Timboon and District Healthcare Service



Annual Report
2025/26

A Healthy and Well Community

Acknowledgement of Traditional Owners

We would like to acknowledge the Traditional Custodians of the unceded lands, waterways, and skies on which Timboon and District Healthcare Service provides care. We pay our deep respect to the Keerraywoorrong Ancestors of Eastern Maar, and all First Peoples of Australia and extend this to any Aboriginal and or Torres Strait Islander People joining us today. Timboon and District Healthcare Service acknowledges the Elders past and present of the oldest living culture in the world and recognises the ancient knowledge that Aboriginal People hold as an integral part of our journey forward.

This annual report fulfils Timboon and District Healthcare Service's reporting requirements to the community and to the Minister for Health. It summarises Timboon and District Healthcare Service's results, performance, outlook, and financial position for 2025/2026.

It outlines our performance against key objectives identified in our Strategic Plan and against the Victorian Government's objectives for the community and frontline services.

Our annual reports are available on our website, and a hard copy of this issue can be obtained by contacting us on the contact details below.

Timboon and District Healthcare Service is committed to providing accessible services. If you have any difficulty in understanding this annual report, you can contact us to arrange appropriate assistance.

Contact Us

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Cover image: Meals on Wheels volunteer and Consumer Advisory Committee Chair Bronwyn Rantall

Timboon and District Healthcare Service

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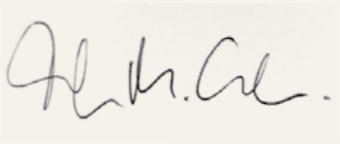
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Report of Operations

Responsible bodies declaration

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



Mr Frank Carlus
Chair, Board of Directors
Timboon and District Healthcare Service
14 September 2026



Board members L-R: Leah Champion, Simone Renyard, Janelle Jakowenko, Kieran Donoghue, Frank Carlus, Ashley Nesseler, Anthony DeJong, Claire Murphy, Toinette Hutchins and James Farrugia

Our Vision

A healthy and well community

Our Mission

To support our communities' health and wellbeing across their life through the provision of safe and effective care

Our Values



We foster an open and positive work environment through honest and ethical behaviours	We are understanding of peoples differing needs, opinions and feelings, and treat everyone with empathy	We take responsibility for our actions, attitudes and decisions and the impact it has on others within our workplace	We promote an inclusive and diverse culture by valuing the differing views, qualities, needs and feelings of each other	We invest in continuous development opportunities, so we can continue to deliver exceptional services to our community

Overview

Our Community

Timboon is a close-knit rural community located 235 kilometres southwest of Melbourne. Surrounded by dairy farms and close to the Port Campbell National Park, our region is known for its beautiful landscapes, strong community spirit and much-loved local produce, including fresh berries and gourmet ice cream.

The town was first settled in 1875 by the Callaway family, English immigrants who selected land to the west and north of the present township.

Our Story

The story of Timboon and District Healthcare Service began with a simple but important idea — our community needed a hospital close to home. On 8 June 1944, local residents came together to discuss establishing a hospital for Timboon and the surrounding district. Although approval was granted later that year, it was another decade before construction began.

Dr PDG Fox, who became Timboon's local doctor in 1951, his wife and many members of the community worked tirelessly to make the hospital a reality. Through fundraising, advocacy and community support, their vision became a reality. Timboon and District Hospital officially opened on 8 December 1955, with its first patient admitted on 5 March 1956.

More than 70 years later, that same spirit of community continues to be at the heart of what we do.

Over the years, our services and facilities have grown and changed to meet the needs of our community. What began as a local hospital has evolved into Timboon and District Healthcare Service (TDHS), providing a broad range of care for people of all ages, close to home.

Our Services Today

In 1998, TDHS became a Multi-Purpose Service (MPS), providing greater flexibility to deliver a broad range of healthcare services in our rural community. Through a partnership between the Commonwealth and Victorian Governments and TDHS, pooled funding enables us to respond to local priorities and changing community needs.

Our services are informed by community consultation, local demographics and population health data. TDHS provides:

- Acute medical care
- Residential and community aged care
- Community health services
- Urgent care
- General Practitioner services

Our 14 flexible beds support both acute care and residential aged care, while our Urgent Care Centre provides care when people need it. General Practitioners provide services from the Timboon Clinic, located opposite TDHS.

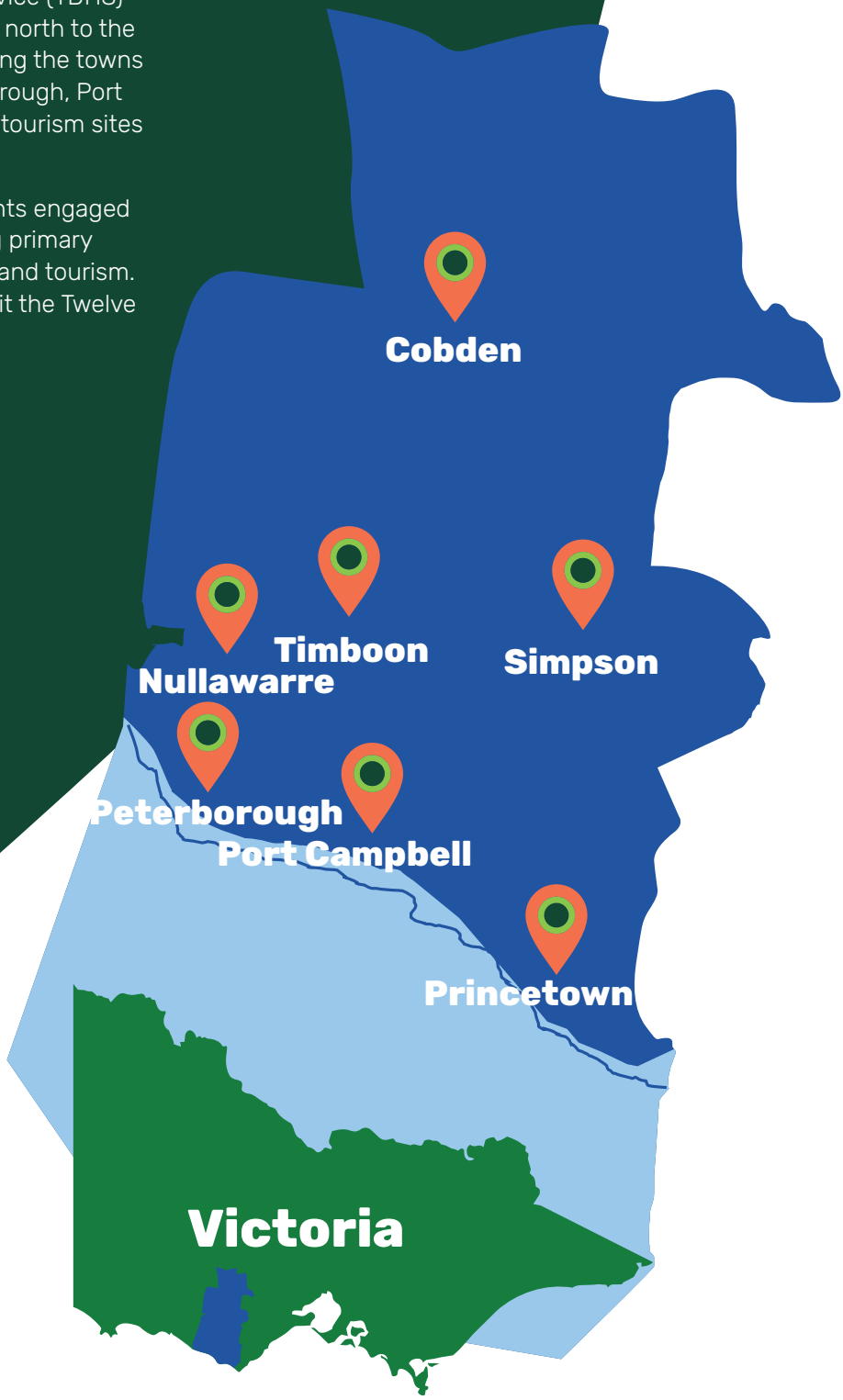
Our services are shaped by the people we care for. We listen to our community, understand local needs and continually look for ways to improve the care we provide.

Today, TDHS remains proud to provide accessible, person-centred healthcare close to home, while continuing to adapt and grow alongside our community.

Our Catchment Area

The Timboon and District Healthcare Service (TDHS) catchment stretches from Cobden in the north to the Great Ocean Road coastline, encompassing the towns of Timboon, Cobden, Nullawarre, Peterborough, Port Campbell, Princetown, Simpson, and the tourism sites of the Twelve Apostles.

It is home to approximately 8,000 residents engaged in a wide range of employment, including primary industries, particularly the dairy industry and tourism. In addition, around 2.5 million tourists visit the Twelve Apostles and Port Campbell each year.



Our History

1944 Timboon Progress Association convened first meeting to discuss establishment of a local hospital



1951 Timboon Township engaged Dr PDG Fox, which was vital to the beginnings of Timboon and District Hospital (TDH)

1955 Construction started in January on land donated by Charles Lindquist



1955 Official opening of TDH by Dr JH Lindell, Chairman of the Hospitals and Charities Commission

1956 TDH open and receiving patients
Construction of TDH staff home



1962 South Western District Ambulance Service became operational at TDH driven by volunteers

1971 Completion of building alterations at TDH

1978 Official opening of Community Health Centre at TDH

1991 Official opening of extensions, treatment room and front entrance at TDH by Mr Arthur Rogers, Regional Director of the Health Department

1998 TDH became Timboon and District Healthcare Service (TDHS) to reflect its new status as an MPS

2002 Official opening of new wing at TDHS by Mr Bruce Mildenhall MP, Parliamentary Secretary to the Premier

2005 Completion of the Timboon Clinic Building

2010 Opening of new Ambulance Station

2013 Official opening of Community Health Building by The Hon David Davis M.P.



2021 Full acquisition of Timboon Clinic

By the community, for the community

Our Services

Timboon and District Healthcare Service (TDHS) continues to engage in local and regional partnerships and service delivery, to provide a broad range of health services that reflect the needs of our community.

Acute Inpatient

Our experienced and highly skilled professional team provide high-quality acute care services across our 14 flexible inpatient beds. With a flexible bed arrangement, we can support people with acute illness, chronic disease, rehabilitative and palliative care needs.

Aged And Residential Care

We deliver residential aged care services at our facility in Timboon. Our aged care facility comprises of 4 permanent beds where members of the community, unable to remain in their homes due to health or mobility issues, can receive 24-hour professional care. Our Multi-Purpose Service model provides TDHS with the flexibility to support Aged Care needs.

Community And Allied Health

We offer a broad range of community and allied health services to meet the needs of our community. We work with a broad range of partners to deliver diverse services, including:

- Community Health Nurse
- Community Transport
- Diabetes Education
- Dietetics
- District Nursing
- Exercise Classes
- Exercise Physiologist
- Immunisation Clinic
- Maternal Health (provided by Corangamite Shire)
- Occupational Therapy
- Physiotherapy
- Podiatry (private)
- Women's Health

Community Care Services

Our dedicated home support care team work across a range of services to enable people to remain independent and safe in their homes for as long as possible. These services are funded through a variety of programs and support younger people with a disability, those over 65 and Aboriginal and Torres Strait Islander people who are over 50. Our home support services include:

- Community Transport
- District Nursing
- Domestic Assistance
- Home Maintenance
- In-home Respite Care
- Meals on Wheels
- Personal Care
- Social Support Group

National Disability Insurance Scheme (NDIS)

We offer specific care services to those with a disability who are registered with the NDIS. Our NDIS services ensure individualised support for people with disability, their families and carers.

Palliative Care

Our palliative care services support those living with and dying from a terminal condition, this can be at home or within the health service. Our compassionate and skilled staff ensure a team approach to palliative care that supports the individual, their carers, family and friends. TDHS has well-developed networks to assist with ensuring a quality end of life experience, closer to home.

Our Services (continued)

Pathology

We partner with regional pathology services to collect and test specimens twice daily, Monday through Friday, and once daily, on Saturday. We foster relationships with leading experts and practitioners to ensure efficient, high-quality pathology services.

Respite

We support families and carers to continue to provide care for their loved ones through the provision of respite care. Respite care is short term support to provide carers and families with a break from direct care provision of those with debilitating illness including physical, intellectual and sensory needs. Respite can be accessed either in home or at the health service.

Telehealth

We utilise Telehealth services to enhance our existing service provision. This ensures our community can access specialised care, close to home, using innovative service models.

Timboon Clinic

We have a dedicated team of doctors, practice nurses and friendly administrative staff who support our community to address their immediate, chronic and preventative health needs.

Transition Care Program (TCP)

TDHS partners with our sub-regional health services to provide community and bed-based services, for up to a period of 12 weeks. This assists people to recuperate after a serious illness or change in condition and aims to prevent hospitalisation and support people to remain at home for as long as possible.

Urgent Care Centre

Our Urgent Care Centre ensures 24-hour assessment and care services for local medical emergencies and urgent care needs. Urgent care is delivered by a nurse led model supported by on-call medical staff.

Board Chair and CEO Report

Introduction

We take this opportunity to thank our funding agencies for their continued support, the Victorian State and the Commonwealth Governments. In addition, we are grateful for the generous donations from our community and businesses that allow Timboon and District Healthcare Service (TDHS) to thrive. Finally, we would like to thank our supportive community, our diligent and caring staff and the external stakeholders which support our capacity to provide the services we do. This includes the Corangamite Shire, member health services of the South West Local Health Service Network and the alliance which ensures our IT systems continue to function, the South West Alliance for Rural Health (SWARH).

Community and consumer engagement

This continues to be an important and ongoing multifaceted endeavor for TDHS. We are fortunate to have strong community support and an active Consumer Advisory Committee. In addition, a strong and active group of volunteers provide us not just with increased capability, but a strong connection to the various sectors in the community. However, this is an ongoing challenge for TDHS and most other health services, which has led TDHS to commission Health Voices Victoria to undertake a project to build on our current position by exploring and implementing initiatives that strengthen our engagement with the various sectors of the community we serve. Having said that, this report provides a wonderful opportunity to say thank you, on behalf of the Board and Executive, for the work undertaken by our volunteers.

