

ANNUAL REPORT 2023-2024



**Barwon
Health**



We, Barwon Health, acknowledge the Traditional Owners of the land, the Wadawurrung people of the Kulin Nation. We pay our respects to Elders past, present and emerging.

We thank the Traditional Owners for custodianship of the land and celebrate the continuing culture of the Wadawurrung people, acknowledging the memory of honourable ancestors.



At Barwon Health we recognise that members of the LGBTIQ+ community and their biological and chosen families have unique needs.

ALTERNATIVE FORMATS

Contact us if you need this information in an accessible format, please call 03 4215 1119 or email comms@barwonhealth.org.au. This document is also available in PDF format from our website www.barwonhealth.org.au/about-us/publications

Be Proud

Barwon Health is committed to LGBTIQ+ inclusion



VISION

BY 2050, EVERYONE IN OUR COMMUNITY ENJOYS THE BEST HEALTH AND WELLBEING IN VICTORIA.

MISSION

PROVIDE BEST CARE, EVERY PERSON, EVERY DAY, SO THAT EVERYONE FEELS BETTER.

VALUES

RESPECT

We respect the people we connect with.

COMPASSION

We show compassion for the people we care for and work with.

COMMITMENT

We are committed to quality and excellence in everything we do.

ACCOUNTABILITY

We take accountability for what we do and act with integrity.

INNOVATION

We drive innovation for better care.

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MESSAGE FROM THE BOARD CHAIR

I am pleased to present the 2023-2024 Barwon Health Annual Report. Returning to the role of chair after more than twenty years, I observed the significant changes that have occurred, with Barwon now a larger, more comprehensive and sophisticated health service.

However, staff are still “the heart of Barwon Health”. Every day I hear feedback about the care, compassion and commitment to excellence in all areas, including: cleaners and patient service assistants; doctors, nurses and other clinical staff; support and corporate staff. The dedication and resilience of our people continues to drive exceptional performance and notable achievements.

This year provided the opportunity for a significant catch-up of delayed treatment for our community following on from the COVID-19 pandemic. I am pleased to say that Barwon Health is now meeting all planned surgery targets for treatment in time.

We appreciate the increased commitment from Government which has supported the expansion of services and the establishment of new services this year. In addition, Government’s significant investment in the Barwon Women’s and Children’s project took a major step forward with the appointment of Built as the managing contractor for the main works.

Our commitment to excellence in healthcare, education, and research has been unwavering, and our results speak to the consistent focus of management at all levels, led by Frances Diver as Chief Executive and her executive leadership team.

We have sustained and enhanced our services, ensuring that our community continues to receive high-quality care. Our partnerships continue to expand, setting in place strong and sustainable foundations for the future.

We are an employer of choice for those passionate about a career in health, with a focus on leadership development, professional learning, continuous skill improvement and integrating research findings into clinical care.

The support of the Barwon Health Foundation has assisted us in advancing our mission. Their philanthropic efforts have enabled us to invest in critical projects, further enhancing our capacity to deliver the best healthcare services.

The year also brought changes to the Board. We farewelled Virginia Todd and welcomed Libby Mears and Shane Solomon. I would like to thank Virginia for her commitment over three terms as Board director.

As we reflect on the past year, we are aware of the challenges that lie ahead. With a strong foundation built on resilience, innovation, and collaboration, we are confident in our ability to continue delivering outstanding outcomes for our community.

On behalf of the Board, I extend my deepest gratitude to our staff, partners, and supporters for their unwavering commitment and hard work. Together, we will navigate these challenging times in the public sector.



A stylized, handwritten signature in white ink.

The Hon. Lisa Neville
Board Chair

MESSAGE FROM THE CHIEF EXECUTIVE

The 2023-2024 financial year has showcased the results of our dedicated efforts in recent years to expand services and open new services to meet community needs. In addition, I am pleased to report a modest operating surplus of \$61k, underscoring our focus on efficient and effective operations.

The re-commissioning of the Youang Surgery Centre has certainly benefited the Barwon South West community facilitating a significant increase in planned surgery. Over 11,500 people were able to be treated which was a 19.9 per cent increase on the previous year. This increased capacity has ensured the overwhelming majority of patients once assessed as requiring surgery are now being treated within the clinically recommended timeframes.

