energy per unit of floor space (MJ/m2)	839.92	809.58	820.74

WATER USE	Jul-24 to Jun-25	Jul-23 to Jun-24	Jul-22 to Jun-23
W1 Total units of metered water consumed by water source (kl)			
Potable water (kL)	5,507.36	5,693.50	4,876.47
Total units of water consumed (kL)	**5,507.36**	**5,693.50**	**4,876.47**
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)	1.01	1.05	0.90
Water per unit of LOS (kL/LOS)	3.63	3.41	2.61
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.79	0.80	0.67
Water per unit of Separations (kL/Separations)	9.82	9.02	7.05
Water per unit of floor space (kL/m2)	1.19	1.23	1.06

WASTE AND RECYCLING	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
WR1 Total units of waste disposed of by waste stream and disposal method [kg]			
Landfill (total)			
General waste - bins	17,784.00	17,784.00	19,116.00
Offsite treatment			
Clinical waste - incinerated	37.00	37.00	5.00
Clinical waste - sharps	199.05	199.05	199.58
Clinical waste - treated	8.00	8.00	9.00
Recycling/recovery (disposal)			
Cardboard	452.00	572.00	510.00
Commingled	2,617.00	2,895.00	2,581.36
Organics (garden)	5,707.00	5,616.00	6,077.00
PVC	112.00	86.00	87.00
Total units of waste disposed (kg)	**26,916.05**	**27,197.05**	**28,584.94**
WR1 Total units of waste disposed of by waste stream and disposal method [%]			
Landfill (total)			
General waste	66.07%	65.39%	58.90%
Offsite treatment			
Clinical waste - incinerated	0.14%	0.14%	0.01%
Clinical waste - sharps	0.74%	0.73%	0.47%
Clinical waste - treated	0.03%	0.03%	3.23%
Recycling/recovery (disposal)			
Cardboard	1.68%	2.10%	2.00%
Commingled	9.72%	10.64%	6.05%
Organics (garden)	21.20%	20.65%	28.32%
PVC	0.42%	0.32%	3.02%
WR2 Percentage of office sites covered by dedicated collection services for each waste stream			
Printer cartridges	100.00%	100.00%	100.00%
Batteries	100.00%	100.00%	100.00%
e-waste	100.00%	100.00%	100.00%
Soft plastics	100.00%	100.00%	100.00%
WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per patient treated ((kg general waste)/ PPT)	2.36	2.31	3.15
Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT)	0.03	0.03	0.20
Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT)	1.18	1.19	2.00

WR4 Recycling rate [%]			
Weight of recyclable and organic materials (kg)	8,888.00	9,169.00	8,712.00
Weight of total waste (kg)	26,916.05	27,197.05	28,584.94
Recycling rate (%)	**33.02%**	**33.71%**	**30.47%**
WR5 Greenhouse gas emissions associated with waste disposal (CO2-e(t))			
t CO2-e	23.42	23.42	34.70

NORMALISATION FACTORS	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
Aged Care OBD	5,443.00	5,411.00	5,410.00
FTE	92.00	90.00	91.00
LOS	1,518.00	1,668.00	1,867.00
OBD	6,961.00	7,079.00	7,277.00
PPT	7,522.00	7,710.00	7,969.00
LOS	1,668.00	1,867.00	1,608.00
OBD	7,079.00	7,277.00	6,868.00
PPT	7,710.00	7,969.00	7,438.00
Separations	561.00	631.00	692.00
TotalAreaM2	4,618.00	4,618.00	4,618.00

EMERGENCY PROCUREMENT

Terang & Mortlake Health Service has no matters to report in relation to its obligations under Emergency Procurement.

PROCUREMENT COMPLAINTS

Terang & Mortlake Health Service received no complaints relating to Procurement Complaints in the 2025-26 reporting year.

REVIEW AND STUDY EXPENSES

No relevant expenses were incurred by Terang & Mortlake Health Service in the 2025 – 26 reporting year.

GRANTS AND TRANSFER PAYMENTS

No grants or transfer payments (other than owner contributions) were received by Terang and Mortlake Health Service in the 2025-26 reporting year.

SOCIAL PROCUREMENT FRAMEWORK

Victoria's Social Procurement Framework (SPF) is a Victorian Government policy that enables Terang and Mortlake Health Service to increase the value of procured goods, services and construction by pursuing social and sustainable outcomes, in accordance with the SPF.