Our people

Making and sustaining TDHS as a great place to work is key to maintaining and resourcing a skilled workforce, a strategic and operational objective for TDHS, as it is for most organisations in the health sector. During 2025/26 a significant focus for the Board and Executive Team (ET) has been on the need to nurture a positive and productive workplace culture. Culture is the essential ingredient in any successful organisation and particularly important in managing change in the face of increasing demands, while maintaining activity levels, quality and safety in delivered services. Our efforts to date continue to be validated by the annual sector-wide People Matters Survey, with the most recent results, indicating improvements across the spectrum of measures, including in the engagement of our staff, while also highlighting areas for further targeted attention. TDHS is recognised as one of the best performing small rural health services surveyed – for which we thank our team, who responded to the survey and make TDHS a 'Great place to work' every day. The Board wants to acknowledge the work and energy brought to this endeavor by Krystal Edwards, Human Resources Manager, members of the ET and members of the People, Culture and Remuneration Committee, demonstrating that culture is everyone's responsibility.

One of the factors impacting on recruitment and retention of staff is access to accommodation. We are grateful for having been approved for a project under the Regional Workers Accommodation Fund program. The project is valued at approximately $1.3m. of which $425K is provided by the State Government. It will make good use of TDHS owned vacant land within Timboon (2-4 Hospital Rd) and, in the current stage, provide three purpose-built accommodation units. It is also significant that we have been able to engage a relatively

local Registered Building company to complete the project. We want to acknowledge the work of Andrew Maskell, Finance Manager, on bringing the project to fruition and look forward to its completion in this new financial year (2026/27).

Service Access, Quality and Safety

Our goals in this area are non-negotiable and we believe we are responding to our accountabilities in a proactive manner. In the meantime, challenges continue to present and we must continue to prioritise management of change and recruitment to key clinical and support roles as essential enablers to ensure we keep services viable, accessible, safe and effective. The establishment of the South West Local Health Service Network from 1 July 2025, an outcome of the Health Services Plan Report, is designed to assist all members in achieving improvements in this area. As a network member TDHS is actively invested in related network activities in the expectations of positive outcomes for communities and consumers in our catchment and the broader sector.

One of our key access undertakings is via the operation of the Timboon Clinic (TC) and our Community Health teams. Both areas have benefited from intensive recruitment efforts and some managed change. Work to enhance the capacity, reach and sustainability of TDHS Primary and Community Health services remains a strategic priority. This is a recognized risk/opportunity activity for the health service given the key role these services increasingly play in enabling consumers to age at home safely and to more effectively manage and prevent chronic conditions. We want to thank and acknowledge the work of Larissa Barclay, Director of Clinical Services, James MacAuslan as Interim Director of Community Health for a great part of the Financial Year, and welcome Yasir Arfat as the ongoing incumbent in that role.

The establishment of a dedicated Palliative Care Suite to provide end-of-life care closer to home is a very positive development, making great use of existing underutilised space and enhancing an already highly valued service. We are fortunate and grateful to have received a significant anonymous bequest providing substantial funds for this project.

The work, support and direction provided in this area by Larissa Barclay, Director of Clinical Services, and members of our Clinical Governance, Quality and Credentialing Committee is also acknowledged and highly valued.

Financial Performance

From a financial perspective 2025/26 has been a successful year. The Board approved a tight but balanced budget with the end of Financial Year result producing a small operating surplus. This is no doubt related to the detailed planning and forecasting of revenue and expenditure, and ongoing monitoring and budget control by our small but focused finance team. We want to acknowledge and thank the Executive Team and every staff member who has contributed to the associated tasks, and particularly to Andrew Maskell, Finance Manager, for his diligence and leadership in navigating the always challenging financial environment. The need to replace and renew a number of priority capital items will provide some challenges over the next couple of years with the need to attract additional capital funding high on the action list.

The Board's work in this area has been well supported by the work of the Finance, Audit and Risk Management Committee, which includes oversight of the monthly finances, the capital program, management of relevant risks and internal and external audit processes.

Leadership

The Executive Team has again seen some changes during 2025-2026, and we are pleased to again reflect with satisfaction the positive way the various challenges have been met by the team. In May 2026 we welcomed Yasir Arfat as our Director of Community Health, who brings extensive experience in similar roles across Australia. We are grateful for the service and leadership provided by the members of our Executive Team. Our collective capacity to negotiate the many challenges while continuing to meet our obligations owes much to the capability, skills, resilience and maturity of our Executive Team. During this year we commenced our leadership development approach for middle management, aimed at providing them with the skills and leadership identity to navigate a complex health system. As a priority, our efforts in this area will expand in the coming year.

Website

TDHS has invested in our new website to make it accessible for all consumers with updated branding. We are very proud of the quality of the work and the increased usability of the site. Our previous public facing website had become tired and outdated. This new version reflects a contemporary approach to website design, supported by experienced website designers. As the first point of contact for many of our consumers, this investment will serve us well for many years to come. Well done to the team and to all those consumers who provided feedback.

Governance

Board membership remained stable during 2025/26 with no resignations or new Director appointments, and this was valuable in terms of providing stability and cohesion while not eroding our capacity for constructive feedback, robust inquiry and debate. TDHS benefits greatly from the skills available at the Board table and the impact of that is greatly enhanced when all Directors are aware of the responsibilities attached to the role and the various laws, guidelines and codes that govern our conduct and performance. One of the great strengths of the TDHS Board is the mix of skills, combined with local and out-of-town directors.

The current sub-committee structure, including the Finance, Audit and Risk Committee (FARMC), the Clinical Governance, Quality and Credentialling Committee (CGQCC), the People, Culture and Remuneration Committee (PC&RC) and the Consumer Advisory Committee (CAC), has continued to support the Board's work well and delivering sound governance, with an appropriately high attendance rate over 2025/26. We are grateful for the expertise all Directors have contributed, for the leadership provided by Committee Chairs, and the support the Directors have all provided to the Chair.

We want to acknowledge the departure of long serving Directors, Claire Murphy (completion of nine-year term 30/6/2026) and Toinette Hutchins (resignation 30/6/2026). Both have made a significant contribution to TDHS in various roles, and we intend to formally record our appreciation at our forthcoming Annual General Meeting.

In conclusion we are pleased to share our reflections on what we regard as the successful fulfilment of our collective service and governance responsibilities and obligations. We have been well supported by our strategy and governance structures, and by a dedicated Executive Team, who have in turn led a large group of professional and support staff, who have remained focused on delivering safe and high-quality care to the individuals and communities we serve. We have some significant challenges ahead and we are confident of our capacity to meet them and achieve the best available outcomes for TDHS through a values focused, collaborative, strategic and diligent governance approach.



Frank Carlus
Chair - Board of Directors



Gary Castledine
Chief Executive Officer



TDHS client Sharon Kane

Our Year in Review

Strategic Plan: Progress, Achievement and Challenges

After extensive community and stakeholder consultation, our Strategic Plan 2024-29 was approved and is in its second year of implementation.

Timboon and District Healthcare Service (TDHS) sees a future where more of our community live long and healthy lives, avoiding preventable chronic diseases through community wide healthy lifestyles and actively managing genetic or chronic conditions with the right care and support services.

Our aim over 2024-29 is to strengthen our role in the broader health system caring for people's physical and mental health and wellbeing. To do this we will work with our community, staff and volunteers to:

- Assist people to maintain good health throughout their lives
- Improve health outcomes through early detection and treatment of disease
- Respond to medical emergencies and care for people with acute conditions
- Support healthcare at home and at our healthcare service, including the Timboon Clinic
- Assist people to live well with chronic conditions
- Provide residential care for respite and aged care
- Support mental health and wellbeing through the provision of social supports, and
- Improve staff experience and retention.

This Strategic Plan focuses on the following strategic directions:

Engage consumers Support consumers to maintain lifelong health and wellbeing, by meeting their needs and being responsive to their goals

A great place to work Grow and support our caring, committed and capable team of staff, contractors and volunteers

Better access to care Increase people's access to safe health and wellbeing care through inclusion, innovation and collaboration

Value based care Expand and improve safe health and wellbeing care for people who live, work and visit our catchment

We look forward to working with our staff, communities and partners to deliver the priorities outlined in this Strategic Plan.

Our Year in Review (continued)

The below table outlines our current progress against the TDHS Strategic Plan 2024-29.

STRATEGIC OBJECTIVES	ACTIONS	DELIVERABLES	OUTCOMES
Engaged consumers	Inform and involve consumers in decisions about their care	• Enhance mechanisms for consumers to provide feedback about their experience at TDHS	• Commenced
		• Develop mechanisms for consumers' involvement in the review of themes and trends related to feedback and complaints	• Commenced
		• Use Care Opinion/Health Consumers Connect as platforms for patient feedback, that enables changes to practices and/or processes	• Commenced
		• Provide consumers with opportunities to directly contribute to quality and safety improvement initiatives at TDHS including reviewing patient pathways	• Commenced
		• Enhance opportunities and mechanisms for consumers to be more active participants in decision-making about their care	• Commenced
		• Explore opportunities to improve the information provided to consumers before, during and at discharge from TDHS	• Commenced
	Improve health outcomes through screening and early intervention	• Develop an agriculture nurse program with a focus on the identification and prevention of illness in farmers	• Completed
		• Engage with partners who specialise in screening e.g. Shane Warne Foundation / Blood bank	• Commenced
		• Increase the uptake of chronic disease management at Timboon Clinic	• Completed
		• Integrate Timboon Clinic with health promotion activities	• Commenced
	Grow and support a community-led health promotion and prevention effort	• Enhance mechanisms for promoting consumer engagement at TDHS	• Commenced
		• Develop and implement a system to record and capture consumer engagement activities that occur across TDHS	• Completed
		• Develop feedback and communication mechanisms between the Consumer Advisory Committee and consumers who participate on other governance committees across TDHS	• Commenced
		• Undertake an audit of consumer satisfaction and report on outcomes to the Consumer Advisory Committee	• Commenced
		• Enhance formal processes for reporting on feedback data to the TDHS Consumer Advisory Committee	• Commenced
		• Consider opportunities for signage across the health service that embraces our cultural diversity	• Commenced
		• Use patient stories and lived experiences as catalysts for change and promotion of excellent care	• Commenced
		• Enhance consumer representation on governance committees	• Commenced
		• Enhance the monitoring of key TDHS quality and safety activities by the TDHS Consumer Advisory Committee	• Commenced
		• Develop options and opportunities to manage community expectations regarding healthcare provision	• Commenced

		• Ensure transparency for the community so that expectations are managed	• Commenced
		• Engage our communities to talk to our consumers, and support them through their healthcare journey	• Commenced
		• Identify key TDHS community groups and engage with them to develop appropriate relationships and consumer engagement mechanism	• Completed
		• Implement a consumer representative register	• Commenced
		• Implement strategies to increase the number and diversity of consumers on the TDHS Consumer Representative Register	• Commenced
		• Undertake an audit of consumer satisfaction with Advanced Care Planning and report on outcomes to the Consumer Advisory Committee	• Commenced
		• Enhance our care communication to help consumers access the care they need at TDHS or at another health service	• Commenced
		• Enhance the accessibility of consumer information material on the TDHS website, in collaboration with consumers	• Completed
		• Implement mechanisms to ensure that all TDHS consumer information material is developed in consultation with consumers	• Commenced
		• Health promotions linked with external partners e.g. Cancer Council	• Commenced
		• Develop an effective communications plan including appropriate use of digital platforms and social media	• Commenced
		• Develop organisation wide awareness / learning of indigenous culture and health needs	• Commenced
A great place to work	Grow our workforce through development and educations	• Upskill staff including in clinical and leadership areas	• Completed
		• Contribute actively to regional software, systems and solutions	• Completed
		• Department leads to work with Regional Health Services to identify opportunities for staff exchange as a learning model	• Commenced
		• Development of functional sub-operational committees	• Completed
		• Provide equitable access to professional development leave, conferences, and training programs	• Commenced
		• Promote the academic achievements of our workforce and the subsequent wider community recognition	• Commenced
		• Provide resources in support of leadership development	• Commenced
		• Support participation in leadership programs internal and external to the organisation for all clinical and non-clinical leaders	• Commenced
		• Formalise succession planning for key roles within the organisation	• Commenced
		• Identify staff development through Professional Development Reviews	• Commenced
		• Identify and promote professional development opportunities	• Completed
		• Implement leader/staff rounding	• Commenced
		• Enhance Professional Development Reviews with effective goals to assist staff to achieve their potential	• Commenced

	• Staff training for Violence prevention and management – personal safety	• Commenced
	• Develop consistent performance development tools across the organisation	• Commenced
	• Enhance monitoring of mandatory education	• Completed
	• Establish a Clinical Educator position	• Completed
	• Cascade performance agreements from the Chief Executive Officer down to the relevant executives, and link this with performance appraisal	• Commenced
Recruit, retain and replenish our clinical and volunteer workforce	• Implementation of a new Human Resources Information System (HRIS) at TDHS in partnership with other regional health services	• Commenced
	• Implement robust processes and develop a skill base for succession planning to support the work environment	• Commenced
	• Enhance payroll query processes to ensure the prompt and efficient resolution of issues	• Completed
	• Regular communication from the Executive and Board to TDHS staff	• Commenced
	• Develop board and executive rounding schedule that is well-published and communicated to all areas of TDHS	• Commenced
	• Participation in staff forums, surveys, and open sessions to provide opportunities for feedback and questions	• Commenced
	• Acknowledge and recognise our staff for the work that they do and develop consistent messaging in line with our values	• Commenced
	• Develop a Workforce plan	• Commenced
	• Promote and enhance employment of staff who live within the catchment of TDHS	• Completed
	• Implement organisation wide exit interviews	• Completed
	• Uplift workplace safety functions monitored through the Occupational Health & Safety Committee	• Commenced
	• Implement Executive rounding to engage staff in the development of a positive workplace culture	• Commenced
	• Increase and implement new staff wellbeing initiatives	• Commenced
	• Action of People Matter Employee Survey results	• Completed
	• Increase key worker accommodation through the delivery of the Regional Workers Accommodation Fund project	• Commenced

