

Annual Report

2025-2026

YDHS

YARRAM + DISTRICT HEALTH SERVICE



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Traditional Owners

Yarram and District Health Service acknowledge the Gunaikurnai community, the traditional custodians of the land on which we stand.

Disclosure Index

The Annual Report of the Yarram and District Health Service (YDHS) is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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Board Chair

The Year in Review

Message from the Board Chair - Amanda Ormerod

I would like to acknowledge the traditional owners of the land, the Gunaikurnai people, and pay my respects to their elders past and present and the young and emerging leaders.

In preparing the message for the annual report I have reflected on the work that has been undertaken in the past 12 months. It has been a busy year for everyone.

On the 1st July, 2025, Victoria's Local Health Service Networks was officially established.

YDHS is part of the Gippsland Local Health Service Network in partnership with: Bairnsdale Regional Health Service, Central Gippsland Health Service, Latrobe Regional Health, Omeo Regional Health Service, Orbost Regional Health Service and South Gippsland Health Service. The Network has started the work required to allow the best care, as close to home as possible.

I would like to thank all the YDHS staff who have continued to work at a high standard to provide quality care for our community.

During the year we have continued to work on upgrades, so we are able to deliver care for our community in a more contemporary environment. We are also looking forward to the improvements St Elmo's and Crossley House which will be completed next year.

On behalf of the Board of Directors, we would like to thank our staff, volunteers and community advisors for their commitment to providing the best possible care for our community.

Finally, thank you to our community for placing your trust in us in your most vulnerable moments. This is both a privilege and a responsibility which we pledge to uphold with professionalism, compassion and integrity.



Amanda Ormerod
Board Chair
Yarram and District Health Service

27 July 2026

YDHS – Report of Operations

Responsible Bodies Declaration

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

Amanda Ormerod

Board Chair
Yarram and District Health Service

27 July 2026



CEO Report

It is my pleasure to present the Chief Executive Officer's report for the 2025-2026 financial year.

This year has been one of significant achievement, transformation and resilience for Yarram & District Health Service (YDHS). While health services across regional Victoria continue to experience workforce shortages, increasing demand and financial pressures, our organisation has remained steadfast in delivering safe, high-quality healthcare while investing in the long-term sustainability of services for our community.

A defining achievement of the year was the successful acquisition of significant State and Commonwealth capital funding to redevelop both Crossley House and St Elmo's Residential Aged Care facilities. Securing this investment represents one of the most significant milestones in the history of YDHS and reflects the confidence both levels of government have in our organisation, our strategic vision and our ability to deliver infrastructure that will benefit our community for generations to come.

Throughout the year, our dedicated staff, Visiting Medical Officers, General Practitioners, volunteers, Board Directors and community partners have continued to demonstrate an unwavering commitment to providing compassionate, safe and high-quality care. Their professionalism, resilience and dedication enable YDHS to meet the healthcare needs of our community every day, often in challenging circumstance. I extend my sincere thanks to every member of the YDHS team for their outstanding contribution throughout the year.

I would also like to make special mention of the Yarram & District Health Service Auxiliary. The unwavering commitment of our auxiliary members continues to make a meaningful difference to the lives of our patients, residents and staff. Through countless hours of volunteering, fundraising and community advocacy, they have contributed significantly to enhancing our facilities, purchasing equipment and supporting initiatives that may not otherwise have been possible. Their dedication over many years reflects the very best of community spirit, and on behalf of everyone at YDHS, I sincerely thank each member for their generosity, passion and ongoing support of our health service.





Delivering for our community

Our purpose remains simple: to provide high-quality healthcare services that meet the needs of our community today while preparing for the challenges of tomorrow.

Throughout the year, YDHS continued to deliver comprehensive healthcare services across acute care, urgent care, residential aged care, primary care, community nursing, allied health and health promotion. Demand for services remained strong across all areas, demonstrating the trust our community places in YDHS and reinforcing the importance of maintaining accessible healthcare close to home.

We continued to strengthen our clinical governance framework, invest in staff capability and maintain a strong focus on patient safety, quality improvement and consumer-centred care. Every improvement we make is measured by the outcomes we achieve for our patients, residents and clients.

The continued expansion of our service offerings, investment in clinical equipment and commitment to evidence-based practice ensures our community can access a broad range of healthcare services locally, reducing the need to travel while improving health outcomes for our region.

Investing in the Future

One of the most significant achievements during the year was securing substantial capital investment from both the Victorian and Australian Governments to support the future of residential aged care in our region.

YDHS successfully secured significant State and Commonwealth capital grant funding to deliver major redevelopment projects at both Crossley House and St Elmo's Residential Aged Care facilities. These projects represent a once-in-a-generation investment in the future of aged care services for Yarram and surrounding communities.

Securing these grants is a testament to the strength of our strategic planning, the quality of our project development and the collaborative work undertaken by our Board, Executive, staff and government partners. It also reflects the confidence that both levels of government have in YDHS's ability to responsibly deliver major infrastructure projects that will improve healthcare outcomes for our community.

During the year, refurbishment works commenced at Crossley House, modernising resident accommodation while increasing future capacity and improving the living environment for residents. At the same time, planning, design and procurement activities progressed for the St Elmo's redevelopment, which will deliver additional high-quality residential aged care places and contemporary facilities designed to meet the evolving needs of our ageing population.

These projects represent far more than new buildings. They are an investment in dignity, independence, clinical excellence and ensuring local people can continue to access quality aged care close to family, friends and their community. Importantly, these developments are also generating broader economic benefits through the engagement of local contractors, consultants and suppliers, supporting employment and investment across our region.







Alongside these major capital works, YDHS has continued to invest in medical equipment, critical infrastructure, workforce accommodation and digital technologies that strengthen our ability to provide contemporary healthcare services well into the future.

Building a Sustainable Workforce

Like many rural health services, attracting and retaining skilled healthcare professionals remains one of our greatest challenges.

Throughout the year we continued to invest in workforce recruitment and retention initiatives, recognising that our people remain our greatest asset. Significant investment in staff accommodation has strengthened our ability to attract clinicians to Yarram, removing one of the largest barriers to rural recruitment while supporting long-term workforce sustainability.

We also welcomed new medical practitioners to our community, strengthening access to primary care and hospital services while enhancing our capacity to meet the growing healthcare needs of the region. These appointments, together with our ongoing investment in leadership development, education and staff wellbeing, reinforce our commitment to building a resilient workforce for the future.

Our culture continues to be built on safety, accountability, collaboration and respect. These values underpin every decision we make and every service we provide.



Strengthening Governance and Accountability

Strong governance is fundamental to maintaining community confidence and ensuring YDHS continues to meet the highest standards of public sector accountability.

Throughout the year we strengthened governance systems, enhanced financial controls and continued improving organisational oversight across operational and clinical services. Audit activities, compliance reviews and continuous improvement initiatives have been embraced as opportunities to strengthen our organisation and reinforce a culture of transparency, integrity and responsible stewardship of public resources.

Our Board has continued to provide strong leadership and strategic oversight, supporting management while maintaining a clear focus on quality, safety, financial sustainability and organisational performance. Together, we remain committed to continuous improvement and ensuring YDHS is well positioned to meet future challenges with confidence.

Financial Stewardship

The ongoing financial pressures facing the Victorian public health sector require disciplined management and sound strategic decision-making.

Despite these challenges, YDHS has remained committed to responsible financial stewardship by carefully balancing operational performance with investment in future infrastructure, workforce capability and service development.

Our continued ability to secure external funding, responsibly manage public resources and maintain disciplined financial approach provides confidence that YDHS is building a sustainable future while continuing to deliver high-quality healthcare services to our community.


YDHB
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Looking Ahead

The year ahead presents exciting opportunities as we continue delivering the Crossley House redevelopment, commence major works at St Elmo's and further strengthen healthcare services across our region.

We will continue investing in workforce capability, digital innovation, clinical excellence and service sustainability while maintaining our focus on delivering safe, person-centred care for every member of our community.

Healthcare continues to evolve rapidly, and rural health services must remain agile, innovative and financially responsible. I am confident YDHS is well positioned to meet these challenges through strong leadership, dedicated staff, effective partnerships and a clear strategic direction.

As we look to the future, we remain committed to ensuring that YDHS continues to be an organisation our community can rely on – one that embraces innovation, values its people, invests in its infrastructure and never loses sight of its purpose of improving the health and wellbeing of those we serve.

Finally, I would like to sincerely thank our Board of Directors for their governance and leadership, the Executive Leadership Team for their commitment, every member of our workforce for their professionalism and compassion, and our volunteers who generously give their time in support of our patients, residents and community.

I extend a special and heartfelt thank you to the members of the YDHS Auxiliary. Your tireless fundraising efforts, advocacy and practical support continue to enrich our organisation in countless ways. The generosity of your time, energy and commitment has helped YDHS deliver better facilities, equipment and experiences for those we care for. You are an integral part of the YDHS family, and your contribution is deeply valued and sincerely appreciated.

I also thank our visiting clinicians, partner organisations, local businesses, government stakeholders and the many community organisations that continue to support our work. Most importantly, I thank the people of Yarram and the surrounding district for the trust and confidence you place in Yarram & District Health Service.

It is a privilege to lead this remarkable organisation. Together, we are building a stronger, more resilient and more sustainable health service that will continue to serve our community for generations to come.



Paul Head

Chief Executive Officer
Yarram and District Health Service

27 July 2026

About Us

YDHS is a public health service established under the *Health Services Act 1988* (Vic). Located 220 kilometres southeast of Melbourne, along the South Gippsland Highway, YDHS serves a rural community within the Shire of Wellington. The township of Yarram, which is the primary service centre for the region, lies 73 kilometres southwest of Sale and 62 kilometres southeast of Traralgon. YDHS's service area covers approximately 1,840 square kilometres and supports a catchment population of 5,580 residents.

The health service was originally established as Yarram and District Hospital, inaugurated on 1 January 1912, with the first patient admitted in January 1917. Reflecting its growth and broader scope of services, the hospital was renamed YDHS in 1993 to better represent its role as an integrated health service designed to meet the diverse needs of the community.

YDHS provides a wide range of acute care services, including a 24-hour urgent care facility. Our services encompass general medical and post-surgical care, rehabilitation, respite, dialysis, and palliative care. St Elmo's Nursing Home, situated on the main campus, offers residents a variety of recreational activities, outings, volunteer companionship, and other essential services. Adjacent to the main campus, Crossley House is a 30-bed residential aged care facility, which was formally amalgamated with YDHS in November 2009.

In September 2020, we completed the construction of the new Integrated Health Care Centre (IHCC) on the site of the former Community Service/Yarram Medical Centre building. This state-of-the-art complex now houses the Yarram Medical Centre and Allied Health services, further enhancing the health service offerings in our region.