The past year has seen a boost to our services for children and families. The Barwon Early Parenting Centre opened to help parents navigate some of the challenges of their child's early years. Our new dedicated Children's Emergency Department has commenced operating in the new facilities, with the building project completed in 2024-25 as planned. We have also expanded access to Paediatric Specialist Clinics reducing the need for families to travel to Melbourne. These services have been designed with children and their families in mind, helping improve health outcomes and the overall experience of children and families.

We are pleased to see the Barwon Women's and Children's project make steady progress with construction commencing of the new endoscopy and day procedure facilities at the Youang Surgery Centre. Design has also progressed significantly, and we acknowledge the members of the community consultative committee that has provided valuable input led by MP for Geelong, Christine Couzens.

We opened our new Specialist Dementia Care Program at Blakiston Lodge, the first of its type in regional Victoria. This program supports people living with dementia in a dedicated nine bed residential aged care facility and takes referrals from public and private facilities across the region.

This year we have completed the fit-out of our new central Geelong community mental health and wellbeing hub, a partnership with Up Property and supported by a grant from the Victorian Government. We look forward to the official opening early in 2024-25 and expect that it will transform community expectations of contemporary facilities that support staff to deliver the best compassionate care. We acknowledge our many partners in this facility including ermha 365, Wellways and Wathaurong Co-operative, our partners in the Geelong - Queenscliffe Mental Health and Wellbeing Local.

We were also pleased to see the construction of the new Barwon Y-PARC facility in South Geelong commence this year. This new facility will enable us to provide public clinical mental health residential services for young people, a first not only for Geelong but for the Barwon South West Region.

Another highlight was the opening of our new dental service at Barwon Health North, relocated from the Corio Community Health Centre, with help from the generous donations towards the Barwon Health Foundation's Project North campaign.

The Barwon South West Public Health Strategy was launched in March, outlining our shared approach to improving public health, in partnership with local governments, health services and stakeholders across the region. The Plan acknowledges the health inequities we are working to address, and the important role of integrated planning and public health interventions.

We have also worked on other key strategies this year including a strategic clinical service plan for the Barwon South West Region, a primary care strategy, a digital health strategy and an environmental sustainability strategy.

In addition to our important relationship with the GPs in Geelong and the region, Barwon Health also provides primary care through our five community health centres and the primary care service at the Cherry Creek Youth Justice Centre. The last of these is a new service that we launched during the year when the Cherry Creek Youth Justice Centre opened, reflecting Barwon Health's commitment to provide high-quality and compassionate care, even under the most challenging conditions.

Barwon Health continues to improve our office systems with the aim of not just improving efficiency but also to improve the experience of our staff. Two key improvements that we implemented this year are the implementation of the first stage of People Plus, improving our human resource and rostering systems, and the completed implementation of Microsoft Office 365 across the Barwon South West region.

I express my gratitude to the senior leaders across Barwon Health for their commitment to improving access and achieving better healthcare outcomes for our community. I thank and commend everyone who has contributed to this success.

Thank you to Lisa Neville and Board directors. I appreciate the way you support our leadership teams and challenge us to set and achieve ambitious goals.

In closing, I'd like to acknowledge that Barwon Health can only achieve what it does through the teamwork of our exceptional staff and volunteers. Thank you for going above and beyond to help our community access first class care and lead healthier lives. Our region has so much to offer the growing number of people who choose to call it home, and Barwon Health is a key part of making this a safe, healthy and dynamic place to live, work and thrive.



Frances Diver
Chief Executive

BARWON HEALTH AT A GLANCE



77,037

EMERGENCY
DEPARTMENT
PRESENTATIONS



91,429

INPATIENT
ADMISSIONS



25,909

OPERATIONS



304,569

OUTPATIENT
APPOINTMENTS



9,373

STAFF
(HEAD COUNT)*



56,590

TELEHEALTH
CONSULTATIONS



2,754

BABIES BORN

*Opposite: Wallace Lodge Nurse
Rudelyn with a resident*

RESPONSIBLE BODIES DECLARATION

In accordance with the Financial Management Act 1994,
I am pleased to present the Report of Operations for
Barwon Health for the year ending 30 June 2024.