STRATEGIC OBJECTIVES	ACTIONS	DELIVERABLES	OUTCOMES
Improve access to care	Offer new ways for people to access care	• Use of evidence-based practice to guide practices to review and evaluate care and service delivery	• Completed
		• Develop a property strategy	• Commenced
		• Develop a comprehensive capital budget framework	• Commenced
		• Introduction of the Chronic Disease Nurse Practitioner position	• Completed
	Provide care that is culturally safe and inclusive	• Define cultural learning programs and how they will integrate with existing education	• Commenced
		• Identify Aboriginal and Torres Strait Islander stakeholder groups within our local area or sphere of influence	• Completed
		• Become educated by attending and actively participating in Cultural awareness training facilitated by Traditional Owner Group Eastern Maar	• Completed
		• Seek local Aboriginal Community Controlled Health Organisations (ACCHO) input into ongoing reconciliation efforts within TDHS	• Completed
		• Develop a calendar of culturally significant dates for the Aboriginal and Torres Strait Islander National Community	• Completed
		• Circulate relevant resources and reconciliation materials for our staff on all significant dates for First Peoples	• Commenced
		• Encourage and support staff and senior leaders to participate in at least one external event to recognise and celebrate all significant First Peoples dates	• Commenced
		• Executive Leadership Team to provide ongoing support for TDHS' annual National Aboriginal and Islander Day Observance Committee (NAIDOC) Week events	• Completed
		• Develop a Reconciliation Action Plan (RAP) communication strategy and plan to communicate our commitment to reconciliation to all staff	• Commenced
		• Enhance staff participation and inclusion in developing and implementing an Innovative RAP	• Completed
		• Include an Acknowledgement of Country pop-up on the TDHS website	• Completed
		• Develop a Reconciliation Action Plan resource and reference page for the TDHS website	• Completed
		• Research and promote best practice and policies in areas of race relations and anti-discrimination	• Commenced
		• Conduct a review of People and Culture policies and procedures to identify existing anti-discrimination provisions and future needs	• Commenced
		• Conduct a review, assess, and determine cultural learning needs within our organisation	• Commenced
		• Improve future employment and professional development opportunities for Aboriginal and Torres Strait Islander peoples	• Commenced
		• Allocate resources and budget allocations for RAP implementation	• Completed
		• Define appropriate systems and capability to track, measure, and report on RAP commitments	• Completed

		• Review staff cultural safety continuous improvement strategies and monitor implementation success	• Commenced
		• Create a standing agenda item at Committee meetings to govern implementation of the RAP	• Commenced
		• Develop a Terms of Reference for the Diversity and Inclusion Committee which incorporates governing the RAP	• Commenced
		• Where possible maintaining Aboriginal and Torres Strait Islander representation on the Inclusion Committee	• Commenced
	Respect and protect consumer information	• Preparation of an Asset management plan for the organisation	• Completed
	Strengthen and grow care pathways with other health services and providers	• Enhance the relationship with the Western Victoria Primary Health Network	• Commenced
		• Identify other community health service providers and non-government organisations and establish partnerships with these organisations	• Commenced
		• Establish relationships with partners who we can both learn from and those who can learn from us	• Commenced
		• Actively contribute to projects within the South West Local Health Service Network	• Commenced
		• Participate in regional forums	• Completed
		• Actively participate in the development of the South West Local Health Service Network and the achievement of its key outcomes	• Completed

STRATEGIC OBJECTIVES	ACTIONS	DELIVERABLES	OUTCOMES
Value based care	Strengthen the community's connection with TDHS	• Develop a mechanism for consumers within our catchment to be aware of what we will and will not do (clinical tests, procedures, and interventions)	• Commenced
		• Actively engage and participate in local community groups	• Commenced
		• Reconnect with local businesses	• Commenced
		• Build on partnerships with key stakeholders such as Corangamite Shire	• Commenced
		• Promote recycling and waste segregation through staff awareness	• Completed
	Trial new and innovative multidisciplinary primary care models	• Redesigning workflows to take advantage of technology to be more efficient and/or effective	• Commenced
		• Explore key revenue-raising opportunities to support additional service delivery	• Commenced
		• Implementation of Board of Director reporting software	• Completed
		• Implementation of reporting software to track audit recommendation	• Completed
		• Engagement and participation in both, Safer Care Victoria's 'Sepsis' and 'Improving Care for Older People at risk of Delirium' collaboratives	• Completed
		• Evaluation of innovative technology supporting early recognition of sepsis in adults presenting at TDHS	• Completed
	Improve people's care experience and quality-of-life outcomes	• Evaluate the effectiveness of value-based healthcare	• Commenced
		• Develop a mechanism for staff with TDHS to be aware of what we will and will not do (clinical tests, procedures, and interventions)	• Commenced
		• Redesign care around people and our community's changing care needs	• Commenced
		• Continuously improving consumer experience measures	• Commenced
		• Review clinical outcomes and consumer experience concurrently to determine improvements in healthcare delivery through initiatives such as standardised carer escalation	• Completed
		• Participate in external benchmarking to measure performance against state and national peers	• Completed
		• Engage with the local Community Palliative Care team to enhance local processes and undertake quality improvement projects	• Commenced
		• Enhance end-of-life care that is provided for aged care consumers who call TDHS home	• Completed
		• Development of a purpose- built suite for those requiring end-of-life care with community working group	• Completed
		• Annual Appeal initiative focussed on the development of a Sensory Garden, including Indigenous space, in collaboration with our staff, consumers and community	• Commenced

	High quality safe care	• Change how we work internally so that care is provided in a timelier manner	• Commenced
		• Develop and use consumer-reported outcome measures	• Commenced
		• Implement a continous improvement process to ensure a safe environment in our Urgent Care and Timboon Clinic	• Commenced
		• Deliver staff education on identifying children at risk of harm	• Commenced
		• Enhance systems to monitor staff compliance with mandatory reporting training & Working with Children's check	• Completed
		• HACs aligned to relevant committees for review	• Commenced
		• Agree on a standardised minimum data set which includes lead and lag indicators which are developed in collaboration with clinical teams	• Commenced
		• Implement processes to ensure employee leave entitlements are used regularly to support employee wellbeing	• Completed
		• Further develop plans to promote staff wellbeing	• Commenced
		• Monitor activity and expenditure every month to ensure financial position remains balanced and there is alignment between cost and activity	• Completed
		• Should budgetary overruns appear, develop strategies to improve the position back to a balanced budget'	• Completed
		• Uplift the financial asset register and associated processes	• Completed
		• Replace end of life door control systems	• Completed
		• Increase the quality of Medical Clinic financial reporting to support decision making	• Completed
		• Replace end of life fire detection systems	• Commenced
		• Uplift operational risk management processes	• Commenced
		• Upgrade end of life nurse call and patient entertainment systems	• Commenced
		• Uplift payroll audit controls and processes	• Completed
		• Establish Corporate Operational Committees	• Commenced
		• Review and uplift the annual budgeting process	• Commenced
		• Review consumer fees & charges to ensure service provision is maximised and sustainable	• Completed
		• Develop business partnering & financial reporting tools to support middle management	• Completed
		• Review and uplift Contract Management systems & processes	• Commenced
		• Develop strategies to improve TDHS' financial position and maintain a breakeven operating result	• Commenced
		• Implement Leader/consumer safety rounding	• Commenced
		• Review financial sustainability of current Community Health Programs and identify improvement opportunities	• Commenced

Local Health Service Networks

Background on the Networks

In 2023, an independent Expert Advisory Committee was established to consider how to improve access and equity of our health services for all Victorians. Although we have a world-class health services system with a committed and excellent workforce, the Committee found through consultation with health service leaders that, like other health systems across the world, Victoria's is under increasing strain and there is a need to deliver better, more connected care.

Overall, the Committee found the system was often disconnected and hard to navigate, access to services was inequitable, and resources were sometimes insufficiently focused on patient care due to duplication and administrative inefficiencies. To provide solutions, the Committee developed the Health Services Plan.

Within the Plan's 27 recommendations was the direction to create more collaboration and connection between services by establishing Local Health Service Networks.

Final Network groupings were determined following extensive consultation with health services, guided by principles drawn from the Health Services Plan.

Establishment of the Networks

On 1 July, 2025, Victoria's Local Health Service Networks (Networks) were officially established. The Networks group health services within a geographical region and are responsible for supporting collaborative care for their community, as close to home as possible. They are a key recommended pillar of reform in the Health Services Plan.

There are 12 Networks across Victoria. Each Network is responsible for:

- meeting their communities' care needs as close to home as possible
- supporting more equitable and consistent care for patients
- increasing consistency of quality and safety of care
- strengthening workforce attraction, retention and support
- delivering support services at scale

By working together across the Network, our health services will be able to better coordinate care, including escalating your care to a larger or specialist hospital if required and bringing your care closer to home for your ongoing care and recovery.

South West Local Health Service Network –

Timboon and District Healthcare Service is part of the South West Local Health Service Network, which includes:

- Casterton Memorial Hospital
- Heywood Rural Health
- Moyne Health Services
- Portland District Health
- South West Healthcare
- Terang and Mortlake Health Service
- Timboon and District Healthcare Service
- Western District Health Service

Local Health Service Networks (continued)

Year One Highlights

The South West Local Health Service Network (SW LHSN) was established to strengthen collaboration across our region and support member health services to address shared challenges and improve outcomes for our communities.

Our first year focused on building strong foundations for long-term success. Together, we established governance arrangements, developed a shared three-year strategy, strengthened regional partnerships, and commenced initiatives to support more coordinated, equitable and sustainable healthcare across South West Victoria.

Key achievements included progressing regional workforce planning, re-establishing the Residential In-Reach program, advancing the Network Clinical Services Plan, improving regional approaches to planned surgery and patient flow, supporting recognition of prior learning, strengthening safety and quality collaboration, and coordinating work in diversity, inclusion and family violence.

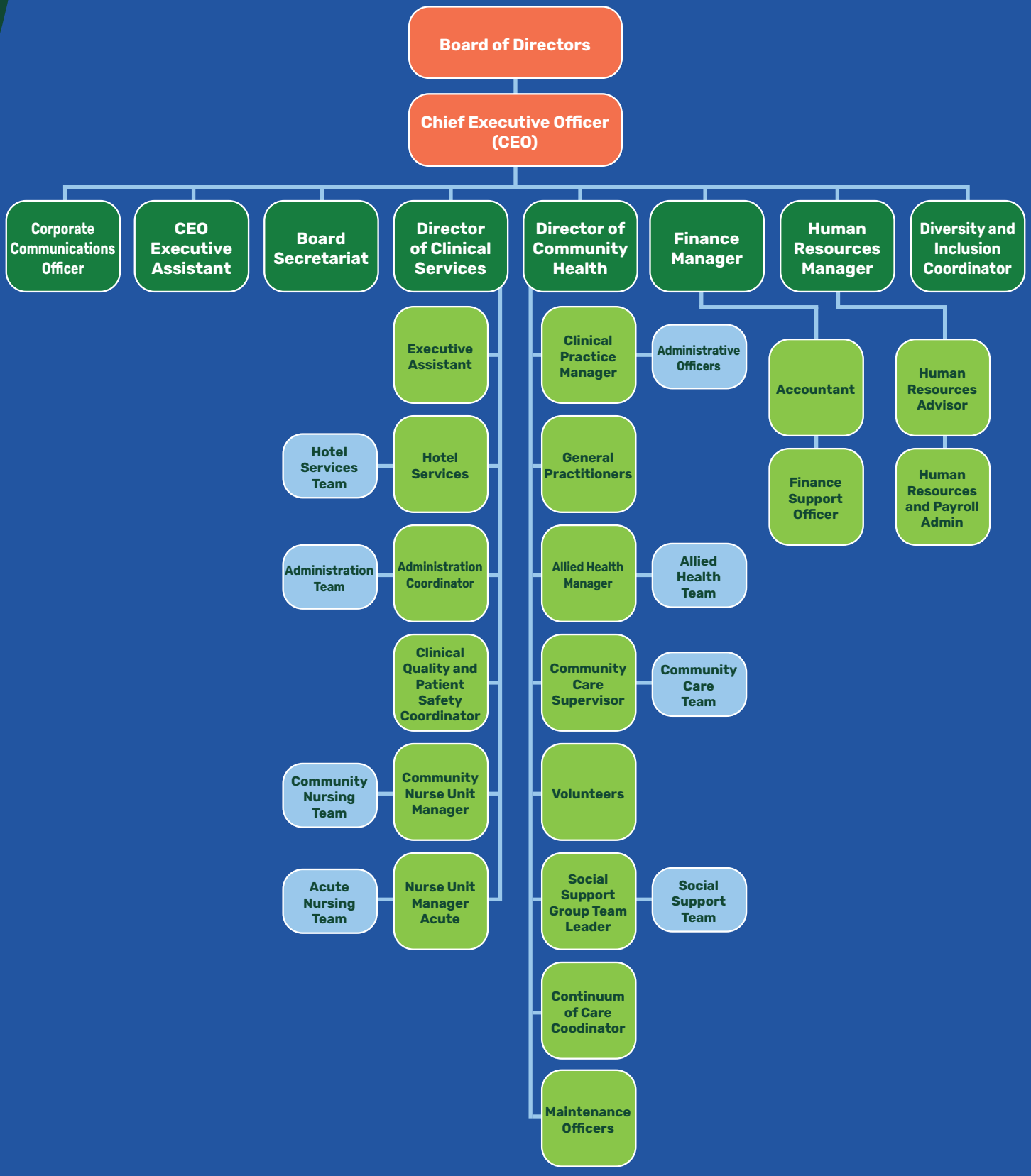
Importantly, the SW LHSN has built on the region's long history of collaboration by strengthening existing partnerships rather than creating new ones, providing a formal mechanism for member health services to work together while respecting each organisation's autonomy.

As the Network enters its second year, the focus will shift from establishing foundations to delivering measurable improvements for patients, communities and staff, supported by strong governance, dedicated resources and a shared commitment to improving healthcare across South West Victoria.



SW LHSN Executive (CEO) Committee (L-R): Sophie O'Keeffe (SW LHSN), Leigh Parker (HRH), Gary Castledine (TDHS), Karena Prevett (PDH), Katharina Reford (MHS), Rowena Clift (WDHS), Julia Ogdin (TMHS), Craig Fraser (SWH).

Our Organisational Structure



Our Governance

Timboon and District Healthcare Service (TDHS) is a public health service established under the Health Services Act 1988 (Vic). The responsible Minister(s) for the reporting period were:

Minister for Health Minister for Ambulance Services	The Hon. Mary-Anne Thomas MP (1 July 2025 to 15 April 2026)
Minister for Health Infrastructure 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 (1 July 2025 to 30 June 2026)
Minister for Mental Health Minister for Ageing	The Hon. Ingrid Stitt MP (1 July 2025 to 30 June 2026)
Minister for Disability/Minister for Children	The Hon. Lizzie Blandthorn MP (1 July 2025 to 30 June 2026)

Our Board of Directors

The role of the Board of Directors is to oversee the health service on behalf of the Minister for Health and in accordance with government policy and its legal obligations.

The health service is responsible for ensuring positive health outcomes, specifically: safe, effective, person-centered care. The Board provides strategic leadership of the organisation whilst monitoring performance and ensuring accountability and compliance.