YDHS operates under the Department of Health's Small Rural health service program, delivering a comprehensive range of services. Our service delivery is strengthened through partnerships with the Commonwealth Government's Department of Health, Department of Social Services, and Local Government. Additionally, YDHS benefits from the support of dedicated volunteers and a fundraising auxiliary, which play a vital role in supporting our mission.





OUR VISION:

Healthy people, thriving community

OUR MISSION:

To listen, to act, to improve - together

OUR VALUES:

We partner with our community to address the health and social needs that matter most - so everyone has the chance to live a safe, connected and meaningful life.



Purpose, functions, powers and duties

The Board of YDHS is appointed by the Governor in Council on the recommendation of the Minister for Health in accordance with the *Health Services Act 1988*. The functions of the Board are to:

- Monitor the performance of YDHS.
- Appoint and determine the employment terms (including remuneration) of a Chief Executive Officer.
- Oversee management of YDHS and monitor performance of the Chief Executive Officer.
- Negotiate Statements of Priorities with the Department of Health.
- Develop strategic goals and deliver on the strategy included in the YDHS 2026-2029 Strategic Plan.
- Develop financial and business plans, strategies and budgets to ensure accountable and efficient provision of health services by YDHS and its long-term financial viability, as well as to ensure they are adhered to.
- Establish and maintain effective systems to ensure that the health service meets the needs of the community served by YDHS and that the views of users and providers of health services are taken into account.
- Ensure YDHS operates within budget and that its systems accurately reflect its financial position and viability.

Nature and range of services provided

Services

YDHS provides and supports the provision of a range of services that are designed to meet the needs of individuals and groups within its catchment population of approximately 5,580.

Acute Services

- 20 bed facility
- Maintenance Dialysis
- Medical, Post-Surgical
- Respite Care
- Transitional Care Program
- Urgent Care Services

Allied Health Services

- Allied Health Assistance
- Dietetics
- Occupational Therapy
- Physiotherapy
- Social Work
- Speech Pathology



Ancillary Services	• Pathology • Pharmacy • Visiting Radiology
Community Mental Health Services	• Gippsland Psychiatric Services (this is a Latrobe Regional Health (LRH) co-located service)
Community Participation	• Women's Health Event • Yarram Agricultural Show
Community Services	• Commonwealth Emergency Relief Vouchers • Community Nursing • Counselling • Delivered Meals • Diabetes Education • Domestic Assistance • Engage! Youth Projects • Foot Care Clinic • Health Promotion • Home Maintenance and Minor Modifications • Home Support Services • Housing and Homelessness Support • In Home Respite • Integrated Family Services • Maternal and Child Health • Palliative Care • Personal Care Assistance • Regional Assessment Service • Social Support Group • Stepped Care Mental Health Program • Transport • Volunteer Coordination
Residential Services	• Crossley House – residential aged care, 30 beds • Respite accommodation • St Elmo's Nursing Home – 30 beds (now Ageing in Place)
Yarram Medical Centre	• General Practitioners • Practice Nurse • Women's Health Nurse
Visiting Services	• Anglicare Financial Counselling • Audiology Service • Cardiac Diagnostics • Continence Nurse • Optometrist • Psychologist and Counselling Service • Royal Flying Doctors Service Counselling

Responsible Ministers

Yarram and District Health Service is a public health service established under the *Health Services Act 1988* (Vic). The responsible Ministers during the reporting period were:

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

Minister for Health
Minister for Ambulance Services
Minister for Water
Hon Harriet Shing MP — From 15 April 2026 to 30 June 2026

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

Minister for Mental Health
Minister for Ageing
The Hon Ingrid Stitt MP — From 1 July 2025 to 30 June 2026

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

Board Committee Representation

Board Membership

Dr Amanda Ormerod, Board Chair	Commenced 2018
Mr Ian Jaggard-Hawkins, Board Director	Commenced 2020
Ms Jade Johnstone, Board Director	Commenced 2022
Mr Kevin Thomson, Board Director	Commenced 2022
Ms Petra Bovery-Spencer, Board Director	Commenced 2022
Ms Clare Byrne, Board Director	Commenced 2023
Mr Steven Warrington, Board Director	Commenced 2023
Mr Adam Koster, Board Director	Commenced 2023
Dr Shehzad Kunwar, Board Director	Commenced 2025

Board Sub-Committee Membership:

Audit & Risk Committee:

Mr Kevin Thomson (Chair), Mr Ian Jaggard-Hawkins, Ms Clare Byrne and Mr Adam Koster

Quality Safety Committee

Ms Petra Bovery-Spencer (Chair), Dr Amanda Ormerod and Ms Jade Johnstone

Community Advisory Committee

Mr Ian Jaggard-Hawkins (Chair), Mr Steven Warrington

Community representatives: Ms Susan MacAulay, Mr Rob Inglis and Mr Berwyn Lampitt

Senior Officers



Chief Executive Officer

Mr Paul Head

The CEO of YDHS is responsible for the overall leadership and management of the organisation, ensuring the delivery of high-quality healthcare services to the community. Key responsibilities include strategic planning, financial management, and maintaining regulatory compliance. The CEO oversees the development and implementation of policies and procedures, manages relationships with stakeholders, and fosters a positive organisational culture. Additionally, the CEO plays a crucial role in driving continuous improvement initiatives, addressing legal matters, and ensuring that the health service operates efficiently and effectively.



Director of Clinical Services

Ms Sally Weatherley

The Director of Clinical Services at YDHS plays a crucial role in ensuring the delivery of high-quality, patient-centred care across nursing, aged care, acute care, and urgent care services. This position encompasses oversight of all clinical operations, ensuring compliance with regulatory standards and internal policies, and leading quality assurance and improvement initiatives. The Director is responsible for strategic planning and development of clinical services, managing resources, and fostering a culture of clinical excellence. Additionally, the role involves significant governance and compliance obligations, including adherence to accreditation standards, risk management, and staff development. The Director also collaborates with healthcare professionals and engages with the community to align services with patient needs and expectations, ensuring YDHS's commitment to safe, effective, and compassionate healthcare.



Director of Primary Care

Mr Mitchell Schwenke - Resigned 3rd July, 2026

The Director of Primary Care is responsible for overseeing and managing primary healthcare services delivered to individuals, as well as services provided on population-level. The Primary Health Care Directorate provides allied health, social work and welfare services, as well as community based aged and disability care to the community. The Primary Health Care team also work on population-level to deliver support which promotes the health of the community.

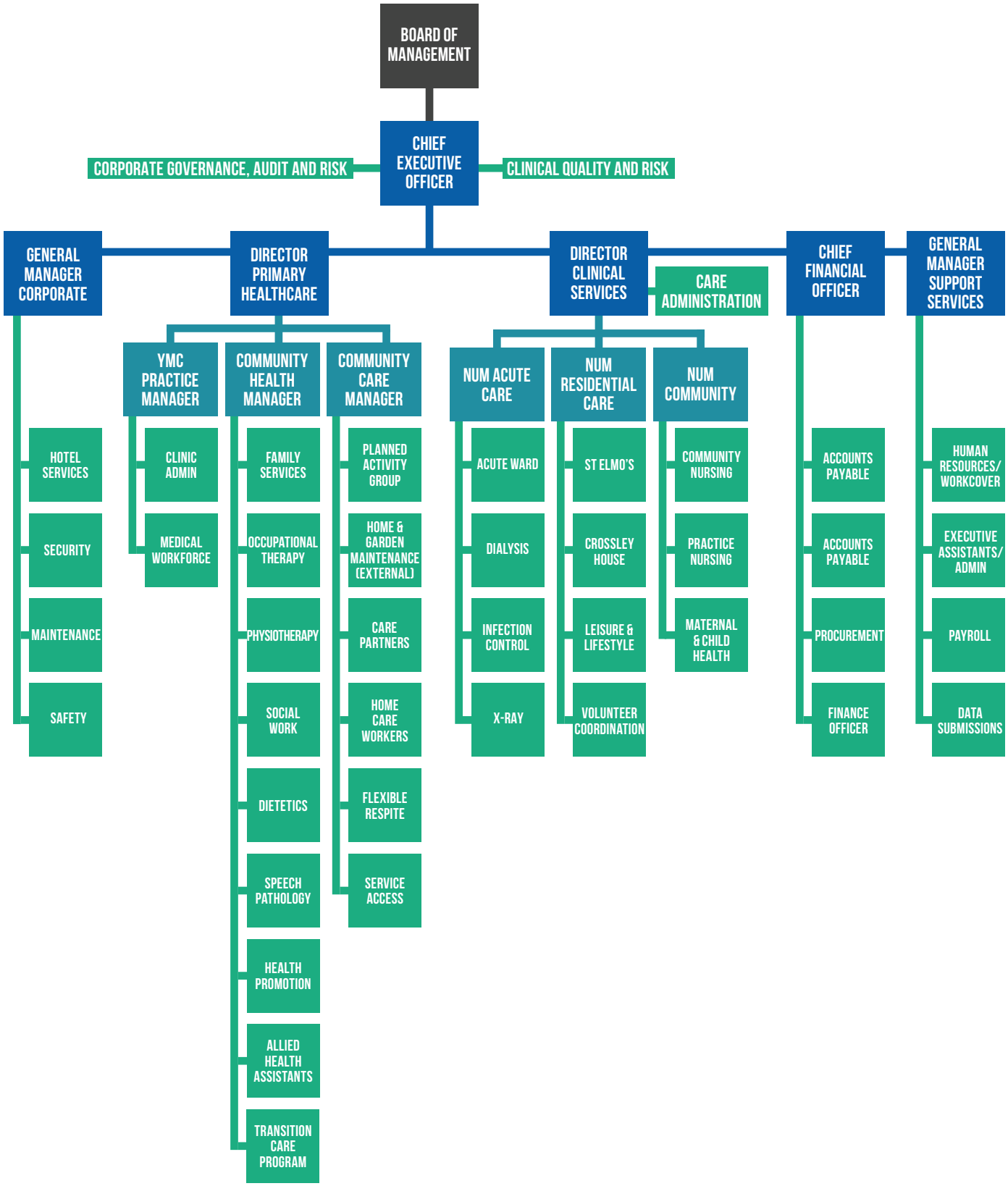


Director of Allied Health

Ms Kristy Lucas - Commenced 25th May, 2026

The Director of Allied Health is responsible for overseeing and managing primary healthcare services delivered to individuals, as well as services provided on population-level. The Primary Health Care Directorate provides allied health, social work and welfare services, as well as community based aged and disability care to the community. The Primary Health Care team also work on population-level to deliver support which promotes the health of the community.

