



KERANG  
**District  
Health**

# Annual Report 2024-2025

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## **Acknowledgement to Country**

*Kerang District Health acknowledges the traditional custodians of the land on which this facility stands, the Barapa Barapa people, and pay our respect to their Elders past, present and emerging.*

*We acknowledge their significant cultural heritage, their fundamental spiritual connection to the country, and value their contributions to our diverse community.*

*We are proud to embrace the spirit of truth telling, and learn from First Nations people's 'lived experiences' which in turn guides us to better improve our organisation to improve their health, wellbeing and safety.*

*We will do this with open attitudes addressing the issues impacting First Nations and Torres Strait Islander peoples.*

# REPORT OF OPERATIONS

## OUR PURPOSE

Kerang District Health exists to Protect, Restore and Enhance Health

We are in service to:

- Individuals from our community and surrounds
- Our partners who support our communities needs
- Our funders who support our communities needs

## OUR VALUES

### Caring

- *We will be person-centred, show compassion and empathy*

### Accountability

- *We will be transparent, trustworthy, and responsible for our actions*

### Respect

- *We will embrace and be considerate of the differences, between all people.*

### Excellence

- *We will be dedicated to every person, every time.*

## MANNER OF ESTABLISHMENT

Kerang District Health is a public hospital listed in Schedule 1 of the Health Services Act 1988.

The purpose of this Act is to make provision for the development of health services in Victoria, for the carrying on of hospitals, nursing homes and other health care agencies and related matters.

The health service reports to the Department of Health, through its Loddon Mallee regional office which is located in Bendigo.

## RESPONSIBLE MINISTERS

### **Minister for Health/Minister for Ambulance Services:**

The Hon. Mary-Anne Thomas from 1 July 2024 to 30 June 2025

### **Minister for Health Infrastructure**

The Hon. Mary-Anne Thomas from 1 July 2024 to 19 December 2024

The Hon. Melissa Horne from 19 December 2024 to 30 June 2025

### **Minister for Mental Health/Minister for Ageing**

The Hon. Ingrid Stitt from 1 July 2024 to 30 June 2025

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

The Hon. Lizzie Blandthorn from 1 July 2024 to 30 June 2025

## RANGE OF SERVICES

Kerang District Health (KDH) is one of two small rural health services in the Gannawarra Shire. KDH provides an integrated range of services consisting of acute, residential aged care and community services, to a population of 10,549 people across the Shire.

The health service delivers the following acute health services: general medicine; urgent care centre; transition care program, oncology, theatre and palliative care services. KDH has one operating theatre and offers a pre-anaesthetic clinic and elective surgery modalities for general surgery, gynaecology, urology and dental.

Glenarm is a 30-bed residential aged care service under the Public Sector Residential Care Service (PSRACS) and is situated in the main hospital building.

KDH community services include the district nursing service who also provide HITH and post-acute care. Over in the WD Thomas Centre there are planned activity groups both centre-based and mobile; the Allied Health team provide adult exercise groups, hydrotherapy classes and exercise physiology and physiotherapy outpatient clinics.

The Men's Shed and Rita Hall Opportunity Shop are offsite but form an integral part of KDH services. The health service owns and operates one of the two general practice clinics in Kerang with General Practitioner's (GP) consulting at the Kerang Medical Clinic in Patchell Plaza, Victoria Street, Kerang.

The Austin Pathology Collection Centre and Bendigo Radiology Imaging Services are provided on site at KDH Monday to Friday.

KDH is fortunate to have visiting specialists such as Oncology, Breast Care Nurse, General Surgery, Urology, Infant Hearing, Palliative Care and the Bendigo Central Victorian Cardiology service providing services closer to home for our community members.

KDH use telehealth services including but not limited to Geri Connect, Aged Care Assessment Service (ACAS), Adult Retrieval Services (ARV), Paediatric Infant Perinatal Emergency Retrieval (PIPER), Bendigo Health ED, Stroke Network, and a range of other speciality services.

KDH uses the Victorian Virtual Emergency Department (VVED) especially after hours and on weekends for urgent care presentations requiring medical support.

# BOARD CHAIR & CEO REPORT

On behalf of the Board and staff of KDH, it is a great pleasure to present the 74<sup>th</sup> Report of Operations and Annual Report for the year ended 30 June 2025.

## THE YEAR IN REVIEW:

What a productive year it has been at Kerang District Health (KDH). The organisation has gone from strength to strength with an engaged and proactive team who constantly seek opportunities to find funding sources, upgrade equipment and vital infrastructure, plan new services and strengthen shared service arrangements and partnerships across the region.

We have finalised the 2020 – 2024 Strategic Plan and, during the first half of 2025, have developed a 12-month Strategic Plan 2025-2026 to see the organisation through until 30 June 2026.

In December 2024, KDH celebrated its 70<sup>th</sup> birthday anniversary with an open invitation to the community for afternoon tea and a trip down memory lane. There was a lot of love put into the large display of memorabilia, old uniforms, photos and various items and equipment from over the years. Special thanks to the working group including current and former KDH staff and volunteers, who worked tirelessly to make this day a success. The celebration was well attended with many current and former staff, Board Directors and community members including The Hon. Peter Walsh. Guest speakers included a former Board Director and Board Chair – John Ginnivan and a former registered nurse and Theatre Nurse Unit Manager – Margy Christian. Both guest speakers gave a wonderful and entertaining account of the changes that they have been experienced over the years. KDH has produced a booklet called KDH History – 70<sup>th</sup> Anniversary booklet, available on the KDH website under Publications.

One of the biggest achievements for the 2024-25 year was the completion of a large renovation of the Central Supply Service Department (CSSD) and expansion of the Post-Anaesthesia Care Unit (PACU) in the Theatre complex. Theatre was closed from early September 2024 until the third week of May 2025 while the project was underway. At the same time, the installation of a new water tank was completed.

Whilst this project was underway, The Hon. Mary-Anne Thomas M.P, Minister for Health, Minister for Ambulance Services, visited KDH, engaging with the staff and one very lucky inpatient. The Minister also visited the Theatre complex and reviewed the plans for renovations.

It is pleasing to see Theatre operational again, with General Surgeon, Mr Kaushik Joshi returning to KDH. In addition to Mr Joshi, Mr Radha Nair has also joined KDH as a visiting general surgeon and has been warmly welcomed to KDH. Mr's Joshi and Nair provide surgical services at SHDH as well as KDH. Both provide outpatient consultations at Kerang Medical Clinic for the community.

Mr Nair has replaced a long-term General Surgeon, Mr Prasenjit Modak who, after many years of working with both SHDH and KDH, has returned to India. Mr Modak was the most wonderful, kind doctor and is sadly missed by all. Dr Stephen Lindsay, Urologist has also returned to provide vital services to Kerang and community.

On behalf of the Board, we would like to congratulate the staff for working together to achieve common goals and strengthen service delivery to patients, clients and residents. There is a real sense of caring and compassion that resonates throughout the hospital, with staff taking such pride in their work. This is also reflected in the positive consumer feedback received.

## **Board Director Departures and commencements**

As of 30 June 2025, Deirdre Broad completed her tenure as a Board Director and Treasurer for Kerang District Health. During her time on the Board, Deirdre was Chair of the Finance Committee until it was combined as a Finance, Audit and Risk Committee in August 2024. We sincerely thank Deirdre for her financial expertise and support provided to KDH over the years and wish her well.

Three new Board Directors commenced in July 2024 – Renee Harrison, Paul Fernee and Peter Koetsveld who bring different strengths and expertise to the Board.

## **Local and Regional Collaborations**

KDH is proud to be a member of the Loddon Mallee Health Network (comprising of 15 health services across our region) on many key priorities including:

- addressing workforce challenges;
- strengthening clinical service delivery and patient flow;
- continued development of a regional system of clinical governance;
- Strengthening regional leadership training and development;
- LMHN First Nations Cultural Safety education and a unified commitment to participate in truth telling grounded in transformational accountability moving towards Anti-racism;
- Board Chair and CEO participation in Loddon Mallee Health Network Planning Days and consultation meetings.

The Loddon Mallee Health Network (LMHN) transitioned to the Loddon Mallee Local Health Service Network (LMLHSN) on 1 July 2025.

KDH is also a member of the Buloke, Loddon, Gannawarra Health and Wellbeing Executive Group (BLGHWEG), the Gannawarra Leaders Agency Meeting (GLAM), the Community Resilience Committee and the Elders and Emerging Leaders Group.

## **Connecting the Docs Program and the Medical Workforce**

Kerang District Health is one of the seven Loddon Mallee health services who founded the innovative Connecting the Docs program back in September 2023 to address significant medical workforce shortages in rural and regional areas. This program has supported both KDH and NDCH to increase the medical workforce. Kerang now has nine (9) doctors across the two medical clinics which is a real testament to the strong collaboration across organisations to achieve sustainable outcomes.

In early February 2025, KDH and Kerang Medical Clinic welcomed Dr Ned Chalmers to the team. Ned grew up in Wedderburn and has had spent considerable years in Warrnambool before relocating to Kerang. With the addition of Ned, there are five GP's at Kerang Medical Clinic which has opened up appointments and increased the number of new patients to the clinic.

In February, Dr Gerry Guimaraes and his family returned from 12 months living in Bendigo while Gerry completed rural generalist training in Anaesthetics. With the support of Swan Hill District Health, Gerry is fully qualified and has commenced GP Anaesthetic services at KDH and SHDH.

In late 2024, Dr Peter Keppel, GP Anaesthetist, retired after many years of service to KDH and the Kerang community. We are very grateful for the services Peter provided. We wish Peter well in his retirement.

In late June 2025, Dr Craig Winter, regional Director of Medical Services finished up after nine years providing medical oversight and governance for KDH. KDH and SHDH have jointly developed a Chief Medical Officer shared service role to strengthen the primary care workforce model and utilized patient care across the two communities. Recruitment for this position is underway.

## ACCREDITATION UPDATE

Kerang Medical Clinic AGPAL accreditation was completed in late 2024. Valid until 13<sup>th</sup> April 2028. Aged Care Quality and Safety commission accreditation under the Quality Standards are valid to 27<sup>th</sup> January 2026.

The National Safety and Quality Health Service (NSQHS) Standards are valid to NSQHS – 3 Nov 2027.

## STRATEGIC PLAN – INVESTING IN QUALITY CARE

The KDH Board undertook planning for a new 12-month strategic plan (2025-26). The Plan was approved by the Department of Health in June 2025 and now in effect.

The current 2025-26 Strategic Plan-on-a-Page is available on the KDH website.

## CONSUMER ADVISORY COMMITTEE

The Consumer Advisory Committee continues to provide support with hospital brochures, reviewing hospital data and service implementations along with the provision of feedback from the community. The KDH Executive team learn so much from the consumer members and truly appreciate their commitment to monitoring and improving the consumer experience.

A great quality initiative involving KDH staff and members of the Consumer Advisory Committee, has been the development of a Telehealth Room free for the general public. The Telehealth room is expected to be made available to Kerang community in late 2025 and can be used for those who do not have computer or internet access in their homes to attend a virtual specialist appointment. This fits with the overall Health Services Plan of providing more care closer to home.

## DONATIONS

During 2024-2025 year \$112,090.00 was received in donations. Major contributions received were from the KDH Ladies Auxiliary, Lions Club of Murrabit, A McCallum, and M Jobling.

We are incredibly grateful for the generosity of all the community donors. Donations support safe patient care by ensuring state-of-the-art patient equipment and maintenance to the hospital buildings and gardens.

## LADIES AUXILIARY

The Ladies Auxiliary, under the leadership of Mrs. Wilma Ellis, and her committee continue their loyal support to the health service through the Rita Hall Opportunity Shop. The donation of \$100,000 received by the CEO and Executive following the Annual General Meeting in December 2024, was an absolute credit to the hard work and commitment of the Auxiliary.

A huge thanks to the Ladies Auxiliary for the ongoing provision of donations so that KDH can enjoy state-of-the-art equipment and modern infrastructure and furnishings.

## VOLUNTEERS

Kerang District Health acknowledges the commitment and dedication that the Volunteers provide for our patients, residents and community clients. Volunteers play an important role in the day-to-day operations of our health service by providing support and entertainment to residents and clients, particularly in Glenarm and the WD Thomas Activity Centre, the Men's Shed and the Rita Hall Opportunity Shop.

KDH are a proud sponsor for Cycling without Age, Kerang who provide a wonderful service, fund and outdoor enjoyment to the Glenarm aged care residents.

KDH celebrated National Volunteers Week in May with a well-attended afternoon tea and presentations from the KDH CEO and staff for their valuable services to KDH.

## MASONIC LODGE SCHOLARSHIP

Kerang District Health appreciates the strong relationship with the local members of the Cohuna Masonic Lodge and the former Kerang Masonic Lodge, along with the Freemasons Foundation, who provide generous scholarships on an annual basis so that KDH staff can seek opportunities for ongoing professional development.

## ANNUAL GENERAL MEETING (AGM)

KDH held its Annual General Meeting at the WD Thomas Activity Centre on 5 December 2024. As the AGM followed straight after the KDH 70<sup>th</sup> birthday celebration and afternoon tea, it was pleasing to see how many community members stayed on and attended.