Board members do not participate in day-to-day management of the health service; this is the role of the Chief Executive Officer (CEO) and staff. The Board appoints the CEO and delegates sufficient powers to allow them to manage the health service effectively. Health service Boards are required to govern the health service, develop strategies, oversee financial and service performance, respond and adapt to challenges such as changing demographics and disease profiles, and meet expectations regarding regulatory and government policy requirements and standards.

The Board also supports development and approval of organisational documents such as Frameworks, Policies, and Procedures to ensure the effective oversight and action of the health service. The Board acts and is responsible as a collective; Board Members do not act individually.

The Board members are appointed by the Governor in Council on the recommendation of the Minister for Health. Applications and selection processes are conducted in accordance with The Department selection process. Office Bearers are Directors who hold a Board appointed or delegated position. The Board nominates Office Bearers annually. Office Bearers at Timboon and District Healthcare Service (TDHS) include the Board Chair, Board Vice Chair(s) and Committee Chair(s).

Our Board of Directors (continued)

During this financial year the TDHS Board consisted of 10 members.

Chair
Frank Carlus
First appointed: 01 July 2019
Current term of appointment:
01 July 2024 - 30 June 2027

Vice Chair
Ashley Nesseler
First appointed: 01 July 2019
Current term of appointment:
01 July 2025 – 30 June 2028

Vice Chair
Leah Champion
First appointed: 01 July 2024
Current term of appointment:
01 July 2024 – 30 June 2026
Chair People, Culture and Remuneration
Committee: 01 July 2025 – 30 June 2026

Board Members

Claire Murphy
First appointed: 01 July 2017
Current term of appointment:
01 July 2023 - 30 June 2026

Toinette Hutchins
First appointed: 01 July 2018
Current term of appointment:
01 July 2024 – 30 June 2027

Anthony DeJong
First appointed: 01 July 2019
Current term of appointment:
01 July 2024 – 30 June 2027

Janelle Jakowenko
First appointed: 08 March 2022
Current term of appointment:
01 July 2024– 30 June 2026

Simone Renyard
First appointed: 01 July 2022
Current term of appointment:
01 July 2025 – 30 June 2028
Board Representative Consumer Advisory
Committee: 01 July 2025 – 30 June 2026

Kieran Donoghue
First appointed: 01 July 2022
Current term of appointment:
01 July 2025 – 30 June 2028
Chair Finance, Audit and Risk Management
Committee: 01 July 2025 – 30 June 2026

James Farrugia
First appointed: 01 July 2024
Current term of appointment:
01 July 2024 – 30 June 2027

Our Committee Structure

The Board of Directors has established a committee structure with terms of references and annual work plans to assist in meeting its obligations.

Timboon and District Healthcare Service (TDHS) continues to keep the community involved in its governance, with two of the four Board sub-committees including at least one consumer representative as a member.

BOARD SUB COMMITTEE	PURPOSE	MEMBERSHIP
Finance, Audit and Risk Management Committee (FARM Committee)	To provide assurance that the requirements of the Financial Management Act 1994 (Vic), Audit Act 1994 (Vic), Financial Management Regulations, Standing Directions of the Minister of Finance, Financial Reporting Directions, the Financial Management Compliance Framework, the Victorian Government Risk Management Framework, the Victorian Government Asset Management Accountability Framework and any other legal requirements are complied with. This committee meets at least four times a year and its membership includes at least one community representative.	Kieran Donoghue (Chair) Anthony DeJong Frank Carlus James Farrugia Janelle Jakowenko Simone Renyard Matt Hoffman (Consumer Representative) – Resigned 16 July 2025 Josh McKenzie (Consumer Representative)
Clinical Governance, Quality and Credentialing Committee (CGQCC)	To assist the Board of Directors in fulfilling its clinical governance responsibilities, ensuring TDHS provides safe, effective and person-centered care to the communities we serve. The committee convenes six times a year and works to an annual plan which ensures continuity and systemisation of processes. The committee continues to try recruiting community representatives.	Janelle Jakowenko (Chair) Anthony DeJong Ashley Nesseler Frank Carlus Leah Champion Toinette Hutchins
People, Culture and Remuneration Committee (PC&RC)	To assist and advise the Board of Directors on matters relating to the performance management, remuneration and succession planning of the Chief Executive Officer. This committee is an important vehicle for delivering TDHS' strategic vision and includes the broader workforce and its culture.	Leah Champion (Chair) Ashley Nesseler Claire Murphy Frank Carlus Janelle Jakowenko Kieran Donoghue Simone Renyard Gary Castledine (staff) Krystal Edwards (staff)

Our Committee Structure

Consumer Advisory Committee (CAC)	To assist with the facilitation and coordination of community engagement and consumer feedback strategies as well as provide insight/advice on how TDHS is meeting the needs of consumers and the community.	Bronwyn Rantall (Chair) Bobbie French - Resigned 10 December 2025 Scott Munro Jeremy McDonald John Fox Isabelle Jones – Resigned 10 December 2025 Ellen Podbury (school representative) Kyla Groves (student representative) – until 10 December 2025 Airiz Del Cruz (student representative) – from 8 October 2025

Our Executive Team

Timboon and District Healthcare Service's (TDHS) executive team reports to the Board of Directors via the Chief Executive Officer (CEO).

The executive team bring a diverse range of skills to support the CEO in the delivery and evaluation of safe, effective and person-centered care.

CHIEF EXECUTIVE OFFICER (CEO)

The Chief Executive Officer is directly responsible to the Board of Directors for the overall management and financial accountability of the organisation.

Gary Castledine

Qualifications: BAppSc BA DipAmbParamedic MEthicsLeg

DIRECTOR OF CLINICAL SERVICES (DCS)

The Director of Clinical Services is responsible for leading the Nursing, Quality & Education teams to ensure a culture of patient centered care that is individualised, safe and responsive. The DCS is also responsible for the implementation and monitoring of the Clinical Governance Framework.

Larissa Barclay

Qualifications: BNg, GradDipMid, MMid

DIRECTOR OF COMMUNITY HEALTH (DComH)

The Director of Community Health is responsible for managing Allied Health, Community Care, District Nursing, Community Engagement and the Timboon Medical Clinic.

James MacAuslan

– Interim Director of Community Health
- from 1 July 2025 until 9 June 2026

Qualifications: SIT30821, BExSc, MClinExPhys

Yasir Arfat

– Director of Community Health
– from May 2026

Qualifications: MPH FCHSM CHE GAICD

FINANCE MANAGER (FM)

The Finance Manager is responsible for managing Finance, Risk Management, Compliance and Information Technology departments.

Andrew Maskell

Qualifications: B.Com and CPA

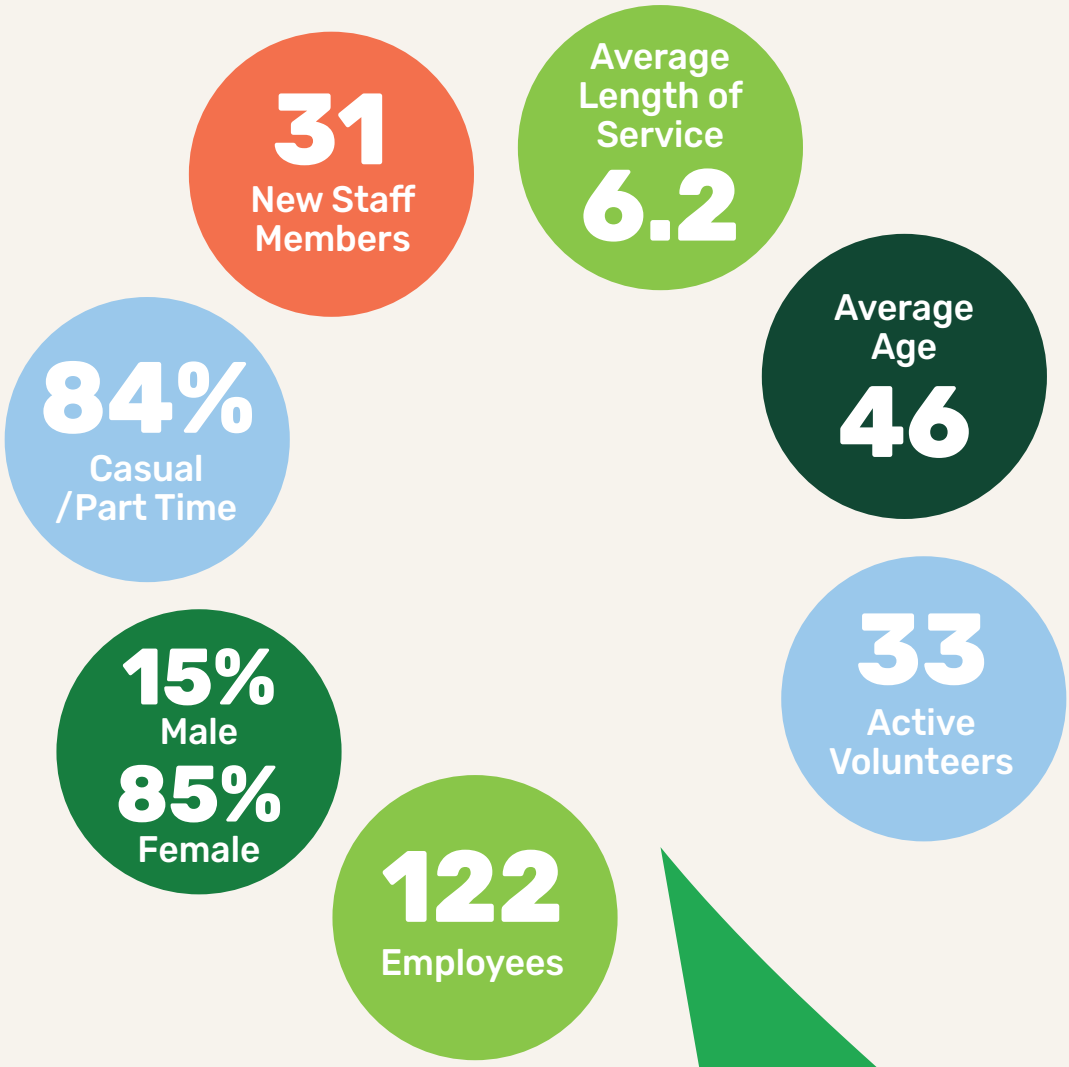
HUMAN RESOURCES MANAGER (HRM)

The Human Resources Manager is responsible for managing recruitment & retention, workplace culture and performance management.

Krystal Edwards

Qualifications: Dip. HRM

Our Workforce



Our Workforce Data

Hospitals labour category	JUNE current month FTE*		Average Monthly FTE**	
	2025	2026	2025	2026
Nursing	27.05	27.81	27.49	27.78
Administration and Clerical	16.47	18.85	16.03	17.58
Medical Support	2.24	1.47	1.66	1.48
Hotel and Allied Services	21.82	21.32	19.92	20.58
Medical Officers	0	0.22	0.42	0.23
Hospital Medical Officers	0.94	0.93	0.94	0.93
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	3.63	4.48	3.99	4.35
Total	**72.15**	**75.08**	**70.45**	**72.93**

The above FTE figures exclude overtime, nor do they include contracted staff (e.g. agency nurses, fee-for-Service visiting Medical Officers) as they are not regarded as employees for this purpose.

Workforce Inclusion Policy (Gender Equality Act 2020)

TDHS is committed to creating a workplace that is fair, safe, respectful and inclusive, consistent with the objectives of the Gender Equality Act 2020 (Vic). Through its Gender Equality Action Plan (GEAP), TDHS has established initiatives to improve gender equality, workforce inclusion and equal opportunity.

Progress during 2025–26

Progress during the year included:

- **Senior leadership:** Female representation continued to increase, bringing the gender composition of senior leadership closer to the overall workforce profile. This indicates positive progress in providing opportunities for women to progress into leadership.
- **Flexible work:** Flexible work has become more normalised, with leadership role-modelling and improved processes supporting staff to access flexible arrangements. Women's reported positive perception of flexible work increased from 60.3% in 2023 to 88.9% in 2025. TDHS is working to improve the formal recording of flexible arrangements so that future reporting better reflects actual uptake.
- **Recruitment:** Overall recruitment remained strongly female-dominated, with only a 1 percentage point change between 2023 and 2025. This reflects the gendered nature of healthcare and the challenges of recruiting within a rural labour market with a limited candidate pool.
- **Workforce data:** TDHS continues to participate in the development of a new HR information system with the Barwon Local Health Service Network. This provides an opportunity to improve collection and analysis of workforce demographic data and strengthen future monitoring of inclusion targets.
- **Gender pay equity:** This remains an area requiring further improvement. Between 2023 and 2025, the mean base salary gender pay gap increased from 11.3% to 21.8%, with a particularly significant gap at senior leadership level. TDHS will prioritise further analysis of remuneration practices and the underlying causes of the gap through the next GEAP.
- **Workplace culture and safety:** TDHS maintained procedures for responding to family violence and workplace sexual harassment and continued values-based, resilience and wellbeing initiatives. The reported anonymous sexual harassment experience rate for women decreased from 1.6% in 2023 to 0% in 2025; however, limited reporting data means this result should be interpreted cautiously.

Implementation challenges

Not all planned GEAP actions were completed during 2025–26. Progress was constrained by the limited capacity of a small HR function, competing operational priorities, limited specialist expertise and resource constraints. This affected the delivery of gender pay analysis, workforce data analysis, additional training, family violence education, structured communications and the formal recording of informal flexible work arrangements. Some initiatives were also reassessed where they were not achieving their intended outcomes.

Longer-term progress

A comparison between our 2023 and 2025 workforce data indicates that overall workforce gender composition has remained relatively stable and strongly female-dominated, with only modest movement towards gender parity. In contrast, stronger progress has been achieved in senior leadership and flexible work culture. Occupational gender segregation has also remained broadly unchanged, although some occupational groups have seen increased male representation. Overall, TDHS has made targeted progress in areas within its direct influence, particularly leadership, flexible work, recruitment practices and workforce systems. However, broader workforce gender balance and gender pay equity remain areas requiring sustained attention. The findings from our most recent workforce data will inform the next GEAP, allowing us to develop concrete strategies to address identified gaps. Strategies will include targeted actions to improve data collection, review existing structures, update key procedures and processes and mitigate the effect of unconscious bias in recruitment, promotion, leave, flexible work, training and pay practices.

Occupational Health and Safety

TDHS is committed to fostering a positive safety and reporting culture where all risks and hazards in the workplace are minimised, eliminated, and controlled through the involvement and commitment of all employees, volunteers, contactors and other persons visiting the premises.