Organisational Structure



Workforce Data

WORKFORCE				
Labour Category	JUNE Current Month FTE		Average Monthly FTE	
	2025	**2026**	**2025**	**2026**
Nursing	33.88	38.09	32.22	36.77
Administration and Clerical	22.11	30.90	20.72	26.15
Medical Support	0	0	0	0
Hotel and Allied Services	70.40	53.12	66.69	52.31
Medical Officers	0	0	0	0
Hospital Medical Officers	0	0	0	0
Sessional Clinicians	0	0	0	0
Ancillary Staff (Allied Health)	9.67	11.30	9.70	10.85
Total:	**136.06**	**133.41**	**129.33**	**126.08**

FTE stands for full-time equivalent positions. Employees have been correctly classified in workforce data collections.

Employment and Conduct Principles:

Merit and equity principles are encompassed in employment and are reinforced by our Code of Conduct.

Occupational Health and Safety

Yarram and District Health Service maintains a standing Occupational Health and Safety Committee which convenes monthly to assist in the review, consultation and discussion, policy, procedure, planning and action around Occupational Health and Safety.

OCCUPATIONAL HEALTH AND SAFETY	2025-2026	2024-2025	2023-2024
The number of reported hazards/incidents for the year per 100 FTE	45.92	33.91	18.2
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	4.19	2.16	1.4
The average cost per WorkCover claim for the year ('000)	$19,902	$27,791	$14,698



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	26
Number of occupational violence incidents reported per 100 FTE	18.08
Percentage of occupational violence incidents resulting in a staff injury, illness, or condition	3.84%

Definitions of occupational violence

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

Workforce Inclusion Policy:

Yarram and District Health Service (YDHS) is committed to maintaining a diverse, equitable and inclusive workforce in accordance with the *Gender Equality Act 2020*. During 2025-26, YDHS completed a workforce gender equality audit and developed its Gender Equality Action Plan, establishing measurable targets across workforce composition, leadership, career progression, flexible work, workforce data and workplace culture. The audit identified that women represent approximately 73% of the YDHS workforce, while 33% of management positions are currently held by women, providing a baseline for monitoring future leadership representation. YDHS has established measurable longer-term targets including increasing female participation in leadership development by 20% by 2028, increasing higher-duty opportunities for women from a baseline of 13.4% to 20% by 2028, achieving 90% recording of flexible work arrangements by 2028, improving workforce diversity data completeness to 90% by 2028, and achieving 100% completion of Positive Workplace Culture training annually. Progress against these measures will be monitored through regular Executive and Gender Equality Committee reporting, biannual reporting to the Board, annual workforce analysis and annual review of the Gender Equality Action Plan. As these measures have been established following the 2026 workforce audit, they provide the baseline against which YDHS will report progress and longer-term trends in future annual reports.



Finance Summary

Summary of the financial results for the year.

FINANCIAL INFORMATION	2026 $000	2025 $000	2024 $000	2023 $000	2022 $000
OPERATING RESULT					
Total Revenue	26,878	24,060	23,703	20,201	18,065
Total Expenses	27,867	24,301	21,729	19,832	18,216
Net Result from Transactions	**-989**	**-241**	**1,974**	**369**	**-151**
Total other economic flows	59	67	94	-15	-38
Net Result	**-930**	**-174**	**2,068**	**354**	**-189**
Total assets	52,400	49,895	49,859	36,012	34,489
Total liabilities	14,553	11,118	10,908	8,508	7,339
Net Assets/Total Equity	**37,847**	**38,777**	**38,952**	**27,504**	**27,150**

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

RECONCILIATION OF NET RESULT FROM TRANSACTIONS AND OPERATING RESULT	2025-2026 $000
Operating result	2,339
Capital purpose income	-525
Specific income	
COVID 19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply	
State supply items consumed up to 30 June 2024	
Assets provided free of charge	
Assets received free of charge	
Expenditure for capital purpose	
Depreciation and amortisation	2,803
Impairment of non-financial assets	
Finance costs (other)	
Net result from transactions	**-989**

There were no significant changes in the financial position for the year.

Performance against operational and budgetary objectives:

The Statement of Priorities operating target was a break-even-result of $0. YDHS recorded a net operating surplus of $2.34m before capital and specific items in 2025-2026 resulting in better than budgeted objectives.

Significant event occurring after balance date:

There were no events subsequent to the balance sheet date that may have a significant effect on the operational objectives of the organisation in subsequent years.

Consultancies

Consultancies Under $10,000

In 2025-2026, there were 6 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2025-2026 in relation to consultants was $22,093 (excl GST).

Consultancies Over $10,000

In 2025-2026, there were 6 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 $327,438 (excl GST). Details of these consultancies are as follows:

CONSULTANT	PURPOSE OF CONSULTANCY	START DATE	END DATE	TOTAL APPROVED PROJECT FEE (EX GST)	EXPENDITURE 2025-2026 (EX GST)	FUTURE EXPENDITURE (EX GST)
PKF Integrity Services BMNS Pty Ltd	Review stores operations	01.07.2025	30.06.2026	$0	$12,188	$0
Williams & Burns Contracting Pty Ltd	Audit of HVAC system	01.07.2025	30.06.2026	$0	$18,800	$0
Latrobe Regional Health	Finance, Payroll Services	01.07.2025	30.06.2026	$0	$132,862	$0
HLB Mann Judd Pty Ltd	Review of internal controls	01.07.2025	30.06.2026	$0	$37,400	$0
POP Architecture	St Elmo's refurb design work	01.07.2025	30.06.2026	$0	$96,499	$0
Latrobe Valley Drafting	Crossley House refurb design work	01.07.2025	30.06.2026	$0	$29,689	$0
				Total	**$327,438**	

Government advertising expenditure

YDHS has nil reports of government advertising expenditure in 2025-2026.

Information and communication technology (ICT) Expenditure

The total ICT expenditure incurred during 2025-2026 is $998,032 (excluding GST) with the details as 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)
$809,239	$188,793	$188,793	$0

Asset Management Accountability Framework (AMAF) Maturity Assessment

The following sections summarise Yarram & District Health Service 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 DTF website https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework

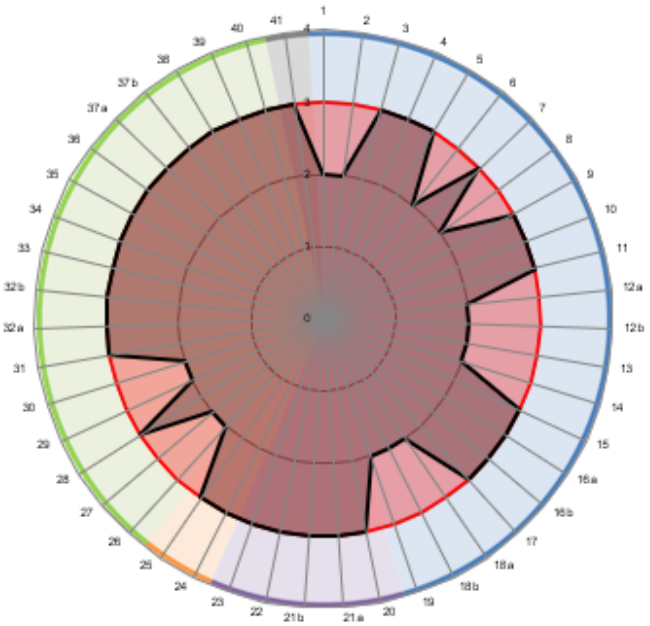
Yarram & District Health Service's target maturity rating is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the AMAF requirement, including a continuous improvement process to expand system performance above AMAF minimum requirements.

Results

Legend	
Status	**Scale**
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Target

Overall



Social Procurement Activities and Commitments

Reporting period:	2025-26
Reporting entity:	YDHS
Overall social procurement activities	2025-26
Number of social benefit suppliers engaged during the reporting period:	16
Total amount spent with social benefit suppliers (direct spend) during the reporting period ($ GST exclusive):	$1,186,964

Yarram and District Health Service (YDHS) recognises that procurement is more than the acquisition of goods and services; it is an opportunity to create lasting economic, social and community benefits across the region.

Throughout 2025-2026, YDHS continued to implement the Victorian Government's Social Procurement Framework by embedding social value considerations into procurement planning, capital projects and purchasing decisions wherever practical and proportionate to the scale of the organisation. This approach aligns with YDHS's commitment to strengthening the local economy, supporting employment opportunities and delivering value to the communities we serve.

During the reporting period, significant procurement activity was associated with the redevelopment of Crossley House and planning for the St Elmo's Residential Aged Care redevelopment. These projects provided opportunities to engage local contractors, consultants, trades and suppliers, supporting regional employment while ensuring project delivery remained responsive to local needs. Where capability and value for money requirements could be met, preference was given to businesses located within Gippsland and surrounding regional Victoria, recognising the important role local businesses play in sustaining rural communities.





YDHS also invested significantly in upgrading and modernising staff accommodation across several residential properties. These works were undertaken using local contractors and suppliers wherever possible, improving the quality and availability of accommodation for healthcare professionals relocating to the region. This investment not only generated economic activity for local businesses but also strengthened YDHS's ability to attract and retain a sustainable rural workforce by addressing one of the key barriers to recruitment in regional Victoria.

YDHS continued to apply procurement practices that considered broader social outcomes alongside traditional value-for-money principles. Procurement activities sought to maximise opportunities for Victoria suppliers, encourage participation by small and regional businesses and, where available, identify opportunities to engage Aboriginal businesses, social enterprises and disability enterprises in accordance with the Social Procurement Framework.

Beyond direct purchasing, YDHS recognises the contribution that procurement makes to broader community wellbeing. Investment in residential aged care infrastructure and staff accommodation has supported local employment, strengthened regional supply chains and contributed to the long-term sustainability of healthcare services in Yarram. These investments provide ongoing economic benefits through the engagement of local contractors, professional services, accommodation providers and associated businesses while ensuring YDHS can continue attracting the workforce needed to deliver quality healthcare close to home.

During 2025-2026, YDHS also continued to incorporate social procurement considerations into project planning and procurement documentation for major capital works, ensuring prospective suppliers understood the organisation's expectations regarding local participation, ethical business practices and community benefit outcomes. These practices support continuous improvement in procurement capability while aligning with Victorian Government policy objectives.

As a small rural health service, YDHS remains committed to progressively strengthening its social procurement performance by identifying additional opportunities to support Aboriginal businesses, social enterprises, disability enterprises and other suppliers that deliver measurable social value, while continuing to achieve best value for public expenditure and maintaining high standards of governance and accountability.