The following staff members received Recognition of Service badges:

10 years	15 years	20 years	25 years	30 years	35 years	40 years
Sue Gray	Ashea Bujodoso	Lana Wishart	Cindy Boyd	Karyl Hewitt	Judy Henderson	Rhonda Helsham
Maria Sims	Sharon Gillingham					
Elizabeth Holliday	Glenice Hayes					
Rachael Booth	Catherine Williams					

### KDH Ladies Auxilliary – Certificates of Service

10 years	15 years	20 Years
Sandra Wright	Fay Godden	Valerie Rumbold
Jill Challis	Jacqueline Hibbert	
Philip Kleehammer	Jennifer Coobs	
Sue Kleehammer		
Judith Worrall		
Glenys Copland		
Lorraine Morris		

### Kerang Masonic Lodge Scholarship recipients

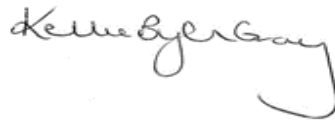
Sally Evans	Advanced Life Support (AL) Resuscitation Training Program
Louise Weir	Level 1 Lymphoedema Practitioner Course
Tegan Cameron	EN to RN Transition Course
Millie Haines	Grad Dip of Nursing, Perioperative Specialisation

We would like to sincerely acknowledge and thank all Kerang District Health staff for providing excellent safe, quality care to our patients, residents, clients and Kerang community. We wish to acknowledge the wonderful volunteers and contractors who support staff, patients, residents, clients.

We look forward to continuing to improve services for our community in the coming years with ongoing improvements to patient care, equipment and infrastructure, enhancing collaborative partnerships across the region to improve the patient experience and to address ongoing workforce challenges; along with strengthening clinical service delivery to support the provision of care closer to home.



Andrew Jeffreys  
**Board Chair**



Kellie Byron-Gray  
**Chief Executive Officer**

### Responsible Bodies Declaration

*In accordance with the Financial Management Act 1994, I am pleased to present the Report of Operations for Kerang District Health for the year ending 30 June 2025.*



Andrew Jeffreys, Board Chair, Kerang District Health, 30<sup>th</sup> June 2025



**Photo:** Pictured from left to right is the last cohort of Kerang Hospital Trained Nursing Aides – Deb O'Brien (March 1977), Jill Bennett (Oct 1977), Lyn Gibbons (1974) and Kerryn Bradshaw (1975) cutting the KDH 70<sup>th</sup> Birthday Cake on 5 December 2024.



**Photo:** The Hon. Mary-Anne Thomas M.P, Minister for Health visit to KDH to review the CSSD Regional Health Infrastructure Funding project.

Pictured left to right: Kellie Byron-Gray, Chief Executive Officer, The Hon. Mary-Anne Thomas M.P, Katrina Sparrow, Director of Clinical Services, Deirdre Broad, Board Treasurer and Garry Burman, Maintenance officer.



**Photo:** Kerang District Health main entrance

# DIRECTOR OF CLINICAL SERVICES REPORT

During the past year, there has been a strong focus on nursing skill development and training. Workforce challenges have resulted in a reduction in the senior nursing cohort due to maternity leave and leadership opportunities across the region. On a positive, there has been opportunity to upskill current nursing staff into higher roles. KDH has supported staff through leadership training, upskilling of clinical skills, additional post graduate training and simulation exercises. The nursing staff have really embraced these opportunities to develop and grow, benefiting our community with highly trained staff.

KDH has welcomed a record number of nurse graduates with four (4) RN's and one (1) EN rotating through District Nursing, Aged Care, Acute and the Operating Suite to ensure a well-rounded experience in their first year. KDH continues with the "grow our own" theme by supporting our local youth through the Student Based Apprentice model. There are currently three (3) students gaining experience in healthcare in Glenarm, parallel to their studies.

## ACUTE

The Acute ward has been a busy and thriving place this year, with ongoing education and skill development for our staff being the top priority.

Our clinical nurse educator, urgent care educator (short term role), and local GP have passionately dedicated hours to enhancing the use of equipment, reviewing policies and supporting staff learning through clinical simulations (which are extremely popular!)

2025 also marks the first year that KDH have been able to support a Nurse Practitioner candidate, creating opportunities to working closely with GPs, NPs, Anaesthetists and Pharmacists – very exciting times!

Aside from clinical skills, we have been supporting the team in developing professional leadership skills. Many of our staff have attended workshops regarding positive leadership and conducting crucial conversations, as we aim to build a stronger, more robust and resilient team. We look forward to seeing what our up-and-coming nurse leaders will do in the near future!

The number of urgent care presentations to KDH continues to grow – now exceeding 200 presentations per month. Our highly skilled Nurse Practitioners, Rural Isolated Practice Nurses (RIPRNs), and RNs are able to work autonomously in the urgent care space, calling on our very supportive GPs when required. We have also strengthened our relationship with Ambulance Victoria (AV), holding monthly meetings to discuss any issues arising and work towards quality improvements. AV have been vital in rolling out new life saving equipment, procedures and education in urgent care.

## ONCOLOGY

The Oncology area has continued to provide treatment for many local people under the auspice of the Bendigo Health Oncology team, who visit face to face monthly and, are available with telemedicine and via online platforms as needed. Regular monthly education sessions with the Bendigo Health Oncology team occur ensuring consistency between skill sets at both services.

We have also commenced training two registered nurses in Chemotherapy delivery to ensure we continually upskill staff enabling them to work in this area. With some generously donated money we have some new recliner chairs as well as lovely bright art work in the Oncology room.

## AGED CARE

Aged Care Services continue to be a very busy facility with the implementation of new Strengthened Aged Care Quality Standards & the New Aged Care Act set to roll out from November 1 2025.

Glenarm has been proactive in preparing for the implementation, with a particular focus on enhancing the dining experience for individuals living in Glenarm. We have purchased a new bread maker and mini fridge for access to food and drinks 24/7 & we have new outdoor blinds been installed for weather protection, comfort & wellbeing.

Additionally, this year saw the rollout of an electronic medication system that has advanced safety features and enables the medical staff and Pharmacist to access an individual's medication chart remotely. This roll-out required strong change management principles and staff engagement to ensure a safe and seamless process. A new medication room was also installed by our very skilled maintenance team.

Furthermore, KDH has supported the onboarding and development of new staff, including three (3) School-Based Apprenticeship students (SBATs) and three Registered Undergraduate Student of Nursing (RUSONs), fostering a culture of learning and collaboration.

The Leisure & Lifestyle team has also strengthened community connections through a variety of meaningful activities and partnerships, ensuring older individuals living in Glenarm remain socially engaged and connected including; baking, bingo, craft, card making, gardening, music, and exercise sessions, alongside special events like bus outings, childcare visits, cultural celebrations, and themed lunches. KDH volunteers feature heavily with activities in Glenarm.

KDH is also proud to partner with Angie Hird and team for Cycling without Age and there is much enjoyment getting out and about Kerang behind the bike.

## OPERATING SUITE/DAY SURGERY

The first half of 2025 has marked a period of exciting progress and investment at Kerang District Health, especially for our perioperative team.

Significant capital improvements were achieved with the completion of a newly redeveloped and upgraded Central Sterile Supply Department (CSSD) and Post Anaesthesia Care Unit (PACU) within the operating suite. These enhancements ensure compliance with current Australian standards and clinical recommendations, while also supporting safer and more efficient surgical care.

KDH welcomed the arrival of new state-of-the-art surgical and sterilization equipment, further elevating the safety, reliability, and flow of procedures conducted at our facility. These investments have improved our overall workflow and enhanced our capacity to deliver timely surgical interventions.

In addition to infrastructure and equipment upgrades; the team has grown with the addition of a new surgeon, Dr Radha Nair; and the return of familiar visiting surgeons, Mr. Stephen Lindsay, Mr. Kaushik Joshi, and Dr. Behrooz Fateh.

We are pleased to appoint our first local GP Anaesthetist for a considerable number of years, Dr. Geraldo Guimaraes. Dr Guimaraes completed 12 months Anaesthetic training at Bendigo Health in 2024. We also said a sad farewell to Dr Peter Keppel who has provided many years of GP and GP Anaesthetic services to Kerang and district.

The additional specialists have enabled KDH to increase our operating theatre frequency and support larger surgical lists, resulting in timely access to surgical care for our community.

Our surgical services continue to include:

1. **General Surgery**
2. **Endoscopy**
3. **Urology**
4. **Private Dental Surgery**

The KDH perioperative service remains committed to delivering high-quality, safe, and accessible surgical care to our local and surrounding communities.

## ACTIVITY CENTRE:

Throughout the year, the Activity Centre has continued to be a vibrant hub of engagement and connection. A highlight was our Mother's Day celebration in May, where consumers enjoyed a beautifully presented High Tea/Lunch with decorated tables and an array of hot and cold dishes served on three-tier stands. The event was well-attended and created a warm atmosphere.

Our knitting group, supported by dedicated volunteers, has been actively contributing to the community by crafting beanies for the Men's Shed and fiddle mitts for local aged care facilities. Notably, a delivery was made to Murray Haven in Barham in June.

Themed Days have been a fun addition, with staff and consumers dressing up and enjoying themed lunches. A recent example was the Highland Games Day, featuring traditional Scottish fare such as sausages, mash, mushy peas, and Yorkshire pudding, followed by a delicious butterscotch self-saucing pudding with ice cream. The day was filled with laughter and games, contributing to the Centre's positive and inclusive environment.

The hospital bus has also been well utilised to provide regular outings to local attractions ensuring a strong connection to the local community and surrounds.

The beauty of the social support program is to bring people together and support those who are isolated or alone in the community.

## EXERCISE PHYSIOLOGY (EP)

This year saw the successful launch of new rehabilitation groups, which have been well-received and consistently attended. The rehabilitation and reablement programs are small groups, acute in focus and run for 10 weeks. They include Falls and Balance, Heart and Lungs, Orthopaedic and Diabetes classes. They all contain information sessions as well as provision of physical activity. The new offerings are enhancing our clients' access to targeted support and exercise in a structured and welcoming environment.

## PHYSIOTHERAPY

A major milestone for the Physiotherapy department was the completion of a Lymphoedema Practitioner course by Louise Weir, Senior Physiotherapist. This was made possible through the KDH Masonic Lodge Scholarship and additional support from KDH. This wonderful achievement will support the introduction of a new Lymphoedema Clinic in the second half of 2025.

## MEN'S SHED

The Men's Shed continues to be a strong contributor to the community, offering support and connection, camaraderie, and meaningful activities. Highlights this year included a well-attended bus trip to Yanga Station, participation in the Elmore Field Days, and a trip to Bendigo to visit other Men's Sheds to strengthen community connections.

## RITA HALL OPPORTUNITY SHOP

The Rita Hall Opportunity Shop has made a valuable operational improvement with the introduction of an EFTPOS machine. Volunteers have reported increased customer satisfaction and a noticeable boost in sales, as cashless payment options have encouraged more purchases.

The Ladies Auxiliary manage the Op Shop and provide a fantastic service to the local community. They do an excellent job raising valuable funds for the hospital and we are always very grateful.

## DISTRICT NURSING SERVICES

District Nursing has had a busy and productive year with the rollout of the new RCP program. RCP is an electronic medical record and assists with up-to-date information, even when out on the road. This system also allows for better record keeping and data analysis. Whilst a few teething issues, staff and patients continue to adapt well to the new model and, as part of this transition, iPads have been introduced to streamline note-taking and daily planning for the nursing staff. District Nursing service has managed a high volume of admissions, including Hospital in the Home (HITH) and Post-Acute Care (PAC).

## KERANG MEDICAL CLINIC

The Kerang Medical Clinic continues to provide a quality service to the people of Kerang by ensuring we have a full team of admin, nursing and medical staff, including five (5) General Practitioners. It was pleasing to be able to accommodate the clinic temporarily at the main KDH campus during the six weeks of clinic renovations in May.

Kerang Medical Clinic has also taken on managing the outpatient clinics for the visiting Surgeons, ensuring local people can see their general surgeon in Kerang.

### **Katrina Sparrow** **Director of Clinical Services**



Photo: Robyn Davies, Aboriginal Artist with strong ties to the Kerang region, providing the stories behind her artwork that is now proudly displayed at KDH. Pearl Dunn, KDH enrolled nurse, is also featured holding the Possum Skin Cloak that is also proudly displayed at KDH.

# DIRECTOR OF CORPORATE BUSINESS REPORT

This year has seen significant progress in vital infrastructure projects and capital equipment purchases aimed at improving health service infrastructure, service improvements, staff accommodation, and essential services. The successful completion of the projects reinforces our commitment to quality, compliance, and enhanced facilities for patients, residents and professionals alike.

## INFRASTRUCTURE PROJECTS

### BACKUP WATER TANK INSTALLATION

Following on from a Code Yellow (Internal Disaster) event that occurred on 19 and 20 July 2022; Kerang District Health lost access to town water supply for a significant period of hours due to a burst water main. As a result of the Code Yellow event, a water contingency proposal to implement an onsite potable water supply was drafted. This included the development of site services infrastructure to enhance the current system ability and capacity.

Kerang District Health made an application through the State Government Engineering Infrastructure Replacement Program (EIRP) and were successful in receiving a grant of \$500,000 to undertake this project.

This project delivered an onsite potable water tank to guarantee the health service at least 12 hours of back up water supply in the event of future loss of town water. A contingency backup water tank was installed to safeguard potable (drinking) water supply, ensuring a safeguard against potential disruptions. This project enhances reliability and sustainability for essential water provisions.

### CSSD COMPLIANCE UPGRADE AND OPERATING ROOM EQUIPMENT REPLACEMENT

Kerang District Health applied for and were successful for a \$3 million grant made available through the State Government Regional Health Infrastructure Fund (RHIF), and facilitated through the Victorian Health Building Authority (VHBA).

The existing Central Sterile Services Department (CSSD) within the KDH Theatre Department, underwent a comprehensive upgrade to align with National Standards – AS5369; the National Safety and Quality Health Standards and the following clinical nursing and medical peak organisations – Gastroenterological Nurses College of Australia (GENCA) and Gastroenterological Society of Australia (GESA), and the Australian Health Facility Guidelines (AusHFG).