Ongoing staff education has seen growth in the awareness of the importance of reporting incidents including near misses. The support of our Occupational Health and Safety Committee has assisted with improving access to reporting processes and in holding Managers and Executive responsible for ensuring investigative reviews and corrective actions are undertaken.

Hazards/incidents listed below cover all types of incidents involving staff, consumers, visitors and contractors including near misses and potential hazards where no harm occurred.

Occupational Health and Safety Statistics	2023-2024	2024-2025	2025-2026
The number of reported hazards/incidents for the year per 100 FTE	446	335	332
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	2.9	1	0
The average cost per WorkCover claim for the year $ ('000)	$51.64	$11.19	0

Occupational Violence

Occupational violence statistics	2025-2026
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0
Number of occupational violence incidents reported	6
Number of occupational violence incidents reported per 100 FTE	8.2
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0

Definitions of occupational violence

- **Occupational violence** – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident** – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during a planned or unplanned Code Grey, it must be included.
- **Accepted Workcover claims** – claims accepted and lodged in 2025-2026.
- **Lost time** – defined as greater than one day.
- **Injury, illness or condition** – includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Financial Information

	2026 $000	2025 $000	2024 $000	2023 $000	2022 $000
OPERATING RESULT*	23	15	(889)	0	97
Total revenue	12,495	12,122	10,536	10,471	9,423
Total expenses	12,998	12,663	12,073	10,966	10,200
Net result from transactions	(503)	(541)	(1,537)	(495)	(777)
Total other economic flows	23	74	98	(12)	-227
Net result	(480)	(467)	(1,439)	(507)	(1,004)
Total assets	20,659	20,701	21,420	24,149	23,683
Total liabilities	4,955	4,517	4,769	3,582	3,061
Net assets/Total equity	15,704	16,184	16,651	20,567	20,622

**The operating result is the result for which the healthcare service is monitored in its Statement of Priorities*

	2025-26 ($000)
Operating Result	23
Capital Purpose income	577
Expenditure for capital purpose	(42)
Depreciation and amortisation	(1036)
Finance costs (other)	(25)
Net result from transactions	(503)

Financial Analysis of Operating Revenues and Expenses

The Net Operating Result is the key financial performance indicator by which TDHS is measured by both the Board of Directors and Department of Health.

For the financial reporting period, the Health Service delivered a modest operating surplus of $23,000 against total revenues of $11.92 million. This result was favourable to the original budgeted deficit of $22,000. While the surplus represents only a small proportion of overall revenue, it reflects disciplined financial management within a constrained funding environment and provides confidence that the organisation is on track with its financial sustainability objectives.

This result was achieved despite the broader financial pressures facing the Victorian health sector. TDHS was able to limit operational expenditure growth to 2.5% despite heightened workforce expenses, supply chain pressures, and rising utility and service costs. Careful financial management and targeted cost containment strategies have been essential in offsetting these impacts and ensuring the Health Service remained within its overall budget parameters.

The Net Result from Transactions— which includes operating and capital income, expenditure, finance costs, and depreciation— showed a deficit of $503,000. A detailed reconciliation of the Net Result from Transactions to the Net Operating Result is located above.

For 2025–26, TDHS's overall net result, after accounting for other economic flows, gains/losses on financial instruments, and non financial assets, was a deficit of $481,000.

At year end, the Health Service's cash and cash equivalents increased from $4.6 million to $5.3 million. This balance comprises of $2.7 million of tied & committed funds which includes $1.3 million in Refundable Accommodation Deposits, leaving $2.5 million available for operational use. The 13.4 % increase in the cash position was primarily attributable to the receipt of additional refundable accommodation deposits relating to residential aged care.

Another key indicator monitored by the Department of Health is the Health Service's Adjusted Asset Ratio (ACAR). For the period ending 30 June, the Health Service reported an ACAR of 1.64, compared with the statewide target of 0.70. The ratio still indicates that the health service is in a strong financial position, with adequate cash reserves to meet liabilities as they fall due.

Looking Ahead

While the financial outlook for the coming year remains tight, the Health Service is well positioned to manage these pressures. Continued focus will be placed on workforce sustainability, efficiency improvements, and proactive financial planning and modelling. Longer term, strategic investment in infrastructure and digital capability will be critical to supporting the evolving needs of our community.

Information and communication technology (ICT) expenditure

For the 2025-2026 reporting period, TDHS had a total ICT expenditure of $0.653 million (excluding GST) with the details shown below:

Business as Usual (BAU) ICT expenditure	Non Business as Usual (non BAU) ICT expenditure		
Total (excluding GST)	Total=Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
$0.629M	$0.024M	0	$0.024M

Consultancies information

Details of consultancies (under $10,000)

In 2025-2026, there were zero consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2025-2026 in relation to these consultancies is $0 (excl. GST).

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

In 2025-2026, there were three consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2025-2026 in relation to these consultancies is $65,465 (excl. GST). Details of these consultancies can be viewed below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2025-2026 (excluding GST)	Future expenditure (excluding GST)
Bianca Brown Consulting	Functional Structure Review	1/6/2025	31/7/2025	27,900	11,700	0
Billard Leece Partnership	Property Strategy & Asset Assessment	1/3/2026	31/12/2026	39,060	39,060	0
Pivotspace Pty Ltd	Strategic Planning Review	1/2/2026	31/3/2026	14,705	14,705	0

Government Advertising Campaign

For the 2025-2026 reporting period, Timboon and District Healthcare Service reported nil activities or circumstances triggering the disclosure threshold of $100,000 on government advertising expenditure.

TDHS Community Care client June Hallyburton (right) with TDHS Community Care worker Sharon Shanahan



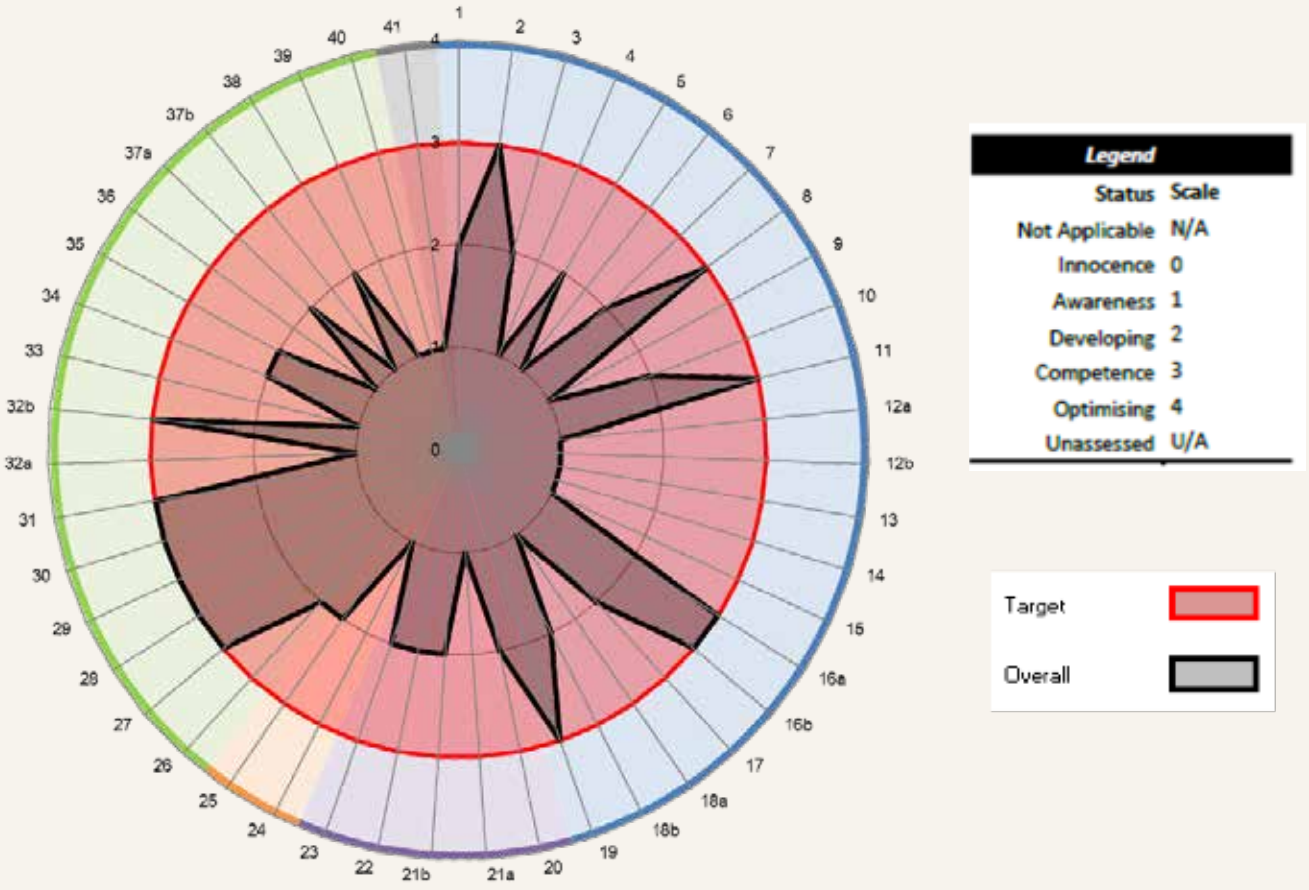
Financial Information (continued)

Asset Management Accountability Framework

The following sections summarise Timboon & District Healthcare Service's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the Department of Treasury and Finance Victoria website https://www.dtf.vic.gov.au/asset-management-accountability-framework

The Timboon & District Healthcare Service target maturity rating is 'competence', meaning systems and processes are fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

The following AMAF maturity assessment was conducted in the 2023-24 financial year. Work continues to lift maturity levels in areas that require improvement.



Social Procurement Framework

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

Where possible Timboon and District Healthcare Service aligns itself with Health Share Victoria (HSV) contracts. HSV apply best value procurement principles to have a positive social impact.

TDHS actively seeks connections and maintains collaborative partnerships with healthcare partners in the Southwest to enhance the provision of innovative social and sustainable outcomes which aligns with our strategic goals and strategies. Whenever possible, TDHS obtains quotes from local providers and services who meet the requirements of HSV and our local needs.

Procurement Complaints

Timboon & District Healthcare Service did not receive any formal procurement complaints in the 2025-26 financial year.

Building Equality Policy

Timboon and District Healthcare Service did not have any construction projects valued at $20 million or more in 2025-26.

Disclosure of Review and Study Expenses

Timboon and District Healthcare Service did not incur any review and study expenses requiring disclosure in 2025-26.

Grants and Transfer Payments

Not applicable - Timboon and District Healthcare Service did not administer any grants, transfer payments or Commercial-in-Confidence grants in 2025-26.

Our People

Our Heart Of TDHS Service And Volunteer Awards

Our Heart of TDHS Staff and Volunteer Awards event, which is part of our Annual General Meeting, is an opportunity to celebrate the achievements of those who have been nominated and to acknowledge the extraordinary service of our team.

At this event the following Awards are recognized and applauded:

- Length of Service Awards
- Life Governors (existing and new)
- Heart of TDHS Volunteer Award; an award nominated by peers for the volunteer who goes above and beyond
- Heart of TDHS ICARE Dr Peter Fox Staff Award recognising the most outstanding staff member, nominated by peers, who continually makes a difference, constantly goes above and beyond demonstrating our ICARE values in all they do.

Our Length of Service Awards

Recipients of the Length of Service Award for the calendar year 1 January 2025 – 31 December 2025 were:

- Cathy Frusher 10 years
- Jo Delaney 15 years
- Sherryl Mueller 20 years

Our Life Governors

The TDHS Life Governor Award recognises people who have freely provided significant contribution or meritorious service to TDHS. During this financial year no additional Life Governors were recognised. TDHS would like to thank all our Life Governors, past and present, for their amazing efforts and selflessness in contributing to TDHS and our community.

Our Life Governors

Mr AJ Gale	1959
Mr George Bartlett	1959
Mr F Clem Wilson	1959
Mr DD Mckenzie	1960
Mrs MR Gray	1960
Mrs FJ Membrey	1961
Mr GR Grenville	1961
Mr SG Flannigan	1961
Mr Albert Ford	1962
Mrs Margaret S Sissons	1962
Mrs Jessie Doolan	1962
Mr Edmund Parish	1962
Mrs Dora Fraser	1963
Mrs DM Taylor	1964
Mr Thomas Underwood	1965
Mr I McG McKenzie	1965
Mrs E Squibb	1965
Mr LD Phillips	1966
Mrs Margaret Phillips	1966
Mr JA Gordon	1966
Mr Albert J Brumby	1966
Miss Rose McMeel	1967
Mr Albert H Brown	1967
Dr PDG Fox	1968
Mrs Margaret Currell	1968
Mr Harold A Membrey	1969
Mrs Ada M Gracie	1969
Mrs Valma Sharp	1970
Mrs Doreen Mathieson/ Fairweather	1970
Mr WNR Duckworth	1970
Mrs Sheila Cheyne	1972
Miss Mary McMeel	1972
Mrs Jean Miller	1973
Mrs S Phillips	1974
Mrs E Hardwick	1975
Mr Geoff A Symons	1975
Mrs Edna Finch	1977
Mrs Jessie Currell	1977
Mrs Patricia Couch	1977
Miss Barbara Fraser	1977
Mrs Phyllis Lawson	1979
Mrs Heather Morris	1979
Mrs Ethel Rundle	1979
Mr Munro M Miller	1982
Mr Maxwell V Serong	1982
Mrs Margaret Grant	1983
Mrs Margaret Coe	1983
Mrs Lorna Meek	1983
Mrs Kate Robbins	1985
Mr Arthur A Felmingham	1986
Dr David Jackson	1986
Mrs Doris Merrett	1988
Mr Gordon Cumming	1988
Mrs Fran Thompson	1990
Mrs Eunice Stevens	1991
Mrs Jessie Wilson	1991
Mrs Janet Duro	1992
Dr William Granger	1992
Mrs Marie McMeel	1992
Mrs Beverley Newey	1994
Mr Kenneth Jepson	1994
Mrs Lyn Giblett	1995
Mrs Jeanette Toller-Bond	1995
Mrs Yvonne Lawson	1996
Mrs E Padbury	1996
Mrs Hazel Bullen	1997
Mrs Betty O'Brien	1997
Mr Douglas Trigg	1998
Mr Hans Kruse Snr	1998
Mrs Gerda Kruse	1998
Mr Les Joiner	1999
Mrs Nell Joiner	1999
Mr John A Vogels MP	2000
Mrs Joan Hortin	2001
Mrs Helen Herrin	2001
Miss Jan Burkhalter	2003
Mrs Delphine Taylor	2004
Mrs Elaine Finnigan	2006
Mr Noel Finnigan	2006
Mr Richard McVilly	2009
Mr Kelvin Serong	2009
Mrs Marilyn Serong	2009
Mrs Margaret McKenzie	2012
Mr Michael Broomhall	2018
Mrs Margaret Bull	2018
Mrs Catherine Marr	2018
Mr John Renyard	2018
Mr Ray Smith	2018
Mr Tom Walsh	2018
Mr Josh McKenzie	2020

Our Generous Community

Our Volunteers

"Great things are brought about and burdens are lightened through the efforts of many hands, anxiously engaged in a good cause."