Key achievements during 2025-26

- Embedded Social Procurement Framework principles into procurement planning and major capital projects.
- Prioritised engagement of local and regional suppliers where capability, quality and value for money requirements were met.
- Supported regional employment through the Crossley House redevelopment and planning for the St Elmo's redevelopment.
- Completed significant renovations and upgrades to YDHS staff accommodation using local contractors and suppliers, improving workforce attraction and retention.
- Strengthened local economic participation through investment in regional trades, professional services and suppliers.
- Continued to strengthen procurement governance, transparency and accountability across purchasing activities.
- Incorporated social value considerations into procurement decision-making alongside financial and operational outcomes.
- Maintained a commitment to identifying future opportunities to engage Aboriginal businesses, social enterprises and Australian Disability Enterprises in line with Victorian Government policy.

Procurement Complaints

There are nil procurement complaints received by YDHS in 2025-2026.

Emergency Procurement

Nil report: No emergency procurement activities were activated during 2025-2026 and no expenditure was incurred.

Disclosure of review and study expenses

This requirement is not applicable to YDHS.

Grants and transfer payments

Not applicable – YDHS did not administer any grants, transfer payments or Commercial-in-Confidence grants in 2025-26.


THE
CAFFEINE
CLINIC
The Caffeine Clinic
Hot Drinks:
Iced Drinks $5.00

Attestations and Declarations

Data Integrity

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



Paul Head

Chief Executive Officer
Yarram and District Health Service

27 July 2026

Conflict of Interest

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



Paul Head

Chief Executive Officer
Yarram and District Health Service

27 July 2026

Financial Management Compliance

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



Amanda Ormerod

Board Chair
Yarram and District Health Service

27 July 2026

Integrity, Fraud and Corruption

I, Paul Head, certify that Yarram and District Health Service has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Yarram and District Health Service during the year.



Paul Head
Chief Executive Officer
Yarram and District Health Service

27 July 2026

Compliance with Health Share Victoria (HSV) Purchasing Policies

Schedule 1 and 5 health services are required to comply with the requirements of the Purchasing Policies as set out in the *Health Services Act 1988* (Vic).

No compliance issues

I, Paul Head on behalf of Yarram and District Health Service, certify that the Yarram and District Health Service is fully compliant with respect to the HSV Purchasing Policies as required by the *Health Services Act 1988* (Vic). Yarram and District Health Service has implemented appropriate internal controls, which have been critically reviewed throughout the year.



Paul Head
Chief Executive Officer
Yarram and District Health Service

27 July 2026

Disclosures

Additional Information available on request

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

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

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- 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:
Chief Executive Officer
Phone: 03 5182 0222
Email: executive.assistant@ydhs.com.au

Environmental Performance

YDHS continues to work towards improving performance by minimising consumption of water and energy, encouraging the procurement of sustainable products and services, and where possible diverting equipment and furnishing from landfill.

Assisting us in reducing the consumption of electricity is the installation of a 150.22kW solar system on the IHCC roof and residential properties. Data is collected from invoices and Department of Health EDEN suite reporting.

Organisational Boundary FRD24

The organisational boundary of the entity for the purpose of environmental reporting must include:

- all operations of the entity;
- the operations of any other public sector entity hosted entirely within the entity's facilities (where there is agreement between the entities for the reporting of these operations); and
- operations of any public asset by a private entity, including those that are within the scope of AASB 1059 Service Concession Arrangements: Grantors or AASB 16 Leases, where the environmental impacts of those assets are within the operational control of the entity (see Guidance Manual for further information on 'operational control'). Only the activities associated with asset operations should be considered, and not those from office or other corporate facilities that are not part of any service concession or lease.

All entities must disclose the organisational boundary of the entity for the purpose of environmental reporting, including any other entities, leases and service concessions that are included within the entity's reporting.

Further guidance on portfolio reporting and reporting year is at 15.1 and 15.2.

Environmental Impacts and Energy Usage:

	2025-2026	2024-2025	2023-2024
Energy use:			
Electricity (MWh)	585,554.02	580,894.99	601,263.80
Liquefied Petroleum Gas (k)	43,375.11	111,609.20	198,045.30
Carbon emissions (thousand tons of CO_2-e / CO2-e):			
Electricity	505.61	627.36	655.48
Liquefied Petroleum Gas	N/A	N/A	N/A
Total emissions	505.61	627.36	655.48
Water use (millions litres):			
Potable Water	6,540.00	5,229.00	4,976.00

Disclosures

Safe Patient Care Act 2015

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

Carers Recognition Act 2012

The Health Service 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.

YDHS was not required to make any disclosures during the reporting period.

National Competition Policy

Victorian Government policy requires that the costing policies of publicly funded organisations should reflect any competitive advantage not available to the private sector. YDHS supports the Competitive Neutrality Policy Victoria and any subsequent reforms, meets its requirements and maintains compliance.

Freedom of Information Act 1982

The nominated Freedom of Information (FOI) Officer is the Corporate Governance Audit and Risk officer who has the responsibility for Health Information Management at YDHS. For information on how to make a FOI request and for associated costs visit www.ydhs.com.au or phone 03 5182 0222.

During 2025-2026, YDHS received 8 applications. Of these requests, zero were from Members of Parliament, zero from the media, and the remainder from the general public.

YDHS made 8 FOI decisions during the 12 months ended 30 June 2026.



There were 8 decisions made within the statutory time periods. Of the decisions made outside time, none were made within a further 45 days and no decisions were made in greater than 45 days. A total of 8 FOI access decisions were made where access to documents was granted in full, granted in part or denied in full. No decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant. Of requests finalised, the average number of days over/under the statutory time (including extended timeframes) to decide the request was 5 days.

During 2025-2026, no requests were subject to a complaint/internal review by Office of the Victorian Information Commissioner. No requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

In addition to requests under the *Freedom of Information Act 1982*, the Health Service recognises requests for "release of information" where information is sent directly to a designated Medical Practitioner for ongoing care. There were 36 requests for release of information this year.

Building Act 1993

YDHS does not own or control any government buildings and is exempt from notifying its compliance with the building and maintenance provisions of the Act.

All buildings of the health service comply with the *Building Act 1993*. YDHS policy is to consult architects and engage registered builders in the renovation of existing buildings or

construction of new facilities. Prior to commencement, plans are submitted to local government for approval and building permits issued.

All sites are subject to a Fire Safety Audit and Risk Assessment according to revised standards as directed by the Department of Health.

Public Interest Disclosures Act 2012

YDHS has developed a procedure for the protection of individuals from detrimental action. Guidance is available on the YDHS website and is contained in the organisation's policy and procedure manual. No protected disclosures have been received this year.

Gender Equality Act 2020

The *Gender Equality Act 2020* (the "Act") commenced in March 2021. The objectives of the Act are to:

- promote, encourage and facilitate the achievement of gender equality and improvement in the status of women
- support the identification and elimination of systemic causes of gender inequality in policy, programs and delivery of services in workplaces and communities
- recognise that gender inequality may be compounded by other forms of disadvantage or discrimination that a person may experience on the basis of Aboriginality, age, disability, ethnicity, gender identity, race, religion, sexual orientation and other attributes
- redress disadvantage, address stigma, stereotyping, prejudice and violence, and accommodate persons of different genders by way of structural change
- enhance economic and social participation by persons of different genders
- further promote the right to equality set out in the Charter of Human Rights and Responsibilities and the Convention on the Elimination of All Forms of Discrimination against Women.

YDHS developed a *Gender Equality Action Plan* (GEAP) for 2025-2029 that has been approved by the Gender Equality Commission of Victoria. The plan takes a holistic interpretation of our goals and applies these strategies across staff, patients, visitors and volunteers to understand the composition of our stakeholder groups. This epitomises a journey of discovery for YDHS as we unite as an organisation to navigate the complexity of perpetuating equality.

Local Jobs First Act 2003

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





The following highlights should also be noted for 2025-2026:

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	222.63	262.25	224.66
Methane	0.48	0.57	0.69
Nitrous Oxide	0.72	1.03	0.78
Total	**223.83**	**263.85**	**226.13**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (t CO2-e)	**142.81**	**166.89**	**208.37**
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (t CO2-e)	**81.02**	**96.95**	**17.77**
Medical/Refrigerant gases			
Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**223.83**	**263.85**	**226.13**
G2 Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)			
Electricity	438.43	423.45	379.13
Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	**438.43**	**423.45**	**379.13**
G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (t CO2-e)			
Commercial air travel			
Waste emissions (WR5)	103.79	0.25	0.47
Indirect emissions from Stationary Energy	106.56	113.14	116.26
Indirect emissions from Transport Energy	20.58	24.26	4.43
Paper emissions			
Water emissions	11.97	13.11	12.86
Any other Scope 3 emissions	0.00		
Total Scope 3 greenhouse gas emissions (t CO2-e)	**242.90**	**150.76**	**134.02**
G(Opt) Net greenhouse gas emissions (t CO2-e)			
Gross greenhouse gas emissions (G1 + G2 + G3) (t CO2-e)	905.17	838.06	739.29
Total gross reported greenhouse gas emissions per bed-day (t CO2-e/OBD)	0.05	0.05	0.04
Carbon Neutral Electricity	0.00	0.00	0.00
Green Power Electricity	0.00	0.00	0.00
Purchased LGCs	-474.51	0.00	0.00
Any Reduction Measures Offsets purchased (EL4-related)	**-474.51**		
Any Offsets purchased	**-474.51**		
Net greenhouse gas emissions (t CO2-e)	**430.65**	**838.06**	**739.29**

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	654.86	640.94	576.43
Self-generated	83.36	73.82	82.82
EL1 Total electricity consumption (MWh)	**738.22**	**714.76**	**659.26**
EL2 On site-electricity generated (MWh) segmented by:			
Consumption behind-the-meter			
Solar Electricity	83.36	73.82	82.82
Total Consumption behind-the-meter (MWh)	**83.36**	**73.82**	**82.82**
Exports			
Solar Electricity	50.53	60.08	51.48
Total Electricity exported (MWh)	**50.53**	**60.08**	**51.48**
EL2 Total On site-electricity generated (MWh)	**133.90**	**133.90**	**134.30**
EL3 On-site installed generation capacity (kW converted to MW) segmented by:			
Diesel Generator	0.38	0.38	0.38
Solar System	0.15	0.15	0.15
EL3 Total On-site installed generation capacity (MW)	**0.53**	**0.53**	**0.53**
EL4 Total electricity offsets segmented by offset type (MWh)			
LGCs voluntarily retired on the entity's behalf	515.77		
RPP (Renewable Power Percentage in the grid)	113.58	117.21	108.14
EL4 Total electricity offsets (MWh)	**629.36**	**117.21**	**108.14**