Lisa Neville, Barwon Health Board Chair
Geelong, 6 September 2024

*As at 30 June 2024. Staff head count includes staff on unpaid leave, parental leave and other extended leave.
It also includes employees who have not accepted shifts in the month of June but remain active in our system.





BARWON EARLY PARENTING CENTRE

Our region is experiencing significant growth, and with that comes a growing demand on the vital support services we provide to families of young children.

The Barwon Early Parenting Centre (EPC) welcomed the first families in May 2024, offering support for parents of young children in the Barwon South West region. This service provides access to help that hasn't been available without travelling to Melbourne, which is an added difficulty for families experiencing challenges with their young children.

The multi-disciplinary team at the Barwon EPC, including maternal child health nurses, allied health staff and doctors, offers care for parents and carers of children aged 0-4 with additional needs, such as feeding, sleeping and developmental behaviours.

The new service, located in North Geelong at the McKellar Centre, is designed to provide early intervention when families need it, with support during the vulnerable period of a child's early years. The service aims to enhance the parent-child relationship and equip families with the tools they need to thrive.

The Barwon EPC provides a residential program for 10 families each week, as well as day stay programs and specialist clinics.

Pictured: Grovedale parents Blair Taylor and Courtney Asser with seven-month-old daughter Delilah and Barwon Health paediatrician Dr Brooke Doherty.





YEAR IN REVIEW HIGHLIGHTS

QUARTER ONE

SAFETY AND QUALITY ACCREDITATION COMPLETE

In July 2023, Barwon Health was the first major health service in Australia to undergo a 'short notice' accreditation against the National Safety and Quality Health Service Standards, including assessment against the National Clinical Trials Governance Framework. The new assessment involved external surveyors reviewing our practices and processes against the Standards, and included operational walk-throughs, as well as interviews with staff, consumers, and volunteers.

Barwon Health met all actions within each Standard with no recommendations and a high level of staff engagement was noted across all sites by the surveyors.

NEW PARTNERSHIP WITH ST JOHN OF GOD HOSPITAL ENHANCES ACCESS TO MATERNITY CARE

Barwon Health and St John of God Geelong Hospital launched a new formal partnership designed to enhance the community's access to local maternity care.

This partnership has Barwon Health providing paediatric services for St John of God Geelong Hospital's (SJOG) maternity service, increasing paediatric support through an innovative model of care involving paediatricians and new neonatal nurse practitioners working across both health services.

The three nurse practitioners have advanced skills in neonatal care, which has enhanced the care provided to newborns across both hospitals.



Barwon Health Women's and Children's clinical director A/Prof Dave Fuller, SJOG CEO Stephen Roberts, neonatal nurse practitioner Gemma Wiley, and SJOG Women's and Children's Services manager Alicia Strong.

Opposite: Volunteer Lorelle Abbott

MAKO ROBOT IMPROVING HOSPITAL EFFICIENCY

The arrival of a new Mako Robot surgery aid was welcomed for the impact it will have in improving the precision of knee and hip replacements at Barwon Health, resulting in faster recoveries and shorter hospital stays.

The Mako Robot allows for an innovative procedure that allows orthopaedic surgeons to perform joint replacement surgery with greater precision and safety, by combining 3D CT-based planning software with haptic technology and data analytics. The creation of a 3D virtual model of the joint from multiple angles improves surgical precision through a less invasive approach, leading to better results for patients.



Surgeons Michael Galvin and Rekha Ganeshalingam with the Mako robot.

PRIMARY HEALTH SERVICES FOR CHERRY CREEK YOUTH JUSTICE CENTRE

The new Cherry Creek Youth Justice Centre, located near Little River, opened in August, catering for young men between the ages of 15 and 17. Barwon Health has been engaged by the Department of Justice to deliver primary healthcare services and has been working alongside specialist youth mental health service provider Orygen to offer comprehensive healthcare to this vulnerable group.



Cherry Creek Youth Justice Centre

QUARTER TWO

PUBLIC FERTILITY CLINIC LAUNCHED

Victorian Health Minister Mary-Anne Thomas visited Barwon Health in November to mark the commencement of University Hospital Geelong's new public fertility clinic.