During the FY 2025-26, Terang and Mortlake Health Service continued to align with Health Share Victoria's (HSV) guidelines relating to Social Procurement

SAFE PATIENT CARE ACT 2015

Terang & Mortlake Health Service has no matters to report in relation to its obligations under Section 40 of the *Safe Patient Care Act 2015.*

Attestations

TERANG & MORTLAKE HEALTH SERVICE FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION – SD 5.1.4

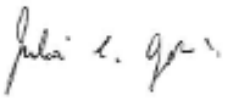
I, Benjamin Dennis, on behalf of the Responsible Body, certify that the Terang & Mortlake Health Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Benjamin Dennis
Board Chair
Terang & Mortlake Health Service
22 September, 2026

DATA INTEGRITY DECLARATION

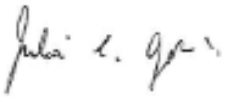
I, Julia Claire Ogdin, certify that the Terang & Mortlake Health Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. The Terang & Mortlake Health Service has critically reviewed these controls and processes during the year.



Julia Ogdin
Chief Executive Officer
Terang & Mortlake Health Service
22 September, 2026

CONFLICT OF INTEREST DECLARATION

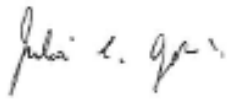
I, Julia Claire Ogdin certify that Terang & Mortlake Health Service has put in place appropriate internal controls and processes to ensure that it has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have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



Julia Ogdin
Chief Executive Officer
Terang & Mortlake Health Service
22 September, 2026

INTEGRITY, FRAUD AND CORRUPTION

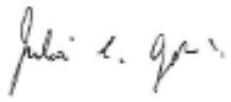
I, Julia Claire Ogdin, certify that the Terang & Mortlake Health Service has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at the Terang & Mortlake Health Service during the year.



Julia Ogdin
Chief Executive Officer
Terang & Mortlake Health Service
22 September, 2026

COMPLIANCE WITH HEALTH SHARE VICTORIA (HSV) PURCHASING POLICIES

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



Julia Ogdin
Accountable Officer
Terang & Mortlake Health Service
22 September, 2026

Financial OVERVIEW

The results outlined in the Financial Statements represent the consolidated accounts of the Agency, including consolidated government funded sector, health service initiatives and capital funds. These accounts have been prepared in accordance with the provisions of the *Financial Management Act 1994*.

As part of the Health Service Agreement process, this agency negotiated service targets for the 2025-26 financial year in the following program areas:

- Acute Health
- Aged Care and Home and Community Care (HACC)
- Primary Care and Community Health

The Health Service completed the financial year with an overall deficit of $1,865,000 after allowing for capital revenue; changes in physical asset revaluation surplus and depreciation of non-current assets.

A comparison of the Health Service's operating performance over a five-year period is as follows:

	2026 $,000	2025 $,000	2024 $,000	2023 $,000	2022 $,000
Operating Result*	**-987**	**-696**	**401**	**71**	**237**
Total revenue	15,333	14,326	14,797	16,528	12,067
Total expenses	17,229	16,010	15,176	13,880	12,806
Net result from transactions	**-1,896**	**-1684**	**-379**	**2,378**	**-739**
Total other economic flows	31	52	60	-33	35
Net Result	**-1,865**	**-1632**	**-319**	**2,345**	**-704**
Total assets	28,656	30,713	32,529	18,496	16,932
Total liabilities	7,330	7,522	7,706	5,609	6,471
Net assets/Total equity	**21,326**	**23,191**	**24,823**	**12,806**	**10,461**

*The Operating Result is the result the health service is monitored by in its Statement of Priorities

RECONCILIATION OF NET RESULT FROM TRANSACTIONS AND OPERATING RESULT	2026 ($'000)	2025 ($'000)
Net operating result *	-987	-696
Capital purpose income	539	451
Specific Income	0	0
COVID-19 State Supply Arrangements		
- Assets received free of charge or for nil consideration under the State Supply Arrangements	0	4
State supply items consumed up to 30 June	0	-4
Assets provided free of charge	0	0
Assets received free of charge	0	0
Expenditure for capital purpose	0	2
Depreciation and amortisation	-1,448	-1,441
Impairment of non-financial assets	0	0
Finance costs (other)	0	0
Net result from transactions	-1896	-1684

*There have been no events subsequent to balance date which may have a significant effect on the operations of the entity in subsequent years.

Terang and Mortlake Health Service was effectively able to meet service demand and its financial budgetary obligations during the reporting period.