The project included:

- Expansion of the existing Post-Anaesthesia Care Unit (PACU) bays;
- Re-design and redevelopment of the CSSD unidirectional workflows;
- Provision of all medical gas connections to ensure the operating room is future-proofed;
- Replacement of the operating room table and equipment such as operating room specific ultrasounds, suction system and ECGs;
- A new and efficient Reverse Osmosis water system (RO water) for sterilisation of reusable equipment;
- Cleaning, disinfecting, sterilizing and drying equipment for the CSSD unit;
- An ultrasonic unit and endoscope storage system; and
- New and additional endoscopes and two new patient monitors.

These improvements ensure compliance and enhance patient safety while optimising operational efficiency and ensuring care can be provided closer to home.

## **HARGRAVE HOUSE STAFF AND STUDENT ACCOMMODATION UPGRADES**

KDH was successful with an application for the Aged Care Capital Assistance, Thin Markets Multiple Streams Commonwealth Grant for a total of \$108,000. This grant was crucial in providing much needed upgrades to the staff and student accommodation at Hargrave House. Upgrades included the installation of new windows, frames and flyscreens throughout the entire building, complete internal repaint and purchase of new beds, lounges suites, a dining room table and additional furniture.

Hargrave House, a few minutes' walk from the health service, now provides a much more modern, comfortable, and accessible living environment. Enhancements contribute to recruitment and retention of staff and students, resulting in increased job satisfaction.

The flow on effect of staff satisfaction is demonstrated by the safe, quality care provided for KDH patients, residents and clients.

## **KERANG MEDICAL CLINIC EXPANSION**

Following on from a successful GP recruitment drive, it became quite apparent that the current space occupied at Kerang Medical Clinic required a second clinical treatment space. During May – June 2025, renovations within the existing Kerang Medical Clinic included a second clinical treatment room, alternations to the reception office, including a new Practice Manager office and a new Nurses room. The office and treatment space improvements allow for better patient care and increased service capacity, ensuring the clinic meets growing community healthcare demands.

## **REGIONAL WORKER ACCOMMODATION – 99 SHADFORTH STREET**

Kerang District Health applied for and were successful with a \$1,107,000 grant as part of the Victorian Regional Worker Accommodation project. The KDH Board approved a \$500,000 co-payment as part of the conditions of the grant requirements. Cavalier Homes Pty Ltd was appointed as the Builders and construction has commenced on three new 2–3-bedroom units at 99 Shadforth Street. The new accommodation will enhance the health service accommodation stock by providing essential housing for regional medical, nursing and key workers, reinforcing economic and workforce stability in the area.

The completion of the above projects demonstrates KDH's ongoing commitment to improved infrastructure development to keep up with health service demands. The enhancements support ongoing healthcare excellence, accommodation quality, and regional workforce sustainability. Looking ahead, KDH remains committed to investing in infrastructure that fosters service growth, resilience, and accessibility.

KDH will continue to seek opportunities to apply for external funding and grants that support both community and staff.

**Michelle Maritz**  
**Director of Corporate Business**

# BOARD OF DIRECTORS

Name	Date appointed to Board	Meetings attended
<b>Dr Andrew Jeffreys</b> Anaesthetist	Appointed July 2018	12/12
<b>Deirdre Broad</b> Senior Tax Accountant	Appointed July 2019	12/12
<b>Melissa Iskov</b> Legal Practitioner	Appointed July 2019	12/12
<b>Jonathan Norton</b> Counselling Psychologist	Appointed July 2022	11/12
<b>Edward (Ted) Rayment</b> Semi-Retired Health Service CEO	Appointed July 2023	11/12
<b>Tory Gruen</b> Acting Financial Controller at South East Water	Appointed July 2023	10/12
<b>Paul Fernee</b> Local Government Executive	Appointed July 2024	12/12
<b>Renee Harrison</b> Registered Nurse	Appointed July 2024	7/12
<b>Peter Koetsveld</b> Retired Project Manager	Appointed July 2024	10/12

## SUB-COMMITTEE MEMBERSHIP BY BOARD DIRECTORS

### Finance, Audit & Risk Committee

The Finance, Audit and Risk Committee is an advisory committee to the Board of Directors appointed pursuant to the By-Laws of KDH and in accordance with the purpose of the *Health Services Act 1988*. The purpose of the Audit and Risk Committee is to assist the Board in fulfilling its corporate governance responsibilities in regards to the integrity of financial reporting, risk management, the internal control environment, compliance with legal and regulatory obligations, oversight of the internal and external audit functions and other matters, within scope, referred by the Board.

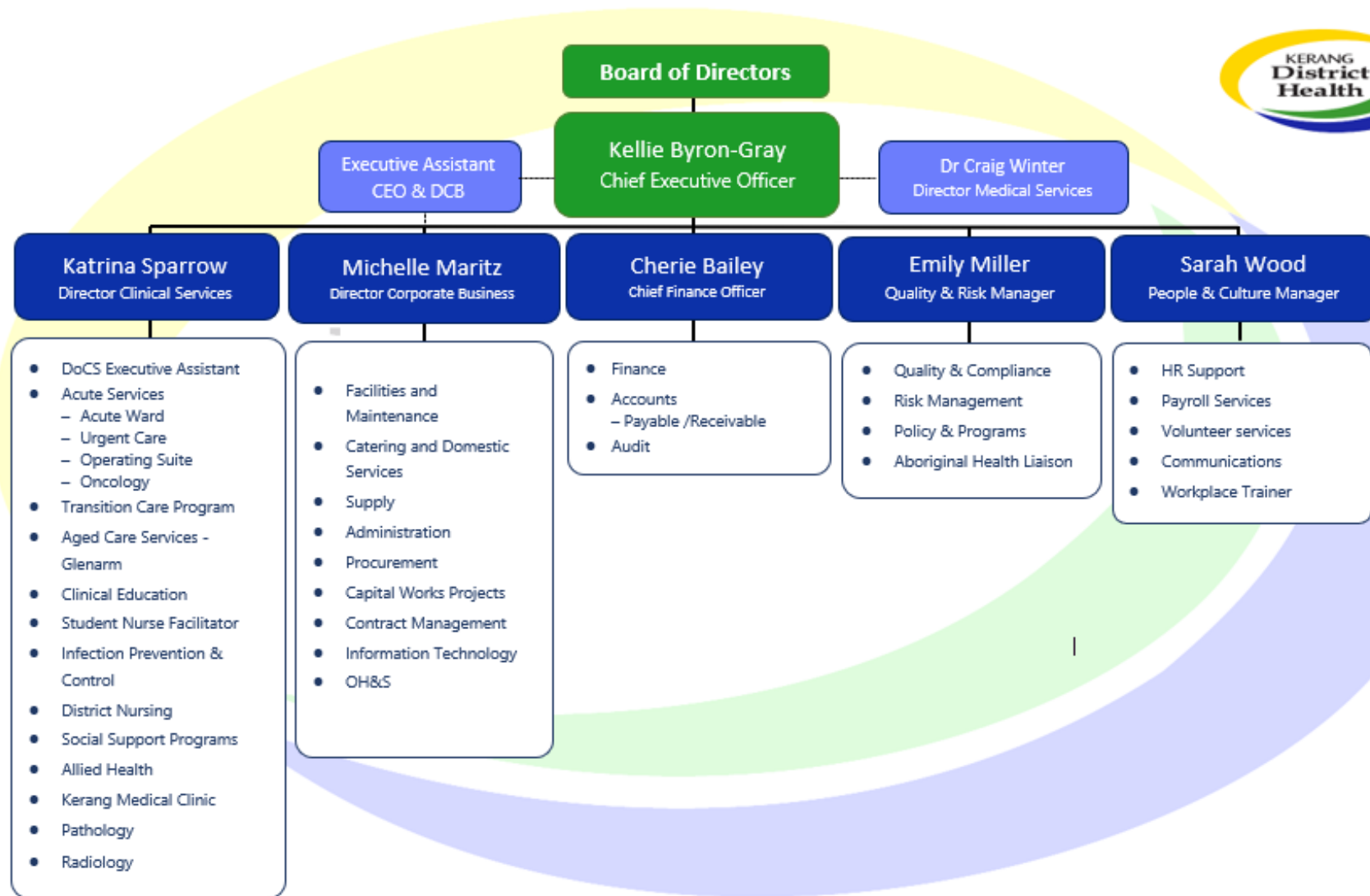
### Members of all sub-committees for the 2024-2025 financial year were:

<b>KDH Audit &amp; Risk Committee (ceased July 2024)</b>	Melissa Iskov (Chair/Board Director), Deirdre Broad (Board Treasurer), and Brian Keane (External Independent Member)	<b>Finance Committee (ceased July 2024)</b>	Deirdre Broad (Treasurer/Chair) and Jonathan Norton (Board Director)
<b>KDH Finance, Audit &amp; Risk Committee (commenced August 2024)</b>	Melissa Iskov (Chair and Board Director), Deirdre Broad (Board Director), Tory Gruen (Board Director), Jonathan Norton (Board Director) and, Anita McCarthy (External Independent Member)	<b>KDH Credentialing Committee</b>	Dr Andrew Jeffreys (Chair and Board Chair/Director), and Jonathan Norton (Board Director)
<b>Safety and Quality Committee</b>	Ted Rayment (Quality Board Chair/Director), Peter Koetsveld (Board Director) and Renee Harrison (Board Director)	<b>Consumer Advisory Committee</b>	Paul Fernee (Board Director)

# EXECUTIVE MANAGEMENT

<p><b>KELLIE BYRON-GRAY</b> <b>CHIEF EXECUTIVE OFFICER</b></p> <p>RN, Dip Health Sci (Nursing) ICU Certificate, Grad Dip Public Health; Certificate in Advanced Leadership (Women and Leadership Australia), MACN, AICGG.</p> <p>Completing a dual Masters in Public Health and Health Administration (MPH/MHA) through La Trobe University (2023 – 2026)</p>	<p>Kellie officially commenced her role as CEO on 18/12/2021.</p> <p>The Chief Executive Officer is responsible to the Board for leading the strategic vision of the health service. This is achieved by leading high performance and ensuring strong and effective internal and external partnerships. The CEO provides overall strong leadership but also direct leadership and support for the executive directors and senior management team including Quality and Risk and People and Culture.</p>
<p><b>MICHELLE MARITZ</b> <b>DIRECTOR CORPORATE BUSINESS</b></p> <p>Adv Dip Business Legal Studies, Dip Human Resources Management, Certificate IV in Procurement and Contracting.</p> <p>Currently undertaking studies in Adv Dip Business Procurement and Leadership and Management.</p>	<p>Michelle commenced the role of DCB in November 2023, after 10 years in People and Culture.</p> <p>The Director, Corporate Business is responsible for the day-to-day provision of non-clinical support services including Information and Communication Technology, Maintenance, Health Information Services, Catering and Domestic, Fleet, Procurement, Supply, OHS, and Environmental.</p>
<p><b>KATRINA SPARROW</b> <b>DIRECTOR OF CLINICAL SERVICES</b></p> <p>Ba Nursing (RN), Grad Dip in Healthcare Leadership</p>	<p>Katrina commenced 30 November 2023 as the Director of Clinical Services.</p> <p>Katrina is responsible for the operational running of the clinical services at KDH with a focus on a positive consumer experience and providing leadership for clinical staff to provide high quality care close to home.</p>
<p><b>CHERIE BAILEY</b> <b>CHIEF FINANCIAL OFFICER</b></p> <p>Bachelor of Commerce (Bcom) and a CPA</p>	<p>The Chief Finance Officer is responsible for Planning, Coordinating, Managing and Monitoring the effective delivery of all finance activities across Kerang District Health. Providing strategic leadership for the corporate and financial governance.</p>
<p><b>DR CRAIG WINTER</b> <b>DIRECTOR OF MEDICAL SERVICES</b></p> <p>MBBS, GMQ, MBA, FACEM</p>	<p>The Director, Medical Services provides high level medical advice and support, with responsibility for clinical governance, professional standards, continuous improvement, and patient safety</p>

# KDH ORGANISATIONAL STRUCTURE



# WORKFORCE DATA

Labour Category	JUNE – Current Month FTE		Average Monthly FTE	
	2024	2025	2024	2025
Nursing	58.35	61.78	<b>56.89</b>	<b>57.39</b>
Administration & Clerical	15.44	17.12	<b>17.36</b>	<b>16.82</b>
Medical Support	0.00	0.00	<b>0.00</b>	<b>0.00</b>
Hotel & Allied Services	24.38	27.02	<b>22.88</b>	<b>25.60</b>
Medical Officers	0.09	1.09	<b>0.36</b>	<b>0.55</b>
Hospital Medical Officers	0.00	0.00	<b>0.00</b>	<b>0.00</b>
Sessional Clinicians	0.00	0.00	<b>0.00</b>	<b>0.00</b>
Ancillary Staff (Allied Health)	10.46	10.03	<b>9.31</b>	<b>10.33</b>
<b>Total FTE</b>	<b>108.72</b>	<b>115.04</b>	<b>106.8</b>	<b>110.69</b>

## WORKFORCE INCLUSION POLICY

At present, our health service does not have a formal workforce inclusion policy with measurable targets in place. However, we are committed to advancing workforce inclusion and are actively exploring initiatives aligned with the Gender Equality Act, 2020.

As part of our ongoing efforts, we are considering the development of measurable targets and reporting mechanisms to support transparency and continuous improvement.

We acknowledge the importance of tracking progress and will provide updates as our initiatives evolve.

In the interim, we welcome feedback and remain committed to fostering an inclusive and equitable workplace.

## OCCUPATIONAL HEALTH & SAFETY

Kerang District Health remains resolute in focusing on the safety culture across the organisation. Guided by the KDH Risk Management Framework, the systematic approach is enhanced by a simplified auditing process, Incident management system complemented with staff friendly Hazard / Risk assessment tools and Risk Assessment Tool / Action plans that feeds into the Quality and Risk Management System.

Reporting systems and communication flow continues to be refined to deliver transparent and meaningful data to all staff/Volunteers/Patients/Residents/ Participants across the organisation and community.