As part of a statewide program, managed in collaboration with the Royal Women's Hospital, women are assessed and treated locally, with some procedures being performed at the Royal Women's Hospital. This service has increased access to fertility treatment in Geelong and surrounding areas.

NEW DEDICATED EAR, NOSE AND THROAT (ENT) SPECIALIST CLINIC COMPLETED

In November, Victorian Health Minister Mary-Anne Thomas also spent time visiting the newly developed ENT specialist clinic, which has increased capacity for multidisciplinary care with co-located speech therapy and audiology alongside purpose-built ENT clinic rooms.

PUBLIC HOMEBIRTH SERVICE LAUNCHES IN GEELONG

Barwon Health launched the region's first publicly funded homebirth maternity care option, offering local women the opportunity to safely give birth in the comfort of their own home.

The homebirth service is an extension of the Midwifery Group Practice (MGP) program, which provides safe and sustainable maternity care.

The service is offered to women who meet agreed clinical criteria and live within 30 minutes of University Hospital Geelong.

AWARDS RECOGNISE HEALTH SERVICE SUSTAINABILITY

Barwon Health's commitment to sustainability was celebrated at the Victorian Public Healthcare Awards (VPHA), with recognition for a power purchase agreement (PPA) with a local wind farm.

The Barwon Renewable Energy Partnership (B-REP) of Barwon Water, Barwon Health and GeelongPort was acknowledged with an award for "Creating a sustainable and climate resilient health system," after taking a big step towards using 100 per cent renewable electricity and producing net zero emissions.

The project was also named as a finalist at the Premier's Sustainability Awards in November 2023.

There was also recognition for the Aboriginal Audiology Clinic, in partnership with City of Greater Geelong Maternal and Child Health and Wathaurong Aboriginal Co Op, as a finalist in the Excellence in Aboriginal Health and Wellbeing category of the VPHA.

NEW INTERVENTIONAL RADIOLOGY SUITE AND NEW CARDIAC CATHETER LABORATORY

A second interventional radiology suite has been commissioned at University Hospital Geelong. The state-of-the-art equipment, funded through the Victorian Government's Planned Surgery Recovery and Reform Program, will facilitate access to cutting edge treatments for vascular, oncology and trauma patients, through utilisation of a new hybrid technology. The technology combines a traditional angiography lab with a built-in CT scanner, allowing for seamless integration of the conventional 2-D angiography images with superimposed 3-D CT images – the first of its kind in regional Victoria.

Additionally, a new cardiac catheter laboratory imaging system was implemented, funded through the Victorian Medical Equipment Replacement Program (MERP). The system will improve image quality for complex electrophysiology mapping and ablation, routine diagnostic coronary angiography, and device implantation for our patients.

LEARNING VISIT FOR SOLOMON ISLANDS CLINICIANS

A fellowship of nurses and doctors from the Solomon Islands visited Barwon Health to observe clinical practices in a cross-cultural and organisational exchange.

Two groups of six clinical staff from the National Referral Hospital in Honiara spent about six weeks at University Hospital Geelong, supported by grants from the Department of Foreign Affairs and Trades.

Each clinician had a training plan and took opportunities to observe a range of activities including practices, specialty ward environments, staff interactions, clinical governance, guidelines, policies, and procedures.



National Referral Hospital paediatric team Gordon Plant Neremana, Dr John Taniamae, Larissa D Solomon and Dr Martin Keniriposia.

QUARTER THREE

BUILDER APPOINTED FOR BARWON WOMEN'S AND CHILDREN'S PROJECT

In February, construction company Built was appointed as the builder for the Barwon Women's and Children's (BWC).

Built has significant experience in hospital construction and was recently appointed as the builder for the next stage of the Ballarat Hospital redevelopment. The company is also currently building Nyal Banyul, the Geelong Convention and Exhibition Centre.

Designs for BWC are being developed with input from staff over the past year, as well as consumers and the Community Consultative Committee chaired by local MP Christine Couzens.

STAFF CELEBRATION EVENT - LENGTH OF SERVICE AND BARWON BEST CARE AWARDS

Barwon Health held a staff celebration event at The Pier Geelong in February, honouring those who achieved a length of service milestone in 2023 and announcing the Barwon Best Care Awards.