SERVICE, ACTIVITY AND *Efficiency Targets*

1. ADMITTED PATIENTS

1.1 SEPARATIONS	2024/25	2023/24	2022/23	2021/22
A. Acute	214	285	255	307
B. Non Acute	2	1	3	1
C. Same Day	415	406	313	289
D. Transitional Care Program	8	3	4	3
E. Nursing Home	5	0	10	8
1.2 PATIENT DAYS				
A. Acute	1,296	1,456	1180	1,635
B. Non Acute	22	9	83	11
C. Same Day	415	106	313	289
D. Transitional Care Program	280	113	100	66
E. Nursing Home	5,411	5,410	5,348	5,399

2. NON ADMITTED PATIENTS

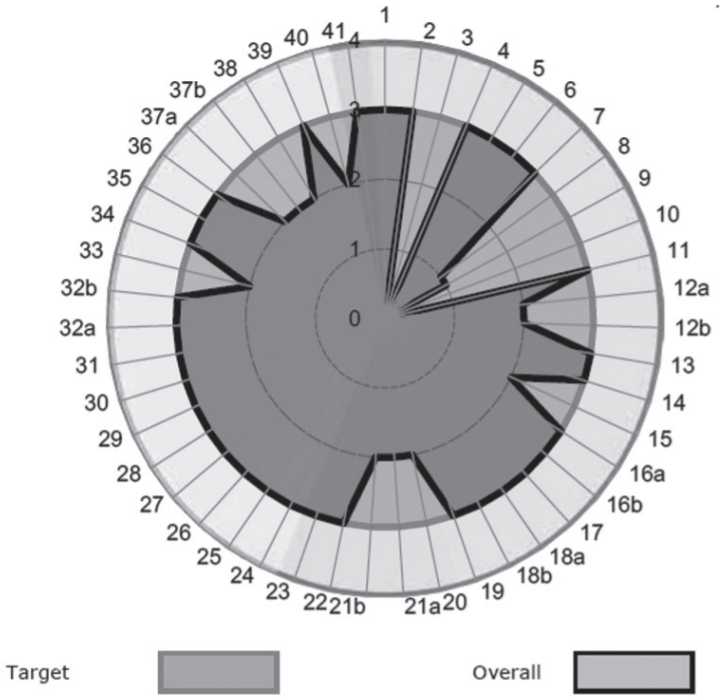
Urgent Care - Terang	1,904	1,855	1,902	2,421
Outpatients - Mortlake	3,095	2,726	2,917	2,600
Terang Social Centre	3,387	3,372	2,861	2,258
District Nursing Service	8,203	8,821	9,573	11,654
Allied Health & Primary Care	6,782	5,604	4,918	4,880

3. OCCUPANCY RATE

Acute Hospital	39.1%	38.9%	35.8%	33.5%
Mt View Nursing Home	98.8%	98.8%	97.7%	98.6%

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

The following sections summarise TMHS's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). TMHS's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.



Legend:

Status	Scale	Compliance
Not Applicable	N/A	Not Applicable
Innocence	0	Non-Comply
Awareness	1	Non-Comply
Developing	2	Non-Comply
Competence	3	Comply
Optimising	4	Comply
Unassessed	U/A	Unassessed

Disclosure INDEX

The Annual Report of the Terang and Mortlake Health Service is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the organisation's compliance with statutory disclosure requirements.

LEGISLATION	REQUIREMENT	PAGE REF.
Ministerial Directions		
Report of Operations		
Charter and Purpose		
FRD 22	Maintenance of establishment and the relevant Ministers	26
FRD 22	Purpose, functions, powers and duties	2
FRD 22	Nature and range of services provided	3
FRD 22	Activities, programs and achievements for the reporting period	4
FRD 22	Significant changes in key initiatives and expectations for the future	4,5
Management and Structure		
FRD 22	Organisational structure	12
FRD 22	Workforce data / employment and conduct principles	27
FRD 22	Occupational Health and Safety	27
Financial and other information		
FRD 22	Summary of the financial results for the year	40
FRD 22	Significant changes in financial position during the year	41
FRD 22	Operational and budgetary objectives and performance against objectives	41
FRD 22	Subsequent events	41
FRD 22	Details of consultancies under $10,000	29
FRD 22	Details of consultancies over $10,000	29
FRD 22	Disclosure of government advertising expenditure	
FRD 22	Disclosure of ICT expenditure	29
FRD 22	Asset Management Accountability Framework	
FRD 22	Disclosure of emergency procurement	
FRD 22	Disclosure of social procurement activities under the Social Procurement Framework	
FRD 22	Disclosure of Procurement complaints	
FRD 22	Disclosure of reviews and study expenses	
FRD 22	Disclosure of grants and transfer payments	
FRD 22	Application and operation of *Public Interest Disclosures Act 2012*	
FRD 22	Compliance with building and maintenance provisions *Building Act 1993*	
FRD 22	Application and operation o*f Public Interest Disclosures Act 2012*	
FRD 22	Statement on National Competition Policy	31
FRD 22	Additional information available on request	11
FRD 24	Environmental data reporting	32-37
FRD 25	*Local Jobs First Act 2003* disclosures	30