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	2,245,789.50	2,754,019.80	3,438,418.70
Diesel	95,685.60		
F1 Total fuels used in buildings (MJ)	**2,341,475.10**	**2,754,019.80**	**3,438,418.70**
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (t CO2-e)			
LPG	136.09	166.89	208.37
Diesel	6.72		
F2 Greenhouse gas emissions from stationary fuel consumption (t CO2-e)	**142.81**	**166.89**	**208.37**

TRANSPORTATION ENERGY*	JUL-25 TO JUN-26	JUL-24 TO JUN-25	JUL-23 TO JUN-24
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type (MJ)			
Non-executive fleet - Gasoline	1,148,107.20	754,934.70	115,534.40
Petrol	**1,148,107.20**	**754,934.70**	**115,534.40**
Non-executive fleet - Diesel	48,087.90	651,953.90	141,368.60
Diesel	**48,087.90**	**651,953.90**	**141,368.60**
Total energy used in transportation (vehicle fleet) (MJ)	**1,196,195.10**	**1,406,888.60**	**256,903.00**
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (t CO2-e)			
Non-executive fleet - Gasoline	77.63	51.05	7.81
Petrol	**77.63**	**51.05**	**7.81**
Non-executive fleet - Diesel	3.39	45.90	9.95
Diesel	**3.39**	**45.90**	**9.95**
Total Greenhouse gas emissions from transportation (vehicle fleet) (t CO2-e)	**81.02**	**96.95**	**17.77**
T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)			
Total distance travelled by commercial air travel			

TRANSPORTATION ENERGY	JUL-25 TO JUN-26	JUL-24 TO JUN-25	JUL-23 TO JUN-24
T(opt1) Total vehicle travel associated with entity operations (1,000 km)			
Total vehicle travel associated with entity operations (1,000 km)			
T(opt2) Greenhouse gas emissions from vehicle fleet (t CO2-e per 1,000 km)			
t CO2-e per 1,000 km			

TOTAL ENERGY USE	JUL-25 TO JUN-26	JUL-24 TO JUN-25	JUL-23 TO JUN-24
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)			
Total energy usage from stationary fuels (F1) (MJ)	2,341,475.10	2,754,019.80	3,438,418.70
Total energy usage from transport (T1) (MJ)	1,196,195.10	1,406,888.60	256,903.00
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**3,537,670.20**	**4,160,908.40**	**3,695,321.70**
E2 Total energy usage from electricity (MJ)			
Total energy usage from electricity (MJ)	2,657,597.20	2,573,150.23	2,373,322.58
E3 Total energy usage segmented by renewable and non-renewable sources (MJ)			
Renewable	2,565,787.98	687,696.17	687,470.33
Non-renewable (E1 + E2 - E3 Renewable)	3,629,479.42	6,046,362.46	5,381,173.96
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD (MJ/Aged Care OBD)	300.73	331.23	362.51
Energy per unit of LOS (MJ/LOS)	2,010.89	2,914.21	3,254.05
Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD)	261.61	297.42	326.17
Energy per unit of Separations (MJ/Separations)	3,550.48	4,656.62	5,794.36
Energy per unit of floor space (MJ/m^2)	480.36	511.88	558.45

** Significant reduction in diesel is due to fleet is predominately petrol powered.*

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)	8,531.94	8,017.21	7,661.63
Total units of water consumed (kL)	**8,531.94**	**8,017.21**	**7,661.63**

W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD (kL/Aged Care OBD)	0.51	0.50	0.48
Water per unit of LOS (kL/LOS)	3.43	4.39	4.29
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.45	0.45	0.43
Water per unit of Separations (kL/Separations)	6.06	7.01	7.64
Water per unit of floor space (kL/m^2)	0.82	0.77	0.74

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	73,910.50		
Offsite treatment			
Clinical waste - incinerated	3,138.05		18.00
Clinical waste - sharps	3,617.47		160.35
Clinical waste - treated	189.44	189.44	190.06
Recycling/recovery (disposal)			
Cardboard	4,818.00		
Total units of waste disposed (kg)	**85,673.46**	**189.44**	**368.41**

WR1 Total units of waste disposed of by waste stream and disposal method (%)			
Landfill (total)			
General waste	86.27%		
Offsite treatment			
Clinical waste - incinerated	3.66%		4.89%
Clinical waste - sharps	4.22%		43.53%
Clinical waste - treated	0.22%	100.00%	51.59%
Recycling/recovery (disposal)			
Cardboard	5.62%		

WASTE AND RECYCLING	JUL-25 TO JUN-26	JUL-24 TO JUN-25	JUL-23 TO JUN-24
WR2 Percentage of office sites covered by dedicated collection services for each waste stream			
Printer cartridges			
Batteries			
e-waste			
Soft plastics			
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)	3.60		
Total waste to offsite treatment per patient treated ((kg offsite treatment)/ PPT)	0.34	0.01	0.02
Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT)	0.23		
WR4 Recycling rate (%)			
Weight of recyclable and organic materials (kg)	4,818.00		
Weight of total waste (kg)	85,673.46	189.44	368.41
Recycling rate (%)	**5.62%**		
WR5 Greenhouse gas emissions associated with waste disposal (t CO2-e)			
t CO2-e	103.79	0.25	0.47

Part A: Strategic Priorities

Yarram & District Health Service will contribute to the Strategic Plan 2023-27 by agreeing to the following priorities:

Innovate and improve access and care

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

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

- ***Deliverable:*** *Demonstrate high quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes.*

  Progress: Complete

  Commentary: YDHS continued to strengthen consumer-centred care by embedding meaningful consumer engagement across service planning, evaluation and quality improvement activities. Feedback from patients, residents, families and community members was actively sought through a range of formal and informal mechanisms, with the insights gathered directly informing service improvements, policy development and models of care. This approach reinforces a culture where consumer voices are valued and translated into tangible improvements in safety, quality and the overall healthcare experience.

  Activities Completed: Implemented consumer feedback processes across clinical services; engaged consumers and community representatives in service planning and quality improvement initiatives; reviewed patient experience data to identify improvement opportunities; incorporated consumer feedback into policy, procedure and service redesign activities; strengthened communication with consumers regarding actions taken in response to feedback.

  Impact: Increased consumer participation in decision-making, enhanced responsiveness to community needs, improved patient and resident experience, and strengthened compliance with the Victorian Clinical Governance Framework through demonstrable consumer partnership in the design and delivery of care.

- ***Deliverable:*** *Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers.*

  Progress: Complete

  Commentary: YDHS continued to strengthen its governance and clinical safety framework through enhanced reporting systems, structure committee oversight and a strong focus on transparency and accountability. Governance processes were further supported through regular review of organisational risks, incident trends, consumer feedback and quality indicators, ensuring informed decision-making and continuous improvement.

Activities Completed: Strengthened Board and Executive reporting; monitored clinical and corporate risk through established governance committees; reviewed incident management and consumer feedback processes; implemented regular and organisational performance reporting.

Impact: Improved organisational oversight, stronger governance accountability, increased transparency in decision-making and greater confidence that quality and safety risks are identified and manage proactively.

- ***Deliverable:*** *Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.*

  Progress: Complete

  Commentary: YDHS delivered a structured organisational training program supporting mandatory compliance, leadership capability, professional development and organisational accountability. Training was embedded into induction and ongoing workforce development to ensure staff maintained the knowledge and skills required to deliver safe, high-quality care.

  Activities Completed: Delivered mandatory education programs; implemented structured induction processes; supported leadership development and performance review processes; monitored training compliance through organisational reporting.

  Impact: Improved workforce capability, increased compliance with mandatory education requirements and strengthened a culture of continuous learning and accountability.

Prudent, sustainable and effective use of resources

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

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

- ***Deliverable:*** *Deliver the key initiatives outlined in the Budget Action Plan with Government parameters.*

  Progress: Complete

  Commentary: YDHS successfully delivered its Budget Action Plan while maintaining high-quality service delivery and meeting Government financial expectations. Responsible financial management, expenditure control and targeted efficiency initiatives contributed to a strong year-end financial position.

  Activities Completed: Implemented Budget Action Plan initiatives; monitored financial performance through monthly reporting; managed expenditure within approved budgets; achieved operational efficiencies across the organisation.

  Impact: Delivered a year-end operating surplus of approximately $2.34 million, strengthening the organisation's financial sustainability while continuing to invest in patient care and strategic priorities.

- ***Deliverable:*** *Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance.*

  Progress: Complete

  Commentary: The organisation continued to expand the use of financial, workforce and operational performance data to support evidence-based decision-making. Routine analysis informed resource allocation, procurement practices and service improvements across the health service.

  Activities Completed: Enhanced financial and operational reporting monitored workforce and service performance indicators; reviewed procurement and expenditure trends; used performance dashboards to support Executive decision-making.

  Impact: Improved organisational efficiency, strengthened financial oversight and enabled timely decisions that enhanced operational performance and value for money.

- ***Deliverable:*** *Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost-of-service delivery, improve safety, capacity and reduce unnecessary waiting.*

  Progress: Complete

  Commentary: YDHS continued to prioritise investment in frontline clinical services while progressing significant capital infrastructure projects designed to improve service capacity, safety and patient experience. Operational efficiencies were achieved without compromising quality of care.

  Activities Completed: Progressed Crossley House refurbishment and St Elmo's redevelopment; invested capital funding into priority infrastructure; reviewed service delivery models to improve efficiency; maintained focus on reducing unnecessary costs.

  Impact: Improved access to contemporary healthcare facilities, enhanced service capacity, strengthened long-term sustainability and ensured funding remained focused on delivering patient-centred care.



A stronger workforce

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

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

- ***Deliverable:*** *Implement processes to sustain workforce supply and fulfill obligations, including those under the Gender Equality Act 2020 by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care.*

  Progress: Complete

  Commentary: YDHS continued to invest in workforce attraction, retention and development while progressing initiatives supporting gender equality, leadership capability and employee wellbeing. Workforce planning remained focused on building a sustainable and inclusive workforce capable of meeting future service demands.

  Activities Completed: Developed the Gender Equality Action Plan; recruited key clinical and executive positions; expanded workforce accommodation initiatives; delivered leadership development and wellbeing programs; strengthened recruitment strategies.

  Impact: Improved workforce stability, enhanced employee experience, strengthened organisational capability and supported compliance with legislative workforce obligations.

- ***Deliverable:*** *Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.*

  Progress: Complete

  Commentary: YDHS strengthened workforce reporting and planning through improved workforce data collection and analysis. Information was used to inform recruitment, succession planning, workforce sustainability and strategic decision-making.

