

# Annual Report

## 2023-2024



YARRAM + DISTRICT HEALTH SERVICE



  
YARRAM  
INTEGRATED  
HEALTHCARE  
CENTRE  
Yarram

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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 want to start by acknowledging the traditional owners of the land, the Gunaikurnai people, and pay my respects to their elders past, present and emerging.

Over the past 12 months there has been a lot occurring within the health service and within health in Victoria. The Victorian Department of Health commissioned an Expert Advisory Committee to examine the design and governance of Victoria's health services system and the Health Services Plan was released on 8 August 2024 ([Health Services Plan | health.vic.gov.au](https://health.vic.gov.au)). We will review the Health Services Plan to determine how we can best continue to serve the community.

There are some highlights from the past 12 months that I would like to mention:

Firstly, I would like to thank all the health service staff who have worked tirelessly at a high standard to provide quality care for our community. Incidentally we met the regulatory requirements demonstrating their commitment and hard work.

There have been upgrades to the existing buildings, including opening the new dialysis service, and the construction of new staff accommodation.

The Yarram and District Health Service Board of Directors (the board) has been working to ensure that Yarram and District Health Service has a strong reliable workforce for the community for years to come.

Once again, the board and I would like to thank our staff for all their hard work over the past year in keeping the health service running smoothly.



### **Amanda Ormerod**

*Board Chair*

Yarram and District Health Service

14 August 2024

## 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 2024.



### **Amanda Ormerod**

*Board Chair*

Yarram and District Health Service

14 August 2024

# CEO Report

## Introduction

It is my pleasure to present the annual report for YDHS for the fiscal year 2023-2024. This year has been one of significant growth and achievement for our organisation, despite the numerous challenges posed by ongoing recovery from the global pandemic. Our dedicated team has demonstrated resilience, innovation, and a steadfast commitment to providing exemplary care to our community.

## Organisational Achievements

### Capital Projects Delivered in 2023-2024

#### Overview

The 2023-2024 fiscal year was a remarkable period for YDHS, characterised by significant advancements in our infrastructure and facilities. Our commitment to enhancing healthcare services for our community was demonstrated through the successful completion of several key capital projects. These projects are pivotal in ensuring that we continue to provide top-notch healthcare services and meet the growing needs of our community.

#### Major Capital Projects

##### 1. Sustainable Energy Initiatives

**Description:** As part of our commitment to sustainability, we implemented several energy-efficient initiatives, including the installation of solar panels and energy-efficient lighting across our facilities.

**Impact:** These initiatives have reduced our carbon footprint, lowered energy costs, and reinforced our dedication to environmental responsibility.

##### 2. Significant New Staff Accommodation

**Description:** Recognising the importance of staff wellbeing, we invested in the construction of new staff accommodation facilities. These accommodations are modern, comfortable, and conveniently located close to the hospital.

**Impact:** The new staff accommodation has improved the quality of life for our staff, reduced commuting times, and made it easier to attract and retain high-quality healthcare professionals. By providing comfortable living spaces, we are fostering a more supportive and productive work environment.

##### 3. Dialysis Unit

**Description:** A new dialysis unit was established to provide essential treatment for patients with chronic kidney conditions. The unit is equipped with the latest dialysis machines and staffed by specialist healthcare professionals.

**Impact:** The dialysis unit has significantly improved the quality of care for patients requiring regular dialysis, reducing the need for patients to travel long distances for treatment. This addition ensures that our community members receive critical care closer to home, enhancing their overall quality of life.





The completion of these capital projects marks a significant milestone in our journey to enhance healthcare services for the Yarram and District community. These improvements are a testament to our unwavering commitment to providing exceptional healthcare facilities that meet the evolving needs of our patients. As we look ahead, we remain dedicated to further advancements that will continue to elevate the quality of care we offer.

YDHS extends its gratitude to all stakeholders, including our staff, partners, and the community, for their support and collaboration in making these projects a reality. We are excited about the future and the continued growth and development of our health service.

### **Enhanced Service Delivery**

YDHS has continued to enhance its service delivery, ensuring that high-quality healthcare is accessible to all members of our community. This year, we have introduced several new programs and services, including:

- **Expanded Telehealth Services:** In response to the increased demand for remote consultations, we have significantly expanded our telehealth capabilities. This has allowed us to reach more patients, especially those in remote areas, and provide continuous care during challenging times.
- **Expanded Dialysis Capability:** A new dialysis unit was established and existing capabilities were expanded to provide essential treatment for patients with chronic kidney conditions. The unit is equipped with the latest dialysis machines and staffed by specialist healthcare professionals.
- **Expanded Community Services:** In response to community needs, we have expanded our community health services to include additional programs in mental health, chronic disease management, and preventive health. New outreach programs and partnerships with local organizations have been established to broaden our service reach.



## Infrastructure and Technology

Investing in infrastructure and technology has been a key focus this year. Notable projects include:

- **Digital Transformation:** Our digital transformation strategy has made significant strides with the implementation of a new electronic health records (EHR) system. This system has improved patient data management, streamlined workflows, and enhanced the overall patient experience.

## Financial Performance

YDHS has maintained a stable financial position despite the economic pressures faced by the healthcare sector. Key financial highlights include:

- **Revenue Growth:** We have seen a 17% increase in revenue this year, driven by the expansion of our services and prudent financial management.

## Workforce Development

Our staff is the backbone of YDHS, and we have prioritised their development and wellbeing. Initiatives in this space include:

- **Training and Development:** Implemented comprehensive training programs to enhance the skills of our workforce. Staff members participated in professional development courses.
- **Staff Wellbeing:** We are planning new wellness programs to support our staff's physical and mental health. Initiatives will include fitness challenges, and access to counselling services including support for smoking cessation.

## Community Engagement

YDHS remains deeply committed to engaging with and supporting our community. Highlights of our community engagement efforts include:

- **Health Education:** Conducted over 50 health education sessions in local schools and community centres, promoting healthy lifestyles and preventive care.
- **Partnerships:** Strengthened partnerships with local organisations, including collaborations with schools, businesses, and non-profits, to address the broader social determinants of health.





## Challenges and Future Outlook

This year, YDHS has navigated a complex economic landscape, marked by tight budgets and financial constraints. Despite these challenges, we have remained committed to expanding our capabilities and enhancing the quality of our services. Key focus areas include:

### Economic Constraints

- **Budget Management:** We have implemented stringent budget management practices to ensure financial stability while continuing to provide high-quality care. Our efforts have included cost-saving measures, renegotiation of supplier contracts, and optimising resource allocation.
- **Funding Opportunities:** Actively seeking alternative funding sources, including grants and partnerships, to support our initiatives and mitigate the impact of economic constraints.

### Service Expansion

- **Innovative Healthcare Delivery:** Embracing telehealth and other digital health solutions to expand our reach and improve access to care, especially for underserved populations.
- **New Services:** Identifying and addressing gaps in our current service offerings. This includes the introduction of specialised clinics and community outreach programs designed to meet the specific needs of our population.

### Workforce Adaptation

- **Training and Upskilling:** Investing in the development of our workforce to enhance their skills and capabilities, ensuring they are equipped to deliver the best possible care under changing conditions.
- **Staff Retention:** Implementing initiatives to improve staff morale and retention, including flexible working arrangements and wellness programs.

## Community Engagement and Support

- **Strengthening Partnerships:** Collaborating with local organisations and stakeholders to leverage resources and expertise, enhancing our ability to serve the community effectively.
- **Community Programs:** Expanding community-based programs that focus on preventive care and health education, empowering individuals to take charge of their health.

## Future Outlook

Looking forward, our priorities are clear:

- **Sustainable Growth:** We are committed to achieving sustainable growth by continuously improving our operational efficiency and exploring innovative care models.
- **Quality Improvement:** Maintaining a relentless focus on quality improvement to ensure our services meet the highest standards of care.
- **Adaptability:** Remaining agile and responsive to the evolving healthcare landscape, ensuring we can effectively address emerging challenges and opportunities.

I would like to extend my deepest gratitude to our board of directors, volunteers, and the entire Yarram and District community for their unwavering support over the past year. Your dedication, generosity, and commitment have been instrumental in helping us navigate challenges and achieve our goals. The board's strategic guidance, the volunteers' selfless contributions of time and effort, and the community's trust and engagement have all been pivotal to our success. Together, we have created a strong, resilient health service that continues to thrive and serve our community with excellence. Thank you for your continued support and partnership.

In conclusion, while the economic environment presents significant challenges, YDHS is well-positioned to navigate these with resilience and strategic foresight. Our commitment to excellence, innovation, and community support remains unwavering as we work towards a healthier future for all.

Sincerely,



**Paul Head**

*Chief Executive Officer*  
Yarram and District Health Service

15 August 2024

# 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.

## **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 2019-2024 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.



Our Vision:

**YDHS to be a  
respected and caring  
partner in a strong  
community**

Our Mission:

**Work with our  
community and our  
partners to improve  
health and wellbeing**

Our Values:

**Integrity,  
Collaboration,  
Acceptance, Respect,  
Enthusiasm**

# 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.

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### Acute Services

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

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### Allied Health Services

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

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### Ancillary Services

- Pathology
  - Visiting Radiology
  - Pharmacy
- 





|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Community Mental Health Services</b> | <ul style="list-style-type: none"> <li>• Gippsland Psychiatric Services (this is a Latrobe Regional Health (LRH) co-located service)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Community Participation</b>          | <ul style="list-style-type: none"> <li>• Women's Health Event</li> <li>• Yarram Agricultural Show</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Community Services</b>               | <ul style="list-style-type: none"> <li>• Community Nursing</li> <li>• Regional Assessment Service</li> <li>• Maternal and Child Health</li> <li>• Diabetes Education</li> <li>• Foot Care Clinic</li> <li>• Health Promotion</li> <li>• Palliative Care</li> <li>• Counselling</li> <li>• Home Support Services</li> <li>• In Home Respite</li> <li>• Delivered Meals</li> <li>• Domestic Assistance</li> <li>• Transport</li> <li>• Personal Care Assistance</li> <li>• Home Maintenance and Minor Modifications</li> <li>• Housing and Homelessness Support</li> <li>• Integrated Family Services</li> <li>• Commonwealth Emergency Relief Vouchers</li> <li>• Engage! Youth Projects</li> <li>• Stepped Care Mental Health Program</li> <li>• Social Support Group</li> <li>• Volunteer Coordination</li> </ul> |
| <b>Residential Services</b>             | <ul style="list-style-type: none"> <li>• St Elmo's Nursing Home - 30 beds (now Ageing in Place)</li> <li>• Crossley House - residential aged care, 30 beds</li> <li>• Respite accommodation</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Yarram Medical Centre</b>            | <ul style="list-style-type: none"> <li>• General Practitioners</li> <li>• Practice Nurse</li> <li>• Women's Health Nurse</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Visiting Services</b>                | <ul style="list-style-type: none"> <li>• Optometrist</li> <li>• Cardiac Diagnostics</li> <li>• Continence Nurse</li> <li>• Audiology Service</li> <li>• Psychologist and Counselling Service</li> <li>• Women's Health General Practitioner (GP) - Royal Flying Doctor Service</li> <li>• Anglicare Financial Counselling</li> <li>• Royal Flying Doctors Service Counselling</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                           |

# 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**

The Hon. Mary-Anne Thomas      From 1 July 2023 to 30 June 2024

## **Minister for Ambulance Services**

The Hon. Gabrielle Williams      From 1 July 2023 to 2 October 2023

The Hon. Mary-Anne Thomas      From 2 October 2023 to 30 June 2024

## **Minister for Mental Health**

The Hon. Gabrielle Williams      From 1 July 2023 to 2 October 2023

The Hon. Ingrid Stitt      From 2 October 2023 to 30 June 2024

## **Minister for Disability, Ageing and Carers**

The Hon. Lizzie Blandthorn      From 1 July 2023 to 2 October 2023

## **Minister for Disability/Minister for Children**

The Hon. Lizzie Blandthorn      From 2 October 2023 to 30 June 2024

## **Minister for Ageing**

The Hon. Ingrid Stitt      From 2 October 2023 to 30 June 2024

# 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 Boverly-Spencer, Board Director | Commenced 2022                 |
| Ms Clare Byrne, Board Director           | Commenced 2023                 |
| Ms Suzanne Hunt, Board Director          | Commenced 2023                 |
| Mr Steven Warrington, Board Director     | Commenced 2023                 |
| Mr Adam Koster, Board Director           | Commenced 2023                 |
| Mr Kevin Mackin, Board Director          | Commenced 2022 – resigned 2023 |

## Board Sub-Committee Membership:

### **Audit & Risk Committee:**

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

### **Quality Safety Committee**

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

### **Community Advisory Committee**

Mr Ian Jaggard-Hawkins (Acting Chair), Mr Steven Warrington, Ms Suzanne Hunt AM and Mr Kevin Mackin

Community representatives: Mr Larry Davies, Ms Cathy Clarke, Ms Susan MacAulay and Mr Berwyn Lampitt

# Senior Officers

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## **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.

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## **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 centered 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.

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## **Director of Corporate Services: Ms Jane Millard**

The Director of Corporate Services is responsible for providing strategic leadership to achieve best practice solutions and cost-effective business and support services to YDHS. The Corporate Services Directorate incorporates the Yarram Medical Centre, financial services, human resources, health information, supply and procurement, hotel services and maintenance. The Corporate Service team is focused on the delivery of high-quality, organisation-wide services to external and internal customers.

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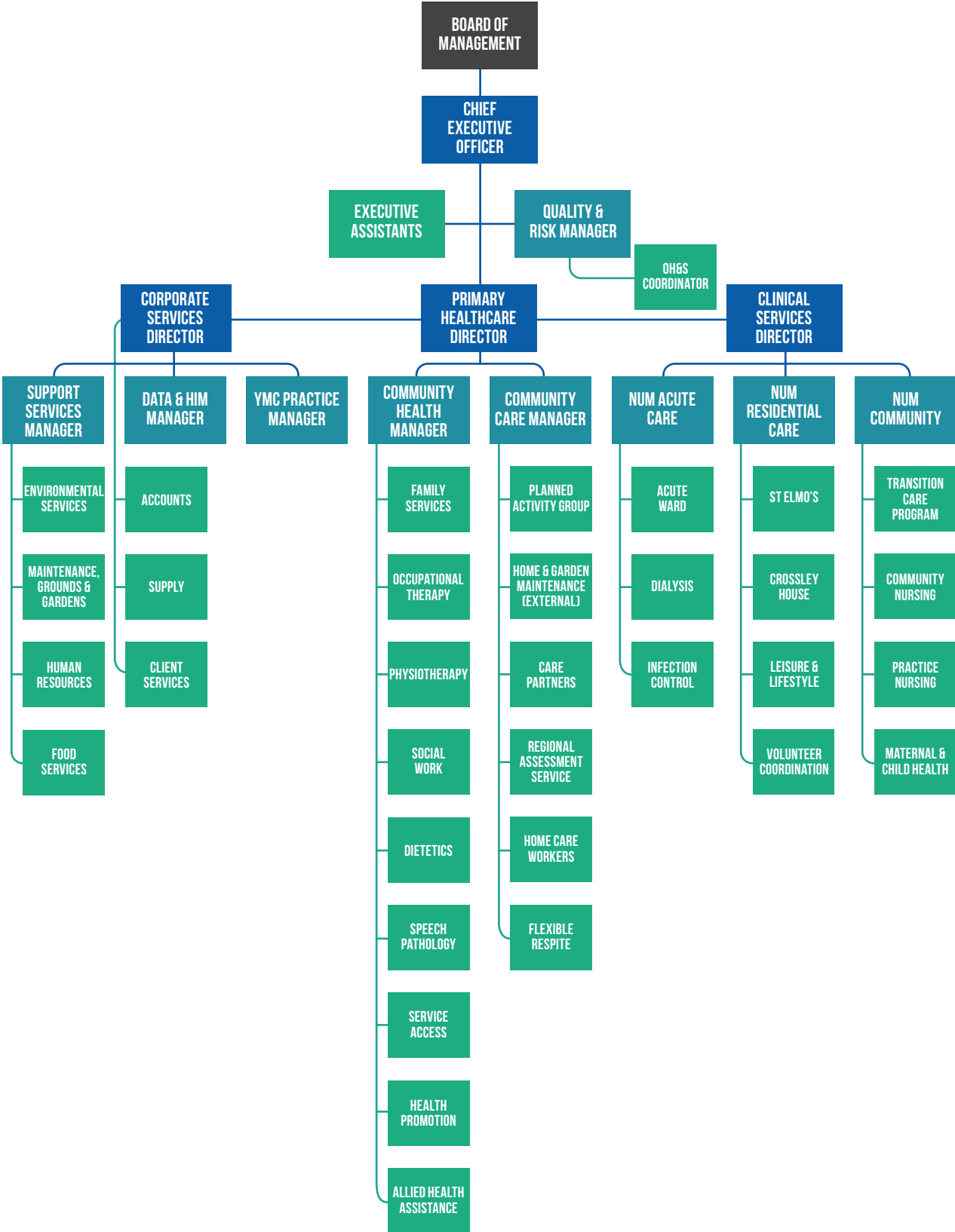


## **Director of Primary Care: Mr Mitchell Schwenke**

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.