LEGISLATION	REQUIREMENT	PAGE REF.
Compliance attestation and declaration		
SD 5.1.4	Financial Management Compliance attestation	38
SD 5.2.3	Declaration in report of operations	11
SD 5.2.3	Attestation on Data Integrity	38
SD 5.2.3	Attestation on managing Conflicts of Interest	38
SD 5.2.3	Attestation on Integrity, fraud and corruption	39
SD 5.2.3	Compliance with HealthShare Victoria (HSV) Purchasing Policies	39
Other reporting requirements		
Reporting of outcomes from Statement of Priorities 2025-2026		14-20
Occupational Violence Reporting		28
Gender Equality Act 2020		30
Reporting obligations under the *Safe Patient Act 2015*		37

Financial Statements

Declaration		
SD 5.2.2	Declaration in financial statements	
	Other requirements under Standing Directions 5.2	
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	
SD 5.2.1(a)	Compliance with Standing Directions	
SD 5.2.1(b)	Compliance with Model Financial Report	
Other disclosures as required by FDRs in notes to the financial statements (s)(b)		
FRD 11	Disclosure of Ex gratia expenses	
FRD 103	Non-Financial Physical Assets	
FRD 110	Cash Flow Statements	
FRD 112	Defined Benefit Superannuation Obligations	
FRD 114	Financial Instruments – general government entities and public non-financial corporations	

Legislation

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

Other reporting requirements

Gender Equality Act 2020
Financial Management Act 1994 (b)

TERANG & MORTLAKE HEALTH SERVICE

FINANCIAL STATEMENTS 2025–26

TERANG & MORTLAKE
HEALTH SERVICE


TERANG & MORTLAKE
HEALTH SERVICE

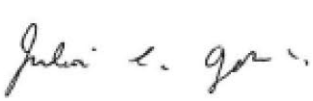
Board member's, accountable officer's, and chief finance & accounting officer's declaration

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

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

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

We authorise the attached financial statements for issue on 22 September, 2026.

Board member	**Accountable Officer**	**Chief Finance & Accounting Officer**
		
Benjamin Dennis	Julia Ogdin	Timothy Pekin
Chair	Chief Executive Officer	Director of Finance & Administration
Terang 22nd September,2026	Terang 22nd September,2026	Terang 22nd September, 2026

COMPREHENSIVE OPERATING STATEMENT

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)	4,664	4,326
Government Grants	2.1 (b)	9,602	8,919
Other sources of income	2.1 (c)	691	655
Non-operating activities		376	426
Total revenue and income from transactions		**15,333**	**14,326**
Expenses from transactions			
Employee expenses	3.1 (a)	(13,110)	(12,069)
Supplies and consumables	3.1 (c)	(665)	(662)
Depreciation	4.1(a)	(1,448)	(1,441)
Other operating expenses	3.1 (d)	(2,006)	(1,838)
Total expenses from transactions		**(17,229)**	**(16,010)**
Net result from transactions - net operating balance		**(1,896)**	**(1,684)**
Other economic flows included in net result			
Net gain on sale of non-financial assets		-	49
Other gain from other economic flows		31	3
Total other economic flows included in net result		**31**	**52**
Net result		**(1,865)**	**(1,632)**
Comprehensive result		**(1,865)**	**(1,632)**

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

BALANCE SHEET
AS AT 30 JUNE 2026

	Note	2026 $'000	2025 $'000
Financial assets			
Cash and cash equivalents	6.1	8,070	9,156
Receivables	5.1	1,444	1,374
Contract assets		-	10
Total financial assets		**9,514**	**10,540**
Non-financial assets			
Prepayments		129	126
Inventories		47	47
Property, plant and equipment	4.1	18,966	20,000
Total non-financial assets		**19,142**	**20,173**
Total assets		**28,656**	**30,713**
Liabilities			
Payables	5.2	728	636
Contract liabilities		98	-
Borrowings		121	210
Employee benefits	3.1(b)	2,839	2,676
Monies held in trust	5.3	3,544	4,000
Total liabilities		**7,330**	**7,522**
Net assets		**21,326**	**23,191**
Equity			
Reserves		23,085	23,085
Contributed capital		3,329	3,329
Accumulated deficit		(5,088)	(3,223)
Total equity		**21,326**	**23,191**