  Activities Completed: Enhanced workforce reporting; analysed workforce trends and vacancies; monitored recruitment outcomes; incorporated workforce data into organisational planning.

  Impact: Improved workforce planning capability, supported evidence-based recruitment strategies and strengthened long-term workforce sustainability.

Improving Aboriginal health and wellbeing

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

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

- ***Deliverable:*** *Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.*

  Progress: Complete

  Commentary: YDHS continued to strengthen cultural capability by delivering Aboriginal Cultural Safety training in partnership with Aboriginal-led organisations. Training reinforced the organisation's commitment to culturally safe healthcare and respectful engagement with Aboriginal communities.

  Activities Completed: Delivered Aboriginal Cultural Safety training education across the organisation; incorporated cultural safety into induction and ongoing professional development; supported staff participation in NAIDOC week activities.

  Impact: Improved workforce cultural capability, strengthened culturally safe practice and enhanced the experience of Aboriginal patients, families and communities.

- ***Deliverable:*** *Health service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services.*

  Progress: Complete

  Commentary: YDHS maintained strong relationships with Aboriginal organisations and community representatives through ongoing engagement, collaborative planning and participation in community-led initiatives. These partnerships informed service delivery and strengthened culturally responsive healthcare.

  Activities Completed: Maintained regular engagement with Gunaikurnai and local Aboriginal stakeholders; partnered with Wulgunggo Ngalu Learning Place and Aboriginal community organisations; participated in NAIDOC week and other collaborative initiatives.

  Impact: Strengthened trust, improved collaboration and ensured Aboriginal voices continued to inform healthcare planning and service delivery..

- ***Deliverable:*** *Ensure culturally and appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.*

  Progress: Complete

  Commentary: YDHS continued to strengthen processes supporting culturally appropriate identification, care planning and referral pathways for Aboriginal and Torres Strait Islander consumers. Staff were supported to provide culturally responsive care throughout the patient journey.



Activities Completed: Reviewed patient identification processes; strengthened referral pathways with Aboriginal services; reinforced culturally appropriate discharge planning practices; monitored patient data quality.

Impact: Improved continuity of care, strengthened connections with Aboriginal health providers and supported more culturally responsive patient outcomes.

Moving from Competition to Collaboration

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

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

- ***Deliverable:*** *Meet all objectives agreed to in the Local Health Service Network Statement of Expectations across priority areas (access, equity and flow, workforce, safety and quality, and shared services).*

  Progress: Complete

  Commentary: YDHS actively participated in the Gippsland Local Health Service Network, contributing to regional initiatives focused on access, workforce, safety, quality and shared services. Collaboration across the network strengthened regional capability and improved service co-ordination for local communities.

  Activities Completed: Participated in Local Health Service Network governance and working groups; progressed shared regional initiatives including CareSync and regional workforce projects; collaborated on clinical service planning and shared improvement activities.

  Impact: Strengthened regional partnerships, improved service integration, increased opportunities for shared expertise and supported more sustainable healthcare delivery across Gippsland.



Part B: Performance Priorities

High quality and safe care

KEY PERFORMANCE MEASURE	TARGET	RESULT
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	97%
Adverse Events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event	All RCA reports submitted within 30 business days	N/A[1]
Aged Care		
Public sector residential aged care services overall star rating	Minimum rating of 3 stars	100%
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice	0%	N/A[2]
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	100%

Strong Governance, leadership and culture

KEY PERFORMANCE MEASURE	TARGET	RESULT
Organisational culture		
People matter survey - Percentage of staff with an overall positive response to safety culture survey questions	80%[3]	84%

[1] *YDHS was not required or due to submit a report during the reference period.*
[2] *There were no Aboriginal and/or Torres Strait Islander patients during the reporting period, or the denominator of either percentage was less than 10.*
[3] *Changes to the 2025-26 Health Sector People Matter Survey has affected the 'Percentage of staff with an overall positive response to safety culture survey questions' measure. Historical results arenot directly comparable and should be interpreted with consideration of a break in the time series.*

Effective financial management

KEY PERFORMANCE MEASURE	TARGET	RESULT
Operating result ($M)	$0.00	$2.34m
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.10%
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	5% movement in forecast revenue and expenditure forecasts	0.68% for revenue and 0.41% for expenditure

All data published in this annual report was accurate at the time of publication. Data may be subject to change following audit and data verification processes that may not have been finalised at the time of publication.

Part C: Activity

FUNDING TYPE	ACTIVITY ACHIEVEMENT
Small Rural	
Residential Aged Care	21,696
HACC	2,819
Community health / Primary Care Programs	3,135
Small Rural Acute	60
Small Rural Other Specified Funding	415
Other Specified Funding	25





Glossary of Terms

CEO	Chief Executive Officer
IHCC	Integrated Health Care Centre
LRH	Latrobe Regional Hospital
GP	General Practitioner
LCHS	Latrobe Community Health Service
WPCP	Wellington Primary Care Partnership
PCP	Primary Care Partnership
COPD	Chronic Obstructive Pulmonary Disease
EMR	Electronic Medical Record
OVA	Occupational Violence and Aggression
MARAM	Family Violence Multi-Agency Risk Assessment and Management Framework
FVISS	Family Violence Information Sharing Scheme
CISS	Child Information Sharing Scheme
CGHS	Central Gippsland Health Service SoP Statement of Priorities
FOI	Freedom of Information



Financial Statements

Financial Year ended 30 June 2026

Board members, accountable officers, and chief finance & accounting officers declaration

The attached financial statements for Yarram & District Health Service have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer 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 Yarram & District Health Service at 30 June 2026.

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

We authorise the attached financial statements for issue on 11 November, 2026.

Board Member



Amanda Ormerod
Board Chair
Yarram and District Health Service

22 September 2026

Accountable Officer



Paul Head
Chief Executive Officer
Yarram and District Health Service

22 September 2026

Chief Finance & Accounting Officer



Vipula Halloluwa
Chief Finance Officer
Yarram and District Health Service

22 September 2026

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Yarram and District Health Service

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
23 September 2026

Simone Bohan
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement

Yarram & District Health Service
For the Financial Year Ended 30 June 2026

	Note	2026 $	2025 $
Revenue and income from transactions			
Revenue from contracts with customers	2.1(a)	15,060,981	13,187,734
Government Grants	2.1(b)	9,151,906	8,128,792
Other sources of income	2.1(c)	2,664,870	2,743,179
Total revenue and income from transactions		**26,877,757**	**24,059,705**
Expenses from transactions			
Employee expenses	3.1(a)	(17,852,777)	(15,312,845)
Supplies and consumables	3.1(c)	(1,864,301)	(1,394,863)
Depreciation and amortisation	4.1(a), 4.2	(2,777,653)	(2,945,554)
Other operating expenses	3.1(d)	(5,372,990)	(4,647,738)
Total Expenses from transactions		**(27,867,721)**	**(24,301,000)**
Net result from transactions - net operating balance		**(989,964)**	**(241,295)**
Other economic flows included in net result			
Other gain from other economic flows		59,893	66,561
Total other economic flows included in net result		**59,893**	**66,561**
Net result		**(930,071)**	**(174,734)**
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus		-	-
Total other comprehensive income		**-**	**-**
Comprehensive result		**(930,071)**	**(174,734)**

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

Balance Sheet

Yarram & District Health Service
As at 30 June 2026

	Note	2026 $	2025 $
Financial assets			
Cash and cash equivalents	6.1	13,098,105	9,808,868
Receivables	5.1	1,478,148	1,731,524
Contract assets	5.2	541,929	343,054
Total financial assets		**15,118,182**	**11,883,446**
Non-financial assets			
Prepayments		255,344	310,506
Inventories		-	53,798
Property, plant and equipment	4.1	37,026,832	37,647,696
Total non-financial assets		**37,282,176**	**38,012,000**
Total assets		**52,400,358**	**49,895,446**
Liabilities			
Payables	5.3	2,679,710	1,216,690
Contract liabilities	5.4	164,741	177,741
Borrowings		117,604	164,367
Employee benefits	3.1(b)	3,726,704	3,591,999
Monies held in trust	5.5	7,864,760	5,967,739
Total liabilities		**14,553,519**	**11,118,536**
Net assets		**37,846,839**	**38,776,910**
Equity			
Reserves		30,196,959	30,196,959
Contributed capital		6,121,891	6,121,891
Accumulated surplus		1,527,989	2,458,060
Total equity		**37,846,839**	**38,776,910**

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

Cash Flow Statement

Yarram & District Health Service
As at 30 June 2026

	Note	2026 $	2025 $
Cash Flows from operating activities			
Receipts from Government		20,563,743	16,929,329
Commercial activity revenue received		5,137,048	2,089,541
Donations and bequests received		-	8,795
Other receipts		1,745,985	3,845,918
Total receipts		**27,446,776**	**22,873,583**
Payments to employees		(17,945,805)	(13,254,124)
Payments for supplies and consumables		(1,641,922)	(4,133,320)
Net GST paid to ATO		(68,365)	(181,739)
Other payments		(4,398,787)	(2,524,870)
Total payments		**(24,054,879)**	**(20,094,053)**
Net cash flows from operating activities		**3,391,897**	**2,779,530**
Cash Flows from investing activities			
Purchase of non-financial assets		(1,920,635)	(2,021,907)
Net cash flows from/(used in) investing activities		**(1,920,635)**	**(2,021,907)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(78,890)	(547,169)
Repayment of accommodation deposits		(1,440,135)	(1,056,231)
Receipt of accommodation deposits		3,337,000	1,835,001
Net cash flows from financing activities		**1,817,975**	**231,601**
Net increase in cash and cash equivalents held		**3,289,237**	**989,224**
Cash and cash equivalents at beginning of year		9,808,868	8,819,644
Cash and cash equivalents at end of year	6.1	**13,098,105**	**9,808,868**

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

Statement of Changes in Equity

Yarram & District Health Service
For the Financial Year Ended 30 June 2026

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Surplus/(Deficit)	Total
	$	$	$	$	$
Balance at 1 July 2024	**30,102,459**	**94,500**	**6,121,891**	**2,632,794**	**38,951,644**
Net result for the year	-	-	-	(174,734)	(174,734)
Balance at 30 June 2025	**30,102,459**	**94,500**	**6,121,891**	**2,458,060**	**38,776,910**
Net result for the year	-	-	-	(930,071)	(930,071)
Balance at 30 June 2026	**30,102,459**	**94,500**	**6,121,891**	**1,527,989**	**37,846,839**

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

Notes to the Financial Statements

Yarram & District Health Service
For the Financial Year Ended 30 June 2026

Structure

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

Note 1: About this Report

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

Yarram & District Health Service is a not-for-profit entity established as a public agency in 1988 under the *Health Services Act 1988 (Vic).* A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation

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

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

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.
The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

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

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

The financial statements are presented in Australian dollars.