---

# Organisational Structure



# Workforce Data

| WORKFORCE                       |                        |               |                     |               |
|---------------------------------|------------------------|---------------|---------------------|---------------|
| Labour Category                 | JUNE Current Month FTE |               | Average Monthly FTE |               |
|                                 | 2023                   | 2024          | 2023                | 2024          |
| Nursing                         | 30.06                  | 31.75         | 30.90               | 30.37         |
| Administration and Clerical     | 19.43                  | 21.15         | 20.87               | 20.53         |
| Medical Support                 | 0                      | 0             | 0                   | 0             |
| Hotel and Allied Services       | 58.93                  | 62.86         | 60.92               | 67.56         |
| Medical Officers                | 0                      | 0             | 0                   | 0             |
| Hospital Medical Officers       | 0                      | 0             | 0                   | 0             |
| Sessional Clinicians            | 0                      | 0             | 0                   | 0             |
| Ancillary Staff (Allied Health) | 19.43                  | 8.69          | 8.78                | 7.89          |
| <b>Total:</b>                   | <b>127.85</b>          | <b>124.45</b> | <b>121.47</b>       | <b>126.35</b> |

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                                               | 2023-2024 | 2022-2023 | 2021-2022 |
|------------------------------------------------------------------------------|-----------|-----------|-----------|
| The number of reported hazards/incidents for the year per 100 FTE            | 18.2      | 21.9      | 25.4      |
| The number of 'lost time' standard WorkCover claims for the year per 100 FTE | 1.4       | 2.5       | 4         |
| The average cost per WorkCover claim for the year ('000)                     | \$14,698  | \$15,792  | \$17,685  |

# Occupational Violence

| OCCUPATIONAL VIOLENCE STATISTICS                                                                                          | 2023-2024 |
|---------------------------------------------------------------------------------------------------------------------------|-----------|
| 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                                                                        | 9.00      |
| Number of occupational violence incidents reported per 100 FTE                                                            | 7.12      |
| Percentage of occupational violence incidents resulting in a staff injury, illness, or condition                          | 0         |

### Definitions of occupational violence

- **Occupational violence:** any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident:** an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- **Accepted Workcover claims:** accepted Workcover claims that were lodged in 2023-2024.
- **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.

# Finance Summary

Summary of the financial results for the year.

| FINANCIAL INFORMATION               |               |               |               |               |               |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                     | 2024          | 2023          | 2022          | 2021          | 2020          |
|                                     | \$000         | \$000         | \$000         | \$000         | \$000         |
| <b>OPERATING RESULT</b>             |               |               |               |               |               |
| Total Revenue                       | 23,703        | 20,201        | 18,065        | 16,789        | 14,796        |
| Total Expenses                      | 21,729        | 19,832        | 18,216        | 16,088        | 15,323        |
| <b>Net Result from Transactions</b> | <b>1,974</b>  | <b>369</b>    | <b>-151</b>   | <b>701</b>    | <b>-527</b>   |
| Total other economic flows          | 94            | -15           | -38           | 38            | -91           |
| <b>Net Result</b>                   | <b>2,068</b>  | <b>354</b>    | <b>-189</b>   | <b>739</b>    | <b>-618</b>   |
| Total assets                        | 49,859        | 36,012        | 34,489        | 33,494        | 31,864        |
| Total liabilities                   | 10,908        | 8,508         | 7,339         | 7,487         | 6,879         |
| <b>Net Assets/Total Equity</b>      | <b>38,952</b> | <b>27,504</b> | <b>27,150</b> | <b>26,007</b> | <b>24,985</b> |

\* 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              |                    |
|----------------------------------------------------------------------------------|--------------------|
|                                                                                  | 2023-2024<br>\$000 |
| Operating result                                                                 | 2,131              |
| Capital purpose income                                                           | -759               |
| 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                                                    | 916                |
| Impairment of non-financial assets                                               |                    |
| Finance costs (other)                                                            |                    |
| Net result from transactions                                                     |                    |
| <b>Net result from transactions</b>                                              | <b>1,974</b>       |

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 \$2.13m before capital and specific items in 2023-2024 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 2023-2024, there were 6 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2023-2024 in relation to consultants was \$19,849 (excl GST).

### Consultancies Over \$10,000

In 2023-2024, there were 4 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023-2024 in relation to these consultancies is \$559,537 (excl GST). Details of these consultancies are as follows:

| CONSULTANT                           | PURPOSE OF CONSULTANCY                                                                       | START DATE | END DATE   | TOTAL APPROVED PROJECT FEE (EXCLUDING GST) | EXPENDITURE 2023-2024 (EXCLUDING GST) | FUTURE EXPENDITURE (EXCLUDING GST) |
|--------------------------------------|----------------------------------------------------------------------------------------------|------------|------------|--------------------------------------------|---------------------------------------|------------------------------------|
| POP Architecture                     | RHIF Planning for kitchen and laundry refurbishment and St Elmo's Nursing Home refurbishment | 01.07.2023 | 30.06.2024 | \$0                                        | \$336,173                             | \$0                                |
| Latrobe Regional Health              | Financial & Payroll services                                                                 | 01.07.2023 | 30.06.2024 | \$0                                        | \$201,364                             | \$0                                |
| Accounting & Audit Solutions Bendigo | Annual Accounting Fees                                                                       | 01.07.2023 | 30.06.2024 | \$0                                        | \$12,200                              | \$0                                |
| Umow Lai                             | Stage 2 Fire Risk Assessment                                                                 | 01.07.2023 | 30.06.2024 | \$0                                        | \$9,800                               | \$0                                |
| <b>Total</b>                         |                                                                                              |            |            |                                            | <b>\$559,537</b>                      |                                    |

## Information and communication technology (ICT) Expenditure

The total ICT expenditure incurred during 2023-2024 is \$701,332 (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) |
| \$603,893                               | \$97,439                                                                          | \$97,439                                    | \$0                                     |

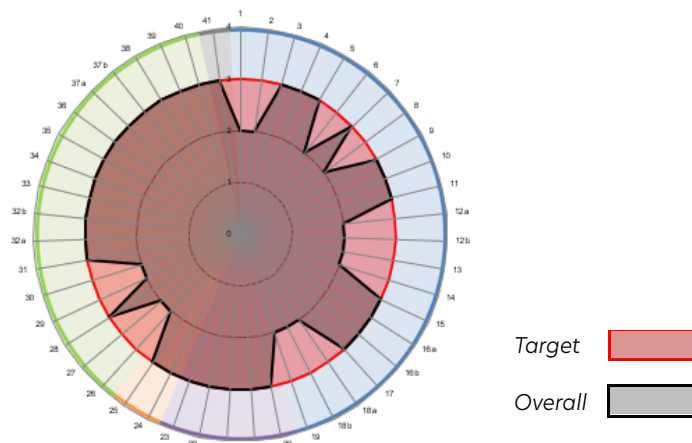
## Asset Management Accountability Framework (AMAF) Maturity Assessment

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   |



## Disclosure of review and study expenses

This requirement is not applicable to YDHS.

## Social Procurement Activities and Commitments

|                                                                                                                 |              |
|-----------------------------------------------------------------------------------------------------------------|--------------|
| Reporting period:                                                                                               | 2023-24      |
| Reporting entity:                                                                                               | YDHS         |
| Overall social procurement activities                                                                           | 2023-24      |
| Number of social benefit suppliers engaged during the reporting period:                                         | 3            |
| Total amount spent with social benefit suppliers (direct spend) during the reporting period (\$ GST exclusive): | \$216,278.00 |

# 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

15 August 2024

## 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

15 August 2024

## 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

15 August 2024

## 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

15 August 2024

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

### **Material non-compliance issues**

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



**Paul Head**

Chief Executive Officer  
Yarram and District Health Service

15 August 2024

## Disclosures

### **Additional Information FRD 22**

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

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

## 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:

|                                                             | 2021-2022  | 2022-2023  | 2023-2024  |
|-------------------------------------------------------------|------------|------------|------------|
| <b>Energy use:</b>                                          |            |            |            |
| Electricity (MWh)                                           | 580,177.70 | 595,326.80 | 601,263.80 |
| Liquefied Petroleum Gas (k)                                 | 172,071.20 | 187,360.60 | 198,045.30 |
| <b>Carbon emissions (thousand tons of CO<sub>2</sub>e):</b> |            |            |            |
| Electricity                                                 | 628.93     | 642.94     | 655.48     |
| Liquefied Petroleum Gas                                     | N/A        | NA         | N/A        |
| Total emissions                                             | 628.93     | 642.94     | 655.48     |
| <b>Water use (millions litres):</b>                         |            |            |            |
| Potable Water                                               | 4,374.00   | 4,785.00   | 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:

- 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 organization 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).

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 Director Corporate Services 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](http://www.ydhs.com.au) or phone 5182 0222.

During 2023 2024, 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 2024.

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 zero 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 2023 2024, 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 108 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 2021-2025 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**

In 2023-2024 there were no contracts to which the Local Jobs First Policy applied.



# Part A: Strategic Priorities

YDHS contributed to the Operational Plan 2023-24 through the following strategic priorities:

## Excellence in clinical governance

**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.

**MA5: Support people to access the most appropriate care for their chronic disease and/or associated risk factors.**

- **Deliverable:** Training staff to promote skills that support people's understanding of how to access appropriate healthcare, manage their own health, and make informed decisions about their own healthcare.

**Progress:** Complete

**Commentary:** Staff training programs have been initiated, focusing on patient education and self-management. The training has led to an increase in patient knowledge and confidence in managing their chronic conditions.

**Activities Completed:** Conducted multiple workshops on health literacy and patient communication.

**Impact:** Enhanced patient engagement and improved self-management of chronic diseases, leading to better health outcomes.

- **Deliverable:** Provide integrated multidisciplinary care that addresses physical, social, and mental health needs.

**Progress:** Complete

**Commentary:** Multidisciplinary care teams are now operational, working to deliver holistic care that meets the comprehensive needs of patients. Early indicators suggest a positive impact on patient satisfaction and overall health.

**Activities Completed:** Formation of care teams across disciplines; initial care plans implemented.

**Impact:** Improved patient outcomes and satisfaction through coordinated care that addresses all aspects of health.

- **Deliverable:** Provide coordination of collaborative care that is accessible, appropriate and meets the diverse needs of individuals and groups in the community.

**Progress:** In Progress

**Commentary:** Efforts to enhance care coordination are underway, with a focus on ensuring that care is accessible and tailored to the unique needs of our diverse community.

**Activities Completed:** Development of a community outreach program; implementation of standardised care coordination protocols.

**Impact:** Increased access to care for underserved populations, with care plans that better meet individual needs.



**MA8: Reduce low value care and duplication to achieve better outcomes for people and improve safety and quality.**

- **Deliverable:** Adoption of interdisciplinary models of care to promote collaborative ways of working, sharing of resources and responsibilities.

**Progress:** Complete

**Commentary:** Interdisciplinary models of care have been introduced, with teams now sharing responsibilities and resources to provide more efficient and effective care.

**Activities Completed:** Training on interdisciplinary collaboration; pilot projects in key departments, multidisciplinary team based care coordination meetings.

**Impact:** Reduced duplication of services, leading to more streamlined care processes and improved patient outcomes.

- **Deliverable:** Teams comprise varying competencies, working collaboratively to standardise interdisciplinary care plans and records to deliver holistic and comprehensive person centered care.

**Progress:** In Progress

**Commentary:** Standardisation efforts are ongoing, with teams working to align care plans and documentation across disciplines, ensuring a unified approach to patient care.

**Activities Completed:** Development and testing of standardised care plans; workshops on documentation practices.

**Impact:** Increased consistency in care delivery, with a focus on comprehensive, patient-centred approaches that improve overall care quality.

**MA11: Develop strong and effective systems to support early and accurate recognition and management of deterioration of paediatric patients.**

- **Deliverable:** Partner with Safer Care Victoria (SCV) and relevant multidisciplinary groups to establish protocols and auditing processes to manage effective monitoring and escalation of deterioration in paediatric patients via ViCTOR charts.

**Progress:** Complete

**Commentary:** Protocols and auditing processes have been successfully established in collaboration with SCV, providing a robust framework for monitoring and responding to paediatric patient deterioration.

**Activities Completed:** Development and implementation of protocols; staff training on auditing processes.

**Impact:** Enhanced monitoring and rapid response to deteriorating paediatric patients, resulting in improved patient safety.

- **Deliverable:** Improve paediatric patient outcomes through the implementation of the “ViCTOR track and trigger” observation chart and escalation system, whenever children have observations taken.

**Progress:** Complete

**Commentary:** The ViCTOR system has been fully implemented, with initial results showing a significant improvement in the management of paediatric patient deterioration.

**Activities Completed:** Full rollout of the ViCTOR system across relevant departments; ongoing performance monitoring.

**Impact:** Improved paediatric patient outcomes through timely and appropriate interventions, reducing the risk of adverse events.

- **Deliverable:** Implement staff training on the “ViCTOR track and trigger” tool to enhance identification and prompt response to deteriorating paediatric patient conditions.

**Progress:** Complete

**Commentary:** All staff have been trained on the ViCTOR tool, with feedback indicating increased proficiency in identifying and responding to paediatric patient deterioration.

**Activities Completed:** Comprehensive training sessions; follow-up support for staff.

**Impact:** Faster and more accurate responses to paediatric patient deterioration, leading to better patient outcomes and enhanced safety.

## Working to achieve long term financial sustainability

**Objective:** Ensure equitable and transparent use of available resources to achieve optimum outcomes.

**MB1: Co-operate with and support Department-led reforms that look towards reducing waste and improving efficiency to address financial sustainability, operational and safety performance, and system management.**

- **Deliverable:** Operational efficiency improvements: Develop and implement strategies to improve operational efficiency, such as reducing waiting times, improving patient flow, and optimising resource allocation.

**Progress:** In Progress

**Commentary:** Strategies have been developed and are being implemented across various departments. Initial efforts have shown reductions in waiting times and improved patient flow, contributing to better resource utilisation.

**Activities Completed:** Process mapping for patient flow; pilot initiatives in key departments to reduce bottlenecks; realignment of resources to match patient demand.

**Impact:** Increased operational efficiency, leading to improved patient satisfaction and more effective use of resources.

- **Deliverable:** Data-driven decision-making: 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:** In Progress

**Commentary:** Data analytics tools have been deployed to monitor performance metrics. Preliminary analysis has identified key areas for improvement, which are currently being addressed through targeted interventions.

**Activities Completed:** Implementation of data analytics platforms; training sessions for staff on interpreting and utilising data; initial identification of inefficiencies.

**Impact:** More informed decision-making processes, leading to targeted improvements in operational efficiency and financial sustainability.

**MB2: Development of a health service financial sustainability plan in partnership with the Department with a goal to achieving long term health service safety and sustainability.**

- **Deliverable:** Financial forecasting and risk management: Develop robust financial forecasting models to project future revenue and expenditure, identify financial risks, and implement risk mitigation strategies to ensure long-term sustainability.

**Progress:** In Progress

**Commentary:** Financial forecasting models have been developed and are being refined. These models are providing valuable insights into future financial scenarios, enabling proactive risk management.

**Activities Completed:** Creation of initial financial models; risk assessment workshops; ongoing model refinement based on real-time data.

**Impact:** Enhanced ability to predict and mitigate financial risks, contributing to a more stable and sustainable financial outlook.



- **Deliverable:** Revenue diversification strategies: Explore opportunities to diversify revenue streams through partnerships, grants, research funding, and other innovative financing models to reduce dependence on government funding.

**Progress:** In Progress

**Commentary:** Exploration of revenue diversification opportunities is ongoing, with several promising avenues identified. Partnerships and grant applications are currently being pursued to secure additional funding sources.

**Activities Completed:** Identification of potential partnerships; submission of grant applications; preliminary discussions with research institutions.

**Impact:** Progress towards reducing dependency on government funding, thereby increasing financial resilience and sustainability.

## Improving equitable access to healthcare and wellbeing

**Objective:** Ensure that Aboriginal people have access to a health, wellbeing, and care system that is holistic, culturally safe, accessible, and empowering.

Ensure that communities in rural and regional areas have equitable health outcomes irrespective of locality.

**MC1: Address service access issues and equity of health outcomes for rural and regional people, including more support for primary, community, home-based and virtual care, and addiction services.**

- **Deliverable:** Partner with Aboriginal community-controlled health organisations, respected Aboriginal leaders and Elders, and Aboriginal communities to deliver healthcare improvements.

**Progress:** In Progress

**Commentary:** Strong partnerships have been established with Aboriginal community-controlled health organisations and local leaders, leading to collaborative efforts in healthcare delivery.

**Activities Completed:**

- Formalised partnerships with local Aboriginal health organisations.
- Held regular consultations with Aboriginal leaders and communities to identify key health needs.
- Initiated joint healthcare projects focused on culturally appropriate care.

**Impact of Activities:** Enhanced healthcare delivery that is more culturally aligned with Aboriginal community needs, improving access and outcomes.



Robotic Cleaning Team

- **Deliverable:** Effective Aboriginal and Torres Strait Islander client and patient identification, including quality improvement processes to continually improve in this area.

Progress: In Progress

**Commentary:** Systems have been implemented to improve the identification of Aboriginal and Torres Strait Islander clients and patients, ensuring they receive culturally sensitive care.

**Activities Completed:**

- Updated patient intake processes to better capture Aboriginal and Torres Strait Islander identification.
- Conducted training sessions for staff on the importance of accurate identification.
- Ongoing quality improvement initiatives to refine identification processes.

**Impact of Activities:** Improved identification processes have led to more tailored and culturally appropriate healthcare services, enhancing the patient experience and health outcomes.

***MC3: Enhance the provision of appropriate and culturally safe services, programs and clinical trials for and as determined by Aboriginal people, embedding the principles of self-determination.***

- **Deliverable:** Promote a culturally safe, welcoming environment with Aboriginal cultural symbols and spaces, demonstrating, recognising, celebrating, and respecting Aboriginal communities and culture.