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

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from Government		13,029	12,225
Commercial activity revenue received		115	109
Donations and bequests received		2	-
Other receipts		2,017	1,803
Total receipts		**15,163**	**14,137**
Payments to employees		(12,782)	(11,979)
Payments to suppliers and consumables		(1,387)	(1,426)
GST paid to ATO		(19)	31
Other payments		(1,321)	(1,238)
Total payments		**(15,509)**	**(14,612)**
Net cash flows used in operating activities		**(346)**	**(475)**
Cash flows from investing activities			
Proceeds from sale of non-financial assets		-	49
Purchase of non-financial assets		(316)	(568)
Other capital receipts		4	70
Capital donations and bequests received		117	52
Net cash flows used in investing activities		**(195)**	**(397)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(89)	(80)
Repayment of accommodation deposits		(794)	(1,140)
Receipt of accommodation deposits		338	1,197
Net cash flows used in financing activities		**(545)**	**(23)**
Net decrease in cash and cash equivalents held		**(1,086)**	**(895)**
Cash and cash equivalents at beginning of year		9,156	10,051
Cash and cash equivalents at end of year	6.1	**8,070**	**9,156**

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

STATEMENT OF CHANGES OF EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Deficit	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2024	**20,757**	**2,328**	**3,329**	**(1,591)**	**24,823**
Net result for the year	-	-	-	(1,632)	(1,632)
Balance at 30 June 2025	**20,757**	**2,328**	**3,329**	**(3,223)**	**23,191**
Net result for the year	-	-	-	(1,865)	(1,865)
Balance at 30 June 2026	**20,757**	**2,328**	**3,329**	**(5,088)**	**21,326**

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

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 Terang and Mortlake Health Service for the year ended 30 June 2026.

Terang and Mortlake Health Service is a not-for-profit entity established as a public agency on 1st November 1994, 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 Terang and Mortlake Health Service.

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

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Terang and Mortlake Health Service on 22nd 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 Terang and Mortlake Health Service.

Terang and Mortlake Health Service's principal address is:

13 Austin Avenue
Terang, Victoria 3264

Note 1.4 Economic dependency

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

Note 2 Funding delivery of our services

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

Significant judgement - Grant revenue

Terang and Mortlake Health Service 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)	4,664	4,326
Government Grants	2.1(b)	9,602	8,919
Other sources of income	2.1(c)	691	655
Total revenue and income from transactions		**14,957**	**13,900**

Note 2.1(a) Revenue from contracts with customers

	2026 $'000	2025 $'000
Government grants (State) - Operating	24	72
Government grants (Commonwealth) - Operating	3,313	3,138
Patient and resident fees	1,212	1,007
Commercial activities	115	109
Total revenue from contracts with customers	**4,664**	**4,326**

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

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

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

Patient and resident fees

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

Note 2.1(b) Government Grants

	2026 $'000	2025 $'000
Government grants (State) - Operating	9,465	8,805
Government grants (State) - Capital	52	46
Government grants (Commonwealth) - Capital	85	68
Total Government grants	**9,602**	**8,919**

How we recognise Government grants

Government grants

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

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

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

Capital grants

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

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

Non-cash contributions from the Department of Health (DH)

The DH makes some payments on behalf of Terang and Mortlake Health Service as follows:

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

Note 2.1(c) Other sources of income

	Note	2026 $'000	2025 $'000
Other capital purpose income		4	70
Capital donations		117	52
Assets received free of charge or for nominal consideration		108	183
Other income from operating activities		462	350
Total other sources of income		**691**	**655**

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)	13,110	12,069
Supplies & Consumables	3.1(c)	665	662
Other operating expenses	3.1(d)	2,006	1,838
Total expenses incurred in the delivery of services		**15,781**	**14,569**

Note 3.1(a) Employee expenses

	2026 $'000	2025 $'000
Salaries and wages	10,656	9,724
Superannuation expense [(1)]	1,164	1,053
Agency expenses	436	648
Fee for service medical officer expenses	854	644
Total employee expenses	**13,110**	**12,069**

[(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	19	18
Annual leave	1,099	978
Long service leave	1,246	1,248
Provision for on-costs	286	280
Total current provisions for employee benefits	**2,650**	**2,524**
Non-current provisions for employee benefits		
Long service leave	165	133
Provision for on-costs	24	19
Total non-current provisions for employee benefits	**189**	**152**
Total provisions for employee benefits	**2,839**	**2,676**

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 Terang and Mortlake Health Service does not have an unconditional right to defer settlement of these liabilities.