A strong focus has been on upskilling existing and new Health and Safety Representatives, engaging managers and staff with a simplified approach to increase safety knowledge, tools that assist in identification of Hazards, implementation of controls to mitigate risk of injury, moving towards reducing

the severity of injury to staff with the ultimate aim being an injury free workplace. Continuation of embedding safety process in existing policies, practices, audits, committee's and forums continues; this to assist moving towards a self-sustaining model that is not person or team dependant but rather an organisational safety culture practice.

A Monthly Staff Safety focus is produced for staff to be discussed at staff forums, to improve communication flow and dissemination of pertinent safety information. The New Monthly Managers Safety Focus is released each month to assist in compliance with the OH&S Act/Regulations and obligations in line with Victoria's workplace and safety regulator, WorkSafe Victoria. This new initiative is being trialled at this time and its effectiveness will be evaluated over the next financial year.

**Hilary Smith**  
**Occupational Health and Safety Coordinator**

<b>Occupational Health and Safety Statistics</b>	<b>2024-2025</b>	<b>2023-2024</b>	<b>2022-2023</b>
Number of reported hazards/incidents for the year per 100 FTE	11	32	61
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0	0.01	0.01
The average cost per WorkCover claim for the year	\$0	\$7,314.00	\$30,171.00

<b>Occupational Violence Statistics</b>	<b>2024-2025</b>
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.	12
Number of occupational violence incidents reported per 100 FTE	11.1
Percentage of occupational violence incidents resulting in a staff injury, illness or condition.	0
<p>The following definitions apply:</p> <p><b>Occupational violence</b> – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.</p> <p><b>Incident</b> – 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, an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.</p> <p><b>Accepted WorkCover claims</b> – Accepted WorkCover claims that were lodged in 2018-2019.</p> <p><b>Lost time</b> – is defined as greater than one day.</p> <p><b>Injury, illness or condition</b> – This includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.</p>	

# STATEMENT OF PRIORITIES 2024-2025

## Part A: Strategic Priorities

Goals/Strategies	Collaborative Regional Deliverables	Local KDH Outcomes and Progress
<b>Specific 2024-2025 Priorities</b>		
<b>Excellence in Clinical Governance</b>		
<p><b>MA2</b> Strengthen all clinical governance systems, as per the Victorian Clinical Governance Framework, to ensure safe, high-quality care, with a specific focus on building and maintaining a strong safety culture, identifying, reporting, and learning from adverse events, and early, accurate recognition and management of clinical risk to and deterioration of all patients.</p>	<p>Improve paediatric patient outcomes by implementing the “ViCTOR track and trigger” observation chart and escalation system whenever children have observations taken.</p>	<p><b>Status: Achieved</b> ViCTOR track and trigger observation chart is in place at KDH with regular monitoring and system improvements as required</p>
<p><b>MA9</b> Maintain a commitment to delivering equitable access to planned surgery and drive reform in alignment with the Planned Surgery Reform Blueprint.</p>	<p>Implement and deliver strategic initiatives that foster collaboration, improve timeliness of care and progress the blueprint reforms.</p>	<p><b>Status: Achieved</b> Previously engaged with theatre lists up until September 2024. Theatre currently closed until 20 May 2025 due to RHIF building works. Theatre re-opened in the third week of May 2025 with 12 theatre lists comprising of general surgery, urology and dental being achieved before 30 June 2025 which is a huge accomplishment.</p>
<b>Operate within Budget</b>		
<p><b>MB1</b> Develop and implement a health service Budget Action Plan (BAP) in partnership with the Department to manage cost growth effectively to ensure the efficient operation</p>	<p>Deliver on the key initiatives as outlined in the Budget Action Plan.</p> <p>Utilise data analytics and performance metrics to identify areas of inefficiency and waste</p>	<p><b>Status: Achieved</b> KDH has delivered on the Budget Action Plan with significant savings during the 2024-25 financial year. KDH has applied Lean Thinking methodology with reviewing systems and processes with pleasing outcomes</p> <p><b>Status: Ongoing</b> KDH remains paper-based on most aspects although is advancing the digital health</p>

<p>of the health service.</p>	<p>and make evidence-based decisions to improve financial sustainability and operational performance.</p>	<p>strategy with a proactive team who are embracing this welcome change.</p> <p>The introduction of cloud-based MagiQ financial system, MANAD aged care system with a finance component, ChefMax for allergies and dietary requirements and the transition from paper-based urgent care documentation on to the iPM system has improved efficiencies, patient and resident safety and enabled staff to better analyse data, identify trends and run reports.</p> <p>KDH has reduced the vehicle fleet and moved to hybrid vehicles; reviewed printing costs and increased shared service arrangements with other health services where it makes sense to do so.</p>
<p><b>Improving Equitable Access to Healthcare and Wellbeing</b></p>		
<p><b>MC2, MC3</b> 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.</p>	<p>Promote a culturally safe welcoming environment with Aboriginal cultural symbols and spaces demonstrating, recognising, celebrating and respecting Aboriginal communities and culture.</p>	<p><b>Status: Ongoing</b></p> <p>During the year, there has been much work done throughout the Loddon Mallee Health Network with the implementation of the Blak Butterfly Cultural Framework for Emergency Departments and Urgent Care Centres.</p> <p>At KDH we have been working on a co-design project developing an Acknowledgement to Country Plaque for the main entrance of the hospital. This work is a credit to Pearl Dunn and the Kirby family as a loving legacy to Auntie Esther Kirby, highly respected Aboriginal Elder and former KDH Aboriginal Liaison Officer.</p> <p>In May, KDH also hosted an Aboriginal Artist – Robyn Davis to unveil her artworks chosen by Glenarm residents during the Easter Rotary Art Show. The paintings are proudly displayed in the Urgent Care waiting area and the new Mothers Room.</p>
<p><b>MC4</b> Expand the delivery of high-quality cultural safety training for all staff to align with the Aboriginal and Torres Strait Islander cultural safety framework. This training should be delivered by independent, expert, community-controlled organisations or a Kinaway or Supply Nation certified Aboriginal business.</p>	<p>Implement mandatory cultural safety training and assessment for all staff in alignment with the Aboriginal and Torres Strait Islander cultural safety framework, and developed and/or delivered by independent, expert, and community-controlled organisations, Kinaway or Supply Nation certified Aboriginal businesses.</p>	<p><b>Status: Ongoing</b></p> <p>KDH has been consistently engaging in Cultural Awareness training and Cultural Safety training with all Board Directors completing Cultural Awareness training through CAT Online by 30 June 2025. CEO, Executive and Senior Management along with some Departmental Managers have completed Weenthunga Cultural Training and will continue to train staff embracing new methods of training as they become available</p>

A Stronger Workforce		
<p><b>MD1</b> Improve employee experience across four initial focus areas to assure safe, high-quality care: leadership, health and safety, flexibility, and career development and agility.</p>	<p>Deliver programs to improve employee experience across four initial focus areas: leadership, safety and wellbeing, flexibility, and career development and agility.</p> <p>Implement and/or evaluate new/expanded programs that uplift workforce flexibility such as a flexibility policy for work arrangements.</p>	<p><b>Status: Achieved</b> KDH has developed a KDH participates in the Murray Leadership Program every year with 1-2 staff participating each year. KDH has a high level of education and training options which are regularly offered to staff across the organisation. Change Management training was completed in July 2024 for all Exec and Department Heads along with a two-day Crucial Conversations training in June 2025. KDH has formalised a robust Orientation Day for new starters during the year</p> <p><b>Status: Achieved</b> KDH has a Flexible Working Arrangements Policy in place. This is incorporated into My Employment Plans annually.</p>
Moving from Competition to Collaboration		
<p><b>ME1</b> Partner with other organisations (e.g., community health, ACCHOs, PHNs, General Practice, and private health) to drive further collaboration and build a more integrated system.</p>	<p>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.</p>	<p><b>Status: Achieved</b> Kerang District Health is one of seven founding health services and members of an innovative program called Connecting the Docs which commenced in September 2023. NDCH is also a founding health service member. In collaboration with the other health service CEO's and Chief Medical Officers; there is a strong partnership addressing medical workforce challenges and improving health care through mutually respectful relationships with a shared vision. Through Connecting the Docs specifically, the team of seven health services along with the Program Director engage regularly with industry partners such as the Murray PHN, RACGP, RWAV, GPSA, ACRRM, VRGP and the Department of Health to work together on strategies to address challenges in rural and regional areas. KDH is also a founding member and active participant in the long-standing Buloke, Loddon, Gannawarra Health and Wellbeing Executive Group which meets quarterly and the Gannawarra Leaders Agency Meeting partnership work. Strategic and operational planning has been a big focus during the year. KDH is also a proud member of the Gannawarra Community Resilience Committee and the Elders and Emerging Leaders Meeting. KDH works closely with Northern District Community Health and neighbouring health services to collaborate</p>

	on system improvement and strengthen respectful and collaborative relationships to achieve optimal patient, client and resident outcomes.
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## Part B: Performance Priorities

### High Quality and Safe Care

Key Performance Measure	Target	Actual
<b>Infection Prevention and Control</b>		
Percentage of healthcare workers immunised for influenza	94%	<b>95%</b>
<b>Adverse Events</b>		
Percentage of reported sentinel event for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event.	All RCA reports submitted within 30 business days	<b>nil</b>
<b>Aged Care</b>		
Public Sector residential aged care services overall star rating	Minimum rating of 3 stars	<b>100%</b>
<b>Patient Experience</b>		
Percentage of patients who reported positive experiences of their hospital stay	95%	<b>100%</b>
<b>Aboriginal Health</b>		
The gap between the number of Aboriginal patients who discharged against medical advice compared to non-aboriginal patients	0%	<b>0%</b>

*Disclaimer: The data included in this annual report was accurate at the time of publication and is subject to validation by official sources from the Department of Health.*

## Part C: Activity & Funding

### Kerang District Health funding summary for 1 July 2024 – 30 June 2025

Funding Type	2024-25 Activity achievement
Small Rural	-
Small rural acute	13
Small rural primary health & HACC	2,922
Small rural residential care	10,848
Small rural health workforce	2
Small rural other specified funding	-

## Strong Governance, Leadership and Culture

Key performance measure	Target	Actual
<b>Organisational Culture</b>		
People Matter Survey – Percentage of staff with an overall positive response to safety culture questions	80%	<b>73%</b>

## Effective Financial Management

Key performance measure	Target	2024-2025
<b>Finance</b>		
Operating result (\$m)	As agreed in SoP	.235
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	Achieved

*Disclaimer: The data included in this annual report was accurate at the time of publication and is subject to validation by official sources from the Department of Health.*

## FINANCIAL INFORMATION

KDH's financial and strategic objective is to provide the necessary resources to achieve activity levels, address essential capital needs and ensure cash sustainability. KDH achieved a small surplus for the 2024 Financial Year as a result of continued cash support from the Department of Health.

### SUMMARY OF FINANCIAL RESULTS

	2025	2024	2023	2022	2021
	\$000	\$000	\$000	\$000	\$000
<b>OPERATING RESULT</b>	235	100	310	113	223
Total revenue	22,609	19,761	18,249	16,704	15,883
Total expenses	21,755	20,039	18,883	17,662	16,843
<b>Net results from transactions</b>	854	-278	-636	-956	-900
Total other economic flows	187	259	-80	128	60
<b>Net results</b>	1,041	-19	-716	-828	-900
Total assets	83,347	78,964	41,492	43,007	39,896
Total liabilities	11,592	8,250	6,708	7,507	7,023
<b>Net assets/Total equity</b>	71,755	70,714	34,784	35,500	32,873

### RECONCILIATION OF NET RESULT FROM TRANSACTIONS AND OPERATING RESULT

	2024-2025
<b>Net operating result</b>	235
Capital purpose income	3,411
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 2025	
Assets provided free of charge	
Assets received free of charge	
Expenditure for capital purpose	
Depreciation and amortisation	(2,792)
Impairment of non-financial assets	
Finance costs (other)	
<b>Net result from transactions</b>	854

## CONSULTANCIES

### Details of consultancies (under \$10,000)

In 2024-2025, there were ten consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2024-2025 in relation to these Consultancies is \$32,585 (excl. GST).

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

In 2024-2025, there was three consultancies where the total fees payable to the consultant was \$10,000 or greater. The total expenditure incurred during 2024-2025 in relation to this consultancy is \$44,830 (excl. GST).

Consultant	Purpose of Consultant	Start Date	End Date	Total approved project fee (excluding GST)	Expenditure 2024-2025 (excluding GST)	Future expenditure (excluding GST)
CHAMBERLIN SANDRA MARY	Radiology (Medical Imaging) Services Review	14.04.25	01.06.25	\$10,000	\$10,000	\$0
Crucial Dimensions	Crucial Conversations training for Department Heads	12.06.25	19.06.25	\$ 15,750	\$15,750	\$0
Law Compliance	Audit of Legislative compliance across the organisation	01.06.25	30.06.25	\$19,080	\$19,080	\$0

## GOVERNMENT ADVERTISING CAMPAIGN

Nil reports.

## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) DISCLOSURE

The total ICT expenditure incurred during 2024-2025 is \$516,532 (excluding GST) with the details shown below

Business as Usual (BAU) ICT Expenditure	Non-Business as Usual (non-BAU) ICT Expenditure		
	Total = Operational expenditure and Capital Expenditure (excluding GST) (a)+(b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
\$513,483	3,048	-	3,048

## SOCIAL PROCUREMENT

Social Procurement creates an opportunity for KDH to deliver social and sustainable outcomes that help to build a fair, inclusive and sustainable Victoria through all procurement activities undertaken by, or on behalf of the Health Service.

KDH's Social Procurement Strategy is committed to advancing social and sustainable procurement objectives through procurement in accordance with the Social Procurement Framework.