Progress: Complete

**Commentary:** The health service has successfully created a culturally safe environment that visibly respects and celebrates Aboriginal culture, fostering a welcoming atmosphere for Aboriginal patients and communities.

**Activities Completed:**

- Installed Aboriginal cultural symbols and art in key areas of the health service.
- Created dedicated spaces for Aboriginal cultural practices within the facility.
- Engaged with Aboriginal artists and cultural leaders to ensure authenticity and respect in representations.

**Impact of Activities:** The health service has become a more welcoming and culturally safe space for Aboriginal communities, encouraging greater engagement with health services and improving overall wellbeing.

## A stronger workforce

**Objective:** There is increased supply of critical roles, which supports safe, high-quality care. Victoria is a world leader in employee experience, with a focus on future roles, capabilities and professional development. The workforce is regenerative and sustainable, bringing a diversity of skills and experience that reflect the people and communities it serves. As a result of a stronger workforce, Victorians receive the right care at the right time closer to home.

**MD1: Improve employee experience across four initial focus areas to assure safe, high-quality care: leadership, health and safety, flexibility, and career development and agility.**

- **Deliverable:** Support the pilot and/or implementation of new and contemporary models of care and practice, including future roles and building capability for multidisciplinary practice.

**Progress:** In Progress

**Commentary:** Initial pilots of contemporary care models have shown promise in enhancing multidisciplinary practice and role capability, leading to more integrated and effective care delivery.

**Activities Completed:**

- Launched pilot programs focused on integrating new care models into existing frameworks.
- Conducted training sessions for staff on multidisciplinary practice.
- Engaged with clinical leaders to refine and adapt care models based on initial feedback.

**Impact of Activities:** The pilots have fostered greater collaboration among healthcare teams, improving patient outcomes through more comprehensive and coordinated care.

- **Deliverable:** Implement and/or evaluate a new/expanded wellbeing and safety program and its improvement on workforce wellbeing.

**Progress:** Complete

**Commentary:** The implementation of an expanded wellbeing and safety program has resulted in significant improvements in workforce wellbeing, contributing to a more resilient and satisfied workforce.

**Activities Completed:**

- Introduced a new wellbeing program focused on mental health support, physical wellness, and work-life balance.
- Conducted regular safety audits and training to enhance workplace safety.
- Gathered employee feedback to continuously improve the program.

**Impact of Activities:** Enhanced employee morale and reduced absenteeism, leading to a more engaged and productive workforce.



**MD2: Explore new and contemporary models of care and practice, including future roles and capabilities.**

- **Deliverable:** Pilot, implement, or evaluate new and contemporary models of care and practice, including future roles and building capability for multidisciplinary practice.

**Progress:** In Progress

**Commentary:** Ongoing pilots are exploring innovative care models that align with the evolving needs of the healthcare sector, with a focus on developing future roles and capabilities.

**Activities Completed:**

- Implemented pilot projects to test new care models in different clinical settings.
- Engaged in workforce planning to identify future roles and capabilities required.
- Initiated capability-building workshops for staff to adapt to new models.

**Impact of Activities:** These initiatives are preparing the workforce to meet future demands, ensuring the health service can continue to provide high-quality care in a changing healthcare landscape.

- **Deliverable:** Continual monitoring of the broader healthcare landscape to identify opportunities to modernise skills, capabilities, roles, and models of care to meet future health sector needs.

**Progress:** In Progress

**Commentary:** Continuous monitoring has identified key areas for skill and role development, guiding ongoing workforce modernisation efforts.

**Activities Completed:**

- Established a task force to monitor trends in healthcare and workforce needs.
- Developed a roadmap for skill and role modernisation based on industry trends.
- Initiated cross-training programs to enhance workforce agility.

**Impact of Activities:** The health service is better positioned to adapt to future challenges, with a workforce that is increasingly versatile and prepared for evolving healthcare demands.



## Moving from competition to collaboration

**Objective:** Share knowledge, information and resources with partner health and wellbeing services and care providers. This will allow patients to experience one health, wellbeing and care system through connected digital health information, evidence and data flows, enabled by advanced interoperable platforms.

**ME1: Partner with other organisations (for example community health, ACCHOs, PHNs, General Practice, private health) to drive further collaboration and build a more integrated system.**

- **Deliverable:** Engage local ACCHO groups in the identification and delivery of initiatives that improve Aboriginal cultural safety.

**Progress:** In Progress

**Commentary:** Collaborative efforts with Aboriginal community groups are ongoing, with significant strides made towards identifying and implementing initiatives that enhance Aboriginal cultural safety within the health service.

**Activities Completed:**

- Held regular consultations with local Aboriginal community groups to identify key areas for cultural safety improvement.
- Developed and began implementing a cultural safety training program for staff.
- Launched initial initiatives focused on creating a more culturally inclusive environment.

**Impact of Activities:** These activities have started to create a more culturally safe and welcoming environment for Aboriginal patients, leading to improved patient experiences and outcomes.

- **Deliverable:** Work with the relevant PHN and community health providers to develop integrated service models that will provide earlier care to patients and support patients following hospital discharge.

**Progress:** In Progress

**Commentary:** Collaboration with PHNs and community health providers has progressed, with the development of integrated service models aimed at improving care continuity and patient support post-discharge.

**Activities Completed:**

- Initiated joint planning sessions with PHNs and community health providers.
- Designed integrated care pathways that facilitate earlier intervention and support post-hospital discharge.
- Piloted these integrated models in select patient groups.

**Impact of Activities:** The integrated service models have started to reduce hospital readmission rates and improve patient outcomes by ensuring continuous care and support after discharge.

**ME2: Engage in integrated planning and service design approaches, whilst assuring consistent and strong clinical governance, with partners to join up the system to deliver seamless and sustainable care pathways and build sector collaboration.**

- **Deliverable:** Regional, sub-regional, or local regional health needs assessment to develop a population health plan.

**Progress:** Complete



**Commentary:** The health needs assessment has been completed, providing a comprehensive understanding of regional health requirements, which has informed the development of a population health plan.

**Activities Completed:**

- Conducted a thorough regional health needs assessment, gathering data from various sources.
- Engaged with local stakeholders, including community groups and health providers, to validate findings.
- Developed a population health plan tailored to address identified needs and gaps.

**Impact of Activities:** The population health plan has provided a strategic framework for addressing regional health disparities, ensuring that resources are allocated effectively to meet community needs.

- **Deliverable:** Reviewing specialist workforce requirements at a regional or sub-regional level and developing a shared workforce model, including coordinating efforts to attract and retain workforce at a regional or sub-regional level.

**Progress:** In Progress

**Commentary:** Efforts to assess and address specialist workforce requirements are ongoing, with a focus on developing a shared workforce model to better attract and retain specialists within the region.

**Activities Completed:**

- Conducted an assessment of current specialist workforce needs across the region.
- Initiated discussions with regional partners to explore shared workforce models.
- Began developing strategies for workforce attraction and retention, including potential incentives and support programs.

**Impact of Activities:** The development of a shared workforce model is expected to enhance access to specialist care across the region, reducing wait times and improving patient care outcomes.



## Empowering people to keep healthy and safe in the community

**Objective:** Support individual health and mental wellbeing by giving people the tools and information they need to stay healthy and well. Work with the local government to respond to health threats and empower the community to proactively respond to health risks.

**EA2: Improve the health and wellbeing of our communities, families, and individuals by focusing on areas of healthy eating, climate change impacts, increased physical activity, and reduced rates of harmful drug, alcohol, and substance behaviors including vaping.**

- **Deliverable:** Embed smoking and vaping identification and cessation pathways into routine care.

**Progress:** Complete

**Commentary:** Efforts to integrate smoking and vaping cessation pathways into routine care are underway, with initial implementations showing positive engagement from both patients and providers.

### **Activities Completed:**

- Partnered with key stakeholders as part of the Health Promotion plan to increase education and implement healthy strategies around smoking and vaping issues.
- Trained healthcare providers on identifying and supporting patients with smoking and vaping issues.
- Established referral systems to specialised cessation programs.

**Impact of Activities:** The integration has led to increased identification of patients who smoke or vape and a higher rate of referrals to cessation programs, contributing to improved patient outcomes in smoking and vaping cessation.

- **Deliverable:** Develop strategies to give effect to the “Statement of Expectations for Tobacco and E-cigarettes”.

**Progress:** In Progress

**Commentary:** Strategies are being developed to align with the “Statement of Expectations for Tobacco and E-cigarettes,” with several key actions in place to address tobacco and e-cigarette use.

**Activities Completed:**

- Reviewed and analysed the “Statement of Expectations” to identify key areas for action.
- Developed an action plan that includes educational campaigns and policy updates.
- Engaged with community stakeholders to promote adherence to the new strategies.

**Impact of Activities:** The development of these strategies is expected to enhance public awareness and compliance with tobacco and e-cigarette regulations, leading to improved public health outcomes related to these substances.

**EA7: Perform authorised health protection functions for the population in their public health catchment.**

- **Deliverable:** LPHUs manage and deliver local public health responses to integrated notifiable conditions—including COVID-19—within their catchment.

**Progress:** Complete

**Commentary:** Local Public Health Units (LPHUs) have effectively managed and delivered responses to notifiable conditions, including COVID-19, demonstrating a strong capability to handle public health emergencies.

**Activities Completed:**

- Implemented local response plans for notifiable conditions, including COVID-19.
- Coordinated with other health services and government agencies for effective response management.
- Conducted regular updates and training for staff on response protocols.

**Impact of Activities:** The effective management of public health responses has ensured timely and coordinated actions during health emergencies, reducing the spread of diseases and improving community health outcomes.

- **Deliverable:** LPHUs receive notifications for integrated notifiable conditions in their catchment.

**Progress:** Complete

**Commentary:** Alerts for notifiable conditions have been successfully received and processed by LPHUs, ensuring prompt action and monitoring.

**Activities Completed:**

- Established systems for receiving and processing notifications of notifiable conditions.
- Collaborated with relevant agencies to ensure accurate and timely reporting.
- Provided feedback to improve notification processes and response strategies.

**Impact of Activities:** The effective handling of notifications has enhanced the ability to respond quickly to public health threats, leading to better monitoring and control of notifiable conditions within the community.

## Care close to home

**Objective:** Primary and community care is accessible and reduces avoidable escalation in acuity of health conditions. When appropriate, hospital care is delivered in the home, including through digital care and connection, to deliver virtual care, telehealth, and other advanced models of care.

### ***EB1: Improve pathways through the health system and implement models of care to enable more people to access care closer to, or in their homes.***

- **Deliverable:** Implement and/or evaluate new/expanded models of care that address barriers to patients receiving care closer to, or in their home.

**Progress:** In Progress

**Commentary:** New models of care are being evaluated and implemented to address barriers such as access and convenience for patients receiving care closer to home.

#### **Activities Completed:**

- Developed and piloted a home-based care model that integrates local services with remote monitoring.
- Identified and addressed key barriers such as transportation and communication issues.
- Collected feedback from patients and healthcare providers to refine the model.

**Impact of Activities:** The new models have improved patient access to care by reducing the need for travel, leading to better patient satisfaction and more timely interventions.

- **Deliverable:** Implement and/or evaluate new/expanded models of shared care between health services that enable more people to access care closer to, or in their homes.

**Progress:** In Progress

**Commentary:** Shared care models between health services are being evaluated to enhance coordination and facilitate care closer to home.

#### **Activities Completed:**

- Established partnerships with local health services to create a shared care network.
- Implemented referral pathways and communication systems for better coordination.
- Monitored and assessed the effectiveness of these shared care models.

**Impact of Activities:** Improved coordination between health services has enabled more patients to receive care at home or in their local community, reducing hospital admissions and enhancing patient convenience.

### ***EB2: Identify and develop clinical service models of care that can be delivered via virtual care (videocall, telehealth, remote monitoring) where safe and appropriate to enable care closer to home.***

- **Deliverable:** Adoption of ICT platforms that conform with accredited standards, guidelines, and frameworks measures to ensure technology used for clinical engagement interactions remains secure.

**Progress:** Complete

**Commentary:** ICT platforms have been successfully adopted and are compliant with accredited standards to ensure secure clinical interactions.

**Activities Completed:**

- Selected and implemented ICT platforms that meet security and accreditation requirements.
- Provided training for staff on using these platforms securely.
- Regularly reviewed and updated security measures.

**Impact of Activities:** Secure and accredited ICT platforms have enabled safe and effective virtual care, enhancing patient trust and compliance with privacy regulations.

- **Deliverable:** Identify appropriate clinical cohorts that would benefit from virtual care. At all times respecting the consumer’s choice to use virtual care as a preferred method to receive their care.

**Progress:** In Progress

**Commentary:** Clinical cohorts for virtual care are being identified, with a focus on respecting patient preferences for virtual interactions.

**Activities Completed:**

- Analysed patient data to identify cohorts that would benefit from virtual care.
- Developed criteria for selecting patients who prefer or require virtual care.
- Engaged patients to understand their preferences and provide options for virtual care.

**Impact of Activities:** Identifying and accommodating patient preferences for virtual care has improved access and convenience, leading to higher patient satisfaction and better management of health conditions from home.



# Part B: Performance Priorities

## High quality and safe care

| KEY PERFORMANCE MEASURE                                                         | TARGET                                                 | RESULT                                            |
|---------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------|
| <b>Infection prevention and control</b>                                         |                                                        |                                                   |
| Compliance with the Hand Hygiene Australia program                              | 85%                                                    | 92%                                               |
| Percentage of healthcare workers immunised for influenza                        | 94%                                                    | 99%                                               |
| <b>Patient experience</b>                                                       |                                                        |                                                   |
| Percentage of patients who reported positive experiences of their hospital stay | 95%                                                    | Insufficient data* <sup>1</sup>                   |
| Percentage of Aboriginal admitted patients who left against medical advice      | 25% reduction in gap based on prior year's annual rate | No Aboriginal patients during the reported period |

## Strong Governance, leadership and culture

| KEY PERFORMANCE MEASURE                                                                                         | TARGET | RESULT |
|-----------------------------------------------------------------------------------------------------------------|--------|--------|
| <b>Organisational culture</b>                                                                                   |        |        |
| People matter survey - Percentage of staff with an overall positive response to safety culture survey questions | 62%    | 72%    |

## Effective financial management

| KEY PERFORMANCE MEASURE                                                                                                | TARGET                                                | RESULT       |
|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|--------------|
| Operating result (\$M)                                                                                                 | \$0.00                                                | \$2.13m      |
| Average number of days to paying trade creditors                                                                       | 60 days                                               | 57 days      |
| Average number of days to receive patient fee debtors                                                                  | 60 days                                               | 58 days      |
| Adjusted current asset ratio                                                                                           | 0.7 or 3% improvement from health service base target | 1.1          |
| Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June | Variance ≤ \$250,000                                  | Not Achieved |
| Actual number of days available cash, measured on the last day of each month                                           | 14 days                                               | 34 days      |

<sup>1</sup> Patient experience survey - Insufficient data to report.



# Part C: Activity

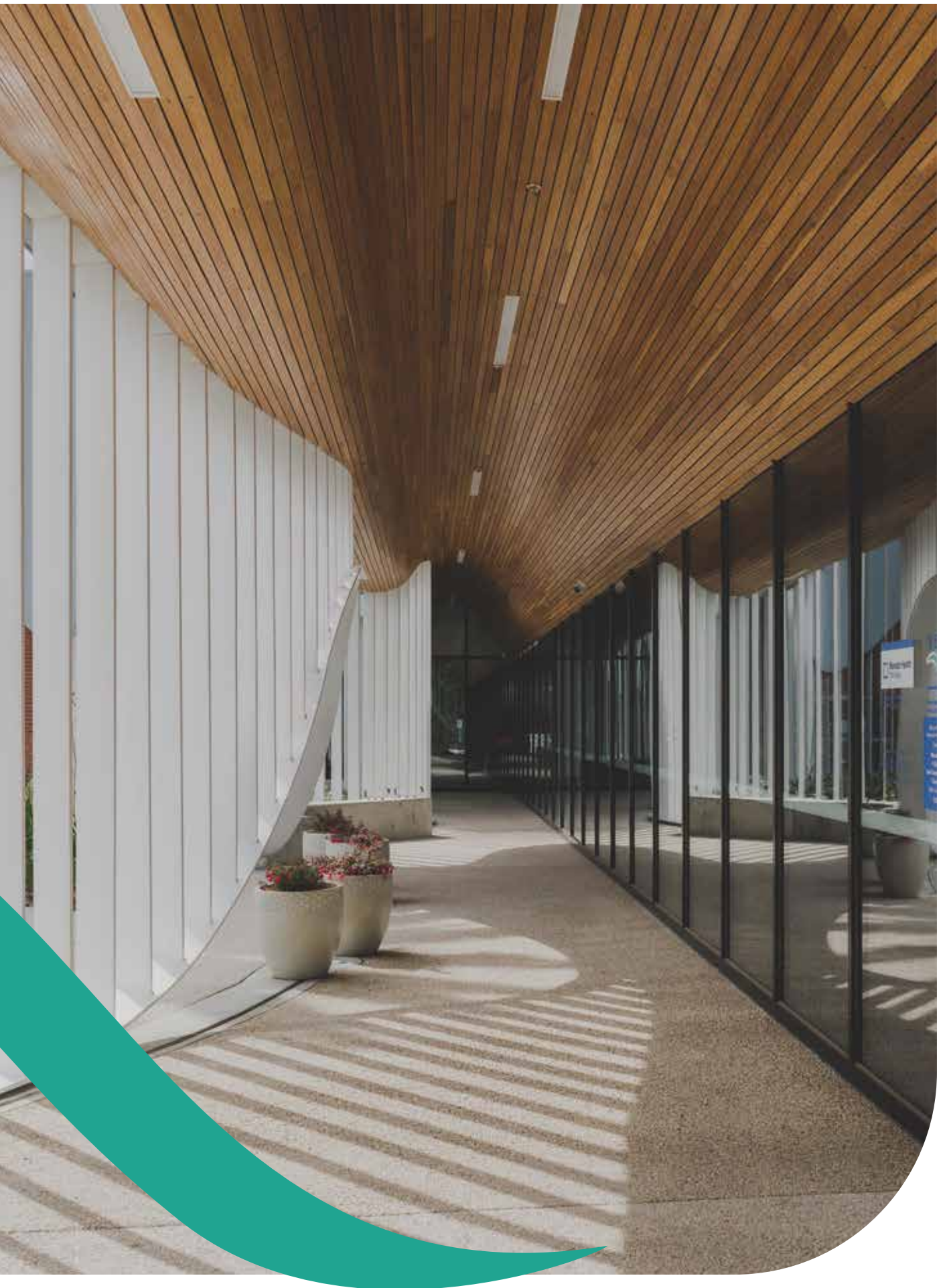
| FUNDING TYPE                      | ACTIVITY ACHIEVEMENT |
|-----------------------------------|----------------------|
| Small Rural                       |                      |
| Small Rural Acute                 | 55                   |
| Small Rural Primary Health & HACC | 6,835                |
| Small Rural Residential Care      | 30,736               |

# 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                                                |



Life Governors Shaun Braybrook and Garry Stephens.