The amounts presented in the financial statements have been rounded to the nearest dollar. 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 Yarram & District Health Service on 22 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 in future periods that are affected by the revision.

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

Note 1.3 Reporting Entity

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

Yarram & District Health Service has the following joint arrangements:

- Gippsland Health Alliance (GHA)

Details of the joint arrangements are set out in Note 8.7

Yarram & District Health Service's principal address is:

85-91 Commercial Road
Yarram, Victoria 3971

Note 1.4 Economic dependency

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

Note 2: Funding delivery of our services

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

Structure

2.1 Revenue and income from transactions

Note 2.1 Revenue and income from transactions

	Note	Total 2026 $	Total 2025 $
Revenue from contracts with customers	2.1(a)	15,060,981	13,187,734
Government grants	2.1(b)	9,151,906	8,128,792
Other sources of income	2.1(c)	2,664,870	2,743,179
Total revenue and income from transactions		**26,877,757**	**24,059,705**

Note 2.1(a) Revenue from contracts with customers

	Total 2026 $	Total 2025 $
Government grants (State) - Operating	835,064	600,796
Government grants (Commonwealth) - Operating	9,368,825	8,432,694
Patient and resident fees	2,261,460	2,064,705
Commercial activities	2,595,632	2,089,539
Total revenue from contracts with customers	**15,060,981**	**13,187,734**

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 Yarram & District Health Service's goods or services. Yarram & District Health 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 Yarram & District Health Service's revenue streams, with information detailed below relating to Yarram & District Health Service's material revenue streams:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Commonwealth Residential Aged Care Grants	Aged Care funding is provided by the Australian Government to support the delivery of residential aged care services to eligible residents. Yarram & District Health Service recognises revenue as residential aged care services are provided to residents, based on the applicable daily funding rates and eligible supplements. Any funding received in advance is recognised as a contract liability until the related services are provided.

Patient and resident fees

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

Commercial activities

Revenue from commercial activities includes items such as rental income and Medical Centre Revenue. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

Note 2.1(b) Government grants

	Total 2026 $	Total 2025 $
Government grants (State) - Operating	8,653,146	8,042,062
Government grants (State) - Capital	498,760	86,730
Total Government grants	**9,151,906**	**8,128,792**

How we recognise other sources of income

Government grants

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

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

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

Capital grants

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

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

Non-cash contributions from the Department of Health

The Department of Health (DH) makes some payments on behalf of Yarram & District Health Service as follows:

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

Note 2.1(c) Other sources of income

	Note	Total 2026 $	Total 2025 $
Capital donations		12,499	-
Assets received free of charge or for nominal consideration		24,367	9,000
Other income from operating activities		2,229,602	2,343,552
Income from non-operating activities		398,402	390,627
Total other sources of income		**2,664,870**	**2,743,179**

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

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

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

Note 3: The cost of delivering our services

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

Structure

3.1 Expenses incurred in the delivery of services

Note 3.1 Expenses incurred in the delivery of services

	Note	Total 2026 $	Total 2025 $
Employee expenses	3.1(a)	17,852,777	15,312,845
Supplies and consumables	3.1(c)	1,864,301	1,394,863
Other operating expenses	3.1(d)	5,372,990	4,647,738
Total expenses incurred in the delivery of services		**25,090,068**	**21,355,446**

Note 3.1(a) Employee expenses

	Total 2026 $	Total 2025 $
Salaries and wages	14,148,821	12,427,096
Superannuation expense [(1)]	1,584,628	1,331,466
Agency expenses	-	7,462
Fee for service medical officer expenses	2,119,328	1,546,821
Total employee expenses	**17,852,777**	**15,312,845**

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

How we recognise employee expenses

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

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

The defined benefit plan(s) provides benefits based on year of service and final average salary. The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans. Yarram & District Health Service does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, Yarram & District Health Service accounts for contributions to these plans as if they were defined contribution plans.

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

Note 3.1(b) Employee related provisions

	Total 2026 $	Total 2025 $
Current provisions for employee benefits		
Accrued days off	29,073	29,115
Annual leave	1,490,692	1,420,282
Long service leave	1,588,174	1,550,660
Provision for on-costs	395,889	390,863
Total current provisions for employee benefits	**3,503,828**	**3,390,920**
Non-current provisions for employee benefits		
Long service leave	196,540	177,318
Provision for on-costs	26,336	23,761
Total non-current provisions for employee benefits	**222,876**	**201,079**
Total provisions for employee benefits	**3,726,704**	**3,591,999**

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 and as an expense during the period the services are delivered.

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 Yarram & District Health Service does not have an unconditional right to defer settlement of these liabilities.

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

nominal value – if Yarram & District Health Service expects to wholly settle within 12 months or present value – if Yarram & District Health Service does not expect to wholly settle within 12 months.

Long service leave

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

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

The components of this current LSL liability are measured at:

nominal value – if Yarram & District Health Service expects to wholly settle within 12 months or present value – if Yarram & District Health Service does not expect to wholly settle within 12 months.

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

Provisions

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

Note 3.1(c) Supplies and consumables

	Total 2026 $	Total 2025 $
Drug supplies	76,284	81,786
Medical and surgical supplies (including Prostheses)	1,121,090	586,775
Diagnostic and radiology supplies	20,303	27,919
Other supplies and consumables	646,624	698,383
Total supplies and consumables	**1,864,301**	**1,394,863**

How we recognise supplies and consumables

Supplies and consumables

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

Note 3.1(d) Other operating expenses

	Total 2026 $	Total 2025 $
Fuel, light, power and water	294,383	307,712
Repairs and maintenance	1,042,911	454,219
Lease Expense	182,654	89,510
Software Licenses Fees	195,864	254,056
Professional Fees	156,996	56,733
Medical indemnity insurance	122,233	146,718
Other administration expenses	2,009,438	2,444,132
GHA Contribution	929,777	683,064
Workcover premiums	429,789	208,089
Finance costs	8,945	3,505
Total other operating expenses	**5,372,990**	**4,647,738**

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

Note 4: Key assets to support service delivery

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

Significant judgement – Fair value measurement

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

Structure

4.1 Property, plant and equipment
4.2 Depreciation and amortisation

Note 4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
	$	$	$	$	$	$
Land at fair value - Freehold	4,347,000	4,347,000	-	-	4,347,000	4,347,000
Buildings at fair value	34,787,818	32,122,101	(5,124,491)	(2,633,593)	29,663,327	29,488,508
Works in progress at cost	746,693	1,707,845			746,693	1,707,845
Right of Use Plant, equipment and vehicles at cost	225,310	441,457	(110,928)	(284,688)	114,382	156,769
Plant, equipment and vehicles at fair value	4,425,909	4,005,812	(2,270,479)	(2,058,238)	2,155,430	1,947,574
Total property, plant and equipment	**44,532,730**	**42,624,215**	**(7,505,898)**	**(4,976,519)**	**37,026,832**	**37,647,696**

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.

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

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

	Land	Buildings	Works in progress	Plant, equipment and vehicles	Total
	$	$	$	$	$
Balance at 1 July 2025	**4,347,000**	**29,488,508**	**1,707,844**	**2,104,344**	**37,647,696**
Additions	-	-	1,734,575	452,222	2,186,797
Disposals	-	-	(30,008)	-	(30,008)
Net transfers between classes	-	2,665,717	(2,665,717)	-	-
Depreciation	-	(2,490,899)	-	(286,754)	(2,777,653)
Balance at 30 June 2026	**4,347,000**	**29,663,326**	**746,694**	**2,269,812**	**37,026,832**

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

Note 4.1(b) Right-of-use assets

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
	$	$	$	$	$	$
Plant, equipment and vehicles [1]	225,310	441,457	(110,928)	(284,688)	114,382	156,769
Total right-of-use assets	**225,310**	**441,457**	**(110,928)**	**(284,688)**	**114,382**	**156,769**

	Plant, equipment and vehicles	Total
	$	$
Balance at 1 July 2025 [1]	**156,769**	**156,769**
Additions	32,127	32,127
Depreciation	(74,514)	(74,514)
Balance at 30 June 2026	**114,382**	**114,382**

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

How we recognise right-of-use assets

Initial recognition

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

Unless the lease is considered a short-term lease or a lease of a low-value asset the contract gives rise to a right-of-use asset and corresponding lease liability.

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

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

Subsequent measurement

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

4.1(c) Impairment of property, plant and equipment

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

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

Note 4.2 Depreciation and amortisation

How we recognise depreciation

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

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

How we recognise amortisation

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

Useful lives of non-current assets

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

	2026	2025
Buildings	13 - 50 years	13 - 50 years
Plant, equipment and vehicles (including leased assets)	3 - 16 years	3 - 16 years

Note 5: Other assets and liabilities

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

Structure

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

Note 5.1 Receivables

	Note	Total 2026 $	Total 2025 $
Current receivables			
Contractual			
Inter hospital debtors		94,607	194,515
Trade receivables		63,362	42,448
Patient fees		159,668	351,617
Allowance for impairment losses		-	(2,133)
Other receivable		-	3,169
Total contractual receivables		**317,637**	**589,616**
Statutory			
GST receivable		245,984	177,619
Total statutory receivables		**245,984**	**177,619**
Total current receivables		**563,621**	**767,235**
Non-current receivables			
Contractual			
Long service leave - Department of Health		914,527	964,289
Total contractual receivables		**914,527**	**964,289**
Total non-current receivables		**914,527**	**964,289**
Total receivables		**1,478,148**	**1,731,524**
(i) Financial assets classified as receivables			
Total receivables		1,478,148	1,731,524
GST receivable		(245,984)	(177,619)
Total financial assets classified as receivables	7.1	**1,232,164**	**1,553,905**

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 Contract assets

	Total 2026 $	Total 2025 $
Current		
Contract assets	541,929	343,054
Total current contract assets	541,929	343,054
Total contract assets	**541,929**	**343,054**

How we recognise contract assets

Contract assets relate to Yarram & District Health Service's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional and at this time an invoice is issued. Contract assets are expected to be recovered during the next financial year.

Note 5.3 Payables

	Note	Total 2026 $	Total 2025 $
Current payables			
Contractual			
Trade creditors		363,663	377,607
Accrued salaries and wages		252,818	540,444
Accrued expenses		378,931	298,639
Deferred capital grant income	5.3(a)	1,684,298	-
Total contractual payables		**2,679,710**	**1,216,690**
Total current payables		**2,679,710**	**1,216,690**
Total payables		**2,679,710**	**1,216,690**
(i) Financial liabilities classified as payables			
Total payables		2,679,710	1,216,690
Deferred grant income		(1,684,298)	-
Total financial liabilties classified as payables	7.1	**995,412**	**1,216,690**

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 Yarram & District Health Service prior to the end of the financial year that are unpaid.