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

- nominal value – if Terang and Mortlake Health Service expects to wholly settle within 12 months or
- present value – if Terang and Mortlake Health Service does not expect to wholly settle within 12 months.

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

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

The components of this current LSL liability are measured at:

- nominal value – if Terang and Mortlake Health Service expects to wholly settle within 12 months or
- present value – if Terang and Mortlake Health Service does not expect to wholly settle within 12 months.

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

Provisions

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred. The on-costs provision is immaterial in 2026.

Note 3.1(c) Supplies and consumables

	2026 $'000	2025 $'000
Drug supplies	31	29
Medical and surgical supplies (including Prostheses)	204	186
Diagnostic and radiology supplies	41	64
Other supplies and consumables	389	383
Total supplies and consumables	**665**	**662**

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	232	212
Repairs and maintenance	109	93
Maintenance contracts	190	198
Medical indemnity insurance	157	133
Information technology and communication	486	310
Other administration expenses	829	888
Finance costs	3	4
Total other operating expenses	**2,006**	**1,838**

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 Terang and Mortlake Health Service. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue (Refer to Note 2.1(b)) and recording a corresponding expense.

Note 4 Key assets to support service delivery

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

Significant judgement - Fair value measurement

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

Structure

4.1 Property, plant and equipment

4.2 Depreciation

Note 4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Land at fair value - Crown	1,239	1,239	-	-	1,239	1,239
Buildings at fair value	18,718	18,718	(2,314)	(1,156)	16,404	17,562
Works in progress at cost	276	75	-	-	276	75
Plant, equipment and vehicles at fair value	4,413	4,525	(3,366)	(3,401)	1,047	1,124
Total property, plant and equipment	**24,646**	**24,557**	**(5,680)**	**(4,557)**	**18,966**	**20,000**

How we recognise property, plant and equipment

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

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

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

	Land	Buildings	Works in progress	Plant, equipment and vehicles	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2025	**1,239**	**17,562**	**75**	**1,124**	**20,000**
Additions	-	-	201	213	414
Depreciation	-	(1,158)	-	(290)	(1,448)
Balance at 30 June 2026	**1,239**	**16,404**	**276**	**1,047**	**18,966**

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

4.1(b) Impairment of property, plant and equipment

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

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

Note 4.2 Depreciation

How we recognise depreciation

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

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

Useful lives of non-current assets

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

	2026	2025
Buildings	10 - 40 years	10 - 40 years
Plant, equipment and vehicles (including leased assets)	3 - 20 years	3 - 20 years

Note 5 Other assets and liabilities

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

Structure

5.1 Receivables
5.2 Payables
5.3 Monies held in trust

Note 5.1 Receivables

	Note	2026 $'000	2025 $'000
Current receivables			
Contractual			
Inter hospital debtors		11	1
Trade receivables		69	76
Patient fees		162	132
Other receivable		3	3
Total contractual receivables		**245**	**212**
Statutory			
GST receivable		73	54
Total statutory receivables		**73**	**54**
Total current receivables		**318**	**266**
Non-current receivables			
Contractual			
Long service leave - Department of Health		1,126	1,108
Total contractual receivables		**1,126**	**1,108**
Total non-current receivables		**1,126**	**1,108**
Total receivables		**1,444**	**1,374**
(i) Financial assets classified as receivables			
Total receivables		1,444	1,374
GST receivable		(73)	(54)
Total financial assets classified as receivables	7.1	**1,371**	**1,320**

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		260	291
Accrued salaries and wages		352	218
Accrued expenses		25	42
Other		91	85
Total contractual payables		**728**	**636**
Total payables		**728**	**636**
(i) Financial liabilities classified as payables			
Total payables		728	636
Total financial liabilities classified as payables	7.1	**728**	**636**

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 Terang and Mortlake Health Service prior to the end of the financial year that are unpaid.