All procurement activities undertaken by, or on behalf of Kerang District Health aim to support regional Small Medium Enterprises (SMEs) that play a critical role in the sustainability of the region's economy and its community. KDH continues to implement the Government's objectives as part of normal market procurement activities and engage with a number of Social Benefits Suppliers.

KDH will continue to identify and engage in opportunities to improve our spend with social benefit suppliers

### Social Procurement Activity

	2024-2025	2023-2024	2022-2023
<b>Total Number of suppliers</b>	395	409	-
<b>Total Spend with suppliers</b>	8,252,408	6,649,000	-
<b>Social Benefit suppliers</b>	3	2	-
<b>Total spent with social benefit suppliers</b>	15,568	6,649	-
<b>Number of Aboriginal businesses engaged</b>	1	1	-
<b>Total expenditure with Victorian Aboriginal businesses (excl. GST)</b>	2,031	3,828	-

## REVIEWS AND STUDY EXPENSES – NOT APPLICABLE

Name of the review (portfolio) and outputs/agency responsible	Reason for review/study	Terms of reference/scope	Anticipated outcomes	Estimate const the year (excl GST)	Final cost if completed (excl GST)	Publicity available and URL
N/A						

## GRANTS AND TRANSFER PAYMENTS

Kerang District Health has provided assistance to certain companies and organisations. Financial assistance provided in 2024-25 was as follows:

Organisation	Payment \$
Cycling without Ageing	\$ 1,595.00
Kerang Technical High School Bursary Award	\$ 500.00

# DISCLOSURES

## **FREEDOM OF INFORMATION (FOI)**

The Freedom of Information (FOI) Act gives you the right to request information and access your medical record and, in certain cases, our activities.

FOI requests from the public can be made on a KDH FOI application form available from our website. FOI requests are to be forward to [foi@kdh.org.au](mailto:foi@kdh.org.au). FOI fees apply, application fee \$32.70, search fee \$20.00 and photocopying of 20 cents per page.

The Chief Executive Officer is the Principal Officer to whom all requests should be forwarded.

During 2024-25, Kerang District Health received 21 applications. Of these requests, 0 were from Members of Parliament, 0 from the media and the remainder from the general public.

Kerang District Health made 21 FOI decisions during the 12 months ended 30 June 2025

There were 21 decisions made within the statutory time periods. Of the decisions made outside time, 0 was made within a further 45 days and 0 decisions were made in greater than 45 days.

Of the total decision made, 19 granted access to documents in full, 0 granted access in part and 0 denied access in full. 0 decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant.

Of requests finalised, the average number of days under the statutory time (including extended timeframes) to decide the request was 28 days.

During 2024-25, 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).

Further information regarding FOI can be found on the Office of Victorian Information Commissioners Website [www.foi.vic.gov.au](http://www.foi.vic.gov.au) or email [enquiries@ovic.vic.gov.au](mailto:enquiries@ovic.vic.gov.au)

## **BUILDING ACT 1993**

This Act sets standards for the construction of new buildings and for the maintenance of existing buildings. It includes provisions to protect the safety and health of building users, and cost-effective construction is encouraged. All building work carried out during 2024-2025 complies with current Building Standards and to the best of our knowledge, the Health Service complies with

building and maintenance provisions as per the Act. Kerang District Health does not own or control any government buildings and is exempt from notifying its compliance with the building and maintenance provisions of the Act.

## **PUBLIC INTEREST DISCLOSURES ACT 2012**

Kerang District Health has policies and procedures consistent with the requirements of the Public Interest Disclosures 2012 which supports staff to disclose improper or corrupt conduct within the health service. During 2024-2025 there were no disclosures made to Kerang District Health under the Act.

## **LOCAL JOBS FIRST ACT 2003**

No projects undertaken by Kerang District Health during 2024-25 met the threshold for Local Jobs First Policy application. As such, no Local Industry Development Plans were required or submitted.

## **REVIEW AND STUDY EXPENSES**

In 2024-2025 there were no reviews or study expenses that were required to be disclosed.

## **NATIONAL COMPETITION POLICY**

Kerang District Health complies with the requirements of the National Competition Policy and the Victorian Government policy statement, Competitive Neutrality Policy Victoria and subsequent reforms.

## **CARERS RECOGNITION ACT 2012**

Kerang District Health has taken all practical measures to comply with its obligations under the Act. These include:

- considering the care relationships principles set out in the Act when setting policies and providing services (e.g., reviewing our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act, developing a satisfaction survey for distribution at assessment and review meetings between workers, carers and those receiving care)
- implementing priority actions in Recognising and supporting Victoria's carers: Victorian carer strategy 2018-22.

## **SAFE PATIENT CARE ACT 2015**

Kerang District Health has no matters to report in relation to its obligations under section 40 of the Safe Patient Care Act 2015 for the year.

## **GENDER EQUALITY ACT 2020**

Kerang District Health continues to make progress around the actions outlined in the KDH Gender Equality Plan and as per the legislative requirements. Work is progressing with Gender Impact Assessments for all new services, alterations and changes across the organisation to case a 'gender lens'.

## **ADDITIONAL INFORMATION AVAILABLE ON REQUEST**

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

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

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates, and levies charged by the entity;
- details of any major external reviews carried out on the entity;

- details of major research and development activities undertaken by the entity;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- details of all consultancies and contractors including:
  - (i) consultants/contractors engaged;
  - (ii) services provided; and
  - (iii) expenditure committed to for each engagement

This information is available on request from:

Chief Executive Officer

Phone: (03) 5450 9200

Email: [contact@kdh.org.au](mailto:contact@kdh.org.au)

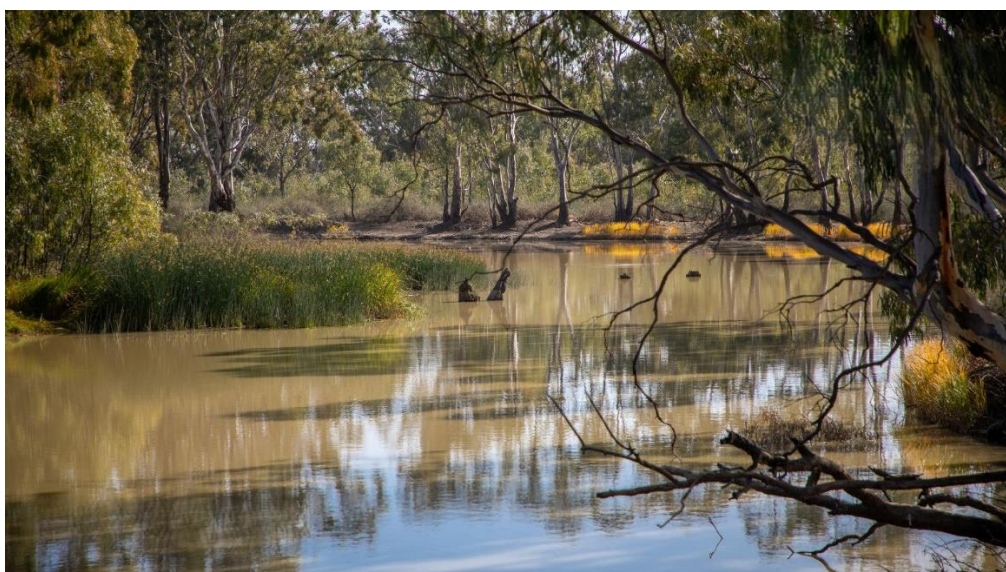
# ENVIRONMENTAL PERFORMANCE

All Victorians have a role to play in making Victoria a more sustainable state for future generations and protecting our reputation as one of the world's most liveable places.

Responding to this challenge, Kerang District Health has made a commitment to making the environment central to our planning, operations and policy decisions and reducing our environmental impacts by adopting an environmental policy, and monitoring and reporting our achievements.

Kerang District Health aims to minimise the environmental impacts associated with our operations to the greatest extent possible and seek continual improvement in the management of our environmental effects. In addition, we continue to integrate the concept of sustainable development into all our business operations and to pursue a vision of sustainability to achieve a fairer, safer and healthier world.

<b>Environmental impacts &amp; Energy Usage</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>
<b>Energy Use</b>				
Electricity (MWh)	962	1,017	1,127	1055
Liquefied Petroleum Gas (KL)	44	50	24	31
<b>Carbon emissions (tonnes of CO2e)</b>				
Electricity	944	864	741	697
Liquefied Petroleum Gas	78	77	52	74
Total emissions	1,022	942	985	771
<b>Water use (KL)</b>				
Potable Water (in '000s)	9,801	7123	12,389	14,362
<b>Factors influencing environmental impacts</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>	<b>2024-2025</b>
Floor area (m2)	4,445	4,445	5,374	5374
Separations	1,042	1,237	1,258	1,069
Inpatient Bed Days	2,704	3,223	2,859	2,488
Aged Care Bed Nights	10,618	10,185	10,897	8,109



**Pictured:** the glorious Loddon River

# ATTESTATIONS

## Financial Management Compliance

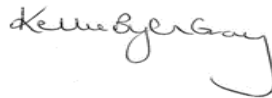
I, Andrew Jeffreys, on behalf of the Responsible body, certify that Kerang District Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Andrew Jeffreys, Board Chair, Kerang District Health, 30<sup>th</sup> June 2025

## Integrity, Fraud and Corruption

I, Kellie Byron-Gray, certify that Kerang District Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at Kerang District Health during the year.



Kellie Byron-Gray, Chief Executive Officer, Kerang District Health, 30<sup>th</sup> June 2025

## Data Integrity

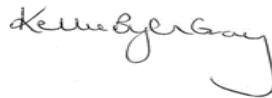
I, Kellie Byron-Gray, certify that Kerang District Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Kerang District Health has critically reviewed these controls and processes during the year.



Kellie Byron-Gray, Chief Executive Officer, Kerang District Health, 30<sup>th</sup> June 2025

## Compliance with Health Share Victoria (HSV) Purchasing Policies


I, Kellie Byron-Gray, certify that Kerang District Health 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.



Kellie Byron-Gray, Chief Executive Officer, Kerang District Health, 30<sup>th</sup> June 2025

## Conflict of Interest

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



Kellie Byron-Gray, Chief Executive Officer, Kerang District Health, 30<sup>th</sup> June 2025

# DISCLOSURE INDEX

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

Legislation	Requirement	Page
<b>STANDING DIRECTIONS AND FINANCIAL REPORTING DIRECTIONS</b>		
<b>Report of Operations</b>		
<b>Charter and purpose</b>		
FRD 22	Manner of establishment and the relevant ministers	3
FRD 22	Purpose, functions, powers and duties	3
FRD 22	Nature and range of services provided	4
FRD 22	Activities, programs and achievements for the reporting period	
FRD 22	Significant changes in key initiatives and expectations for the future	
<b>Management and structure</b>		
FRD 22	Organisation structure	19
FRD 22	Workforce data/employment and conduct principles	20
FRD 22	Workforce inclusion policy	20
FRD 22	Occupational Health and Safety	20
<b>Financial and other information</b>		
FRD 22	Summary of the financial results for the year	26
FRD 22	Significant changes in financial position during the year	26
FRD 22	Operational and budgetary objectives and performance against objectives	26
FRD 22	Subsequent events -	Refer to Financial Statements
FRD 22	Details of consultancies under \$10,000	27
FRD 22	Details of consultancies over \$10,000	27
FRD22	Disclosure of government advertising expenditure -	27
FRD 22	Disclosure of ICT expenditure	27
FRD22	Asset Management Accountability Framework	N/A
FRD 22	Disclosure of emergency procurement	N/A
FRD 22	Disclosure of social procurement activities under the Social Procurement Framework	28
FRD 22	Disclosure of procurement complaints	N/A
FRD 22	Disclosure of reviews and study expenses	28
FRD 22	Disclosure of grants and transfer payments	28
FRD 22	Application and operation for <i>Freedom of Information Act 1982</i>	29
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	29
FRD 22	Application and operation of <i>Public Interest Disclosure Act 2012</i>	29
FRD 22	Statement on national Competition Policy	N/A
FRD 22	Application and operation of <i>Carers Recognition Act 2012</i>	29
FRD 22	Additional information available on request	30
FRD 24	Environmental data reporting	31
FRD 25	Local Jobs First Act 2003 disclosures	N/A

## Compliance attestation and declaration

SD 5.1.4	Financial Management Compliance Attestation	32
SD 5.2.3	Declaration in Report of Operations	9
	Attestation on Data Integrity	32
	Attestation on managing Conflicts of Interest	32
	Attestation on Integrity, Fraud, and Corruption	32
	Compliance with Health Share Victoria (HSV) Purchasing Policies	32

## Other reporting requirements

Reporting of outcomes from Statement of Priorities 2024-2025	22
Occupational Violence reporting	20
Reporting obligations under the Safe Patient Care Act 2015	30
Reporting of compliance regarding Car Parking Fees (if applicable)	NA

## FINANCIAL STATEMENTS

### Declaration

SD 5.2.2	Declaration in financial statements
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### Other requirements under Standing Directions 5.2

SD 5.2.1 (a)	Compliance with Australian accounting standards and other authoritative pronouncements
SD 5.2.1 (a)	Compliance with Standing Directions
SD 5.2.1 (b)	Compliance with Model Financial Report

### Other disclosures as required by FRDs in notes to the financial statements <sup>(a)(b)</sup>

FRD 11	Disclosure of Ex gratia Expenses
FRD 103	Non-Financial Physical Assets
FRD 110	Cash Flow Statements
FRD 112	Defined Benefit Superannuation Obligations
FRD 114	Financial Instruments – general government entities and public non-financial corporations

## LEGISLATION

*Freedom of Information Act 1982 (Vic) (FOI Act)*

*Building Act 1993*

*Public Interest Disclosures Act 2012*

*Carers Recognition Act 2012*

*Local Jobs Act 2003*

*Financial Management act 1994 <sup>(b)</sup>*

## ADDITIONAL INFORMATION

In compliance with the requirements of FRD 22H Standard Disclosures in the Report of Operations, details in respect of the items listed below have been retained by Kerang District Health and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- Declarations of pecuniary interest have been duly completed by all relevant officers.
- Details of shares held by senior officers as nominee or held beneficially.
- Details of publications produced by the Health Service and how these can be obtained.