- Elder M. Russell Ballard

Timboon and District Healthcare Service (TDHS) expresses its heartfelt gratitude to our incredible volunteers. Their dedication, kindness and willingness to give their time make an incredible difference in the lives of our consumers, their families, and our staff. Whether it's offering a comforting smile, providing support behind the scenes, lending a helping hand or simply being present with empathy and care, their contribution is truly invaluable, and they are an essential part of our healthcare community. Volunteering is a powerful act of service, and the compassion our volunteers show each day, assists in creating the safe, supporting and healing environment TDHS strives for. We are truly grateful for all that they do!

Our Donors

The power to work together for a healthy community lies in the shared passion and commitment of our community. Through our annual appeals, donors, volunteers and staff come together to commit to funding our healthcare service.

Each contribution to TDHS builds on another and the impact of every gift is meaningful. We acknowledge with thanks, the loyalty shown by all TDHS donors- your generosity and year-on-year support is noticed and greatly valued.

Out of respect of the privacy of our donors, individual contributions are not stated in this annual report. We extend a very sincere and warm thank you to all the individuals, local groups and businesses for their continued support and belief in TDHS.

Donations 2025-26	2025-26 FY	Annual Appeal To Date
2021 Annual Appeal (Bus)	$10,000	$168,402
2025-26 Annual Appeal (Sensory Garden)	$22,421	$32,564
Other Donations and Bequests	$13,548	
Total Donations in 25/26	**$45,970**	

Our Performance Priorities

MPS Performance Priority Reporting

Quality and safety		
Key performance indicator	Target	Result
Health service accreditation	Full compliance	Full compliance
Compliance with cleaning standards	Full compliance	Full compliance
Compliance with the Hand Hygiene Australia program	85%	90.7%
Percentage of healthcare workers immunised for influenza	92%	100%
Victorian Healthcare Experience Survey – percentage of positive experience responses	95% positive experience	N/A
Governance and leadership		
Key performance indicator	Target	Result
People Matter Survey – Safety Culture Among Healthcare Workers	62%	87%
Financial sustainability		
Key performance indicator	Target	Result
Operating result ($m)	0	0.02
Trade creditors	60 days	37 days
Patient fee debtors	60 days	158 days#
Adjusted current asset ratio	0.7	1.64
Number of days available cash	14 days	76 days

Significantly impacted by timing of high value Refundable Accommodation Deposits owed by new residents

MPS Funded Flexible Aged Care Places

Campus	Number
Flexible high care	14

MPS Utilisation Of Flexible Aged Care Places

Campus	Number	Occupancy level %
Flexible high care	4	90%
Respite	2	74%
Total	**6^**	

^ Remaining beds are used for Acute Care, Transitional Care Program, Emergency Respite and other inpatient programs. As an MPS provider, TDHS can flexibly use beds based on community needs at the time.

Financial Information (continued)

MPS Acute Care Activity

Service	Type of activity	Actual Activity 2025-2026
Medical inpatients	Bed days	1515
Urgent care	Presentations	1048
Palliative care	Number of clients	16

MPS Primary Health Care Activity

Service	Actual activity 2025-2026
Agrisafe Clinics	19 Hours
Continence Services	30 Hours
Diabetes Education	109 Hours
Dietetics	165 Hours
Exercise Classes	431 Hours
Exercise Physiology	802 Hours
Occupational Therapy	230 Hours
Physiotherapy	434 Hours
Speech Therapy	69 Hours
Social Work	69 Hours

Community Care

Service	Actual activity 2025-2026
Delivered Meals	5,085 Meals
Domestic Assistance	4,251 Hours
Personal Care	1,015 Hours
In-home Respite	287 Hours
Property Maintenance	861 Hours
Social Support	7,393 Hours
Community Transport	1,133 Hours
District Nursing	1,237 Hours

Statutory Disclosures

Freedom Of Information Act 1982

The Freedom of Information (FOI) Act 1982 allows the public a right to access documents held by Timboon and District Healthcare Service. Individuals or agencies who act on their behalf, such as solicitors or insurance companies, are entitled to access personal medical record information. TDHS is committed to protecting consumer privacy and all care is taken to ensure this. All FOI applications are directed to the Director of Clinical Services and are processed in accordance with the provisions of the *Freedom of Information (FOI) Act 1982* within the legislated timeframes.

During 2025-26, Timboon and District Healthcare Service (TDHS) received 43 applications. Of these requests, 0 were from Members of Parliament, 0 from the media, and the remainder from the general public.

TDHS made 43 FOI decisions during the 12 months ended 30 June 2026.

There were 41 decisions made within the statutory time periods. Of the decisions made outside time, 1 were made within a further 45 days and 1 decision were made in greater than 45 days.

Of the total decisions made, 43 granted access to documents in full, 0 granted access in part and 0 denied access in full. 0 decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant.

Of requests finalised, the average number of days over/under the statutory time (including extended timeframes) to decide the request was 9 days.

During 2025-26, 0 requests were subject to a complaint/internal review by Office of the Victorian Information Commissioner (OVIC). 0 requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

All FOI applications must be made in writing and addressed to:

Director of Clinical Services
Timboon and District Healthcare Service
21 Hospital Road
Timboon VIC 3268

All applications will be charged an application fee. Successful applicants will also incur additional access charges which vary depending on materials supplied. A schedule of these additional fees can be found on the Office of the Victorian Information Commissioner website (ovic.vic.gov.au).

Building Act 1993

In accordance with the Building Regulations 2006, made under the *Building Act 1993,* all buildings within the Service are classified according to their functions.

Timboon & District Healthcare Service undertakes an extensive Essential Services Maintenance Program to ensure that all regulatory requirements and safety standards in regard to plant and equipment, buildings and fire management systems are maintained.

A comprehensive preventative maintenance program ensures that key infrastructure equipment such as emergency power backup generators, lifting equipment, heating ventilation and cooling systems and fire detection and management systems are maintained at satisfactory levels and available 365 days a year.

Building Permits are obtained for all construction projects where required and Certificates of Occupancy are issued and displayed accordingly. All builders and contractors involved in building construction are registered practitioners.

In 2025-26 there were no projects completed with a certificate of occupancy issued, no emergency

orders or building orders issued in relation to buildings and no buildings that have been brought into conformity with building standards during the reporting period.

There was one major works project conducted during the 2025-26 year that required a building permit:

- Palliative Care Room Renovations

Public Interest Disclosure Act 2012

Timboon & District Healthcare Service (TDHS) is committed to the objectives of the *Public Interest Disclosure Act 2012* (the Act) and addresses this through the application of its Public Interest Disclosure Procedure.

We recognise the value of transparency and accountability in our administrative and management practices and support the making of disclosures that reveal corrupt conduct, conduct involving substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. During 2025-26 the Service was not advised of any Public Interest Disclosures under the Act.

National Competition Policy Victoria

Timboon & District Healthcare Service (TDHS) complies with the National Competition Policy and requirements of the *Competitive Neutrality Policy Victoria* and any subsequent reforms. During the 2025/26 financial year there were no competitive neutrality complaints made against TDHS, and no formal advise was received from Better Regulation Victoria of a complaint falling within the scope of the Victorian competitive policy framework and warranting further investigations.

Carers Recognition Act 2012

The Carers Recognition Act 2012 recognises, promotes and values the role of people in care relationships.

Timboon and District Healthcare Service (TDHS) has taken all practical measures to comply with its obligations under the Act. These include:

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

Environmental Performance

Timboon & District Healthcare Service (TDHS) is genuinely committed to maintaining and improving the health and wellbeing of the people and communities we serve. To that end, 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. It is an expectation that all members of the TDHS team play their part to minimize unnecessary energy waste and actively participate in recycling initiatives.

A comparison of the Health Services' environmental performance over a three-year period is as follows:

GREENHOUSE GAS EMISSIONS	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
G1 Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)			
Carbon Dioxide	67.90	35.69	39.92
Methane	0.10	0.10	0.09
Nitrous Oxide	0.27	0.13	0.16
Total	**68.27**	**35.92**	**40.17**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (t CO2-e)	**26.73**	**29.84**	**25.75**
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (t CO2-e)	**41.54**	**6.08**	**14.42**
Medical/Refrigerant gases			
Nitrous oxide	192.19		
Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**260.46**	**35.92**	**40.17**
G2 Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)			
Electricity	167.54	168.29	204.03
Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	**167.54**	**168.29**	**204.03**
G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (t CO2-e)			
Waste emissions (WR5)	19.03	17.79	5.45
Indirect emissions from Stationary Energy	31.66	32.80	33.77
Indirect emissions from Transport Energy	10.44	1.52	3.60
Water emissions	2.28	3.14	2.61
Total Scope 3 greenhouse gas emissions (t CO2-e)	**63.42**	**55.25**	**45.43**
G(Opt) Net greenhouse gas emissions (t CO2-e)			
Gross greenhouse gas emissions (G1 + G2 + G3) (t CO2-e)	**491.42**	**259.47**	**289.63**
Total gross reported greenhouse gas emissions per bed-day (t CO2-e/OBD)	0.18	0.09	0.12
Purchased LGCs	-187.79	0.00	0.00
Any Reduction Measures Offsets purchased (EL4-related)	**-187.79**		
Any Offsets purchased	**-187.79**		
Net greenhouse gas emissions (t CO2-e)	**303.63**	**259.47**	**289.63**

Statutory Disclosures (continued)

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	250.27	254.84	310.21
Self-generated	84.52	81.38	54.47
EL1 Total electricity consumption (MWh)	**334.80**	**336.22**	**364.67**
EL2 On site-electricity generated (MWh) segmented by:			
Consumption behind-the-meter			
Solar Electricity	84.52	81.38	54.47
Total Consumption behind-the-meter (MWh)	**84.52**	**81.38**	**54.47**
Exports			
Solar Electricity	18.56		
Total Electricity exported (MWh)	**18.56**		
EL2 Total On site-electricity generated (MWh)	**103.09**	**81.38**	**54.47**
EL3 On-site installed generation capacity (kW converted to MW) segmented by:			
Diesel Generator	0.22	0.22	0.22
Solar System	0.07	0.07	0.07
EL3 Total On-site installed generation capacity (MW)	**0.29**	**0.29**	**0.29**
EL4 Total electricity offsets segmented by offset type (MWh)			
LGCs voluntarily retired on the entity's behalf	204.12		
RPP (Renewable Power Percentage in the grid)	43.43	46.77	58.21
EL4 Total electricity offsets (MWh)	**247.55**	**46.77**	**58.21**

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)			
LPG	441,137.90	492,412.00	424,862.20
F1 Total fuels used in buildings (MJ)	**441,137.90**	**492,412.00**	**424,862.20**
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (t CO2-e)			
LPG	26.73	29.84	25.75
F2 Greenhouse gas emissions from stationary fuel consumption (t CO2-e)	**26.73**	**29.84**	**25.75**

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	69,757.50	0.00	
Non-executive fleet - Gasoline	325,820.10	46,197.20	87,825.60
Petrol	**395,577.60**	**46,197.20**	**87,825.60**
Executive fleet - Diesel	10,831.20	9,264.00	
Non-executive fleet - Diesel	199,210.60	32,748.20	120,501.50
Diesel	**210,041.80**	**42,012.20**	**120,501.50**
Total energy used in transportation (vehicle fleet) (MJ)	**605,619.40**	**88,209.40**	**208,327.10**
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (t CO2-e)			
Executive fleet - Gasoline	4.72	0.00	
Non-executive fleet - Gasoline	22.03	3.12	5.94
Petrol	**26.75**	**3.12**	**5.94**
Executive fleet - Diesel	0.76	0.65	
Non-executive fleet - Diesel	14.03	2.31	8.48
Diesel	**14.79**	**2.96**	**8.48**
Total Greenhouse gas emissions from transportation (vehicle fleet) (t CO2-e)	**41.54**	**6.08**	**14.42**

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)	441,137.90	492,412.00	424,862.20
Total energy usage from transport (T1) (MJ)	605,619.40	88,209.40	208,327.10
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**1,046,757.30**	**580,621.40**	**633,189.30**
E2 Total energy usage from electricity (MJ)			
Total energy usage from electricity (MJ)	1,205,271.24	1,210,402.72	1,312,822.96
E3 Total energy usage segmented by renewable and non-renewable sources (MJ)			
Renewable	1,195,462.41	461,336.18	405,632.66
Non-renewable (E1 + E2 - E3 Renewable)	1,056,566.13	1,329,687.93	1,540,379.60
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD (MJ/Aged Care OBD)	1,246.34	1,560.78	1,462.70
Energy per unit of LOS (MJ/LOS)	1,182.77	990.58	1,413.90
Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD)	606.86	605.98	718.94
Energy per unit of Separations (MJ/Separations)	8,400.05	10,196.50	10,595.64
Energy per unit of floor space (MJ/m2)	485.67	502.31	512.59

Statutory Disclosures (continued)

WATER USE	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
W1 Total units of metered water consumed by water source (kL)			
Potable water (kL)	1,627.85	1,920.34	1,556.64
Total units of water consumed (kL)	1,627.85	1,920.34	1,556.64
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)	1.23	1.76	1.31
Water per unit of LOS (kL/LOS)	1.17	1.12	1.27
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.60	0.68	0.64
Water per unit of Separations (kL/Separations)	8.31	11.50	9.49
Water per unit of floor space (kL/m2)	0.48	0.57	0.46

NORMALISATION FACTORS	Jul-25 to Jun-26	Jul-24 to Jun-25	Jul-23 to Jun-24
Aged Care OBD	1,321.00	1,091.00	1,188.00
FTE	74.00	72.00	74.00
LOS	1,392.00	1,719.00	1,229.00
OBD	2,713.00	2,810.00	2,417.00
PPT	2,909.00	2,977.00	2,581.00
Separations	196.00	167.00	164.00
TotalAreaM2	3,390.00	3,390.00	3,390.00
NOTE: Indicators are not reported where data is unavailable or an indicator is not relevant to the organisation's operations			

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	12,115.30	10,619.92	
General waste - skips	2,046.76	2,366.70	3,667.70
Offsite treatment			
Clinical waste - sharps	478.00	696.00	525.00
Recycling/recovery (disposal)			
Cardboard	1,400.00	1,330.00	1,269.00
Commingled		84.48	
Mattresses	1.82	21.42	1.76
Organics (garden)	1,153.15	2,125.40	2,443.84
Paper (confidential)	700.42	510.72	
Total units of waste disposed (kg)	**17,895.45**	**17,754.65**	**7,907.30**
WR1 Total units of waste disposed of by waste stream and disposal method (%)			
Landfill (total)			
General waste	79.14%	73.14%	46.38%
Offsite treatment			
Clinical waste - sharps	2.67%	3.92%	6.64%
Recycling/recovery (disposal)			
Cardboard	7.82%	7.49%	16.05%
Commingled		0.48%	
Mattresses	0.01%	0.12%	0.02%
Organics (garden)	6.44%	11.97%	30.91%
Paper (confidential)	3.91%	2.88%	
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)	4.87	4.36	1.42
Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT)	0.16	0.23	0.20
Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT)	1.12	1.37	1.44
WR4 Recycling rate (%)			
Weight of recyclable and organic materials (kg)	3,255.39	4,072.02	3,714.60
Weight of total waste (kg)	17,895.45	17,754.65	7,907.30
Recycling rate (%)	**18.19%**	**22.93%**	**46.98%**
WR5 Greenhouse gas emissions associated with waste disposal (t CO2-e)			
t CO2-e	19.03	17.79	5.45

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:

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

(i) consultants/contractors engaged;

(ii) services provided; and

(iii) expenditure committed to for each engagement

This information is available on request from:

Executive Assistant
Phone: (03) 5558 6000
Email: EA.tdhs@swarh.vic.gov.au

Local Jobs First Act 2003

No projects undertaken by Timboon and District Healthcare Service during 2025-26 met the threshold for *Local Jobs First Policy* application. As such, zero Local Industry Development Plans were required or submitted.