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			
Refundable accommodation deposits		3,544	4,000
Total current monies held in trust		**3,544**	**4,000**
Total other liabilities		**3,544**	**4,000**
*** Represented by:**			
- Cash assets	6.1	3,544	4,000
		3,544	**4,000**

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 Terang and Mortlake Health Service upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home.

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

Note 6 How we finance our operations

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

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

Structure

6.1 Cash and cash equivalents
6.2 Commitments for expenditure

Note 6.1 Cash and Cash Equivalents

	Note	2026 $'000	2025 $'000
Cash at bank (excluding monies held in trust)		4,526	5,156
Total cash held for operations		**4,526**	**5,156**
Cash at bank (monies held in trust)		3,544	4,000
Total cash held as monies in trust	5.3	**3,544**	**4,000**
Total cash and cash equivalents	7.1	**8,070**	**9,156**

Note 6.2 Commitments for expenditure

There are no capital or operating commitments at 30 June 2026 (2025: Nil).

Note 7 Financial instruments, contingencies and valuation judgements

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

Structure

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

Note 7.1 Financial instruments

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

30 June 2026	Note	Carrying amount $'000	Net gain/(loss) $'000	Total interest income/ (expense) $'000	Fee income/ (expense) $'000	Impairment loss $'000
Financial assets at amortised cost						
Cash and cash equivalents	6.1	8,070	-	376	-	-
Receivables	5.1	1,371	-	-	-	-
Total financial assets [i]		**9,441**	**-**	**376**	**-**	**-**
Financial liabilities at amortised cost						
Payables	5.2	728	-	-	-	-
Borrowings		121	-	(3)	-	-
Other financial liabilities - Refundable Accommodation Deposits	5.3	3,544	-		-	-
Total financial liabilities [i]		**4,393**	**-**	**(3)**	**-**	**-**

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2026

30 June 2025	Note	Carrying amount $'000	Net gain/(loss) $'000	Total interest income/ (expense) $'000	Fee income/ (expense) $'000	Impairment loss $'000
Financial assets at amortised cost						
Cash and cash equivalents	6.1	9,156	-	426	-	-
Receivables	5.1	1,320	-	-	-	-
Total financial assets [i]		**10,476**	**-**	**426**	**-**	**-**
Financial liabilities at amortised cost						
Payables	5.2	636	-	-	-	-
Borrowings		210	-	(4)	-	-
Other financial liabilities - Refundable Accommodation Deposits	5.3	4,000	-		-	-
Total financial liabilities [i]		**4,846**	**-**	**(4)**	**-**	**-**

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

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

Terang and Mortlake Health Service recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities at amortised cost

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

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

Terang and Mortlake Health Service recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities)
- borrowings and
- other liabilities (including monies held in trust).

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2 Contingent assets and contingent liabilities

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

Note 7.3 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

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

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

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

Fair value determination: non-financial physical assets

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

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

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

Non-specialised land and non-specialised buildings

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

Specialised land and specialised buildings

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

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

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

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

Vehicles

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

Plant and equipment, furniture, fittings

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

Significant assumptions

Asset class	Valuation technique	Significant assumption	Range (weighted average)[(i)]
Specialised land	Market approach	Community Service Obligations adjustment[ii]	20-30% (25%)[(ii)]
Specialised buildings	Current replacement cost approach	Cost per square metre Useful life	$1,000 - $2,750/m^2 ($1,555) 10 - 40 years (45 years)
Plant, equipment and vehicles	Current replacement cost approach	Cost per unit Useful life	$1,000 - $164,000 ($3,500 per unit) 3 - 20 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 ranging from 20% to 30% were applied to reduce the market approach value for Terang and Mortlake Health Service's specialised land, with the weighted average 25% reduction applied.