# Financial Statements

## Financial Year ended 30 June 2024

### ***Board member's, 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 2024 and the financial position of Yarram & District Health Service at 30 June 2024.

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, 2024.

#### **Board Member**



Ian Jaggard-Hawkins

Acting Chair

Yarram  
11/11/2024

#### **Accountable Officer**



Paul Head

Chief Executive Officer

Yarram  
11/11/2024

#### **Chief Finance & Accounting Officer**



Michael Glaubitz

Chief Finance & Accounting Officer

Yarram  
11/11/2024

## Independent Auditor’s Report

### 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 2024
- 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 2024 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 applicable Australian Accounting Standards.

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

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

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

**Board’s responsibilities for the financial report** The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation of a 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.

**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  
25 November 2024

Dominika Ryan  
*as delegate for the Auditor-General of Victoria*

**Yarram & District Health Service  
Comprehensive Operating Statement  
For the Financial Year Ended 30 June 2024**

|                                                              |     | Total<br>2024       | Total<br>2023       |
|--------------------------------------------------------------|-----|---------------------|---------------------|
| Note                                                         |     | \$                  | \$                  |
| <b>Revenue and income from transactions</b>                  |     |                     |                     |
| Operating activities                                         | 2.1 | 23,376,760          | 20,013,952          |
| Non-operating activities                                     | 2.1 | 326,576             | 187,903             |
| <b>Total revenue and income from transactions</b>            |     | <b>23,703,336</b>   | <b>20,201,855</b>   |
| <b>Expenses from transactions</b>                            |     |                     |                     |
| Employee expenses                                            | 3.1 | (15,021,775)        | (14,230,066)        |
| Supplies and consumables                                     | 3.1 | (1,201,216)         | (1,135,053)         |
| Depreciation                                                 | 3.1 | (915,935)           | (830,049)           |
| Other administrative expenses                                | 3.1 | (3,194,226)         | (2,704,527)         |
| Other operating expenses                                     | 3.1 | (1,395,986)         | (932,576)           |
| <b>Total Expenses from transactions</b>                      |     | <b>(21,729,138)</b> | <b>(19,832,271)</b> |
| <b>Net result from transactions - net operating balance</b>  |     | <b>1,974,198</b>    | <b>369,584</b>      |
| <b>Other economic flows included in net result</b>           |     |                     |                     |
| Other gain/(loss) from other economic flows                  | 3.2 | 93,841              | (15,092)            |
| <b>Total other economic flows included in net result</b>     |     | <b>93,841</b>       | <b>(15,092)</b>     |
| <b>Net result for the year</b>                               |     | <b>2,068,039</b>    | <b>354,492</b>      |
| <b>Other comprehensive income</b>                            |     |                     |                     |
| <b>Items that will not be reclassified to net result</b>     |     |                     |                     |
| Changes in property, plant and equipment revaluation surplus |     | 9,379,378           | -                   |
| <b>Comprehensive result for the year</b>                     |     | <b>11,447,417</b>   | <b>354,492</b>      |

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



**Yarram & District Health Service**  
**Balance Sheet**  
**As at 30 June 2024**

|                                                   |         | Total<br>2024     | Total<br>2023     |
|---------------------------------------------------|---------|-------------------|-------------------|
|                                                   | Note    | \$                | \$                |
| <b>Current assets</b>                             |         |                   |                   |
| Cash and cash equivalents                         | 6.2     | 8,819,644         | 7,045,876         |
| Receivables                                       | 5.1     | 660,850           | 535,308           |
| Contract assets                                   | 5.2     | 169,943           | 305,050           |
| Inventories                                       | 4.4     | 73,419            | 60,802            |
| Prepaid expenses                                  |         | 302,689           | 228,436           |
| <b>Total current assets</b>                       |         | <b>10,026,545</b> | <b>8,175,472</b>  |
| <b>Non-current assets</b>                         |         |                   |                   |
| Receivables                                       | 5.1     | 831,742           | 872,884           |
| Property, plant and equipment                     | 4.1 (a) | 38,750,700        | 26,738,945        |
| Right of use assets                               | 4.2 (a) | 250,375           | 224,490           |
| <b>Total non-current assets</b>                   |         | <b>39,832,817</b> | <b>27,836,319</b> |
| <b>Total assets</b>                               |         | <b>49,859,362</b> | <b>36,011,791</b> |
| <b>Current liabilities</b>                        |         |                   |                   |
| Payables                                          | 5.3     | 2,162,923         | 1,254,892         |
| Contract Liabilities                              | 5.4     | 54,371            | 135,050           |
| Borrowings                                        | 6.1     | 143,235           | 114,500           |
| Employee benefits                                 | 3.3     | 2,994,669         | 2,679,755         |
| Other liabilities                                 | 5.5     | 5,191,349         | 3,921,682         |
| <b>Total current liabilities</b>                  |         | <b>10,546,547</b> | <b>8,105,879</b>  |
| <b>Non-current liabilities</b>                    |         |                   |                   |
| Borrowings                                        | 6.1     | 152,042           | 114,824           |
| Employee benefits                                 | 3.3     | 209,129           | 286,861           |
| <b>Total non-current liabilities</b>              |         | <b>361,171</b>    | <b>401,685</b>    |
| <b>Total liabilities</b>                          |         | <b>10,907,718</b> | <b>8,507,564</b>  |
| <b>Net assets</b>                                 |         | <b>38,951,644</b> | <b>27,504,227</b> |
| <b>Equity</b>                                     |         |                   |                   |
| Property, plant and equipment revaluation surplus |         | 30,102,459        | 20,723,081        |
| Restricted specific purpose surplus               | SCE     | 94,500            | 94,500            |
| Contributed capital                               | SCE     | 6,121,891         | 6,121,891         |
| Accumulated surplus                               | SCE     | 2,632,794         | 564,755           |
| <b>Total equity</b>                               |         | <b>38,951,644</b> | <b>27,504,227</b> |

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

**Yarram & District Health Service**  
**Cash Flow Statement**  
**For the Financial Year Ended 30 June 2024**

|                                                                  | <b>Total<br/>2024</b> | <b>Total<br/>2023</b> |
|------------------------------------------------------------------|-----------------------|-----------------------|
| <b>Note</b>                                                      | <b>\$</b>             | <b>\$</b>             |
| <b>Cash Flows from operating activities</b>                      |                       |                       |
| Operating grants from State Government                           | 9,421,605             | 10,650,525            |
| Operating grants from Commonwealth Government                    | 7,135,080             | 4,454,714             |
| Capital grants from government - State                           | 759,198               | 692,107               |
| Patient fees received                                            | 1,962,888             | 1,695,393             |
| Donations and bequests received                                  | 47,665                | 2,425                 |
| GST received from ATO                                            | 170,987               | 112,573               |
| Interest and investment income received                          | 326,576               | 187,903               |
| Commercial Income Received                                       | 1,760,965             | 21,396                |
| Other receipts                                                   | 1,294,535             | 1,312,505             |
| <b>Total receipts</b>                                            | <b>22,879,499</b>     | <b>19,129,541</b>     |
| Payments to employees                                            | (12,492,747)          | (12,384,420)          |
| Payments to contractors and consultants                          | (2,065,637)           | (1,851,131)           |
| Payments for supplies and consumables                            | (437,457)             | (755,834)             |
| Payments for medical indemnity insurance                         | (75,639)              | (61,136)              |
| Payments for repairs and maintenance                             | (900,612)             | (463,348)             |
| GST paid to ATO                                                  | (262,415)             | (88,993)              |
| Cash outflow for leases                                          | (42,958)              | (42,584)              |
| Other payments                                                   | (2,591,624)           | (1,826,350)           |
| <b>Total payments</b>                                            | <b>(18,869,089)</b>   | <b>(17,473,796)</b>   |
| <b>Net cash flows from/(used in) operating activities</b>        | <b>8.1 4,010,410</b>  | <b>1,655,745</b>      |
| <b>Cash Flows from investing activities</b>                      |                       |                       |
| Purchase of non-financial assets                                 | (3,410,062)           | (1,581,714)           |
| <b>Net cash flows from/(used in) investing activities</b>        | <b>(3,410,062)</b>    | <b>(1,581,714)</b>    |
| <b>Cash flows from financing activities</b>                      |                       |                       |
| Repayment of borrowings                                          | -                     | (48,477)              |
| Repayment of principal portion of lease liabilities              | (98,182)              | (88,957)              |
| Receipt of accommodation deposits                                | 3,311,995             | 2,938,294             |
| Repayment of accommodation deposits                              | (2,040,393)           | (2,141,855)           |
| <b>Net cash flows from /(used in) financing activities</b>       | <b>1,173,420</b>      | <b>659,005</b>        |
| <b>Net increase/(decrease) in cash and cash equivalents held</b> | <b>1,773,768</b>      | <b>733,036</b>        |
| Cash and cash equivalents at beginning of year                   | 7,045,876             | 6,312,840             |
| <b>Cash and cash equivalents at end of year</b>                  | <b>6.2 8,819,644</b>  | <b>7,045,876</b>      |

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

**Yarram & District Health Service  
Statement of Changes in Equity  
For the Financial Year Ended 30 June 2024**

|                                         | Note | Property, Plant and<br>Equipment<br>Revaluation Surplus | Restricted Specific<br>Purpose Surplus | Contributed Capital | Accumulated<br>(Deficits)/Surplus | Total             |
|-----------------------------------------|------|---------------------------------------------------------|----------------------------------------|---------------------|-----------------------------------|-------------------|
|                                         |      | \$                                                      | \$                                     | \$                  | \$                                | \$                |
| <b>Balance at 30 June 2022</b>          |      | <b>20,723,081</b>                                       | <b>94,500</b>                          | <b>6,121,891</b>    | <b>210,263</b>                    | <b>27,149,735</b> |
| Net result for the year                 |      | -                                                       | -                                      | -                   | 354,492                           | 354,492           |
| <b>Balance at 30 June 2023</b>          |      | <b>20,723,081</b>                                       | <b>94,500</b>                          | <b>6,121,891</b>    | <b>564,755</b>                    | <b>27,504,227</b> |
| Net result for the year                 |      | -                                                       | -                                      | -                   | 2,068,039                         | 2,068,039         |
| Other comprehensive income for the year |      | 9,379,378                                               | -                                      | -                   | -                                 | 9,379,378         |
| <b>Balance at 30 June 2024</b>          |      | <b>30,102,459</b>                                       | <b>94,500</b>                          | <b>6,121,891</b>    | <b>2,632,794</b>                  | <b>38,951,644</b> |

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

# Yarram & District Health Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2024

## Note 1: Basis of preparation

### Structure

- 1.1 Basis of preparation of the financial statements**
- 1.2 Abbreviations and terminology used in the financial statements**
- 1.3 Joint arrangements**
- 1.4 Material accounting estimates and judgements**
- 1.5 Accounting standards issued but not yet effective**
- 1.6 Goods and Services Tax (GST)**
- 1.7 Reporting entity**

These financial statements represent the audited general purpose financial statements for Yarram & District Health Service for the year ended 30 June 2024. The report provides users with information about Yarram & District Health Service's stewardship of the resources entrusted to it.

This section explains the basis of preparing the financial statements.

#### **Note 1.1: Basis of preparation of the financial statements**

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements*.

The financial statements also comply with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance (DTF), and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

Yarram & District Health Service is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous year.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on a going concern basis (refer to Note 8.9 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 11 November, 2024.

# Yarram & District Health Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2024

**Note 1.2 Abbreviations and terminology used in the financial statements**

The following table sets out the common abbreviations used throughout the financial statements:

| Reference | Title                                                          |
|-----------|----------------------------------------------------------------|
| AASB      | Australian Accounting Standards Board                          |
| AASs      | Australian Accounting Standards, which include Interpretations |
| DH        | Department of Health                                           |
| DTF       | Department of Treasury and Finance                             |
| FMA       | Financial Management Act 1994                                  |
| FRD       | Financial Reporting Direction                                  |
| NWAU      | National Weighted Activity Unit                                |
| SD        | Standing Direction                                             |
| VAGO      | Victorian Auditor General’s Office                             |

**Note 1.3 Joint arrangements**

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

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2024

#### **Note 1.4 Material accounting estimates and judgements**

Management make estimates and judgements when preparing the financial statements.

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

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

The material accounting judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.3: Depreciation and amortisation
- Note 4.4: Inventories
- Note 4.5: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 5.5: Other liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

#### **Note 1.5 Accounting standards issued but not yet effective**

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Yarram & District Health Service and their potential impact when adopted in future periods is outlined below:

| Standard                                                                                                                                                     | Adoption Date                                           | Impact                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------------------------|
| AASB 2022-5: <i>Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback</i>                                                  | Reporting periods beginning on or after 1 January 2024. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-9: <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>                                                 | Reporting periods beginning on or after 1 January 2026. | Adoption of this standard is not expected to have a material impact. |
| AASB 2022-10: <i>Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i> | Reporting periods beginning on or after 1 January 2024. | Adoption of this standard is not expected to have a material impact. |

# Yarram & District Health Service

## Notes to the Financial Statements

### For the Financial Year Ended 30 June 2024

#### ***Note 1.5 Accounting standards issued but not yet effective (continued)***

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Yarram & District Health Service in future periods.

#### ***Note 1.6 Goods and Services Tax (GST)***

Income, expenses, assets and liabilities are recognised net of the amount of GST, except where the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Balance Sheet are stated inclusive of the amount of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet. Cash flows are included in the Cash Flow Statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO. These GST components are disclosed as operating cash flows.

Commitments and contingent assets and liabilities are presented on a gross basis.

#### ***Note 1.7 Reporting Entity***

The financial statements include all the activities of Yarram & District Health Service.

Yarram & District Health Service's principal address is:

85-91 Commercial Road

Yarram

Victoria 3971

A description of the nature of Yarram & District Health Service's operations and its principal activities is included in the report of operations, which does not form part of these financial statements.

## 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

#### 2.2 Fair value of assets and services received free of charge or for nominal consideration

### Material judgements and estimates

This section contains the following material judgements and estimates:

| Material judgements and estimates                                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Identifying performance obligations                                      | <p>Yarram &amp; District Health Service applies material judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criterion is met, the contract/funding agreement is treated as a contract with a customer, requiring Yarram &amp; District Health Service to recognise revenue as or when the health service transfers promised goods or services to customers.</p> <p>If this criterion is not met, funding is recognised immediately in the net result from operations.</p> |
| Determining timing of revenue recognition                                | <p>Yarram &amp; District Health Service applies material judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>                                                                                                                                                                                                                                                                                                                        |
| Determining time of capital grant income recognition                     | <p>Yarram &amp; District Health Service applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.</p>                                                                                                                                                                                                                                                                                                                                |
| Assets and services received free of charge or for nominal consideration | <p>Yarram &amp; District Health Service applies material judgement to determine the fair value of assets and services provided free of charge or for nominal value. Where a reliable market value exists it is used to calculate the equivalent value of the service being provided. Where no reliable market value exists, the service is not recognised in the financial statements.</p>                                                                                                                                                                                                                                  |



## Note 2.1 Revenue and income from transactions

|                                                                          | Total<br>2024<br>\$ | Total<br>2023<br>\$ |
|--------------------------------------------------------------------------|---------------------|---------------------|
| <b>Operating activities</b>                                              |                     |                     |
| <b>Revenue from contracts with customers</b>                             |                     |                     |
| Government grants (State) - Operating                                    | 489,471             | 555,194             |
| Government grants (Commonwealth) - Operating                             | 7,135,080           | 4,327,244           |
| Patient and resident fees                                                | 1,996,627           | 1,749,316           |
| Commercial activities <sup>1</sup>                                       | 1,760,965           | 1,085,932           |
| <b>Total revenue from contracts with customers</b>                       | <b>11,382,143</b>   | <b>7,717,686</b>    |
| <b>Other sources of income</b>                                           |                     |                     |
| Government grants (State) - Operating                                    | 9,185,205           | 9,887,345           |
| Government grants (State) - Capital                                      | 759,198             | 692,107             |
| Assets received free of charge or for nominal consideration              | 48,378              | 123,353             |
| Other income from operating activities (including non-capital donations) | 2,001,836           | 1,593,461           |
| <b>Total other sources of income</b>                                     | <b>11,994,617</b>   | <b>12,296,266</b>   |
| <b>Total revenue and income from operating activities</b>                | <b>23,376,760</b>   | <b>20,013,952</b>   |
| <b>Non-operating activities</b>                                          |                     |                     |
| <b>Income from other sources</b>                                         |                     |                     |
| Capital interest                                                         | 326,576             | 187,903             |
| <b>Total other sources of income</b>                                     | <b>326,576</b>      | <b>187,903</b>      |
| <b>Total income from non-operating activities</b>                        | <b>326,576</b>      | <b>187,903</b>      |
| <b>Total revenue and income from transactions</b>                        | <b>23,703,336</b>   | <b>20,201,855</b>   |

<sup>1</sup>Commercial activities represent business activities which Yarram & District Health Service enter into to support their operations.