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

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

Note 5.3(a) Deferred capital grant income

	Total 2026 $	Total 2025 $
Opening balance of deferred capital grant income	-	-
Grant consideration for capital works received during the year	1,937,751	-
Deferred capital grant income recognised as income due to completion of capital works	(253,453)	-
Closing balance of deferred capital grant income	**1,684,298**	**-**

How we recognise deferred capital grant income

Grant consideration was received from the Commonwealth Department of Health, Disability and Aging and the State Government of Victoria to support the construction of St. Elmo's and Crossley House. The Crossley House project is directly funded by the Commonwealth Department of Health, Disability and Aging ($550,000). The St. Elmo's project is funded by Department of Health ($1,387,751).

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

Note 5.4 Contract liabilities

	Total 2026 $	Total 2025 $
Current		
Contract liabilities	164,741	177,741
Total current contract liabilities	164,741	177,741
Total contract liabilities	**164,741**	**177,741**

How we recognise contract liabilities

Contract liabilities include amounts recognised for activity based funding with the Department of Health. Where activity targets are not met, Yarram & District Health Service is required to return excess funding in the following financial year.

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

Note 5.5 Monies held in trust

	Note	Total 2026 $	Total 2025 $
Current monies held in trust			
Refundable accommodation deposits		7,863,693	5,966,672
Other monies		1,067	1,067
Total current monies held in trust		**7,864,760**	**5,967,739**
Total monies held in trust		**7,864,760**	**5,967,739**
*** Represented by:**			
- Cash assets	6.1	7,864,760	5,967,739
- Investment and other financial assets		-	-
		7,864,760	**5,967,739**

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

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

Note 6: How we finance our operations

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

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

Structure

6.1 Cash and cash equivalents
6.2 Capital commitments

Note 6.1 Cash and Cash Equivalents

	Note	Total 2026 $	Total 2025 $
Cash on hand (excluding monies held in trust)		-	585
Cash at bank (excluding monies held in trust)		5,233,345	3,840,544
Total cash held for operations		**5,233,345**	**3,841,129**
Cash on hand (monies held in trust)		-	-
Cash at bank (monies held in trust)		7,864,760	5,967,739
Total cash held as monies in trust	5.5	**7,864,760**	**5,967,739**
Total cash and cash equivalents	7.1	**13,098,105**	**9,808,868**

Note 6.2 Capital commitments

30 June 2026	Less than 1 year $	1-5 Years $	Over 5 years $	Total $
Capital expenditure commitments	1,508,422		-	1,508,422
Total commitments (inclusive of GST)	**1,508,422**	**-**	**-**	**1,508,422**
Less GST recoverable				(137,129)
Total commitments (exclusive of GST)				**1,371,293**

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

How we disclose our commitments

Our commitments relate to capital commitments.

Expenditure commitments

Commitments for future expenditure include capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the GST payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Note 7: Financial instruments, contingencies and valuation judgements

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

Structure

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

Note 7.1 Financial instruments

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

Note 7.1 Financial instruments

30 June 2026	Note	Carrying amount $	Total interest income/ (expense) $
Financial assets at amortised cost			
Cash and cash equivalents	6.1	13,098,105	398,402
Receivables	5.1	1,232,164	-
Total financial assets [i]		**14,330,269**	**398,402**
Financial liabilities at amortised cost			
Payables	5.3	995,412	-
Borrowings		117,604	8,945
Other financial liabilities - Refundable Accommodation Deposits	5.5	7,863,693	-
Total financial liabilities [i]		**8,976,709**	**8,945**

30 June 2025	Note	Carrying amount $	Total interest income/ (expense) $
Financial assets at amortised cost			
Cash and cash equivalents	6.1	9,808,868	390,627
Receivables	5.1	1,553,905	-
Total financial assets [i]		**11,362,773**	**390,627**
Financial liabilities at amortised cost			
Payables	5.3	1,216,690	-
Borrowings		164,367	3,505
Other financial liabilities - Refundable Accommodation Deposits	5.5	5,966,672	-
Total financial liabilities [i]		**7,347,729**	**3,505**

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

How we categorise financial instruments

Financial assets at amortised cost

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

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

These assets are initially recognised at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method less any impairment.
Yarram & District Health Service recognises the following assets in this category:

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

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.

Yarram & District Health Service recognises the following liabilities in this category:

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

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2 Contingent assets and contingent liabilities

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

Note 7.3 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through net result
- Financial assets and liabilities at fair value through other comprehensive income
- Property, plant and equipment, and
- Investment properties.

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.

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

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

Fair value determination: non-financial physical assets

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

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

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

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

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

Specialised land and specialised buildings

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

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 Yarram & District Health Service, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation.

Vehicles

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

Furniture, fittings, plant and equipment

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

Significant assumptions

Description of significant assumptions applied to fair value measurement:

Asset class	Valuation technique	Significant assumption	Range (weighted average)[(i)]
Specialised land	Market approach	Community Service Obligations adjustment	20%
Specialised buildings	Current replacement cost approach	Cost per square metre	$1,946 /$m^2$
		Useful life	7 - 36 years (15 average years)
Vehicles	Current replacement cost approach	Cost per unit	$103,596 - $140,518 ($122,057 Average per unit)
		Useful life	16 years
Plant, equipment, furniture and fittings	Current replacement cost approach	Cost per unit	$5,000 - $330,748 ($13,593 average per unit)
		Useful life	5 - 10 years (9 years)

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

[(ii)] CSO adjustments ranging from 20% were applied to reduce the market approach value for Yarram & District Health Service's specialised land, with the weighted average 20% reduction applied

Note 8: Other disclosures

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

Structure

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

Note 8.1 Ex-gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that are not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity. Ex gratia expenses in 2026 were nil (2025: nil).

Note 8.2 Responsible persons disclosures

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

	Period
The Honourable Mary Anne Thomas MP:	
Minister for Health	1 Jul 2025 - 14 April 2026
Minister for Ambulance Services	1 Jul 2025 - 14 April 2026
Honourable Harriet Shing MP:	
Minister for Health	15 April 2026 - 30 Jun 2026
Minister for Ambulance Services	15 April 2026 - 30 Jun 2026
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	1 Jul 2025 - 30 Jun 2026
Minister for Prevention of Family Violence	15 April 2026 - 30 Jun 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	1 Jul 2025 - 30 Jun 2026
Minister for Ageing	1 Jul 2025 - 30 Jun 2026
The Honourable Lizzy Blandthorn MP:	
Minister for Children	1 Jul 2025 - 30 Jun 2026
Minister for Disability	1 Jul 2025 - 30 Jun 2026

Governing Boards	
Dr Amanda Ormerod (Chair of the Board)	1 Jul 2025 - 30 Jun 2026
Mr Ian Jaggard - Hawkins	1 Jul 2025 - 30 Jun 2026
Ms Jade Johnstone	1 Jul 2025 - 30 Jun 2026
Mr Kevin Thomson	1 Jul 2025 - 30 Jun 2026
Petra Bovery-Sprencer	1 Jul 2025 - 30 Jun 2026
Ms Clare Byrne	1 Jul 2025 - 30 Jun 2026
Mr Steven Warrington	1 Jul 2025 - 30 Jun 2026
Mr Adam Koster	1 Jul 2025 - 30 Jun 2026
Mr Shehzad Kunwar	1 Jul 2025 - 30 Jun 2026
Accountable Officers	
Paul Head (Chief Executive Officer)	1 Jul 2025 - 30 Jun 2026

Remuneration of Responsible Persons

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

Income Band	**Total 2026 No**	**Total 2025 No**
$0 - $9,999	9	9
$290,000 - $299,999	-	1
$300,000 - $309,999	1	-
Total Numbers	**10**	**10**

	Total 2026 $	**Total 2025 $**
Total remuneration received or due and receivable by Responsible Persons from the reporting entity	**347,101**	**335,751**

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

Note 8.3 Remuneration of executives

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

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

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

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

	Total Remuneration	
	2026	2025
	$	$
Total remuneration [i]	509,823	670,776
Total number of executives	3	3
Total annualised employee equivalent [ii]	3.0	3.0

[i] The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Yarram & District Health Services under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.

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

Note 8.4 Related parties

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

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

Significant transactions with government related entities

Yarram & District Health Service received funding from the DH of $9.26 m (2025: $8.59m) and indirect contributions of $269,498 (2025: $282,084). The balance outstanding as at 30 June 2026 was $399,604 (2025: $192,752).

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

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

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

Key management personnel

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

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

Entity	KMPs	Position Title
Yarram & District Health Services	Dr Amanda Ormerod	Chair of the Board
Yarram & District Health Services	Mr Ian Jaggard-Hawkins	Board Member
Yarram & District Health Services	Ms Jade Johnstone	Board Member
Yarram & District Health Services	Mr Kevin Thomson	Board Member
Yarram & District Health Services	Petra Bovery-Sprencer	Board Member
Yarram & District Health Services	Ms Clare Byrne	Board Member
Yarram & District Health Services	Mr Steven Warrington	Board Member
Yarram & District Health Services	Mr Adam Koster	Board Member
Yarram & District Health Services	Mr Shehzad Kunwar	Board Member
Yarram & District Health Services	Paul Head	Chief Executive Officer
Yarram & District Health Services	Sally Weatherley	Director Clinical Services
Yarram & District Health Services	Michell Schwenke	Director Primary Health Care
Yarram & District Health Services	Kristy Lucas	Director Allied Health

Remuneration of key management personnel

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

	Total 2026 $	Total 2025 $
Total compensation - KMPs [i]	856,924	1,006,527

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

Transactions with KMPs and other related parties

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

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

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

Note 8.5 Remuneration of Auditors

	Total 2026 $	Total 2025 $
Victorian Auditor-General's Office		
Audit of the financial statements	28,200	26,800
Total remuneration of auditors	**28,200**	**26,800**

Note 8.6 Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest 2026 %	Ownership Interest 2025 %
Gippsland Health Alliance	Provision of Information Technology Services	3.76	3.81

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

	2026 $	2025 $
Total revenue and income	919,041	914,618
Total expenses	(995,783)	(926,936)
Total net result	(76,742)	(12,318)
Total other economic flows	-	-
Comprehensive result for the year	(76,742)	(12,318)
Total assets	741,037	828,090
Total liabilities	138,714	149,025
Total equity	602,323	679,065

Contingent liabilities and capital commitments

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





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