The event was led by local Geelong resident and TV personality Catriona Rowntree as MC and Barwon Health Board chair The Hon. Lisa Neville as guest speaker. This event was a fantastic opportunity to recognise long-serving staff who have become such valued leaders in our organisation.

The event demonstrated Barwon Health's unique value proposition as the largest local employer in the region, with eight staff members recognised for dedicating 40 years of service to the health service and our community, as well 31 people who reached 30 years of service in 2023 and 90 people reaching 20 years of service.

The Barwon Best Care Awards recognise teams and individuals who go above and beyond to innovate and improve care for our community. These awards, including recognition for work health and safety, education and training, safety and quality, and the Barwon Health values, are a small snapshot of the work underway across the organisation to improve care for consumers and they are clear evidence of the constant improvement that Barwon Health staff strive for.

RESEARCHING VIRTUAL EXPERIENCES FOR REAL BENEFITS

A collaboration between Barwon Health, Deakin University and SilVR Adventures commenced, aimed at addressing loneliness and social isolation that challenges many people living in residential aged care, particularly since the beginning of the COVID-19 pandemic.

The collaboration provides virtual reality (VR) headsets and associated software for residents to experience a wide variety of virtual tours to places that would be difficult to visit. Sessions can be undertaken as a group, enabling social interaction in a shared experience.



Alan David Lodge resident Ron Pettifer enjoys a VR session.

MICROSOFT 365 PHASE ONE ROLLOUT

A new suite of software applications was released to staff with the organisation-wide rollout of Microsoft 365 (M365) in February, improving communication and collaboration tools available to staff.

More than 350 Barwon Health staff acted as Change Champions during the project and were instrumental in supporting their peers to transition to M365, providing access to the secure platform that enables staff to communicate and collaborate through accessible emails, online meetings, and shared documents.

Additional M365 applications and features will gradually be released, designed to enhance productivity and streamline workflows for staff.

COMMUNITY GATHERS TO LAUNCH PUBLIC HEALTH PLAN

In March, more than 60 key stakeholders came together in Camperdown for the first meeting of the new Barwon South West Public Health Forum. The establishment of this Forum was a key priority in the Barwon South West Public Health Strategy and was supported by stakeholders across the region in the consultation on this Strategy.

Representatives from local government, community organisations, regional and rural health services, and Wathaurong Aboriginal Cooperative attended, each with an important role in improving the health and wellbeing of our communities.

The new Strategy identifies areas of focus in the endeavour to address the region's health inequities and brings a health equity lens to the planning and implementation of public health interventions. The Strategy was developed in partnership with agencies and other stakeholders across the region in a truly collaborative process, leveraging the collective expertise and endeavours of the partners to strive for the best possible population health outcomes for the Barwon South West community.

INTENSIVE CARE UNIT EXPANSION

The Intensive Care Unit (ICU) at University Hospital Geelong was able to open two additional beds in early 2024, thanks to funding from the State Government. The funding also supported the training and recruitment of additional nursing staff to support the new beds, which were opened in February and March to help address the increasing demand for critical care in our community. After this expansion, the ICU can now care for 26 patients, including two beds for paediatric patients.

STRATEGIC PARTNERSHIP TARGETING SEXUAL DISCRIMINATION IN THE WORKPLACE

Barwon Health partnered with Deakin University to welcome former Sex Discrimination Commissioner Kate Jenkins AO to a briefing of senior staff as part of a shared commitment to safe, respectful, diverse, and inclusive workplaces. In addition to her unique insights into the nature and prevalence of sexual harassment in the workplace, Ms Jenkins discussed the implications of new legislation, requirements for compliance with the positive duty laws outlined in the Sex Discrimination Act and the collective responsibility we all share in fostering secure, respectful, and inclusive environments across industries and sectors.

Deakin Vice-Chancellor Professor Iain Martin, Kate Jenkins AO and Barwon Health Chief Executive Frances Diver.



QUARTER FOUR

SPECIALIST DEMENTIA CARE PROGRAM OPENS AT BLAKISTON LODGE

Barwon Health's new aged care dementia service launched in May, offering specialised residential care to people with severe behavioural and psychological symptoms of dementia.