- (d) Details of changes in prices, fees, charges, rates and levies charged by the Health Service.
- (e) Details of any major external reviews carried out on the Health Service.
- (f) Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the Report of Operations or in a document that contains the financial statements and Report of Operations.
- (g) Details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- (h) Details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services.
- (i) Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- (j) General Statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the Report of Operations.
- (k) A list of major committees sponsored by the Health Service, the purpose of each committee and the extent to which the purposes have been achieved.
- (l) Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

This information is available on request from:

Chief Executive Officer

Phone: (03) 5450 9200

Email: [contact@kdh.org.au](mailto:contact@kdh.org.au)

# **FINANCIAL STATEMENTS**

**For the year ended  
30<sup>th</sup> June 2025**

# Independent Auditor's Report

## To the Board of Kerang District Health

<b>Opinion</b>	<p>I have audited the financial report of Kerang District Health (the health service) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2025</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including material accounting policy information</li> <li>• Board member's, accountable officer's and chief finance &amp; accounting officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2025 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and Australian Accounting Standards – Simplified Disclosures.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 <i>Code of Ethics for Professional Accountants (including Independence Standards)</i> (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.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the <i>Financial Management Act 1994</i>, 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.</p> <p>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.</p>

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**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  
1 October 2025

Simone Bohan  
*as delegate for the Auditor-General of Victoria*

# Kerang District Health

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2025 and the financial position of Kerang District Health at 30 June 2025.

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

We authorise the attached financial statements for issue on Tuesday, 23th September 2025.

### Board member



Andrew Jeffreys

Board Chair

Kerang

23 September 2025

### Accountable Officer



Kellie Byron-Gray

Chief Executive Officer

Kerang

23 September 2025

### Chief Finance & Accounting Officer



Kumbi Mutseriwa

Acting Chief Finance and  
Accounting Officer

Kerang

23 September 2025

**Kerang District Health**  
**Comprehensive Operating Statement**  
**For the Financial Year Ended 30 June 2025**

		2025	2024
	Note	\$	\$
<b>Revenue and income from transactions</b>			
Revenue from contracts with customers	2.1	4,369,788	4,271,168
Other sources of income	2.1	18,239,375	15,489,414
<b>Total revenue and income from transactions</b>		<b>22,609,163</b>	<b>19,760,582</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1(a)	14,664,526	14,246,255
Depreciation	4.1(a,b)	2,782,211	1,271,307
Other operating expenses	3.1(c)	4,308,573	4,521,542
<b>Total Expenses from transactions</b>		<b>21,755,310</b>	<b>20,039,104</b>
<b>Net result from transactions - net operating balance</b>		<b>853,853</b>	<b>(278,522)</b>
<b>Other economic flows included in net result</b>			
Net gain on sale of non financial assets		62,356	100,547
Net gain/(loss) on financial instruments		2,630	(3,215)
Other gain/(loss) from other economic flows		121,875	161,966
<b>Total other economic flows included in net result</b>		<b>186,861</b>	<b>259,298</b>
<b>Net result for the year</b>		<b>1,040,714</b>	<b>(19,224)</b>
<b>Other economic flows - other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in property, plant and equipment revaluation	4.1(a)	-	35,948,789
<b>Total other comprehensive income</b>		<b>-</b>	<b>35,948,789</b>
<b>Comprehensive result for the year</b>		<b>1,040,714</b>	<b>35,929,565</b>

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

**Kerang District Health**  
**Balance Sheet**  
**As at 30 June 2025**

	Note	2025 \$	2024 \$
<b>Financial Assets</b>			
Cash and cash equivalents	6.2	9,372,409	7,055,600
Receivables and Contract assets	5.1	2,695,805	1,794,805
<b>Total financial assets</b>		<b>12,068,214</b>	<b>8,850,405</b>
<b>Non-financial assets</b>			
Prepayments		50,014	59,740
Inventories		87,190	81,665
Property, plant and equipment	4.1(a,b)	71,141,438	69,971,911
<b>Total non-financial assets</b>		<b>71,278,642</b>	<b>70,113,316</b>
<b>Total assets</b>		<b>83,346,856</b>	<b>78,963,721</b>
<b>Liabilities</b>			
Payables	5.2	1,923,436	1,431,332
Borrowings	6.1	909,125	468,578
Employee benefits	3.1(b)	3,845,855	3,731,283
Other liabilities	5.3	4,913,901	2,618,703
<b>Total liabilities</b>		<b>11,592,317</b>	<b>8,249,896</b>
<b>Net assets</b>		<b>71,754,539</b>	<b>70,713,825</b>
<b>Equity</b>			
Revaluation surplus	SCE	50,173,357	50,173,357
Restricted specific purpose reserve	SCE	105,000	105,000
Contributed capital	SCE	19,456,003	19,456,003
Accumulated surplus	SCE	2,020,179	979,465
<b>Total equity</b>		<b>71,754,539</b>	<b>70,713,825</b>

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

**Kerang District Health**  
**Statement of Changes in Equity**  
**For the Financial Year Ended 30 June 2025**

	<b>Property, Plant and Equipment Revaluation Surplus</b>	<b>Restricted Specific Purpose Reserve</b>	<b>Contributed Capital</b>	<b>Accumulated Surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2023</b>	<b>14,224,568</b>	<b>105,000</b>	<b>19,456,003</b>	<b>998,689</b>	<b>34,784,260</b>
Net result for the year	-	-	-	(19,224)	(19,224)
Other comprehensive income for the year	35,948,789	-	-	-	35,948,789
<b>Balance at 30 June 2024</b>	<b>50,173,357</b>	<b>105,000</b>	<b>19,456,003</b>	<b>979,465</b>	<b>70,713,825</b>
Net result for the year	-	-	-	1,040,714	1,040,714
<b>Balance at 30 June 2025</b>	<b>50,173,357</b>	<b>105,000</b>	<b>19,456,003</b>	<b>2,020,179</b>	<b>71,754,539</b>

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

**Kerang District Health  
Cash Flow Statement  
For the Financial Year Ended 30 June 2025**

Note	2025 \$	2024 \$
<b>Cash Flows from operating activities</b>		
Operating grants from State Government	9,740,906	9,603,844
Operating grants from Commonwealth Government	4,688,248	4,552,203
Capital grants from State Government	3,340,183	761,260
Patient and resident fees received	2,816,927	2,645,313
Donations and bequests received	15,070	153,012
Interest and investment income received	372,292	260,121
Other receipts received	762,618	1,180,678
<b>Total receipts</b>	<b>21,736,244</b>	<b>19,156,431</b>
Employee expenses	(12,654,267)	(12,063,700)
Non salary labour costs	(2,134,764)	(1,898,864)
Payments for supplies and consumables	(686,064)	(804,357)
Other payments	(1,374,865)	(2,266,580)
GST received from/(paid to) ATO	(39,052)	(10,531)
<b>Total payments</b>	<b>(16,889,012)</b>	<b>(17,044,032)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>4,847,232</b>	<b>2,112,399</b>
<b>Cash Flows from investing activities</b>		
Purchase of non-financial assets	(4,068,025)	(818,659)
Proceeds from sale of property, plant and equipment	62,356	81,928
<b>Net cash flows from/(used in) investing activities</b>	<b>(4,005,669)</b>	<b>(736,731)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(27,119)	(27,122)
Repayment of accommodation deposits	(785,633)	(490,973)
Receipt of accommodation deposits	2,287,999	1,417,170
<b>Net cash flows from/(used in) financing activities</b>	<b>1,475,247</b>	<b>899,075</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>2,316,809</b>	<b>2,274,743</b>
Cash and cash equivalents at beginning of year	7,055,600	4,780,857
<b>Cash and cash equivalents at end of year</b>	<b>9,372,409</b>	<b>7,055,600</b>

6.2

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

## Structure

### **1.1 Basis of Preparation**

### **1.2 Material accounting estimates and judgements**

### **1.3 Reporting entity**

### **1.4 Economic dependency**

## **Note 1: About this Report**

These financial statements represent the financial statements of Kerang District Health for the year ended 30 June 2025.

Kerang District Health is a not-for-profit entity established as a public agency under the *Health Services Act 1998 (Vic)*. A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

This section explains the basis of preparing the financial statements.

### **Note 1.1: Basis of preparation**

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

Kerang District Health is a Tier 2 entity in accordance with FRD 101. These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. Kerang District Health's prior year financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards (Tier 1). As Kerang District Health is not a 'significant entity' as defined in FRD 101, it was required to change from Tier 1 to Tier 2 reporting effective from 1 July 2024.

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

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

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

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

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

The financial statements are 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 Kerang District Health on Monday, 29th September 2025.

**Note 1.2: 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 key estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

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

**Note 1.3: Reporting Entity**

The financial statements include all the controlled activities of Kerang District Health.

Its principal address is:

Burgoyne Street  
Kerang, Victoria 3579

**Note 1.4 Economic dependency**

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

**Note 2: Funding delivery of our services**

Kerang District Health's overall objective is to provide quality health services in the right setting by dedicated people with and for our community, as well as improve the quality of life to Victorians. Kerang District Health is predominantly funded by grant funding for the provisions of outputs. Kerang District Health also receives income from the supply of services.

**Structure:**

2.1 Revenue and income from Transactions

**Note 2.1 Revenue and income from transactions**

	Note	2025 \$	2024 \$
Revenue from contracts with customers	2.1(a)	4,369,787	4,271,168
Other sources of income	2.1(b)	18,239,375	15,489,414
<b>Total revenue and income from transactions</b>		<b>22,609,163</b>	<b>19,760,582</b>

**Note 2.1(a) Revenue from contracts with customers**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from contracts with customers</b>		
Government grants (State) - Operating	84,278	132,728
Government grants (Commonwealth) - Operating	851,939	920,769
Patient and resident fees	1,239,202	1,308,749
Private practice fees	1,695,137	1,346,035
Commercial activities	499,232	562,887
<b>Total revenue from contracts with customers</b>	<b>4,369,787</b>	<b>4,271,168</b>

**How we recognise revenue from contracts with customers**

**Government grants**

Revenue from government operating grants that are enforceable and contain sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15.

In contracts with customers, the 'customer' is the funding body, who is the party that promises funding in exchange for Kerang District Health's goods or services. Kerang District Health'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.

**Note 2.1(a) Revenue from contracts with customers (continued)**

This policy applies to each of Kerang District Health’s revenue streams, with information detailed below relating to Kerang District Health’s material revenue streams:

Government grant	Performance obligation
Department of Health grants linked to Statement of Priorities	Funding is received from the Department of Health that have performance obligations linked to the Statement of Priorities agreed upon between the health service and DoH. The performance obligation is a requirement to provide a stipulated number of services, contracts or hours of service delivery. Revenue is recognised over time as the services are delivered.
Commonwealth Residential Aged Care Grants	Funding is provided for the provision of care for aged care residents within facilities at Kerang District Health. The performance obligations include provision of residential accommodation and care from nursing staff and personal care workers. Revenue is recognised at the point in time when the service is provided within the residential aged care facilities.

**Patient and resident fees**

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

## Note 2.1(b) Other sources of income

	2025	2024
Note	\$	\$
Government grants (State) - Operating	9,656,628	9,471,116
Government grants (State) - Capital	3,340,183	761,260
Government grants (Commonwealth) - Operating	3,836,309	3,631,434
Non-cash contributions by Department of Health and Human Services	59,278	230,933
Other capital purpose income	101,994	131,522
Assets received free of charge or for nominal consideration	-	7,207
Other revenue from operating activities (inc. non-capital donations)	60,176	95,765
Interest	372,292	260,121
Share of revenue from joint venture	8.6 812,515	900,056
<b>Total other sources of income</b>	<b>18,239,375</b>	<b>15,489,414</b>

## How we recognise other sources of income

### Government grants

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

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

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

### Capital grants

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

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

**Note 2.1(c) Fair value of assets and services received free of charge or for nominal consideration**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Personal protective equipment and other	-	7,207
Non cash contribution from DH	59,278	230,933
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>59,278</b>	<b>238,140</b>

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

Contributions of assets received free of charge or for nominal consideration are recognised at their fair value when Kerang District Health 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 Kerang District Health as a capital contribution transfer.

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

The DH makes some payments on behalf of Kerang District Health as follows:

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

**Note 3: The cost of delivering our services**

This section provides an account of the expenses incurred by Kerang District Health 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 disclosed.

**Structure:**

3.1 Expenses Incurred in the delivery of services

**Note 3.1 Expenses incurred in the delivery of services**

	<b>2025</b>	<b>2024</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>
Employee expenses	14,664,526	14,246,255
Other operating expenses	4,308,573	4,521,542
<b>Total expenses incurred in the delivery of services</b>	<b>18,973,099</b>	<b>18,767,797</b>

### Note 3.1(a) Employee Expenses

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Salaries and wages	11,299,907	11,336,846
Defined contribution superannuation expense	1,228,613	1,158,960
Defined benefit superannuation expense	1,242	47,123
Agency expenses	859,506	502,004
Fee for service medical officer expenses	1,275,258	1,201,322
<b>Total</b>	<b>14,664,526</b>	<b>14,246,255</b>

#### How we recognise employee expenses

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

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

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

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

### Note 3.1(b) Employee-related provisions

	2025 \$	2024 \$
<b>Current provisions for employee benefits</b>		
Accrued days off	21,676	18,893
Annual leave	1,576,700	1,402,658
Long service leave	1,512,194	1,678,331
Provisions for on-costs	411,839	403,742
<b>Total current employee benefits and related on-costs</b>	<b>3,522,409</b>	<b>3,503,624</b>
<b>Non-current provisions for employee benefits</b>		
Long service leave	284,523	201,055
Provisions for on-costs	38,923	26,604
<b>Total non-current provisions for employee benefits</b>	<b>323,446</b>	<b>227,659</b>
<b>Total provisions for employee benefits</b>	<b>3,845,855</b>	<b>3,731,283</b>

#### How we recognise employee-related provisions

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

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

#### Annual leave and accrued days off

Liabilities for annual leave and accrued days off are recognised in the provision for employee benefits as current liabilities because Kerang District Health does not have an unconditional right to defer settlement of these liabilities.