### Note 2.1(a): Timing of revenue from contracts with customers

|                                                                                              | Total<br>2024<br>\$ | Total<br>2023<br>\$ |
|----------------------------------------------------------------------------------------------|---------------------|---------------------|
| Yarram & District Health Service disaggregates revenue by the timing of revenue recognition. |                     |                     |
| <b>Goods and services transferred to customers:</b>                                          |                     |                     |
| At a point in time                                                                           | 9,621,178           | 6,759,225           |
| Over time                                                                                    | 309,662             | 21,396              |
| <b>Total revenue from contracts with customers</b>                                           | <b>9,930,840</b>    | <b>6,780,621</b>    |

## Note 2.1 Revenue and income from transactions (continued)

### How we recognise revenue and income from operating activities

#### Government operating grants

To recognise revenue, Yarram & District Health Service assesses each grant to determine whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15: *Revenue from Contracts with Customers*.

When both these conditions are satisfied, the health service:

- Identifies each performance obligation relating to the revenue
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfied its performance obligations, at the time or over time when services are rendered.

If a contract liability is recognised, Yarram & District Health Service recognises revenue in profit or loss as and when it satisfies its obligations under the contract.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, in accordance with AASB 1058 - Income for not-for-profit entities, the health service:

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer), and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount in accordance with AASB 1058.

In contracts with customers, the ‘customer’ is typically a 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 significant revenue streams:

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

## **Note 2.1 Revenue and income from transactions (continued)**

### **Capital grants**

Where Yarram & District Health Service receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.

Income is recognised 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.

### **Patient and resident fees**

Patient and resident fees are charges that can be levied on patients for some services they receive. Patient and resident fees are recognised 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 2.2 Fair value of assets and services received free of charge or for nominal consideration

|                                                                                                     | Total<br>2024<br>\$ | Total<br>2023<br>\$ |
|-----------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Cash donations and gifts                                                                            | 47,665              | 2,425               |
| Personal protective equipment                                                                       | 713                 | 120,928             |
| <b>Total fair value of assets and services received free of charge or for nominal consideration</b> | <b>48,378</b>       | <b>123,353</b>      |

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

#### Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when Yarram & District Health Service usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

#### Personal protective equipment

Under the State Supply Arrangement, Health Share Victoria supplies personal protective equipment to Yarram & District Health Service for nil consideration.

#### Contributions of resources

Yarram & District Health Service may receive resources for nil or nominal consideration to further its objectives. The resources 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.

#### Non-cash contributions from the Department of Health

The Department of Health 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 set out in the relevant Department of Health Hospital Circular.                                                                                       |

## 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 cost associated with provision of services are recorded.

### Structure

#### 3.1 Expenses from transactions

#### 3.2 Other economic flows

#### 3.3 Employee benefits and related on-costs

#### 3.4 Superannuation

### Material judgements and estimates

This section contains the following material judgements and estimates:

| Material judgements and estimates        | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Classifying employee benefit liabilities | <p>Yarram &amp; District Health Service applies material judgment when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Yarram &amp; District Health Service does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Yarram &amp; District Health Service has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>                                                                                                                                                                                                                                                                                               |
| Measuring employee benefit liabilities   | <p>Yarram &amp; District Health Service applies material judgment when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <ul style="list-style-type: none"> <li>• an inflation rate of 4.35%, reflecting the future wage and salary levels</li> <li>• durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 22% and 86%</li> <li>• discounting at the rate of 4.063%, as determined with reference to market yields on government bonds at the end of the reporting period.</li> </ul> <p>All other entitlements are measured at their nominal value.</p> |

**Note 3.1 Expenses from transactions**

|                                                | <b>Total<br/>2024</b> | <b>Total<br/>2023</b> |
|------------------------------------------------|-----------------------|-----------------------|
| <b>Note</b>                                    | <b>\$</b>             | <b>\$</b>             |
| Salaries and wages                             | 11,472,459            | 10,953,386            |
| On-costs                                       | 1,170,955             | 1,137,312             |
| Agency expenses                                | 256,414               | 107,548               |
| Fee for service medical officer expenses       | 1,809,223             | 1,743,583             |
| Workcover premium                              | 312,724               | 288,237               |
| <b>Total employee expenses</b>                 | <b>15,021,775</b>     | <b>14,230,066</b>     |
| Drug supplies                                  | 64,438                | 62,057                |
| Medical and surgical supplies                  | 488,389               | 486,784               |
| Diagnostic and radiology supplies              | 23,712                | 29,339                |
| Other supplies and consumables                 | 624,677               | 556,873               |
| <b>Total supplies and consumables</b>          | <b>1,201,216</b>      | <b>1,135,053</b>      |
| Gippsland Health Alliance Member Contributions | 684,176               | 614,632               |
| Other administrative expenses                  | 2,510,050             | 2,089,895             |
| <b>Total other administrative expenses</b>     | <b>3,194,226</b>      | <b>2,704,527</b>      |
| Fuel, light, power and water                   | 285,446               | 278,626               |
| Repairs and maintenance                        | 900,612               | 463,348               |
| Medical indemnity insurance                    | 166,970               | 148,018               |
| Expenses related to leases of low value assets | 42,958                | 42,584                |
| <b>Total other operating expenses</b>          | <b>1,395,986</b>      | <b>932,576</b>        |
| <b>Total operating expense</b>                 | <b>20,813,203</b>     | <b>19,002,222</b>     |
| Depreciation                                   | 915,935               | 830,049               |
| <b>Total depreciation and amortisation</b>     | <b>915,935</b>        | <b>830,049</b>        |
| <b>Total non-operating expense</b>             | <b>915,935</b>        | <b>830,049</b>        |
| <b>Total expenses from transactions</b>        | <b>21,729,138</b>     | <b>19,832,271</b>     |

### Note 3.1 Expenses from transactions (continued)

#### How we recognise expenses from transactions

##### Expense recognition

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

##### Employee expenses

Employee expenses include:

- Salaries and wages (including fringe benefits tax, leave entitlements, termination payments)
- On-costs
- Agency expenses
- Fee for service medical officer expenses
- Work cover premiums.

##### 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.

##### Finance costs

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings (interest expense is recognised in the period in which it is incurred)
- amortisation of discounts or premiums relating to borrowings
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

##### Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and include such things as:

- Fuel, light and power
- Repairs and maintenance
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$1,000).

The Department of Health 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 and recording a corresponding expense.

##### Non-operating expenses

Other non-operating expenses generally represent expenditure outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

**Note 3.2 Other economic flows included in net result**

|                                                                    | <b>Total<br/>2024<br/>\$</b> | <b>Total<br/>2023<br/>\$</b> |
|--------------------------------------------------------------------|------------------------------|------------------------------|
| Net gain/(loss) arising from revaluation of long service liability | 93,841                       | (15,092)                     |
| <b>Total other gains/(losses) from other economic flows</b>        | <b>93,841</b>                | <b>(15,092)</b>              |
| <b>Total gains/(losses) from other economic flows</b>              | <b>93,841</b>                | <b>(15,092)</b>              |

**How we recognize other economic flows**

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

**Other gains/(losses) from other economic flows include the gains or losses from:**

- The revaluation of the present value of the long service leave liability due to changes in the bond interest rates.



### Note 3.3 Employee benefits and related on-costs

|                                                                               | Total<br>2024<br>\$ | Total<br>2023<br>\$ |
|-------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Current employee benefits and related on-costs</b>                         |                     |                     |
| <i>Accrued days off</i>                                                       |                     |                     |
| Unconditional and expected to be settled wholly within 12 months <sup>i</sup> | 16,634              | 16,112              |
|                                                                               | <b>16,634</b>       | <b>16,112</b>       |
| <i>Annual leave</i>                                                           |                     |                     |
| Unconditional and expected to be settled wholly within 12 months <sup>i</sup> | 1,243,846           | 1,072,162           |
|                                                                               | <b>1,243,846</b>    | <b>1,072,162</b>    |
| <i>Long service leave</i>                                                     |                     |                     |
| Unconditional and expected to be settled wholly within 12 months <sup>i</sup> | 281,440             | 240,279             |
| Unconditional and expected to be settled wholly after 12 months <sup>ii</sup> | 1,123,733           | 1,012,648           |
|                                                                               | <b>1,405,173</b>    | <b>1,252,927</b>    |
| <i>Provisions related to employee benefit on-costs</i>                        |                     |                     |
| Unconditional and expected to be settled within 12 months <sup>i</sup>        | 178,392             | 198,160             |
| Unconditional and expected to be settled after 12 months <sup>ii</sup>        | 150,624             | 140,394             |
|                                                                               | <b>329,016</b>      | <b>338,554</b>      |
| <b>Total current employee benefits and related on-costs</b>                   | <b>2,994,669</b>    | <b>2,679,755</b>    |
| <b>Non-current provisions and related on-costs</b>                            |                     |                     |
| Conditional long service leave <sup>i</sup>                                   | 184,417             | 251,258             |
| Provisions related to employee benefit on-costs <sup>ii</sup>                 | 24,712              | 35,603              |
| <b>Total non-current employee benefits and related on-costs</b>               | <b>209,129</b>      | <b>286,861</b>      |
| <b>Total employee benefits and related on-costs</b>                           | <b>3,203,798</b>    | <b>2,966,616</b>    |

<sup>i</sup> The amounts disclosed are nominal amounts.

<sup>ii</sup> The amounts disclosed are discounted to present values.

**Note 3.3 (a) Employee benefits and related on-costs**

**Current Employee Benefits and Related On-Costs**

Unconditional long service leave entitlements

Unconditional annual leave entitlements

Unconditional accrued days off

**Total current employee benefits and related on-costs**

**Non-current provisions and related on-costs**

Conditional long service leave entitlements

**Total non-current employee benefits and related on-costs**

**Total employee benefits and related on-costs**

| <b>Total<br/>2024<br/>\$</b> | <b>Total<br/>2023<br/>\$</b> |
|------------------------------|------------------------------|
| 1,592,086                    | 1,425,299                    |
| 1,385,949                    | 1,238,344                    |
| 16,634                       | 16,112                       |
| <b>2,994,669</b>             | <b>2,679,755</b>             |
| 209,129                      | 286,861                      |
| <b>209,129</b>               | <b>286,861</b>               |
| <b>3,203,798</b>             | <b>2,966,616</b>             |

**Note 3.3 (b) Provision for related on-costs movement schedule**

**On-costs carrying amount at the start of year**

Additional provisions recognised

Amounts incurred during the year

**Carrying amount at end of year**

| <b>Total<br/>2024<br/>\$</b> | <b>Total<br/>2023<br/>\$</b> |
|------------------------------|------------------------------|
| <b>374,157</b>               | <b>365,908</b>               |
| 239,683                      | 300,965                      |
| (260,111)                    | (292,716)                    |
| <b>353,729</b>               | <b>374,157</b>               |

### **Note 3.3 Employee benefits in the balance sheet (continued)**

#### **How we recognise employee benefits**

##### **Employee benefit recognition**

Employee benefits are accrued for employees in respect of accrued days off, annual leave and long service leave for services rendered to the reporting date.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income as sick leave is taken.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

##### **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 settlements 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 the 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. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

##### **Termination benefits**

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee decides to accept an offer of benefits in exchange for the termination of employment.

##### **On-costs related to employee benefits**

Provision for on-costs such as workers compensation and superannuation are recognised separately from provisions for employee benefits.

**Note 3.4 Superannuation**

|                                           | Paid contribution for the year |                  |
|-------------------------------------------|--------------------------------|------------------|
|                                           | Total                          | Total            |
|                                           | 2024                           | 2023             |
|                                           | \$                             | \$               |
| <b>Defined benefit plans<sup>i</sup>:</b> |                                |                  |
| Aware super                               | 2,032                          | 2,431            |
| <b>Defined contribution plans:</b>        |                                |                  |
| Aware Super                               | 489,184                        | 521,512          |
| Hesta                                     | 382,139                        | 288,392          |
| Other                                     | 329,261                        | 262,654          |
| <b>Total</b>                              | <b>1,202,616</b>               | <b>1,074,989</b> |

<sup>i</sup> The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

**How we recognise superannuation**

Employees of Yarram & District Health Service are entitled to receive superannuation benefits and it contributes to defined contribution plans.

**Defined benefit superannuation plans**

A defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by Yarram & District Health Service to the superannuation plans in respect of the services of current Yarram & District Health Service’s staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Yarram & District Health Service does not recognise any unfunded defined benefit liability in respect of the plans because the health service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

The DTF discloses the State’s defined benefits liabilities in its disclosure for administered items. Superannuation contributions paid or payable for the reporting period however, are included as part of employee benefits in the Comprehensive Operating Statement of Yarram & District Health Service.

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by Yarram & District Health Service are disclosed above.

**Defined contribution superannuation plans**

In relation to defined contribution (i.e. accumulation) superannuation plans, the associated expense is simply the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period. Contributions to defined contribution superannuation plans are expensed when incurred.

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by Yarram & District Health Service are disclosed above.

## 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 those outputs.

### Structure

***4.1 Property, plant & equipment***

***4.2 Right-of-use assets***

***4.3 Revaluation surplus***

***4.4 Depreciation***

***4.5 Inventories***

***4.6 Impairment of assets***

## Material judgements and estimates

This section contains the following material judgements and estimates:

| Material judgements and estimates                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Measuring fair value of property, plant and equipment                      | <p>Yarram &amp; District Health Service obtains independent valuations for its non-current assets at least once every five years.</p> <p>If an independent valuation has not been undertaken at balance date, the health service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices.</p> <p>Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Estimating useful life and residual value of property, plant and equipment | <p>Yarram &amp; District Health Service assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset.</p> <p>The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Estimating useful life of right-of-use assets                              | <p>The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>Yarram &amp; District Health Service applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Identifying indicators of impairment                                       | <p>At the end of each year, Yarram &amp; District Health Service assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> <li>▪ If an asset's value has declined more than expected based on normal use</li> <li>▪ If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset</li> <li>▪ If an asset is obsolete or damaged</li> <li>▪ If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life</li> <li>▪ If the performance of the asset is or will be worse than initially expected.</li> </ul> <p>Where an impairment trigger exists, the health services applies material judgement and estimate to determine the recoverable amount of the asset.</p> |

**Note 4.1: Property, plant and equipment**

**Note 4.1 (a) Gross carrying amount and accumulated depreciation**

|                                                                               | Total<br>2024<br>\$ | Total<br>2023<br>\$ |
|-------------------------------------------------------------------------------|---------------------|---------------------|
| Land at fair value - Freehold                                                 | 4,082,000           | 3,475,000           |
| <b>Total land at fair value</b>                                               | <b>4,082,000</b>    | <b>3,475,000</b>    |
| Buildings at fair value                                                       | 30,260,947          | 20,646,744          |
| Less accumulated depreciation                                                 | (4,856)             | (1,652,965)         |
| <b>Total buildings at fair value</b>                                          | <b>30,256,091</b>   | <b>18,993,779</b>   |
| Works in progress at cost                                                     | <b>2,660,106</b>    | <b>2,532,426</b>    |
| <b>Total land and buildings</b>                                               | <b>36,998,197</b>   | <b>25,001,205</b>   |
| Plant and equipment at fair value                                             | 2,519,527           | 2,248,554           |
| Less accumulated depreciation                                                 | (1,276,224)         | (1,066,599)         |
| <b>Total plant and equipment at fair value</b>                                | <b>1,243,303</b>    | <b>1,181,955</b>    |
| Motor vehicles at fair value                                                  | 279,081             | 279,081             |
| Less accumulated depreciation                                                 | (129,395)           | (114,138)           |
| <b>Total motor vehicles at fair value</b>                                     | <b>149,686</b>      | <b>164,943</b>      |
| Medical equipment at fair value                                               | 827,965             | 800,165             |
| Less accumulated depreciation                                                 | (468,451)           | (409,323)           |
| <b>Total medical equipment at fair value</b>                                  | <b>359,514</b>      | <b>390,842</b>      |
| <b>Total plant, equipment, furniture, fittings and vehicles at fair value</b> | <b>1,752,503</b>    | <b>1,737,740</b>    |
| <b>Total property, plant and equipment</b>                                    | <b>38,750,700</b>   | <b>26,738,945</b>   |

**Note 4.1 (b) Reconciliations of the carrying amounts by class of asset**

| Total                               | Note    | Land<br>\$       | Buildings<br>\$   | Works in<br>Progress<br>\$ | Motor<br>Vehicles<br>\$ | Plant &<br>equipment<br>\$ | Medical<br>Equipment<br>\$ | Total<br>\$       |
|-------------------------------------|---------|------------------|-------------------|----------------------------|-------------------------|----------------------------|----------------------------|-------------------|
| <b>Balance at 30 June 2022</b>      |         | <b>3,250,000</b> | <b>18,757,439</b> | <b>2,072,290</b>           | <b>180,200</b>          | <b>1,348,189</b>           | <b>288,293</b>             | <b>25,896,411</b> |
| Additions                           |         | 225,000          | 690,306           | 460,136                    | -                       | 54,481                     | 151,791                    | 1,581,714         |
| Depreciation                        | 4.3     | -                | (453,966)         | -                          | (15,257)                | (220,715)                  | (49,242)                   | (739,180)         |
| <b>Balance at 30 June 2023</b>      | 4.1 (a) | <b>3,475,000</b> | <b>18,993,779</b> | <b>2,532,426</b>           | <b>164,943</b>          | <b>1,181,955</b>           | <b>390,842</b>             | <b>26,738,945</b> |
| Additions                           |         | 445,000          | 526,235           | 2,140,051                  | -                       | 270,976                    | 27,800                     | 3,410,062         |
| Revaluation increments/(decrements) |         | 162,000          | 9,217,378         | -                          | -                       | -                          | -                          | 9,379,378         |
| Net Transfers between classes       |         | -                | 2,012,371         | (2,012,371)                | -                       | -                          | -                          | -                 |
| Depreciation                        | 4.3     | -                | (493,672)         | -                          | (15,257)                | (209,628)                  | (59,128)                   | (777,685)         |
| <b>Balance at 30 June 2024</b>      | 4.1 (a) | <b>4,082,000</b> | <b>30,256,091</b> | <b>2,660,106</b>           | <b>149,686</b>          | <b>1,243,303</b>           | <b>359,514</b>             | <b>38,750,700</b> |

**Land and Buildings Carried at Valuation**

The Valuer-General Victoria undertook to re-value all of Yarram & District Health Service's land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2024.