Attestations

Timboon and District Healthcare Service Financial Management Compliance Attestation

I, Ashley Nesseler, on behalf of the Responsible Body, certify that Timboon and District Healthcare Service has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Ashley Nesseler
Chair, Board of Directors
Timboon and District Healthcare Service
14 September 2026

Data Integrity Declaration

I, Gary Castledine, certify that Timboon and District Healthcare Service has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Timboon and District Healthcare Service has critically reviewed these controls and processes during the year.



Gary Castledine
Chief Executive Officer
Timboon and District Healthcare Service
14 September 2026

Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Act 2015

Timboon and District Healthcare Service has no matters to report in relation to its obligations under section 40 of the Safe Patient Care (Nurse to Patient and Midwife to Patient Ratios) Act 2015.

Conflict of Interest Declaration

I, Gary Castledine, certify that Timboon and District Healthcare 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 Timboon and District Healthcare 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.



Gary Castledine
Chief Executive Officer
Timboon and District Healthcare Service
14 September 2026

Integrity, Fraud and Corruption Declaration

I, Gary Castledine, certify that Timboon and District Healthcare Service has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Timboon and District Healthcare Service during the year.



Gary Castledine
Chief Executive Officer
Timboon and District Healthcare Service
14 September 2026

Disclosure Index

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

Legislation	Requirement	Page Reference
Standing Directions and Financial Reporting Directions		
Report of Operations		
Charter and purpose		
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FRD 22	Purpose, functions, powers and duties	3-4
FRD 22	Nature and range of services provided	7-8
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Financial and other information		
FRD 22	Summary of the financial results for the year	34-35
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FRD 22	Operational and budgetary objectives and performance against objectives	34-35
FRD 22	Subsequent events	n/a
FRD 22	Details of consultancies under $10,000	36
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FRD 22	Additional information available on request	52
FRD 24	Environmental data reporting	47-51
FRD 25	Local Jobs First Act 2003 disclosures	52
Compliance attestation and declaration		
SD 5.1.4	Financial Management Compliance attestation	53
SD 5.2.3	Declaration in report of operations Attestation on Data Integrity Attestation on managing Conflicts of Interest Attestation on Integrity, Fraud, and Corruption Compliance with Healthcare Share Victoria (HSV) Purchasing Policies	2 53 53 53 n/a
Other reporting requirements		
	Reporting of outcomes from Statement of Priorities 2025-2026	13-22, 43-44
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TDHS Registered Nurses
Tam Lacey (left) and Bec Barling

Financial Statements



Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Timboon and District Healthcare Service

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Simone Bohan
as delegate for the Auditor-General of Victoria

MELBOURNE
24 September 2026

Financial Statements
Financial Year ended 30 June 2026

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

The attached financial statements for Timboon & District Healthcare 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 Timboon & District Healthcare 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 25 September, 2026.

Board member	**Accountable Officer**	**Chief Finance & Accounting Officer**
		
Mrs Ashley Nesseler	Mr Gary Castledine	Mr Andrew Maskell
Chair	Chief Executive Officer	Chief Financial Officer
Timboon 21st September, 2026	Timboon 21st September, 2026	Timboon 21st September, 2026

Comprehensive Operating Statement
Timboon & District Healthcare Service
For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1 (a)	2,387	2,324
Government Grants	2.1 (b)	9,522	9,072
Other sources of income	2.1 (c)	586	726
Total revenue and income from transactions		**12,495**	**12,122**
Expenses from transactions			
Employee expenses	3.1 (a)	(9,423)	(9,348)
Supplies and consumables	3.1 (c)	(480)	(482)
Depreciation and amortisation	4.1(a), 4.2	(1,036)	(1,021)
Other operating expenses	3.1 (d)	(2,059)	(1,812)
Total expenses from transactions		**(12,998)**	**(12,663)**
Net result from transactions - net operating balance		**(503)**	**(541)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		(1)	87
Net gain/(loss) on financial instruments		(3)	(16)
Other gain/(loss) from other economic flows		27	3
Total other economic flows included in net result		**23**	**74**
Net result		**(480)**	**(467)**
Comprehensive result		**(480)**	**(467)**

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

Balance Sheet
Timboon & District Healthcare Service
As at 30 June 2026

	Note	2026 $'000	2025 $'000
Financial assets			
Cash and cash equivalents	6.2	5,264	4,643
Receivables	5.1	1,438	1,431
Contract assets		-	258
Total financial assets		**6,702**	**6,332**
Non-financial assets			
Prepayments		146	100
Property, plant and equipment	4.1	13,552	14,010
Intangible assets		259	259
Total non-financial assets		**13,957**	**14,369**
Total assets		**20,659**	**20,701**
Liabilities			
Payables	5.2	1,030	725
Contract liabilities		17	234
Borrowings	6.1	447	534
Employee benefits	3.1(b)	2,171	2,148
Monies held in trust	5.3	1,290	876
Total liabilities		**4,955**	**4,517**
Net assets		**15,704**	**16,184**
Equity			
Reserves		10,925	10,925
Contributed capital		4,610	4,610
Accumulated surplus/(deficit)		169	649
Total equity		**15,704**	**16,184**

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

Cash Flow Statement
Timboon & District Healthcare Service
For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from Government		9,858	8,673
Other receipts		2,618	2,860
Total receipts		**12,476**	**11,533**
Payments to employees		(9,318)	(9,183)
Payments to suppliers and consumables		(1,329)	(1,482)
GST paid to ATO		(26)	(2)
Other payments		(1,009)	(893)
Total payments		**(11,682)**	**(11,560)**
Net cash flows from/(used in) operating activities		**794**	**(27)**
Cash flows from investing activities			
Proceeds from sale of non-financial assets		-	235
Purchase of non-financial assets		(579)	(366)
Capital donations and bequests received		79	98
Net cash flows from/(used in) investing activities		**(500)**	**(33)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(87)	(69)
Repayment of accommodation deposits		(311)	(1,064)
Receipt of accommodation deposits		725	725
Net cash flows from/(used in) financing activities		**327**	**(408)**
Net increase/(decrease) in cash and cash equivalents held		**621**	**(468)**
Cash and cash equivalents at beginning of year		4,643	5,111
Cash and cash equivalents at end of year	6.2	**5,264**	**4,643**

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

Statement of Changes in Equity
Timboon & District Healthcare Service
For the Financial Year Ended 30 June 2026

	Property, Plant and Equipment Revaluation Surplus	Contributed Capital	Accumulated Surplus/(Deficit)	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2024	**10,925**	**4,610**	**1,116**	**16,651**
Net result for the year	-	-	(467)	(467)
Balance at 30 June 2025	**10,925**	**4,610**	**649**	**16,184**
Net result for the year	-	-	(480)	(480)
Balance at 30 June 2026	**10,925**	**4,610**	**169**	**15,704**

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

Notes to the Financial Statements
Timboon & District Healthcare Service
For the Financial Year Ended 30 June 2026

Structure

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

Note 1 About this Report

These financial statements represent the financial statements of Timboon & District Healthcare Service for the year ended 30 June 2026.

Timboon & District Healthcare Service is a not-for-profit entity established as a public agency on 12th March 1998 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 Timboon & District Healthcare 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 Timboon & District Healthcare Service on 25 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 Timboon & District Healthcare Service.

Timboon & District Healthcare Service's principal address is:

21 Hospital Road
Timboon, Victoria 3268

Note 1.4 Economic dependency

Timboon & District Healthcare 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. Timboon & District Healthcare 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 Timboon & District Healthcare Service operations and on that basis, the financial statements have been prepared on a going concern basis.

Note 2 Funding delivery of our services

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

Significant judgement - Grant revenue

Timboon & District Healthcare Service has made the judgement that amounts received in relation to activity based funding should be recognised under AASB 15 on the basis where Timboon & District Healthcare 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)	2,387	2,324
Government Grants	2.1(b)	9,522	9,072
Other sources of income	2.1(c)	586	726
Total revenue and income from transactions		**12,495**	**12,122**

Note 2.1(a) Revenue from contracts with customers

	2026 $'000	2025 $'000
Government grants (State) - Operating	224	258
Patient and resident fees	911	942
Private practice fees	1,118	996
Commercial activities	134	128
Total revenue from contracts with customers	**2,387**	**2,324**

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

This policy applies to each of Timboon & District Healthcare Service's revenue streams, with information detailed below relating to Timboon & District Healthcare 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 a point in time, which is when a patient is discharged.

Patient and resident fees

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

Note 2.1(b) Government Grants

	Note	2026 $'000	2025 $'000
Government grants (State) - Operating		7,020	6,825
Government grants (Commonwealth) - Operating		2,193	2,135
Government grants (State) - Capital		309	90
Government grants (Commonwealth) - Capital		-	22
Total Government grants		**9,522**	**9,072**

How we recognise Government grants

Government grants

Timboon & District Healthcare 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 Timboon & District Healthcare Service has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, Timboon & District Healthcare 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 Timboon & District Healthcare 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 Timboon & District Healthcare Service's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Non-cash contributions from the Department of Health

The DH makes some payments on behalf of Timboon & District Healthcare Service as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Timboon & District Healthcare 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.

Notes to the Financial Statements
Timboon & District Healthcare Service
For the Financial Year Ended 30 June 2026

Note 2.1(c) Other sources of income

	Note	2026 $'000	2025 $'000
Other capital purpose income		36	74
Capital donations		43	24
Assets received free of charge or for nominal consideration		-	102
Other income from operating activities		288	291
Income from non-operating activities		219	235
Total other sources of income		**586**	**726**

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)	9,423	9,348
Supplies & Consumables	3.1(c)	480	482
Other operating expenses	3.1(d)	2,059	1,812
Total expenses incurred in the delivery of services		**11,962**	**11,642**

Note 3.1(a) Employee expenses

	2026 $'000	2025 $'000
Salaries and wages	8,204	8,097
Superannuation expense [(1)]	924	841
Agency expenses	145	165
Fee for service medical officer expenses	150	245
Total employee expenses	**9,423**	**9,348**

[(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	15	17
Annual leave	739	674
Long service leave	980	1,028
Provision for on-costs	222	228
Total current provisions for employee benefits	**1,956**	**1,947**
Non-current provisions for employee benefits		
Long service leave	189	177
Provision for on-costs	26	24
Total non-current provisions for employee benefits	**215**	**201**
Total provisions for employee benefits	**2,171**	**2,148**

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 Timboon & District Healthcare 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 Timboon & District Healthcare Service expects to wholly settle within 12 months or
- present value – if Timboon & District Healthcare 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 Timboon & District Healthcare 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 Timboon & District Healthcare Service expects to wholly settle within 12 months or
- present value – if Timboon & District Healthcare 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	35	32
Medical and surgical supplies (including Prostheses)	108	107
Diagnostic and radiology supplies	11	25
Other supplies and consumables	326	318
Total supplies and consumables	**480**	**482**

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.

Notes to the Financial Statements
Timboon & District Healthcare Service
For the Financial Year Ended 30 June 2026

Note 3.1(d) Other operating expenses

	2026 $'000	2025 $'000
Fuel, light, power and water	102	100
Repairs and maintenance	302	231
Maintenance contracts	572	519
Medical indemnity insurance	123	107
Other administration expenses	936	830
Finance costs	24	25
Total other operating expenses	**2,059**	**1,812**

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 Timboon & District Healthcare 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.

Notes to the Financial Statements
Timboon & District Healthcare Service
For the Financial Year Ended 30 June 2026

Note 4 Key assets to support service delivery

Timboon & District Healthcare 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 Timboon & District Healthcare Service to be utilised for delivery of services.

Significant judgement - Fair value measurement

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

Structure

4.1 Property, plant and equipment
4.2 Depreciation and amortisation

Note 4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Land at fair value - Crown	3,390	3,390	-	-	3,390	3,390
Buildings at fair value	9,775	9,775	(1,576)	(788)	8,199	8,987
Works in progress at cost	329	74	-	-	329	74
Plant, equipment and vehicles at fair value	4,018	3,765	(2,384)	(2,206)	1,634	1,559
Total property, plant and equipment	**17,512**	**17,004**	**(3,960)**	**(2,994)**	**13,552**	**14,010**

How we recognise property, plant and equipment

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

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

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

	Land $'000	Buildings $'000	Works in progress $'000	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2025	**3,390**	**8,987**	**74**	**1,559**	**14,010**
Additions	-	-	255	304	559
Disposals	-	-	-	(1)	(1)
Depreciation	-	(788)	-	(228)	(1,016)
Balance at 30 June 2026	**3,390**	**8,199**	**329**	**1,634**	**13,552**

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, Timboon & District Healthcare 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 Timboon & District Healthcare Service's revaluation cycle.