Note 8 Other disclosures

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

Structure

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

Note 8.1 Ex gratia payments

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

Note 8.2 Responsible persons disclosures

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

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 Jul 2025 - 14 April 2026
Minister for Ambulance Services	1 Jul 2025 - 14 April 2026
The Honourable Harriet Shing MP:	
Minister for Health	15 April 2026 - 30 June 2026
Minister for Ambulance Services	15 April 2026 - 30 June 2026
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	1 Jul 2025 - 30 June 2026
Minister for Prevention of Family Violence	15 April 2026 - 30 June 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	1 Jul 2025 - 30 June 2026
Minister for Ageing	1 Jul 2025 - 30 June 2026
Minister for Multicultural and Multifaith Victoria	15 April 2026 - 30 June 2026
The Honourable Lizzie Blandthorn MP:	
Minister for Children	1 Jul 2025 - 30 June 2026
Minister for Disability	1 Jul 2025 - 30 June 2026
Governing Boards	
Mr Benjamin Dennis	1 Jul 2025 - 30 Jun 2026
Ms Afaf Haddad	1 Jul 2025 - 30 Jun 2026
Mrs Jane Henderson	1 Jul 2025 - 30 Jun 2026
Ms Evelyn Jonkman	1 Jul 2025 - 30 Jun 2026
Ms Narelle Magee	1 Jul 2025 - 30 Jun 2026
Mr David McIntyre	1 Jul 2025 - 30 Jun 2026
Mr John Parker	1 Jul 2025 - 17 Feb 2026
Ms Su Ann Teoh	1 Jul 2025 - 30 Jun 2026
Mr David Ware	1 Jul 2025 - 30 Jun 2026
Ms Michelle Beasley	1 Jul 2025 - 30 Jun 2026
Accountable Officers	
Ms Julia Ogdin	1 Jul 2025 - 30 Jun 2026

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

Income Band	2026 No	2025 No
$0 - $9,999	10	9
$240,000 - $249,999	1	1
Total Numbers	**11**	**10**

	2026 $'000	2025 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**287**	**262**

Amounts relating to the Governing Board Members and Accountable Officer of Terang and Mortlake Health Service'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

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

	Total Remuneration 2026 $'000	Total Remuneration 2025 $'000
Total remuneration [i]	481	459
Total number of executives	3	3
Total annualised employee equivalent [ii]	3.0	3.0

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

Note 8.4 Related parties

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

- all key management personnel (KMP) and their close family members and personal business interests
- cabinet ministers (where applicable) and their close family members
- jointly controlled operations – the South West Alliance of Rural Health 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

Terang and Mortlake Health Service received funding from government related entities of $9.43m (2025: $8.96m) and indirect contributions of $0.104m (2025: $0.14m). Balances outstanding as at 30 June 2026 are $Nil (2025: $0.10m).

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

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

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

Key management personnel

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

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

Entity	KMPs	Position Title
TMHS	Mr Benjamin Dennis	Chair of the Board
TMHS	Ms Afaf Hadad	Board Member
TMHS	Mrs Jane Henderson	Board Member
TMHS	Ms Evelyn Jonkman	Board Member
TMHS	Ms Narelle Magee	Board Member
TMHS	Mr David McIntyre	Board Member
TMHS	Mr John Parker	Board Member
TMHS	Ms Su Ann Teoh	Board Member
TMHS	Mr David Ware	Board Member
TMHS	Ms Michelle Beasley	Board Member
TMHS	Ms Julia Ogdin	Chief Executive Officer
TMHS	Mrs Melissa Mitchell	Director of Nursing
TMHS	Mrs Jane Bourman	Director of Community Health
TMHS	Mr Timothy Pekin	Director of Finance & Administration

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]	768	721

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

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

Note 8.5 Remuneration of Auditors

	2026 $'000	2025 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	32	30
Total remuneration of auditors	**32**	**30**

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 %
South West Alliance of Rural Health (SWARH)	Information Technology Services	0.79	0.79

For the year ended 30 June 2026, Terang and Mortlake Health Service's share of the joint operations financials was:

	2026 $'000	2025 $'000
Total revenue and income	299	294
Total expenses	(303)	(278)
Total net result	(4)	16
Total other economic flows	1	3
Comprehensive result for the year	(3)	19
Total assets	265	306
Total liabilities	209	247
Total equity	56	59

Contingent liabilities and capital commitments

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

Independent Auditor's Report

VAGO
Victorian Auditor-General's Office

To the Board of Terang and Mortlake Health Service

Opinion	I have audited the financial report of Terang and Mortlake Health Service (the health service) which comprises the: • balance sheet as at 30 June 2026 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2025 and their financial performance and cash flows for the year then ended in accordance with the 6reporting 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* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
24 September 2026

Simone Bohan
as delegate for the Auditor-General of Victoria

NOTES

OUR
VISION
TO BE A LEADER
IN THE DEVELOPMENT
OF A VIBRANT
HEALTHIER
COMMUNITY.

WE VALUE
COMPASSION AND
RESPONSIVENESS
WE CARE FOR THE
NEEDS OF
COMMUNITY
AND
EACH
OTHER
EQUITY
& FAIRNESS.

OUR STRATEGIC
GOALS MEET
DEMAND &
SUPPORT

TERANG & MORTLAKE
HEALTH SERVICE
Annual Report 2024/25

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