#### **Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset (continued)**

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

Property, plant and equipment are tangible items that are used by Yarram & District Health Service in the supply of goods or services, for rental to others, or for administration purposes, and are expected to be used during more than one financial year.

##### **Initial recognition**

Items of property, plant and equipment (excluding right-of-use assets) are initially measured at cost. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts.

##### **Subsequent measurement**

Items of property, plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

Fair value is determined with reference to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

Further information regarding fair value measurement is disclosed in Note 7.4.

##### **Revaluation**

Fair value is based on periodic valuations by independent valuers, which normally occur once every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate a material change in fair value has occurred.

Where an independent valuation has not been undertaken at balance date, Yarram & District Health Service perform a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VG) indices.

**Note 4.1 (b) Reconciliations of the carrying amounts of each class of asset (continued)**  
**Revaluation (continued)**

An independent valuation of Yarram & District Health Service's property, plant and equipment was performed by the VGV on 30 June 2024. The valuation, which complies with Australian Valuation Standards, was determined with reference to the amount for which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date, under current market conditions.

Revaluation increases (increments) arise when an asset's fair value exceeds its carrying amount. In comparison, revaluation decreases (decrements) arise when an asset's fair value is less than its carrying amount. Revaluation increments and revaluation decrements relating to individual assets within an asset class are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation increments are recognised in 'Other Comprehensive Income' and are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that same class of asset previously recognised as an expense in net result, in which case the increment is recognised as income in the net result.

Revaluation decrements are recognised in 'Other Comprehensive Income' to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

The revaluation surplus included in equity in respect of an item of property, plant and equipment may be transferred directly to retained earnings when the asset is derecognised.

**Note 4.2 Right-of-use assets**

**Note 4.2(a) Gross carrying amount and accumulated depreciation**

|                                                  | Total<br>2024<br>\$ | Total<br>2023<br>\$ |
|--------------------------------------------------|---------------------|---------------------|
| Right of use vehicles at fair value              | 534,678             | 370,544             |
| Less accumulated depreciation                    | (284,303)           | (146,054)           |
| <b>Total right of use vehicles at fair value</b> | <b>250,375</b>      | <b>224,490</b>      |
| <b>Total right of use vehicles at fair value</b> | <b>250,375</b>      | <b>224,490</b>      |

**Note 4.2(b) Reconciliations of the carrying amounts by class of asset**

|                                | Right-of-use Motor<br>Vehicles | Total          |
|--------------------------------|--------------------------------|----------------|
| Note                           | \$'000                         | \$'000         |
| <b>Balance at 1 July 2022</b>  | <b>158,615</b>                 | <b>158,615</b> |
| Additions                      | 156,744                        | 156,744        |
| Depreciation                   | 4.3 (90,869)                   | (90,869)       |
| <b>Balance at 30 June 2023</b> | <b>4.2(a) 224,490</b>          | <b>224,490</b> |
| Additions                      | 241,959                        | 241,959        |
| Disposals                      | (77,824)                       | (77,824)       |
| Depreciation                   | 4.3 (138,250)                  | (138,250)      |
| <b>Balance at 30 June 2024</b> | <b>4.2(a) 250,375</b>          | <b>224,490</b> |

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

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

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. Yarram & District Health Service presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Right-of-use assets and their respective lease terms include:

| Class of right-of-use asset | Lease term |
|-----------------------------|------------|
| Leased vehicles             | 3 years    |

**Initial recognition**

When a contract is entered into, Yarram & District Health Service assesses if the contract contains or is a lease. Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information) the contract gives rise to a right-of-use asset and corresponding lease liability..

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

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

Yarram & District Health Service presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

**Subsequent measurement**

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use asset arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable.

Right-of-use assets are also adjusted for certain remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Further information regarding fair value measurement is disclosed in Note 7.4.

### Note 4.3 Depreciation

|                                                           | Total<br>2024<br>\$ | Total<br>2023<br>\$ |
|-----------------------------------------------------------|---------------------|---------------------|
| <b>Depreciation</b>                                       |                     |                     |
| Buildings                                                 | 493,672             | 453,966             |
| Plant and equipment                                       | 209,628             | 220,715             |
| Motor vehicles                                            | 15,257              | 15,257              |
| Medical equipment                                         | 59,128              | 49,242              |
| <b>Total depreciation - property, plant and equipment</b> | <b>777,685</b>      | <b>739,180</b>      |
| <b>Right-of-use assets</b>                                |                     |                     |
| Right of use - motor vehicles                             | 138,250             | 90,869              |
| <b>Total depreciation - right-of-use assets</b>           | <b>138,250</b>      | <b>90,869</b>       |
| <b>Total depreciation</b>                                 | <b>915,935</b>      | <b>830,049</b>      |

#### How we recognise depreciation

All buildings, plant and equipment and other non-financial physical assets (excluding items under assets held for sale, and land) 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 to exercise a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

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

|                                               | 2024           | 2023           |
|-----------------------------------------------|----------------|----------------|
| Buildings                                     |                |                |
| - Structure shell building fabric             | 13 to 50 years | 13 to 50 years |
| - Site engineering services and central plant | 35 to 45 years | 35 to 45 years |
| Central Plant                                 |                |                |
| - Fit Out                                     | 20 to 30 years | 20 to 30 years |
| - Trunk reticulated building system           | 25 to 35 years | 25 to 35 years |
| Plant and equipment                           | 3 to 7 years   | 3 to 7 years   |
| Medical equipment                             | 7 to 10 years  | 7 to 10 years  |
| Motor Vehicles                                | 10 years       | 10 years       |

As part of the building valuation, building values are separated into components and each component assessed for its useful life which is represented above.

#### Note 4.4 Inventories

|                          | <b>Total<br/>2024</b> | <b>Total<br/>2023</b> |
|--------------------------|-----------------------|-----------------------|
|                          | \$                    | \$                    |
| General stores at cost   | 73,419                | 60,802                |
| <b>Total inventories</b> | <b>73,419</b>         | <b>60,802</b>         |

##### How we recognise inventories

Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets. Inventories are measured at the lower of cost and net realisable value.

#### Note 4.5: Impairment of assets

##### How we recognise impairment

At the end of each reporting period, Yarram & District Health Service reviews the carrying amount of its tangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired. The assessment will include consideration of external sources of information and internal sources of information.

If such an indication exists, an impairment test is carried out. Assets with indefinite useful lives (and assets not yet available for use) are tested annually for impairment, in addition to where there is an indication that the asset may be impaired.

When performing an impairment test, Yarram & District Health Service compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

Where an impairment loss on a revalued asset is identified, this is recognised against the asset revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the cumulative balance recorded in the asset revaluation surplus for that class of asset.

Where it is not possible to estimate the recoverable amount of an individual asset, Yarram & District Health Service estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Yarram & District Health Service did not record any impairment losses for the year ended 30 June 2024 (30 June 2023: Nil).

## 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 and contract assets

#### 5.2 Contract assets

#### 5.3 Payables

#### 5.4 Contract liabilities

#### 5.5 Other liabilities

### Material judgements and estimates

This section contains the following material judgements and estimates:

| Material judgements and estimates                   | Description                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Estimating the provision for expected credit losses | Yarram & District Health Service uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.                                                                                                                                                              |
| Measuring deferred capital grant income             | Where Yarram & District Health Service has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed.<br><br>Yarram & District Health Service applies material judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year. |
| Measuring contract liabilities                      | Yarram & District Health Service applies material judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.                                                    |

## Note 5.1 Receivables

| Notes                                                               | Total<br>2024<br>\$     | Total<br>2023<br>\$ |
|---------------------------------------------------------------------|-------------------------|---------------------|
| <b>Current receivables</b>                                          |                         |                     |
| <b>Contractual</b>                                                  |                         |                     |
| Inter hospital debtors                                              | 37,502                  | 24,776              |
| Trade receivables                                                   | 54,348                  | 66,818              |
| Patient fees                                                        | 331,849                 | 298,110             |
| Allowance for impairment losses - Patient Fees                      | (2,000)                 | (2,000)             |
| Amounts receivable from governments and agencies                    | 3,119                   | 3,000               |
| <b>Total contractual receivables</b>                                | <b>424,818</b>          | <b>390,704</b>      |
| <b>Statutory</b>                                                    |                         |                     |
| GST receivable                                                      | 236,032                 | 144,604             |
| <b>Total statutory receivables</b>                                  | <b>236,032</b>          | <b>144,604</b>      |
| <b>Total current receivables</b>                                    | <b>660,850</b>          | <b>535,308</b>      |
| <b>Non-current receivables</b>                                      |                         |                     |
| <b>Contractual</b>                                                  |                         |                     |
| Long service leave - Department of Health                           | 831,742                 | 872,884             |
| <b>Total contractual receivables</b>                                | <b>831,742</b>          | <b>872,884</b>      |
| <b>Total non-current receivables</b>                                | <b>831,742</b>          | <b>872,884</b>      |
| <b>Total receivables</b>                                            | <b>1,492,592</b>        | <b>1,408,192</b>    |
| <i>(i) Financial assets classified as receivables (Note 7.1(a))</i> |                         |                     |
| Total receivables                                                   | 1,492,592               | 1,408,192           |
| Provision for impairment                                            | 2,000                   | 2,000               |
| GST receivable                                                      | (236,032)               | (144,604)           |
| Total financial assets classified as receivables                    | 7.1(a) <b>1,258,560</b> | <b>1,265,588</b>    |



**Note 5.1 (a) Movement in the allowance for impairment losses of contractual receivables**

|                                             | <b>Total<br/>2024</b> | <b>Total<br/>2023</b> |
|---------------------------------------------|-----------------------|-----------------------|
|                                             | \$                    | \$                    |
| <b>Balance at the beginning of the year</b> | 2,000                 | 2,000                 |
| <b>Balance at the end of the year</b>       | <b>2,000</b>          | <b>2,000</b>          |

**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 costs’. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the 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.

Trade debtors are carried at nominal amounts due and are due for settlement within 30 days from the date of recognition.

In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

**Impairment losses of contractual receivables**

Refer to Note 7.2 (a) for Yarram & District Health Service’s contractual impairment losses.

**Note 5.2 Contract assets**

|                                                                       | <b>Total<br/>2024<br/>\$</b> | <b>Total<br/>2023<br/>\$</b> |
|-----------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Balance at the beginning of the year</b>                           | 305,050                      | 261,625                      |
| Add: Additional costs incurred that are recoverable from the customer | 169,943                      | 305,050                      |
| Less: Transfer to revenue recognition                                 | (305,050)                    | (261,425)                    |
| <b>Total contract assets</b>                                          | <b>169,943</b>               | <b>305,050</b>               |

**How we recognise contract assets**

Contract assets relate to the 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, 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<br>2024<br>\$     | Total<br>2023<br>\$ |
|-----------------------------------------------------------------------|-------------------------|---------------------|
| <b>Current payables</b>                                               |                         |                     |
| <b>Contractual</b>                                                    |                         |                     |
| Trade creditors                                                       | 1,189,645               | 575,543             |
| Accrued salaries and wages                                            | 490,766                 | 358,398             |
| Accrued expenses                                                      | 482,512                 | 320,951             |
| <b>Total contractual payables</b>                                     | <b>2,162,923</b>        | <b>1,254,892</b>    |
| <b>Total current payables</b>                                         | <b>2,162,923</b>        | <b>1,254,892</b>    |
| <i>(i) Financial liabilities classified as payables (Note 7.1(a))</i> |                         |                     |
| Total payables                                                        | 2,162,923               | 1,254,892           |
| Total financial liabilities classified as payables                    | 7.1(a) <b>2,162,923</b> | <b>1,254,892</b>    |

#### 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 the Yarram & District Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables**, including Goods and Services Tax (GST) payable. Statutory payables 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 5.4 Contract liabilities

|                                                                                                | <b>Total<br/>2024</b> | <b>Total<br/>2023</b> |
|------------------------------------------------------------------------------------------------|-----------------------|-----------------------|
|                                                                                                | \$                    | \$                    |
| <b>Opening balance of contract liabilities</b>                                                 | 135,050               | 25,000                |
| Grant consideration for sufficiently specific performance obligations received during the year | 54,371                | 135,050               |
| Revenue recognised for the completion of a performance obligation                              | (135,050)             | (25,000)              |
| <b>Total contract liabilities</b>                                                              | <b>54,371</b>         | <b>135,050</b>        |
| <b>* Represented by:</b>                                                                       |                       |                       |
| - Current contract liabilities                                                                 | 54,371                | 135,050               |
|                                                                                                | <b>54,371</b>         | <b>135,050</b>        |

### 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.

### Maturity analysis of payables

Please refer to Note 7.2(b) for the ageing analysis of payables.

## Note 5.5 Other liabilities

|                                           | Total<br>2024    | Total<br>2023    |
|-------------------------------------------|------------------|------------------|
| Notes                                     | \$               | \$               |
| <b>Current monies held in trust</b>       |                  |                  |
| Patient monies                            | 3,447            | 5,382            |
| Refundable accommodation deposits         | 5,187,902        | 3,916,300        |
| <b>Total current monies held in trust</b> | <b>5,191,349</b> | <b>3,921,682</b> |
| <b>Total other liabilities</b>            | <b>5,191,349</b> | <b>3,921,682</b> |
| <b>* Represented by:</b>                  |                  |                  |
| - Cash assets                             | 6.2 5,191,349    | 3,921,682        |
|                                           | <b>5,191,349</b> | <b>3,921,682</b> |

### How we recognise other liabilities

#### 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. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

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 Borrowings**

#### **6.2 Cash and cash equivalents**

#### **6.3 Commitments for expenditure**

## Material judgements and estimates

This section contains the following material judgements and estimates:

| Material judgements and estimates                                        | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Determining if a contract is or contains a lease                         | <p>Yarram &amp; District Health Service applies material judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> <li>▪ has the right-to-use an identified asset</li> <li>▪ has the right to obtain substantially all economic benefits from the use of the leased asset and</li> <li>▪ can decide how and for what purpose the asset is used throughout the lease.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Determining if a lease meets the term or low value asset lease exemption | <p>Yarram &amp; District Health Service applies material judgement when short-determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>                                                                                                                                                                                                                                                                                                                                      |
| Discount rate applied to future lease payments                           | <p>Yarram &amp; District Health Service discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Yarram &amp; District Health Service uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.</p> <p>For leased vehicles, the implicit interest rate is between 5%.</p>                                                                                                                                                                                                                                                                                                                                                |
| Assessing the lease term                                                 | <p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Yarram &amp; District Health Service is reasonably certain to exercise such options.</p> <p>Yarram &amp; District Health Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> <li>▪ If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>▪ If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>▪ The health service considers historical lease durations and the costs and business disruption to replace such leased assets.</li> </ul> |

## Note 6.1 Borrowings

|                                     | Total<br>2024<br>\$ | Total<br>2023<br>\$ |
|-------------------------------------|---------------------|---------------------|
| <b>Current borrowings</b>           |                     |                     |
| Lease liability <sup>(i)</sup>      | 143,235             | 114,500             |
| <b>Total current borrowings</b>     | <b>143,235</b>      | <b>114,500</b>      |
| <b>Non-current borrowings</b>       |                     |                     |
| Lease liability <sup>(i)</sup>      | 152,042             | 114,824             |
| <b>Total non-current borrowings</b> | <b>152,042</b>      | <b>114,824</b>      |
| <b>Total borrowings</b>             | <b>295,277</b>      | <b>229,324</b>      |

<sup>i</sup> Secured by the assets leased.

### How we recognise borrowings

Refer to Note 6.1 (a) for leases policy.