Notes to the Financial Statements
Timboon & District Healthcare Service
For the Financial Year Ended 30 June 2026

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

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

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Plant, equipment and vehicles [1]	564	564	(151)	(77)	413	487
Total right-of-use assets	**564**	**564**	**(151)**	**(77)**	**413**	**487**

	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2025[1]	**487**	**487**
Depreciation	(74)	(74)
Balance at 30 June 2026	**413**	**413**

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

How we recognise right-of-use assets

Initial recognition

When Timboon & District Healthcare Service enters a contract, which provides the health services with the right to control the use of an identified asset for a period of time in exchange for payment, this contract is considered a lease.

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

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

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

Subsequent measurement

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

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

4.1(c) Impairment of property, plant and equipment

The recoverable amount of the primarily non-financial physical assets of Timboon & District Healthcare 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.

Timboon & District Healthcare Service has assessed all right-of-use assets for impairment, and no indicators of impairment are identified as at 30 June 2026.

Note 4.2 Depreciation and amortisation

How we recognise depreciation

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

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

How we recognise amortisation

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

Useful lives of non-current assets

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

	2026	2025
Buildings	5 - 38 years	5 - 38 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 Timboon & District Healthcare 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		34	3
Trade receivables		63	86
Patient fees		223	171
Allowance for impairment losses		(54)	(50)
Other receivable		100	103
Total contractual receivables		**366**	**313**
Statutory			
GST receivable		43	17
Total statutory receivables		**43**	**17**
Total current receivables		**409**	**330**
Non-current receivables			
Contractual			
Long service leave - Department of Health		1,029	1,101
Total contractual receivables		**1,029**	**1,101**
Total receivables		**1,438**	**1,431**
(i) Financial assets classified as receivables			
Total receivables		1,438	1,431
GST receivable		(43)	(17)
Total financial assets classified as receivables	7.1	**1,395**	**1,414**

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		69	62
Accrued salaries and wages		319	264
Accrued expenses		350	217
Other		292	182
Total contractual payables		**1,030**	**725**
Total payables		**1,030**	**725**
(i) Financial liabilities classified as payables			
Total payables		1,030	725
Total financial liabilities classified as payables	7.1	**1,030**	**725**

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 Timboon & District Healthcare Service prior to the end of the financial year that are unpaid.

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

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

Note 5.3 Monies held in trust

	Note	2026 $'000	2025 $'000
Current monies held in trust			
Refundable accommodation deposits		1,288	876
Other monies		2	-
Total current monies held in trust		**1,290**	**876**
Total monies held in trust *		**1,290**	**876**
*** Represented by:**			
- Cash assets	6.2	1,290	876
		1,290	**876**

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 Timboon & District Healthcare Service upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home.

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

Note 6 How we finance our operations

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

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

Structure

6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure

Note 6.1 Borrowings

	Note	2026 $'000	2025 $'000
Current borrowings			
Lease liability	6.1(a)	250	91
Total current borrowings		**250**	**91**
Non-current borrowings			
Lease liability	6.1(a)	197	443
Total non-current borrowings		**197**	**443**
Total borrowings	7.1	**447**	**534**

How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly from funds raised through lease liabilities.

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

Notes to the Financial Statements
Timboon & District Healthcare Service
For the Financial Year Ended 30 June 2026

Terms and conditions of borrowings

					Maturity Dates				
30 June 2026	**Note**	**Weighted average interest rate (%)**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1-3 Months $'000**	**3 months - 1 Year $'000**	**1-5 Years $'000**	**Over 5 years $'000**
Lease liabilities	6.1	5.29%	447	469	10	20	237	202	-
Total Financial Liabilities			**447**	**469**	**10**	**20**	**237**	**202**	**-**

					Maturity Dates				
30 June 2025	**Note**	**Weighted average interest rate (%)**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1-3 Months $'000**	**3 months - 1 Year $'000**	**1-5 Years $'000**	**Over 5 years $'000**
Lease liabilities	6.1	5.29%	534	582	10	20	86	466	-
Total Financial Liabilities			**534**	**582**	**10**	**20**	**86**	**466**	**-**

Note 6.1(a) Lease liabilities

Timboon & District Healthcare Service's lease liabilities are summarised below:

	2026 $'000	2025 $'000
Current lease liabilities		
Lease liability	250	91
Total current lease liabilities	**250**	**91**
Non-current lease liabilities		
Lease liability	197	443
Total non-current lease liabilities	**197**	**443**
Total lease liabilities	**447**	**534**

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

	2026 $'000	2025 $'000
Not longer than one year	267	116
Longer than one year but not longer than five years	202	466
Minimum future lease liability	**469**	**582**
Less unexpired finance expenses	(22)	(48)
Present value of lease liability	**447**	**534**

How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for Timboon & District Healthcare Service to use an asset for a period of time in exchange for payment.

To apply this definition, Timboon & District Healthcare Service ensures the contract meets the following criteria:

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

Timboon & District Healthcare Service's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased plant, equipment, furniture, fittings and vehicles	3 to 5 years

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

Initial measurement
The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Timboon & District Healthcare Service's incremental borrowing rate. Our lease liability has been discounted by rates of between 5.25% to 5.75%.

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

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

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

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

Note 6.2 Cash and Cash Equivalents

	Note	2026 $'000	2025 $'000
Cash at bank (excluding monies held in trust)		3,974	3,767
Total cash held for operations		**3,974**	**3,767**
Cash at bank (monies held in trust)		1,290	876
Total cash held as monies in trust	5.3	**1,290**	**876**
Total cash and cash equivalents	7.1	**5,264**	**4,643**

Note 6.3 Commitments for expenditure

30 June 2026	**Less than 1 year $'000**	**1-5 Years $'000**	**Over 5 years $'000**	**Total $'000**
Capital expenditure commitments	1,213	-	-	1,213
Total commitments (inclusive of GST)	**1,213**	**-**	**-**	**1,213**
Less GST recoverable	(110)	-	-	(110)
Total commitments (exclusive of GST)	**1,103**	**-**	**-**	**1,103**

Timboon & District Healthcare Service has no significant capital or operating commitments in 2025.

How we disclose our commitments

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

Expenditure commitments

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

Short term and low value leases

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

Notes to the Financial Statements
Timboon & District Healthcare Service
For the Financial Year Ended 30 June 2026

Note 7 Financial instruments, contingencies and valuation judgements

Timboon & District Healthcare 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 Timboon & District Healthcare 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	6.2	5,264	-	219	-	-
Receivables	5.1	1,395	-	-	-	3
Total financial assets [i]		**6,659**	**-**	**219**	**-**	**3**
Financial liabilities at amortised cost						
Payables	5.2	1,030	-	-	-	-
Borrowings	6.1	447	-	(24)	-	-
Other financial liabilities - Refundable Accommodation Deposits	5.3	1,288	-	-	-	-
Other financial liabilities - Monies in Trust	5.3	2	-	-	-	-
Total financial liabilities [i]		**2,767**	**-**	**(24)**	**-**	**-**

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

Notes to the Financial Statements
Timboon & District Healthcare Service
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	6.2	4,643	-	235	-	-
Receivables	5.1	1,414	-	-	-	16
Total financial assets [i]		**6,057**	**-**	**235**	**-**	**16**
Financial liabilities at amortised cost						
Payables	5.2	725	-	-	-	-
Borrowings	6.1	534	-	(25)	-	-
Other financial liabilities - Refundable Accommodation Deposits	5.3	876	-	-	-	-
Total financial liabilities [i]		**2,135**	**-**	**(25)**	**-**	**-**

[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 Timboon & District Healthcare 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.

Timboon & District Healthcare 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.

Timboon & District Healthcare Service recognises the following liabilities in this category:

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

Notes to the Financial Statements
Timboon & District Healthcare Service
For the Financial Year Ended 30 June 2026

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

Timboon & District Healthcare 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.

Timboon & District Healthcare 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 Timboon & District Healthcare Service's independent valuation agency for property, plant and equipment.

Fair value determination: non-financial physical assets

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

The last scheduled full independent valuation of all of Timboon & District Healthcare 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, Timboon & District Healthcare 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, Timboon & District Healthcare 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 Timboon & District Healthcare 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. Timboon & District Healthcare 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 Timboon & District Healthcare 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)
Specialised land	Market approach	Community Service Obligations adjustment	20%[(i)]
Specialised buildings	Current replacement cost approach	Cost per square metre Useful life	$1,000 - $1,500/m^2 ($1,300) 30 - 60 years (45 years)
Vehicles	Current replacement cost approach	Cost per unit Useful life	$30,000 - $53,000 ($40,200 per unit) 3 - 5 years (3 years)
Plant, equipment, furniture and fittings	Current replacement cost approach	Cost per unit Useful life	$1,000 - $222,000 ($7,500 per unit) 3 - 20 years (10 years)

[(i)] CSO adjustments of 20% were applied to reduce the market approach value for Timboon & District Healthcare Service's specialised land.

Note 8 Other disclosures

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

Structure

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

Notes to the Financial Statements
Timboon & District Healthcare Service
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Note 8.1 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	27 Jun 2022 - 14 April 2026
Minister for Ambulance Services	2 Oct 2023 - 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	19 Dec 2024 - 30 June 2026
Minister for Prevention of Family Violence	15 April 2026 - 30 June 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	2 Oct 2023 - 30 June 2026
Minister for Ageing	2 Oct 2023 - 30 June 2026
Minister for Multicultural and Multifaith Victoria	15 April 2026 - 30 June 2026
The Honourable Lizzie Blandthorn MP:	
Minister for Children	2 Oct 2023 - 30 June 2026
Minister for Disability	2 Oct 2023 - 30 June 2026
Governing Boards	
F. Carlus	1 Jul 2025 - 30 Jun 2026
T. Hutchins	1 Jul 2025 - 22 Jun 2026
A. DeJong	1 Jul 2025 - 30 Jun 2026
J. Farrugia	1 Jul 2025 - 30 Jun 2026
A. Nesseler	1 Jul 2025 - 30 Jun 2026
C. Murphy	1 Jul 2025 - 22 Jun 2026
L. Champion	1 Jul 2025 - 30 Jun 2026
J. Jakowenko	1 Jul 2025 - 30 Jun 2026
K. Donoghue	1 Jul 2025 - 30 Jun 2026
S. Renyard	1 Jul 2025 - 30 Jun 2026
Accountable Officers	
G. Castledine (Chief Executive Officer)	1 Jul 2025 - 30 Jun 2026

Notes to the Financial Statements
Timboon & District Healthcare Service
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Remuneration of Responsible Persons

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

Income Band	2026 No	2025 No
$0 - $9,999	10	10
$210,000 - $219,999	-	1
$260,000 - $269,999	1	-
Total Numbers	**11**	**11**

	2026 $'000	2025 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**313**	**248**

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

Note 8.2 Remuneration of executive officers

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

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

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

Remuneration of executive officers
(including Key Management Personnel disclosed in Note 8.3)

	Total Remuneration	
	2026 $'000	**2025 $'000**
Total remuneration [i]	719	666
Total number of executives	6	5
Total annualised employee equivalent [ii]	4.1	4.5

[i] The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Timboon & District Healthcare Service under AASB 124 Related Party Disclosures and are also reported within Note 8.3 Related Parties.

[ii] Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

Notes to the Financial Statements
Timboon & District Healthcare Service
For the Financial Year Ended 30 June 2026

Note 8.3 Related parties

Timboon & District Healthcare 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

Timboon & District Healthcare Service received funding from government related entities of $7.32 m (2025: $6.95 m) and indirect contributions of $0.015 m (2025: $0.213m). Balances owing as at 30 June 2026 are $Nil (2025: 0.234).

Expenses incurred by Timboon & District Healthcare 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 Timboon & District Healthcare 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 Timboon & District Healthcare Service and its controlled entities, directly or indirectly.

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

Entity	KMPs	Position Title
Timboon & District Healthcare Service	F. Carlus	Chair of the Board
Timboon & District Healthcare Service	T. Hutchins	Board Member
Timboon & District Healthcare Service	A. Dejong	Board Member
Timboon & District Healthcare Service	J. Farrugia	Board Member
Timboon & District Healthcare Service	A. Nessler	Board Member
Timboon & District Healthcare Service	C. Murphy	Board Member
Timboon & District Healthcare Service	L. Champion	Board Member
Timboon & District Healthcare Service	J. Jakowenko	Board Member
Timboon & District Healthcare Service	K. Donoghue	Board Member
Timboon & District Healthcare Service	S. Renyard	Board Member
Timboon & District Healthcare Service	G. Castledine	Chief Executive Officer
Timboon & District Healthcare Service	L. Barclay	Director of Clinical Services
Timboon & District Healthcare Service	T. Wines	Director of Community Health (to 06-07-25)
Timboon & District Healthcare Service	J. MacAuslan	Acting Director of Community Health (to 02-06-26)
Timboon & District Healthcare Service	Y. Arfat	Director of Community Health (from 03-06-26)
Timboon & District Healthcare Service	A. Maskell	Finance Manager
Timboon & District Healthcare Service	K. Edwards	Human Resources Manager

Remuneration of key management personnel

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

	2026 $'000	2025 $'000
Total compensation - KMPs [i]	1,032	914

[i] KMPs are also reported in Note 8.1 Responsible Persons or Note 8.2 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 Timboon & District Healthcare 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 Timboon & District Healthcare Service Board of Directors, Chief Executive Officer and Executive Directors in 2026 (2025: none).

Note 8.4 Remuneration of Auditors

	2026 $'000	2025 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	20	20
Total remuneration of auditors	**20**	**20**

Note 8.5 Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.6 Joint arrangements

	Principal Activity	Ownership Interest 2026 %	Ownership Interest 2025 %
South West Alliance of Rural Health (SWARH)	Information Technology Services	0.60	0.64

For the year ended 30 June 2026, Timboon & District Healthcare Service's share of the joint operations financials was:

	2026 $'000	2025 $'000
Total revenue and income	223	236
Total expenses	(229)	(223)
Total net result	(6)	13
Total other economic flows	1	2
Comprehensive result for the year	(5)	15
Total assets	200	245
Total liabilities	158	198
Total equity	42	47

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date. Timboon & District Healthcare Service is involved in joint arrangements where control and decision-making are shared with other parties. Timboon & District Healthcare Service has determined the entity 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.

Timboon and District Healthcare Service



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