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

- nominal value – if Kerang District Health expects to wholly settle within 12 months or
- present value – if Kerang District Health does not expect to wholly settle within 12 months.

#### Long service leave

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

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

### **Note 3.1(b) Employee-related provisions continued**

The components of this current LSL liability are measured at:

- nominal value – if Kerang District Health expects to wholly settle within 12 months; or
- present value – if Kerang District Health does not expect to wholly settle within 12 months.

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

#### **Provisions**

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

### Note 3.1(c) Other operating expenses

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Drug supplies	51,763	53,751
Medical and surgical supplies (including Prostheses)	221,783	291,295
Diagnostic and radiology supplies	73,536	115,549
Food Supplies	295,145	287,655
Other supplies and consumables	38,311	17,866
Low value lease expenses	45,677	27,984
Fuel, light, power and water	342,216	324,807
Domestic charges & linen	301,005	264,036
Repairs and maintenance	275,600	345,916
Maintenance contracts	618,561	212,776
Motor vehicle expenses	41,944	47,769
Medical indemnity insurance	101,683	147,802
Other administrative expenses	959,106	1,457,790
Share of expenditure from joint operations	942,243	926,546
<b>Total other operating expenses</b>	<b>4,308,573</b>	<b>4,521,542</b>

### How we recognise other operating expenses

#### Expense recognition

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

#### Supplies and consumables

Supplies and services costs which 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.

The following lease payments are recognised on a straight-line basis:

- low value leases – leases with the underlying asset’s fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

#### Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

The DH also makes certain payments on behalf of Kerang District Health. These amounts have been brought to account as grants in determining the operating result for the year by recording them as revenue and recording a corresponding expense.

**Note 4: Key Assets to support service delivery**

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

**Structure:**

- 4.1 Property, plant & equipment
- 4.2 Depreciation

#### Note 4.1 Property, plant and equipment

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Land at fair value	1,365,000	1,365,000	-	-	1,365,000	1,365,000
Buildings at fair value	67,022,500	66,604,000	(2,457,903)	-	64,564,597	66,604,000
Works in progress at cost	2,780,152	319,772	-	-	2,780,152	319,772
Plant, equipment at fair value	1,382,770	1,389,002	(1,050,828)	(995,710)	331,942	393,292
Motor vehicles at fair value	829,910	871,888	(315,329)	(428,166)	514,581	443,722
Medical equipment at fair value	2,577,243	1,819,244	(1,355,344)	(1,249,715)	1,221,899	569,529
Non Medical equipment at fair value	796,655	686,072	(583,294)	(525,412)	213,361	160,660
Furniture and fittings at fair value	288,392	238,786	(138,486)	(122,851)	149,906	115,935
<b>Total property, plant and equipment</b>	<b>77,042,622</b>	<b>73,293,764</b>	<b>(5,901,184)</b>	<b>(3,321,854)</b>	<b>71,141,438</b>	<b>69,971,911</b>

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

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

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

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

	Land	Buildings	Building works in progress	Plant & equipment	Motor vehicles	Medical Equipment	Non Medical Equipment	Furniture & Fittings	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>	<b>2,382,065</b>	<b>30,660,594</b>	<b>77,440</b>	<b>426,959</b>	<b>143,766</b>	<b>324,140</b>	<b>6,543</b>	<b>42,224</b>	<b>34,063,731</b>
Additions	-	-	242,332	69,051	410,511	294,920	177,862	83,120	1,277,796
Disposals	-	-	-	-	(47,098)	-	-	-	(47,098)
Revaluation increments/(decrements)	(1,017,065)	36,965,854	-	-	-	-	-	-	35,948,789
Depreciation	-	(1,022,448)	-	(102,717)	(63,456)	(49,531)	(23,745)	(9,410)	(1,271,307)
<b>Balance at 30 June 2024</b>	<b>1,365,000</b>	<b>66,604,000</b>	<b>319,772</b>	<b>393,293</b>	<b>443,723</b>	<b>569,529</b>	<b>160,660</b>	<b>115,934</b>	<b>69,971,911</b>
Additions	-	418,500	2,460,380	111,749	219,207	697,999	110,583	49,607	4,068,025
Disposals	-	(46,385)	-	(6,233)	(63,669)	-	-	-	(116,287)
Depreciation	-	(2,411,518)	-	(166,867)	(84,680)	(45,629)	(57,882)	(15,635)	(2,782,211)
<b>Balance at 30 June 2025</b>	<b>1,365,000</b>	<b>64,564,597</b>	<b>2,780,152</b>	<b>331,942</b>	<b>514,581</b>	<b>1,221,899</b>	<b>213,361</b>	<b>149,906</b>	<b>71,141,438</b>

Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that the movements were not material (less than or equal to 10%). As such, an independent revaluation was not required per FRD 103. In accordance with FRD 103, Kerang District Health has elected to apply the practical expedient in FRD 103 Non-Financial Physical Assets and has therefore not applied the amendments to AASB 13 Fair Value Measurement. The amendments to AASB 13 will be applied at the next scheduled independent revaluation, which is planned to be undertaken in 2029, in accordance with Kerang District Health's revaluation cycle, or at the next interim valuation, whichever is earlier.

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

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

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Buildings at fair value	418,500	174,141	(46,385)	(174,141)	372,115	-
Plant, equipment and vehicles at fair value	635,104	610,805	(120,525)	(167,083)	514,579	443,722
<b>Total right-of-use assets</b>	<b>1,053,604</b>	<b>784,946</b>	<b>(166,910)</b>	<b>(341,224)</b>	<b>886,694</b>	<b>443,722</b>

**Reconciliations of the carrying amounts of each class of asset**

	Plant, equipment		Total \$'000
	Buildings \$'000	and vehicles \$'000	
<b>Balance at 1 July 2024</b>	-	<b>443,722</b>	<b>443,722</b>
Additions	418,500	219,207	637,707
Disposals	(174,141)	(101,791)	(275,932)
Depreciation	127,756	(46,559)	81,197
<b>Balance at 30 June 2025</b>	<b>372,115</b>	<b>514,579</b>	<b>886,694</b>

## **Note 4.1 (b): Reconciliations of the carrying amount by class of asset (continued)**

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

#### **Initial recognition**

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

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 3.1(c) for further information) the contract gives rise to a right-of-use asset and corresponding lease liability.

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

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

#### **Subsequent measurement**

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use assets 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.

Kerang District Health has applied the exemption permitted under FRD 104 Leases, consistent with the optional relief in AASB 16.Aus25.1. Under this exemption, Kerang District Health is not required to apply fair value measurement requirements to right-of-use assets arising from leases with significantly below-market terms and conditions, where those leases are entered into principally to enable the entity to further its objectives.

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 7.3.

### **Note 4.1(c): Impairment of property, plant and equipment**

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

## Note 4.2 Depreciation

### How we recognise depreciation

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

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

### Useful lives of non-current assets

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

	2025	2024
<b>Buildings</b>		
- Structure Shell Building Fabric	50 years	50 years
- Site Engineering Services and Central Plant	40 years	33 years
<b>Central Plant</b>		
- Fit out	20 to 25 years	20 to 25 years
- Trunk Reticulated Building Systems	25 years	25 years
Plant and Equipment	4 to 25 years	4 to 25 years
Medical Equipment	7 to 10 years	4 to 10 years
Computer and Communication	4 to 10 years	2.5 to 10 years
Furniture and Fittings	10 to 20 years	4 to 20 years
Motor Vehicles	5 to 10 Years	5 to 10 Years

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

## **Note 5: Other Assets and Liabilities**

This section set out those assets and liabilities that arose from Kerang District Health's operations.

### **Structure:**

- 5.1 Receivables and contract assets
- 5.2 Payables
- 5.3 Other liabilities

## Note 5.1 Receivables

Notes	2025 \$	2024 \$
<b>Current receivables</b>		
<b>Contractual</b>		
Inter hospital debtors	420,749	70,025
Trade receivables	69,085	69,703
Patient fees	229,265	111,853
Contract assets-state government	-	67,370
Amounts receivable from governments and agencies	82,182	-
Receivables from jointly controlled operations	408,394	121,995
<i>Less allowance for impairment losses of contractual receivables</i>	<i>(4,465)</i>	<i>(7,415)</i>
<b>Total contractual receivables</b>	<b>1,205,210</b>	<b>433,531</b>
<b>Statutory</b>		
GST receivable	105,090	66,038
<b>Total statutory receivables</b>	<b>105,090</b>	<b>66,038</b>
<b>Total current receivables</b>	<b>1,310,300</b>	<b>499,568</b>
<b>Non-current receivables</b>		
<b>Contractual</b>		
Long service leave - Department of Health	1,385,505	1,295,237
<b>Total non-current receivables</b>	<b>1,385,505</b>	<b>1,295,237</b>
<b>Total receivables</b>	<b>2,695,805</b>	<b>1,794,805</b>
<i>(i) Financial assets classified as receivables and contract assets</i>		
Total receivables	2,191,655	1,794,805
GST receivable	105,090	66,038
<b>Total financial assets classified as receivables</b>	<b>7.1 2,296,745</b>	<b>1,860,844</b>

## **Note 5.1 Receivables (continued)**

### **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.

## Note 5.2 Payables and contract liabilities

	Note	2025 \$	2024 \$
<b>Current payables</b>			
<b>Contractual</b>			
Trade creditors		556,047	116,243
Trade creditors - Department of Health		42,072	42,072
Accrued salaries and wages		448,325	480,793
Accrued expenses		73,626	112,507
Inter hospital creditors		39,431	-
Payables from jointly controlled operations	8.6	763,936	679,717
<b>Total contractual payables</b>		<b>1,923,436</b>	<b>1,431,332</b>
<b>Total current payables and contract liabilities</b>		<b>1,923,436</b>	<b>1,431,332</b>
<i>(i) Financial liabilities classified as payables (Note 7.1)</i>			
Total payables		1,923,436	1,431,332
Deposits		(39,431)	-
<b>Total financial liabilities classified as payables</b>	7.1	<b>1,884,005</b>	<b>1,431,332</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 Kerang District Health 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 5.3 Other liabilities

	2025	2024
Note	\$	\$
<b>Current monies held in trust</b>		
- Accommodation Bonds	4,913,901	2,618,703
<b>Total current monies held in trust</b>	<b>4,913,901</b>	<b>2,618,703</b>
<b>Total other liabilities</b>	<b>4,913,901</b>	<b>2,618,703</b>
<b>Represented by:</b>		
- Cash assets	6.2 4,913,901	2,618,703
	<b>4,913,901</b>	<b>2,618,703</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 the Kerang District Health Service upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home.

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

## Note 6: How we finance our operations

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

## Note 6.1 Borrowings

Note	2025 \$	2024 \$
<b>Current borrowings</b>		
Lease liability <sup>(i)</sup>	172,546	93,767
<b>Total current borrowings</b>	<b>172,546</b>	<b>93,767</b>
<b>Non-current borrowings</b>		
Lease liability <sup>(i)</sup>	736,579	347,692
Advances from government <sup>(ii)</sup>	-	27,119
<b>Total non-current borrowings</b>	<b>736,579</b>	<b>374,811</b>
<b>Total borrowings</b>	<b>909,125</b>	<b>468,578</b>

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

<sup>ii</sup> These are unsecured loans which bear no interest.

### How we recognise borrowings

Borrowings refer to interest bearing liabilities raised from motor vehicle and medical equipment leases. Advances from the Department of Health and Human Services bear no interest.

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

**Note 6.1 Borrowings (continued)****Terms and conditions of borrowings**

	Weighted Average Interest Rate (%)	Maturity Dates						
		Carrying Amount \$	Nominal Amount \$	Less than 1 Month \$	1-3 Months \$	3 months - 1 Year \$	1-5 Years \$	Over 5 years \$
<b>30 June 2025</b>								
Lease liability	3.76%	909,125	909,125	-	-	172,546	643,579	93,000
<b>Total Financial Liabilities</b>		<b>909,125</b>	<b>909,125</b>	<b>-</b>	<b>-</b>	<b>172,546</b>	<b>643,579</b>	<b>93,000</b>
	Weighted Average Interest Rate (%)	Maturity Dates						
		Carrying Amount \$	Nominal Amount \$	Less than 1 Month \$	1-3 Months \$	3 months - 1 Year \$	1-5 Years \$	Over 5 years \$
<b>30 June 2024</b>								
Lease liability	3.76%	441,459	441,459	-	-	66,648	374,811	-
Advances from government	-	27,119	27,119	-	-	27,119	-	-
<b>Total Financial Liabilities</b>		<b>468,578</b>	<b>468,578</b>	<b>-</b>	<b>-</b>	<b>93,767</b>	<b>374,811</b>	<b>-</b>

## Note 6.1(a) Lease liabilities

Kerang District Health's lease liabilities are summarised below:

	2025 \$'000	2024 \$'000
Total undiscounted lease liabilities	909,125	441,459
<b>Net lease liabilities</b>	<b>909,125</b>	<b>441,459</b>

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

	2025 \$'000	2024 \$'000
Not longer than one year	172,546	126,023
Longer than one year but not longer than five years	643,579	315,436
Longer than five years	93,000	-
<b>Minimum future lease liability</b>	<b>909,125</b>	<b>441,459</b>
<b>Present value of lease liability</b>	<b>909,125</b>	<b>441,459</b>
<b>* Represented by:</b>		
- Current liabilities	172,546	93,767
- Non-current liabilities	736,579	347,692
	<b>909,125</b>	<b>441,459</b>

### How we recognise lease liabilities

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

To apply this definition, Kerang District Health ensures the contract meets the following criteria:

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

Kerang District Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased Property	9 years
Leased vehicles	3 years

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

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

The following low value and short term lease payments are recognised in profit or loss:

	<b>2025</b>	<b>2024</b>
	<b>\$'000</b>	<b>\$'000</b>
Expenses relating to leases of low-value assets	45,677	27,984
<b>Total amounts recognised as expense</b>	<b>45,677</b>	<b>27,984</b>

#### Initial measurement

The lease liabilities have been 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 Kerang District Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 2.38% and 3.12%.