## Note 6.1 (a) Lease liabilities

Yarram & District Health Service's lease liabilities are summarised below:

|                                      | <b>Total<br/>2024</b> | <b>Total<br/>2023</b> |
|--------------------------------------|-----------------------|-----------------------|
|                                      | <b>\$</b>             | <b>\$</b>             |
| Total undiscounted lease liabilities | 320,160               | 242,349               |
| Less unexpired finance expenses      | (24,883)              | (13,025)              |
| <b>Net lease liabilities</b>         | <b>295,277</b>        | <b>229,324</b>        |

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

|                                                     | <b>Total<br/>2024</b> | <b>Total<br/>2023</b> |
|-----------------------------------------------------|-----------------------|-----------------------|
|                                                     | <b>\$</b>             | <b>\$</b>             |
| Not longer than one year                            | 162,531               | 123,290               |
| Longer than one year but not longer than five years | 157,629               | 119,059               |
| <b>Minimum future lease liability</b>               | <b>320,160</b>        | <b>242,349</b>        |
| Less unexpired finance expenses                     | (24,883)              | (13,025)              |
| <b>Present value of lease liability</b>             | <b>295,277</b>        | <b>229,324</b>        |
| <b>* Represented by:</b>                            |                       |                       |
| - Current liabilities                               | 143,235               | 114,500               |
| - Non-current liabilities                           | 152,042               | 114,824               |
|                                                     | <b>295,277</b>        | <b>229,324</b>        |

### How we recognise lease liabilities

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

To apply this definition, Yarram & District Health Service ensures the contract meets the following criteria:

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

Yarram & District Health Service's lease arrangements consist of the following:

| <b>Type of asset leased</b> | <b>Lease term</b> |
|-----------------------------|-------------------|
| Leased motor vehicles       | 3 years           |

## **Note 6.1 (a) Lease liabilities (continued)**

### **Initial measurement**

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Yarram & District Health Services incremental borrowing rate. Our lease liability has been discounted by rates of between 2% to 5%.

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

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

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of \$Nil.

### **Subsequent measurement**

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

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

## Note 6.2 Cash and Cash Equivalents

|                                                     | <b>Total<br/>2024</b> | <b>Total<br/>2023</b> |
|-----------------------------------------------------|-----------------------|-----------------------|
| <b>Note</b>                                         | <b>\$</b>             | <b>\$</b>             |
| Cash on hand (excluding monies held in trust)       | 585                   | 585                   |
| Cash at bank (excluding monies held in trust)       | 162,476               | 255,089               |
| Cash at bank - CBS (excluding monies held in trust) | 2,920,144             | 2,435,077             |
| Cash at bank - GHA                                  | 545,090               | 433,443               |
| <b>Total cash held for operations</b>               | <b>3,628,295</b>      | <b>3,124,194</b>      |
| Cash at bank - CBS (monies held in trust)           | 5,191,349             | 3,921,682             |
| <b>Total cash held as monies in trust</b>           | <b>5,191,349</b>      | <b>3,921,682</b>      |
| <b>Total cash and cash equivalents</b>              | <b>8,819,644</b>      | <b>7,045,876</b>      |

7.1 (a)

### How we recognise cash and cash equivalents

Cash and cash equivalents recognised on the balance sheet comprise cash on hand and in banks, deposits at call and highly liquid investments (with an original maturity date of three months or less).

Cash and cash equivalents are held for the purpose of meeting short term cash commitments rather than for investment purposes and are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as liabilities on the balance sheet. The cash flow statement includes monies held in trust.

## Note 6.3 Commitments for expenditure

Future lease payments are recognised on the balance sheet, refer to Note 6.1 Borrowings.

### How we disclose our commitments

Commitments relate to expenditure and short term and low value leases.

### Expenditure commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the GST payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the Balance Sheet. There were no commitments for expenditure as of 30 June 2024.

### Short term and low value leases

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

## Note 7: Risks, contingencies and valuation uncertainties

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 Financial risk management objectives and policies**
- 7.3 Contingent assets and contingent liabilities**
- 7.4 Fair value determination**

### Material judgements and estimates

This section contains the following material judgements and estimates:

| Material judgements and estimates            | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Measuring fair value of non-financial assets | <p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Yarram &amp; District Health Service has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> |

## Material judgements and estimates (continued)

| Material judgements and estimates            | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Measuring fair value of non-financial assets | <p>Yarram &amp; District Health Service uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> <li>▪ Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Yarram &amp; District Health Service’s [specialised land, non- specialised land, non-specialised buildings and cultural assets] are measured using this approach.</li> <li>▪ Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Yarram &amp; District Health Service’s [specialised buildings, furniture, fittings, plant, equipment and vehicles] are measured using this approach.</li> <li>▪ Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Yarram &amp; District Health Service does not this use approach to measure fair value.</li> </ul> <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> <li>▪ Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Yarram &amp; District Health Service does not categorise any fair values within this level.</li> <li>▪ Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Yarram &amp; District Health Service categorises non-specialised land and right-of-use concessionary land in this level.</li> <li>▪ Level 3, where inputs are unobservable. Yarram &amp; District Health Service categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.</li> </ul> |

**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 (a) Categorisation of financial instruments**

| Total                                                           |      | Financial Assets at | Financial Liabilities |                   |
|-----------------------------------------------------------------|------|---------------------|-----------------------|-------------------|
| 30 June 2024                                                    | Note | Amortised Cost      | at Amortised Cost     | Total             |
|                                                                 |      | \$                  | \$                    | \$                |
| <b>Contractual Financial Assets</b>                             |      |                     |                       |                   |
| Cash and Cash Equivalents                                       | 6.2  | 8,819,644           | -                     | 8,819,644         |
| Receivables                                                     | 5.1  | 1,258,560           | -                     | 1,258,560         |
| <b>Total Financial Assets<sup>i</sup></b>                       |      | <b>10,078,204</b>   | <b>-</b>              | <b>10,078,204</b> |
| <b>Financial Liabilities</b>                                    |      |                     |                       |                   |
| Payables                                                        | 5.3  | -                   | 2,162,923             | 2,162,923         |
| Borrowings                                                      | 6.1  | -                   | 295,277               | 295,277           |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5  | -                   | 5,187,902             | 5,187,902         |
| Other Financial Liabilities - Other monies held in trust        | 5.5  | -                   | 3,447                 | 3,447             |
| <b>Total Financial Liabilities<sup>i</sup></b>                  |      | <b>-</b>            | <b>7,649,549</b>      | <b>7,649,549</b>  |

## Note 7.1 (a) Categorisation of financial instruments (continued)

| Total<br>30 June 2023                                           | Note | Financial Assets at<br>Amortised Cost<br>\$ | Financial Liabilities<br>at Amortised Cost<br>\$ | Total<br>\$      |
|-----------------------------------------------------------------|------|---------------------------------------------|--------------------------------------------------|------------------|
| <b>Contractual Financial Assets</b>                             |      |                                             |                                                  |                  |
| Cash and cash equivalents                                       | 6.2  | 7,045,876                                   | -                                                | 7,045,876        |
| Receivables                                                     | 5.1  | 1,265,588                                   | -                                                | 1,265,588        |
| <b>Total Financial Assets<sup>i</sup></b>                       |      | <b>8,311,464</b>                            | <b>-</b>                                         | <b>8,311,464</b> |
| <b>Financial Liabilities</b>                                    |      |                                             |                                                  |                  |
| Payables                                                        | 5.3  | -                                           | 1,254,892                                        | 1,254,892        |
| Borrowings                                                      | 6.1  | -                                           | 229,324                                          | 229,324          |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5  | -                                           | 3,916,300                                        | 3,916,300        |
| Other Financial Liabilities - Other monies held in trust        | 5.5  | -                                           | 5,382                                            | 5,382            |
| <b>Total Financial Liabilities<sup>i</sup></b>                  |      | <b>-</b>                                    | <b>5,405,898</b>                                 | <b>5,405,898</b> |

<sup>i</sup> The carrying amount excludes statutory receivables (i.e. GST receivable and DH receivable) and statutory payables (i.e. Revenue in Advance and DH payable).

### How we categorise financial instruments

#### Categories of financial assets

Financial assets are recognised when Yarram & District Health Service becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Yarram & District Health Service commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through net result, in which case transaction costs are expensed to profit or loss immediately.

Where available, quoted prices in an active market are used to determine the fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15 para 63.

#### 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)

## Note 7.1 (a) Categorisation of financial instruments (continued)

### Categories of financial liabilities

Financial liabilities are recognised when Yarram & District Health Service becomes a party to the contractual provisions to the instrument. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at fair value through profit or loss, in which case transaction costs are expensed to profit or loss immediately.

### 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).

### Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, Yarram & District Health Service has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where Yarram & District Health Service does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

### 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 fair value 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: Financial risk management objectives and policies**

As a whole, Yarram & District Health Service's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, included the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed throughout the financial statements.

Yarram & District Health Service's main financial risks include credit risk, liquidity risk and interest rate risk. Yarram & District Health Service manages these financial risks in accordance with its financial risk management policy.

Yarram & District Health Service uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

**Note 7.2 (a) Credit risk**

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Yarram & District Health Service's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Yarram & District Health Service. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Yarram & District Health Service's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, the health service is exposed to credit risk associated with patient and other debtors.

In addition, Yarram & District Health Service does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, Yarram & District Health Service's policy is to only deal with banks with high credit ratings.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that Yarram & District Health Service will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Yarram & District Health Service's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Yarram & District Health Service's credit risk profile in 2023-24.

**Impairment of financial assets under AASB 9**

Yarram & District Health Service records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes the health service's contractual receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9.

Credit loss allowance is classified as other economic flows in the net result.

Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

**Contractual receivables at amortised cost**

Yarram & District Health Service applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Yarram & District Health Service has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Yarram & District Health Service's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

On this basis, Yarram & District Health Service determines the closing loss allowance at the end of the financial year as follows:

## Note 7.2 (a) Credit Risk

| 30 June 2024                                     |     | Current | Less than 1 month | 1–3 months | 3 months –1 year | 1–5 years    | \$ Total       |
|--------------------------------------------------|-----|---------|-------------------|------------|------------------|--------------|----------------|
| <b>Expected loss rate</b>                        |     | 0%      | 0%                | 0%         | 1%               | 0%           |                |
| Gross carrying amount of contractual receivables |     | 27,459  | 1,022             | 39,098     | 139,442          | 216,678      | <b>423,699</b> |
| <b>Loss allowance</b>                            | 5.1 | -       | -                 | -          | <b>2,000</b>     | -            | <b>2,000</b>   |
| 30 June 2023                                     |     | Current | Less than 1 month | 1–3 months | 3 months –1 year | \$ 1–5 years | \$ Total       |
| <b>Expected loss rate</b>                        |     | 0%      | 0%                | 0%         | 1%               | 0%           |                |
| Gross carrying amount of contractual receivables |     | 143,790 | 15,701            | 32,531     | 197,682          | -            | <b>389,704</b> |
| <b>Loss allowance</b>                            | 5.1 | -       | -                 | -          | <b>2,000</b>     | -            | <b>2,000</b>   |

### Statutory receivables and debt investments at amortised cost

Yarram & District Health Service's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Yarram & District Health Service also has investments in five-year government bonds and debentures.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, considering the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As a result, no loss allowance has been recognised.

### Note 7.2 (b) Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due.

Yarram & District Health Service is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The health service manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements.
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

Yarram & District Health Service's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.

## Note 7.2 (b) Liquidity Risk (continued)

The following table discloses the contractual maturity analysis for Yarram & District Health Service's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

|                                                                 | Note | Maturity Dates   |                  |                   |            |                   |                |              |
|-----------------------------------------------------------------|------|------------------|------------------|-------------------|------------|-------------------|----------------|--------------|
|                                                                 |      | Carrying Amount  | Nominal Amount   | Less than 1 Month | 1-3 Months | 3 months - 1 Year | 1-5 Years      | Over 5 years |
| <b>Total</b>                                                    |      |                  |                  |                   |            |                   |                |              |
| <b>30 June 2024</b>                                             |      |                  |                  |                   |            |                   |                |              |
| <b>Financial Liabilities at amortised cost</b>                  |      |                  |                  |                   |            |                   |                |              |
| Payables                                                        | 5.3  | 2,162,923        | 2,162,923        | 2,162,923         | -          | -                 | -              | -            |
| Borrowings                                                      | 6.1  | 295,277          | 295,277          | -                 | -          | 143,235           | 152,042        | -            |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5  | 5,187,902        | 5,187,902        | -                 | -          | 5,187,902         | -              | -            |
| Other Financial Liabilities - Patient monies held in trust      | 5.5  | 3,447            | 3,447            | 3,447             | -          | -                 | -              | -            |
| <b>Total Financial Liabilities</b>                              |      | <b>7,649,549</b> | <b>7,649,549</b> | <b>2,166,370</b>  | <b>-</b>   | <b>5,331,137</b>  | <b>152,042</b> | <b>-</b>     |

|                                                                 | Note | Maturity Dates   |                  |                   |            |                   |                |              |
|-----------------------------------------------------------------|------|------------------|------------------|-------------------|------------|-------------------|----------------|--------------|
|                                                                 |      | Carrying Amount  | Nominal Amount   | Less than 1 Month | 1-3 Months | 3 months - 1 Year | 1-5 Years      | Over 5 years |
| <b>Total</b>                                                    |      |                  |                  |                   |            |                   |                |              |
| <b>30 June 2023</b>                                             |      |                  |                  |                   |            |                   |                |              |
| <b>Financial Liabilities at amortised cost</b>                  |      |                  |                  |                   |            |                   |                |              |
| Payables                                                        | 5.3  | 1,254,892        | 1,254,892        | 1,254,892         | -          | -                 | -              | -            |
| Borrowings                                                      | 6.1  | 229,324          | 229,324          | -                 | -          | 114,500           | 114,824        | -            |
| Other Financial Liabilities - Refundable Accommodation Deposits | 5.5  | 3,916,300        | 3,916,300        | -                 | -          | 3,916,300         | -              | -            |
| Other Financial Liabilities - Patient monies held in trust      | 5.5  | 5,382            | 5,382            | 5,382             | -          | -                 | -              | -            |
| <b>Total Financial Liabilities</b>                              |      | <b>5,405,898</b> | <b>5,405,898</b> | <b>1,260,274</b>  | <b>-</b>   | <b>4,030,800</b>  | <b>114,824</b> | <b>-</b>     |

<sup>1</sup> Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST payable).

## Note 7.2 (c) Market risk

Yarram & District Health Service's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

### Sensitivity disclosure analysis and assumptions

Yarram & District Health Service's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Yarram & District Health Service's fund managers cannot be expected to predict movements in market rates and prices. The following movements are 'reasonably possible' over the next 12 months:

- a change in interest rates of 1.5% up or down.

### Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Yarram & District Health Service does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Yarram & District Health Service has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

### **Note 7.3: Contingent assets and contingent liabilities**

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

#### **How we measure and disclose contingent assets and contingent liabilities**

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

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

#### **Contingent assets**

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

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

#### **Contingent liabilities**

Contingent liabilities are:

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

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

## Note 7.4: 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
- Right-of-use assets

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.

### Identifying unobservable inputs (level 3) fair value measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and non-financial assets.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

**Note 7.4 (a) Fair value determination of non-financial physical assets**

|                                                                               | Note   | Total carrying amount | Fair value measurement at end of reporting period using: |                      |                      |
|-------------------------------------------------------------------------------|--------|-----------------------|----------------------------------------------------------|----------------------|----------------------|
|                                                                               |        | 30 June 2024          | Level 1 <sup>i</sup>                                     | Level 2 <sup>i</sup> | Level 3 <sup>i</sup> |
|                                                                               |        | \$                    | \$                                                       | \$                   | \$                   |
| Non-specialised land                                                          |        | 2,650,000             | -                                                        | 2,205,000            | 445,000              |
| Specialised land                                                              |        | 1,432,000             | -                                                        | -                    | 1,432,000            |
| <b>Total land at fair value</b>                                               | 4.1(a) | <b>4,082,000</b>      | -                                                        | <b>2,205,000</b>     | <b>1,877,000</b>     |
| Non-specialised buildings                                                     |        | 2,448,091             | -                                                        | 1,560,000            | 888,091              |
| Specialised buildings                                                         |        | 30,468,106            | -                                                        | -                    | 30,468,106           |
| <b>Total buildings at fair value</b>                                          | 4.1(a) | <b>32,916,197</b>     | -                                                        | <b>1,560,000</b>     | <b>31,356,197</b>    |
| Plant and equipment                                                           | 4.1(a) | 1,243,303             | -                                                        | -                    | 1,243,303            |
| Motor vehicles                                                                | 4.1(a) | 149,686               | -                                                        | -                    | 149,686              |
| Medical equipment                                                             | 4.1(a) | 359,514               | -                                                        | -                    | 359,514              |
| <b>Total plant, equipment, furniture, fittings and vehicles at fair value</b> |        | <b>1,752,503</b>      | -                                                        | -                    | <b>1,752,503</b>     |
| Right of use Motor vehicles                                                   | 4.2(a) | 250,375               | -                                                        | -                    | 250,375              |
| <b>Total right-of-use assets at fair value</b>                                |        | <b>250,375</b>        | -                                                        | -                    | <b>250,375</b>       |
| <b>Total non-financial physical assets at fair value</b>                      |        | <b>39,001,075</b>     | -                                                        | <b>3,765,000</b>     | <b>35,236,075</b>    |

|                                                                               | Note   | Total carrying amount | Fair value measurement at end of reporting period using: |                      |                      |
|-------------------------------------------------------------------------------|--------|-----------------------|----------------------------------------------------------|----------------------|----------------------|
|                                                                               |        | 30 June 2023          | Level 1 <sup>i</sup>                                     | Level 2 <sup>i</sup> | Level 3 <sup>i</sup> |
|                                                                               |        | \$                    | \$                                                       | \$                   | \$                   |
| Specialised land                                                              |        | 3,475,000             | -                                                        | -                    | 3,475,000            |
| <b>Total land at fair value</b>                                               | 4.1(a) | <b>3,475,000</b>      | -                                                        | -                    | <b>3,475,000</b>     |
| Specialised buildings                                                         |        | 21,526,205            | -                                                        | -                    | 21,526,205           |
| <b>Total buildings at fair value</b>                                          | 4.1(a) | <b>21,526,205</b>     | -                                                        | -                    | <b>21,526,205</b>    |
| Plant and equipment                                                           | 4.1(a) | 1,181,955             | -                                                        | -                    | 1,181,955            |
| Motor vehicles                                                                | 4.1(a) | 164,943               | -                                                        | -                    | 164,943              |
| Medical equipment                                                             | 4.1(a) | 390,842               | -                                                        | -                    | 390,842              |
| <b>Total plant, equipment, furniture, fittings and vehicles at fair value</b> |        | <b>1,737,740</b>      | -                                                        | -                    | <b>1,737,740</b>     |
| Right of use Motor vehicles                                                   | 4.2(a) | 224,490               | -                                                        | -                    | 224,490              |
| <b>Total right-of-use assets at fair value</b>                                |        | <b>224,490</b>        | -                                                        | -                    | <b>224,490</b>       |
| <b>Total non-financial physical assets at fair value</b>                      |        | <b>26,963,435</b>     | -                                                        | -                    | <b>26,963,435</b>    |

<sup>i</sup> Classified in accordance with the fair value hierarchy.

## **Note 7.4 (a) Fair value determination of non-financial physical assets (cont.)**

### **How we measure fair value of non-financial physical assets**

The fair value measurement of non-financial physical assets considers the market participant's ability to use the asset in its highest and best use, or to sell it to another market participant that would use the same asset in its highest and best use.

Judgements about highest and best use must consider the characteristics of the assets concerned, including restrictions on the use and disposal of assets arising from the asset's physical nature and any applicable legislative/contractual arrangements.

Yarram & District Health Service has assumed the current use of a non-financial asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

Theoretical opportunities that may be available in relation to the asset(s) are not considered until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best uses.

### **Non-specialised land, non-specialised buildings and cultural assets**

Non-specialised land, non-specialised buildings 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.

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2024.

### **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. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

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

The market approach is also used for specialised land although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued. Specialised assets contain significant, unobservable adjustments; therefore, these assets are classified as Level 3 under the market based direct comparison approach.

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. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For Yarram & District Health Service, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of Yarram & District Health Service's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2024.

## Note 7.4 (a) Fair value determination of non-financial physical assets (cont.)

### Vehicles

The 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 the health service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

### Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are significantly different from the original acquisition cost, it is considered unlikely that current replacement cost will be materially different from the existing carrying amount.

There were no changes in valuation techniques throughout the period to 30 June 2024.

### 7.4 (b): Reconciliation of level 3 fair value measurement<sup>1</sup>

| Total                   | Note    | Land<br>\$ | Buildings<br>\$ | Plant and<br>Equipment<br>\$ | Motor Vehicles<br>\$ | Medical<br>Equipment<br>\$ | ROU Motor<br>Vehicles<br>\$ |
|-------------------------|---------|------------|-----------------|------------------------------|----------------------|----------------------------|-----------------------------|
| Balance at 30 June 2022 |         | 3,250,000  | 20,829,729      | 1,348,189                    | 180,200              | 288,293                    | 158,615                     |
| Additions/(Disposals)   |         | 225,000    | 1,150,442       | 54,481                       | -                    | 151,791                    | 156,744                     |
| - Depreciation          |         | -          | (453,966)       | (220,714)                    | (15,257)             | (49,242)                   | (90,869)                    |
| Balance at 30 June 2023 | 7.4 (a) | 3,475,000  | 21,526,205      | 1,181,956                    | 164,943              | 390,842                    | 224,490                     |
| Additions/(Disposals)   |         | 445,000    | 2,666,286       | 270,975                      | -                    | 27,800                     | 164,135                     |
| - Depreciation          |         | -          | (493,672)       | (209,628)                    | (15,257)             | (59,128)                   | (138,250)                   |
| - Revaluation           |         | 162,000    | 9,217,378       | -                            | -                    | -                          | -                           |
| Balance at 30 June 2024 | 7.4 (a) | 4,082,000  | 32,916,197      | 1,243,303                    | 149,686              | 359,514                    | 250,375                     |

<sup>1</sup> Classified in accordance with the fair value hierarchy, refer Note 7.4.

<sup>1</sup> Classified in accordance with the fair value hierarchy, refer Note 7.4

### Fair value determination of level 3 fair value

| Asset class                       | Likely valuation approach             | Significant inputs (Level 3 only)                        |
|-----------------------------------|---------------------------------------|----------------------------------------------------------|
| Specialised land (Crown/freehold) | Market approach                       | Community Service Obligations Adjustments <sup>(i)</sup> |
| Specialised buildings             | Depreciated replacement cost approach | - Cost per square metre<br>- Useful life                 |
| Vehicles                          | Depreciated replacement cost approach | - Cost per unit<br>- Useful life                         |
| Plant and equipment               | Depreciated replacement cost approach | - Cost per unit<br>- Useful life                         |

(i) A community service obligation (CSO) of 20% was applied to the Yarram & District Health Service's specialised land.



## Note 8: Other disclosures

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

### Structure

**8.1 Reconciliation of net result for the year to net cash flow from operating activities**

**8.2 Responsible persons disclosure**

**8.3 Remuneration of executives**

**8.4 Related parties**

**8.5 Remuneration of auditors**

**8.6 Events occurring after the balance sheet date**

**8.7 Joint arrangements**

**8.8 Equity**

**8.9 Economic dependency**

### Note 8.1 Reconciliation of net result for the year to net cash flows from operating activities

|                                                          | Total<br>2024    | Total<br>2023    |
|----------------------------------------------------------|------------------|------------------|
| Note                                                     | \$               | \$               |
| <b>Net result for the year</b>                           | 2,068,039        | 354,492          |
| <b>Non-cash movements:</b>                               |                  |                  |
| Depreciation and amortisation of non-current assets      | 4.3 915,935      | 830,049          |
| <b>Movements in Assets and Liabilities:</b>              |                  |                  |
| (Increase)/Decrease in receivables and contract assets   | 50,707           | 111,049          |
| (Increase)/Decrease in inventories                       | (12,617)         | 647              |
| (Increase)/Decrease in prepaid expenses                  | (74,255)         | 7,122            |
| Increase/(Decrease) in payables and contract liabilities | 825,418          | 404,766          |
| Increase/(Decrease) in employee benefits                 | 237,182          | (52,380)         |
| <b>Net cash inflow from operating activities</b>         | <b>4,010,409</b> | <b>1,655,745</b> |

## Note 8.2 Responsible persons disclosures

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

|                                                   | <b>Period</b>            |
|---------------------------------------------------|--------------------------|
| The Honourable Mary-Anne Thomas MP                |                          |
| Minister for Health                               | 1 Jul 2023 - 30 Jun 2024 |
| Minister for Health Infrastructure                | 1 Jul 2023 - 30 Jun 2024 |
| Minister for Ambulance Services                   | 2 Oct 2023 - 30 Jun 2024 |
| <br>                                              |                          |
| The Honourable Gabrielle Williams MP              |                          |
| Former Minister for Mental Health                 | 1 Jul 2023 - 2 Oct 2024  |
| Former Minister for Ambulance Services            | 1 Jul 2023 - 2 Oct 2024  |
| <br>                                              |                          |
| The Honourable Lizzy Blandthorn MP                |                          |
| Former Minister for Disability, Ageing and Carers | 1 Jul 2023 - 2 Oct 2023  |
| Minister for Children                             | 2 Oct 2023 - 30 Jun 2024 |
| Minister for Disability                           | 2 Oct 2023 - 30 Jun 2024 |
| <br>                                              |                          |
| The Honourable Ingrid Stitt MP                    |                          |
| Minister for Mental Health                        | 2 Oct 2023 - 30 Jun 2024 |
| Minister for Ageing                               | 2 Oct 2023 - 30 Jun 2024 |
| <br>                                              |                          |
| <b>Governing Boards</b>                           |                          |
| Dr Amanda Ormerod                                 | 1 Jul 2023 - 30 Jun 2024 |
| Mr Ian Jaggard-Hawkins                            | 1 Jul 2023 - 30 Jun 2024 |
| Ms Jade Johnstone                                 | 1 Jul 2023 - 30 Jun 2024 |
| Mr Kevin Mackin                                   | 1 Jul 2023 - 25 Feb 2024 |
| Mr Kevin Thomson                                  | 1 Jul 2023 - 30 Jun 2024 |
| Ms Petra Boverly-Sprencer                         | 1 Jul 2023 - 30 Jun 2024 |
| Ms Clare Byrne                                    | 1 Jul 2023 - 30 Jun 2024 |
| Ms Suzanne Hunt                                   | 1 Jul 2023 - 30 Jun 2024 |
| Mr Steven Warrington                              | 1 Jul 2023 - 30 Jun 2024 |
| Mr Adam Koster                                    | 1 Aug 2023 - 30 Jun 2024 |
| <br>                                              |                          |
| <b>Accountable Officers</b>                       |                          |
| Paul Head (Chief Executive Officer)               | 1 Jul 2023 - 30 Jun 2024 |

## Note 8.2 Responsible persons (continued)

### Remuneration of Responsible Persons

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

#### Income Band

\$0 - \$9,999

\$200,000 - \$209,999

\$290,000 - \$299,999

#### Total Numbers

| Total<br>2024<br>No. | Total<br>2023<br>No. |
|----------------------|----------------------|
| 10                   | 9                    |
| -                    | 1                    |
| 1                    | -                    |
| <b>11</b>            | <b>10</b>            |

| 2024<br>\$       | 2023<br>\$       |
|------------------|------------------|
| <b>\$340,659</b> | <b>\$292,539</b> |

Total remuneration received or due and receivable by  
Responsible Persons from the reporting entity amounted to:

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 of executive officers

(including Key Management Personnel disclosed in Note 8.4)

Short-term benefits

Post-employment benefits

Other long-term benefits

**Total remuneration<sup>i</sup>**

Total number of executives

Total annualised employee equivalent<sup>ii</sup>

| Total Remuneration |                |
|--------------------|----------------|
| 2024<br>\$         | 2023<br>\$     |
| 556,777            | 364,347        |
| 55,992             | 35,530         |
| 16,037             | 15,482         |
| <b>628,806</b>     | <b>415,359</b> |
| 3                  | 3              |
| 3                  | 2.2            |

<sup>i</sup> 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.

<sup>ii</sup> Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

### **Note 8.3 Remuneration of executives (continued)**

Total remuneration payable to executives during the year included additional executive officers.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered, and is disclosed in the following categories:

#### **Short-term Employee Benefits**

Salaries and wages, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

#### **Post-employment Benefits**

Pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

#### **Other Long-term Benefits**

Long service leave, other long-service benefit or deferred compensation.

#### **Termination Benefits**

Termination of employment payments, such as severance packages.

#### Note 8.4: Related Parties

The 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.

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

#### Key management personnel

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 Service | Dr Amanda Ormerod      | Chair of the Board           |
| Yarram & District Health Service | Mr Ian Jaggard-Hawkins | Board Member                 |
| Yarram & District Health Service | Mr Trevor Yong         | Board Member                 |
| Yarram & District Health Service | Mr Kevin Mackin        | Board Member                 |
| Yarram & District Health Service | Mr Kevin Thomson       | Board Member                 |
| Yarram & District Health Service | Petra Boverly-Sprencer | Board Member                 |
| Yarram & District Health Service | Jade Johnstone         | Board Member                 |
| Yarram & District Health Service | Paul Head              | Chief Executive Officer      |
| Yarram & District Health Service | Jane Millard           | Director Corporate Services  |
| Yarram & District Health Service | Sally Weatherley       | Director Clinical Services   |
| Yarram & District Health Service | Mitchell Schwenke      | Director Primary Health Care |

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 Department of Parliamentary services' Financial Report.

|                                           | Total<br>2024<br>\$ | Total<br>2023<br>\$ |
|-------------------------------------------|---------------------|---------------------|
| <b>Compensation - KMPs</b>                |                     |                     |
| Short-term Employee Benefits <sup>i</sup> | 861,831             | 625,456             |
| Post-employment Benefits                  | 84,340              | 60,062              |
| Other Long-term Benefits                  | 23,294              | 22,381              |
| <b>Total<sup>ii</sup></b>                 | <b>969,465</b>      | <b>707,899</b>      |

<sup>i</sup> Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.

<sup>ii</sup> KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

#### **Note 8.4: Related Parties (continued)**

##### **Significant transactions with government related entities**

Yarram & District Health Service received funding from the Department of Health of \$10,510,759 (2023: \$10,721,658) and indirect contributions of \$50,189 (2023: (\$37,848))

Expenses incurred by Yarram & District Health Service in delivering services and outputs 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 Assistant Treasurer require the 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.

##### **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 occur 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 2024 (2023: none).

There were no related party transactions required to be disclosed for the Yarram & District Health Service Board of Directors, Chief Executive Officer and Executive Directors in 2024 (2023: none).

**Note 8.5: Remuneration of Auditors**

**Victorian Auditor-General's Office**  
Audit of the financial statements  
**Total remuneration of auditors**

| <b>Total<br/>2024<br/>\$</b> | <b>Total<br/>2023<br/>\$</b> |
|------------------------------|------------------------------|
| 25,900                       | 24,860                       |
| <b>25,900</b>                | <b>24,860</b>                |

**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

| Name of Entity            | Principal Activity | Ownership Interest |           |
|---------------------------|--------------------|--------------------|-----------|
|                           |                    | 2024<br>%          | 2023<br>% |
| Gippsland Health Alliance |                    | 3.99               | 4.42      |

Yarram & District Health Service's interest in the above jointly controlled operations are detailed below.

The amounts are included in the financial statements under their respective categories:

|                                      | 2024<br>\$     | 2023<br>\$     |
|--------------------------------------|----------------|----------------|
| <b>Current assets</b>                |                |                |
| Cash and Cash Equivalents            | 545,090        | 433,444        |
| Receivables                          | 46,739         | 58,667         |
| Other Current Assets                 | 178,549        | 152,141        |
| <b>Total current assets</b>          | <b>770,378</b> | <b>644,252</b> |
| <b>Non-current assets</b>            |                |                |
| Property, Plant and Equipment        | 3,670          | 33,345         |
| Right of use equipment               | 15,626         |                |
| <b>Total non-current assets</b>      | <b>19,296</b>  | <b>33,345</b>  |
| <b>Total assets</b>                  | <b>789,674</b> | <b>677,597</b> |
| <b>Current liabilities</b>           |                |                |
| Payables                             | -              | -              |
| Other current Liabilities            | 82,781         | 97,676         |
| Right of use liabilities             | 7,779          | 9,250          |
| <b>Total current liabilities</b>     | <b>90,560</b>  | <b>106,926</b> |
| <b>Non-current liabilities</b>       |                |                |
| Right of use liabilities             | 7,731          | 14,182         |
| <b>Total non-current liabilities</b> | <b>7,731</b>   | <b>14,182</b>  |
| <b>Total liabilities</b>             | <b>98,291</b>  | <b>121,108</b> |
| <b>Net assets</b>                    | <b>691,383</b> | <b>556,489</b> |
| <b>Equity</b>                        |                |                |
| Accumulated Surpluses                | 691,383        | 556,489        |
| <b>Total equity</b>                  | <b>691,383</b> | <b>556,489</b> |



**Note 8.7 Joint arrangements (continued)**

Yarram & District Health Services interest in revenues and expenses resulting from joint arrangements are detailed below:

|                                                   | <b>2024</b>      | <b>2023</b>      |
|---------------------------------------------------|------------------|------------------|
|                                                   | <b>\$</b>        | <b>\$</b>        |
| <b>Revenue and income from transactions</b>       |                  |                  |
| Operating Activities                              | 1,097,196        | 1,149,034        |
| <b>Total revenue and income from transactions</b> | <b>1,097,196</b> | <b>1,149,034</b> |
| <b>Expenses from transactions</b>                 |                  |                  |
| Other Expenses from Continuing Operations         | 947,688          | 940,455          |
| Depreciation                                      | 14,613           | 18,826           |
| <b>Total expenses from transactions</b>           | <b>962,301</b>   | <b>959,281</b>   |
| <b>Comprehensive result for the year</b>          | <b>134,895</b>   | <b>189,753</b>   |

**Contingent liabilities and capital commitments**

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date.

**Note 8.8: Equity**

**Contributed capital**

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 the Yarram & District Health Service.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Other transfers that are in the nature of contributions or distributions or that have been designated as contributed capital are also treated as contributed capital

**Financial assets at fair value through comprehensive income revaluation reserve**

The financial assets at fair value through other comprehensive income revaluation reserve arises on the revaluation of financial assets (such as equity instruments) measured at fair value through other comprehensive income. Where such a financial asset is sold, that portion of the reserve which relates to that financial asset may be transferred to accumulated surplus/deficit.

**Specific restricted purpose reserves**

The specific restricted purpose reserve is established where Yarram & District Health Service has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

**Note 8.9: 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 Services provides essential services and is predominately 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 Health Service operations and on that basis, the financial statements have been prepared on a going concern basis.



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