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.

#### Subsequent measurement

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

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

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

### Leases with significantly below market terms and conditions

Kerang District Health holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. These are commonly referred to as concessionary lease arrangements. Kerang District Health measures its concessionary lease arrangements at cost, both initially and subsequently.

The nature and terms of such lease arrangements, including Kerang District Health's dependency on such lease arrangements is described below:

Description of lease	Our dependence on lease	Nature and terms of lease
Part of the land and buildings situated at 13-15 Burgoyne Street, Kerang, Vic 3579	The leased land and buildings is used by Austin Health to conduct its pathology laboratory.	Lease payments of \$1.00 are required per annum.
	Kerang District Health's dependence on this lease is considered low.	The lease was renewed in February 2024 and has a lease term of 3 years with an option to extend
	The land and buildings is recognised in Kerang District Health's property, plant and equipment at fair value.	Austin Health must use the leased area for its permitted use only. Kerang District Health retains the risk and rewards of the land and buildings.
The land and buildings situated at 78 Victoria Street, Kerang, Vic, 3579	The leased land and buildings is used by Kerang District Health. Kerang District Health's dependence on this lease is considered low.	Lease payments of \$104.00 are required per annum. The lease was renewed in May 2025 and has a lease term of 20 years. Kerang District Health must use the leased area for its permitted use only.

**Note 6.2 Cash and Cash Equivalents**

	<b>2025</b>	<b>2024</b>
<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
Cash on hand (excluding monies held in trust)	1,100	1,100
Cash at bank (excluding monies held in trust)	3,882,847	3,554,695
Cash in jointly controlled operations	574,561	881,102
<b>Total cash held for operations</b>	<b>4,458,508</b>	<b>4,436,897</b>
Cash at bank (monies held in trust)	4,913,901	2,618,703
<b>Total cash held as monies in trust</b>	<b>4,913,901</b>	<b>2,618,703</b>
<b>Total cash and cash equivalents</b>	<b>9,372,409</b>	<b>7,055,600</b>

## **Note 7: Risks, Contingencies & Valuation Uncertainties**

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

### **Structure:**

- 7.1 Financial Instruments
- 7.2 Contingent Assets and Contingent Liabilities
- 7.3 Fair value determination

## Note 7.1 Financial Instruments

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

<b>30 June 2025</b>		<b>Carrying amount</b>	<b>Net gain/ (loss)</b>	<b>Total interest income/ (expense)</b>	<b>Fee income/ (expense)</b>	<b>Impairment loss</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets at amortised cost</b>						
Cash and cash equivalents	6.2	9,372,409	-	372,292	-	-
Receivables	5.1	2,296,745	-	-	-	(4,465)
<b>Total financial assets<sup>i</sup></b>		<b>11,669,155</b>	<b>-</b>	<b>372,292</b>	<b>-</b>	<b>(4,465)</b>
<b>Financial liabilities at amortised cost</b>						
Payables	5.2	1,884,005	-	-	-	-
Borrowings	6.1	909,125	-	(17,167)	-	-
Other financial liabilities - Refundable Accommodation Deposits	5.3	4,913,901	-	-	-	-
<b>Total financial liabilities<sup>i</sup></b>		<b>7,707,031</b>	<b>-</b>	<b>(17,167)</b>	<b>-</b>	<b>-</b>

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

**Note 7.1 Financial Instruments (continued)**

<b>30 June 2024</b>		<b>Carrying amount</b>	<b>Net gain/(loss)</b>	<b>Total interest income/ (expense)</b>	<b>Fee income/ (expense)</b>	<b>Impairment loss</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Financial assets at amortised cost</b>						
Cash and cash equivalents	6.2	7,055,600	-	260,121	-	-
Receivables	5.1	1,860,844	-	-	-	(7,415)
<b>Total financial assets<sup>i</sup></b>		<b>8,916,443</b>	<b>-</b>	<b>260,121</b>	<b>-</b>	<b>(7,415)</b>
<b>Financial liabilities at amortised cost</b>						
Payables	5.2	1,431,332	-	-	-	-
Borrowings	6.1	468,578	-	(6,318)	-	-
Other financial liabilities - Refundable Accommodation Deposits	5.3	2,618,703	-	-	-	-
<b>Total financial liabilities<sup>i</sup></b>		<b>4,518,613</b>	<b>-</b>	<b>(6,318)</b>	<b>-</b>	<b>-</b>

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

## **Note 7.1 Financial Instruments (continued)**

### **How we categorise financial instruments**

#### Financial Assets at Amortised Cost

Financial assets are measured at amortised costs 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 Kerang District Health to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests on the principle amount outstanding on specific dates.

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

Kerang District Health recognises the following assets in this category:

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

#### 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.

Kerang District Health recognises the following liabilities in this category:

- payables (excluding statutory payables);
- borrowings (including lease liabilities); and
- accommodation bonds.

### **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

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

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

## **Note 7.1 Financial Instruments (continued)**

### **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, amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Kerang District Health's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

## **Note 7.2 Contingent Assets and Contingent Liabilities**

At the date of this report the Board are not aware of any Contingent Assets or Contingent Liabilities.

## **Note 7.3 Fair value determination**

### **How we measure fair value**

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

The following assets and liabilities are carried at fair value:

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

Kerang District Health determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

### **Fair value determination: non-financial physical assets**

*AASB 2010-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended *AASB 13 Fair Value Measurement* by adding Appendix F Australian Implementation Guidance for Not-for-Profit Public Sector Entities. Appendix F explains and illustrates the application of the principals in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation process (whichever is earlier).

### **Note 7.3 Fair value determination (continued)**

The last scheduled full independent valuation of all of Kerang District Health's non-financial physical assets was performed by VGV on 30 June 2024. The annual fair value assessment for 30 June 2025 using VGV indices does not identify material changes in value. In accordance with FRD 103, Kerang District Health will reflect Appendix F in its next scheduled formal revaluation on 30 June 2029 or interim revaluation process (whichever is earlier). All annual fair value assessments thereafter will continue compliance with Appendix F.

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

#### **Non-specialised land and non-specialised buildings**

Non-specialised land and non-specialised buildings are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

#### **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.

During the reporting period, Kerang District Health 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 and specialised buildings although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued.

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

For Kerang District Health, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation.

### Note 7.3 Fair value determination (continued)

#### Vehicles

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

#### 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 2025.

#### Significant assumptions

Description of significant assumptions applied to fair value measurement:

Asset class	Valuation technique	Significant assumption	Range (weighted average) <sup>(i)</sup>
Specialised Land	Market approach	Community Service Obligations Adjustments <sup>(ii)</sup>	20%
Specialised Buildings	Current replacement cost approach	- Cost per square metre - Useful life	\$8,217 - \$10,814/m <sup>2</sup> 10 - 50 Years
Vehicles	Current replacement cost approach	- Cost per unit - Useful life	\$35,000 - \$43,000 (\$38,900 per unit) 5 - 10 Years
Furniture, fittings, plant and equipment	Depreciated replacement cost approach	- Cost per unit - Useful life	\$5,200 - \$6,200 (\$5,700 per unit) 4 - 25 Years

<sup>(i)</sup> Illustrations on the valuation techniques and significant assumptions and unobservable inputs are indicate and should not be directly used without consultation with the health services independent valuer

<sup>(ii)</sup> A community service obligation (CSO) of 20% was applied to the Kerang District Health's specialised land.

## **Note 8: Other Disclosures**

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

### **Structure:**

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

## Note 8.1 Responsible persons disclosures

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

Period
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The Honourable Mary-Anne Thomas MP:	
Minister for Health	1 Jul 2024 - 30 Jun 2025
Former Minister for Health Infrastructure	1 Jul 2024 - 19 Dec 2024
Minister for Ambulance Services	1 Jul 2024 - 30 Jun 2025
The Honourable Lizzie Blandthorn MP:	
Minister for Children	1 Jul 2024 - 30 Jun 2025
Minister for Disability	1 Jul 2024 - 30 Jun 2025
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	1 Jul 2024 - 30 Jun 2025
Minister for Ageing	1 Jul 2024 - 30 Jun 2025
The Hon. Melissa Horne MP:	
Minster for Health Infrastructure	19 Dec 2024 - 30 Jun 2025
<b>Governing Boards</b>	
A Jeffreys ( Chair of the Board)	1 Jul 2024 - 30 Jun 2025
D Broad	1 Jul 2024 - 30 Jun 2025
M Iskov	1 Jul 2024 - 30 Jun 2025
J Norton	1 Jul 2024 - 30 Jun 2025
T Gruen	1 Jul 2024 - 30 Jun 2025
E Rayment	1 Jul 2024 - 30 Jun 2025
P Fernee	1 Jul 2024 - 30 Jun 2025
P Koetsveld	1 Jul 2024 - 30 Jun 2025
R Harrison	1 Jul 2024 - 30 Jun 2025
<b>Accountable Officers</b>	
K. Byron-Gray	1 Jul 2024 - 30 Jun 2025

**Note 8.1 Responsible persons (continued)**

**Remuneration of Responsible Persons**

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

	Total Remuneration	
	2025 No	2024 No
Income Band		
\$0 - \$9,999	9	9
\$160,000 - \$180,000	-	1
\$200,000 - \$210,000	1	-
<b>Total Numbers</b>	<b>10</b>	<b>10</b>
	2025 \$	2024 \$
<b>Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:</b>	<b>255,556</b>	<b>240,237</b>

Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report as disclosed in Note 8.3 Related Parties.

## Note 8.2 Remuneration of executives

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

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

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

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

	Total Remuneration	
	2025	2024
	\$	\$
Total remuneration <sup>i</sup>	571,276	483,400
Total number of executives	5	5
Total annualised employee equivalent <sup>ii</sup>	3.2	3.2

<sup>i</sup> The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Kerang District Healths under AASB 124 Related Party Disclosures and are also reported within Note 8.3 Related Parties.

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

### Note 8.3 Related parties

Kerang District Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the Health Service include:

- All key management personnel (KMP) and their close family members and personal business interests;
- Cabinet ministers (where applicable) and their close family members;
- Jointly controlled operation - A member of the LMRHA Alliance; and
- All health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

#### Significant Transactions with Government Related Entities

Kerang District Health received funding from the Department of Health of \$9,793,082 (2024: \$9,489,840) and indirect contributions of \$59,277 (2024: \$230,933). Balances outstanding as at 30 June 2025 are \$42,072 owing to the Department of Health (2024: \$156,076 owing to the Department of Health).

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

#### Key management personnel

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of Kerang District Health, directly or indirectly.

The Board of Directors, Chief Executive Officer and the Executive Directors of Kerang District Health are deemed to be KMPs. This includes the following:

<b>Entity</b>	<b>KMPs</b>	<b>Position Title</b>
Kerang District Health	Andrew Jeffrey	Chair of the Board
Kerang District Health	Deirdre Broad	Board Member
Kerang District Health	Melissa Iskov	Board Member
Kerang District Health	Jonathan Norton	Board Member
Kerang District Health	Edward Rayment	Board Member
Kerang District Health	Tory Gruen	Board Director
Kerang District Health	Paul Fernee	Board Director
Kerang District Health	Peter Koetsveld	Board Director
Kerang District Health	Renee Harrison	Board Director
Kerang District Health	Kellie Byron-Gray	CEO
Kerang District Health	Michelle Maritz	Director of Corporate Business
Kerang District Health	Katrina Sparrow	Director of Clinical Services
Kerang District Health	Cherie Bailey	Director of Finance (CFO)



**Note 8.3 Related parties (continued)**

2025	2024
\$	\$
<b>826,832</b>	<b>723,637</b>

**Compensation - KMPs<sup>i</sup>**

<sup>i</sup> KMPs are also reported in Note 8.1 Responsible Persons or Note 8.2 Remuneration of Executives.

**Transactions with KMPs and other related parties**

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector 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 Kerang District Health, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2025 (2024: none).

There were no related party transactions required to be disclosed for the Kerang District Health Board of Directors, Chief Executive Officer and Executive Directors in 2025 (2024: none).

**Note 8.4 Remuneration of auditors**

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Victorian Auditor-General's Office</b>		
Audit of the financial statements	33,500	32,300
<b>Total remuneration of auditors</b>	<b>33,500</b>	<b>32,300</b>

**Note 8.5 Events occurring after the balance sheet date**

There are no events occurring after the Balance Sheet date.

## Note 8.6 Joint arrangements

	Principal Activity	Ownership Interest	
		2025 %	2024 %
Loddon Mallee Rural Health Alliance	Information systems	4.57	4.90

For the year ended 30 June 2025, Kerang District Health's share of the joint operations financials was:

	2025 \$	2024 \$
Total revenue and income	812,515	900,056
Total expenses	(953,939)	(926,546)
Total net result	(141,424)	(26,490)
Total other economic flows	-	51,835
Comprehensive result for the year	<b>(141,424)</b>	<b>25,345</b>
Total assets	1,040,457	1,097,661
Total liabilities	(763,936)	679,717
Total equity	<b>276,521</b>	<b>417,943</b>

### Contingent liabilities and capital commitments

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