The new service at Blakiston Lodge, based at the McKellar Centre in North Geelong, has nine dedicated beds, funded through the Commonwealth Government's Specialist Dementia Care Program (SDCP).

This new service is one of 10 across Australia, and is the first public SDGP, as well as the first based in regional Victoria.



Barwon Health chief executive Frances Diver, HammondCare Dementia Centre national projects team leader Miranda Gretgix, Blakiston Lodge facility manager Roz Nolan, Shane Thomas from Federal Department of Health and Aged Care, and State Member for Lara Ella George MP.

PEOPLE PLUS RECRUITMENT LAUNCHED AT BARWON HEALTH

Barwon Health has introduced a new Human Resources Information System (HRIS) known as People Plus.

This contemporary, cloud-based, and integrated system is set to modernise various aspects of Barwon Health's human resources operations. The system provides a transparent view of the recruitment lifecycle. A single source of truth for candidate information and application processes will significantly simplify workflows and will reduce manual workload.

BARWON HEALTH BENEFITS FROM GOOD FRIDAY APPEAL REGIONAL FUNDING INITIATIVE

For the first time, regional health services including Barwon Health have been supported by the Good Friday Appeal through the Regional Funding Initiative. The partnership with the Royal Children's Hospital will help Barwon Health support more families to access care closer to home, with funds for additional staff training to enable ongoing expert paediatric care.

EXPANDED WOMEN'S PAIN CLINIC

Women in our region will benefit from an expanded pelvic pain clinic at Barwon Health, following the Victorian Government's announcement of \$3.5m in funding over the next four years to establish or expand women's health clinics across the state.

The pelvic pain clinic at Barwon Health treats several women's health conditions, such as pelvic pain, polycystic ovary syndrome (PCOS), endometriosis and menopause.

The expansion of this service means that more local women in our community can receive treatment closer to home and the clinic will have more specialists, physiotherapists, nurses, psychologists, and allied health staff.

DENTAL SERVICE RELOCATES TO BARWON HEALTH NORTH

A new dental facility officially opened at Barwon Health North in May, relocating the service from Corio Community Health Centre to a modern, purpose-built space.

Located at Norlane, the nine-chair facility is now providing improved oral health services, with larger rooms, a hoist for people using wheelchairs, a state-of-the-art sterilising and re-processing room for infection prevention, and greater capacity to host dentistry students.

This move was made possible by a \$5.3 million investment, backed by the Victorian State Government and a multi-million-dollar contribution from donors to Project North, the Barwon Health Foundation's community fundraising campaign.

Locating the dental service at Barwon Health North is helping connect patients to other services such as the Urgent Care Centre and specialist clinics at the facility.



Team leader/dental prosthetist Sonya Howard, dentist Dr Shirley Chong and dental assistants Sima Hussein and Lulu Yohel.



Delilah, seven months, and Barwon Health paediatrician Dr Brooke Doherty at the Barwon Early Parenting Centre launch.

BARWON EARLY PARENTING CENTRE

In June, we officially opened the new Barwon Early Parenting Centre (EPC) at the McKellar Centre. The service will work with families to address their unique challenges, including managing sleep, addressing challenging behaviours, or better understanding children's needs.

Barwon Health is offering this support to families in our region through a multidisciplinary team of maternal child and health nurses, midwives, early parenting practitioners, speech pathologists, occupational therapists, psychologists, psychiatrists, play therapists, paediatricians, and social workers.

With this new facility, families across the Barwon South West region will now have local access to vital support, eliminating the need for travel to Melbourne during vulnerable times. This enhancement greatly improves convenience and accessibility for those in need and adds to the expanded paediatric clinics now on offer across our sites.

NEW PURPOSE-BUILT EYE CLINIC

In response to growing demand the eye clinic relocated to purpose-built clinical rooms in the specialist centre at 73 Little Ryrie Street.

Benefiting from new clinical equipment and offering a broader range of diagnostic test, the new clinic has a larger footprint and rooms that can easily accommodate agility aids and wheelchairs resulting in a better experience for both patients and staff. Additional space has been purpose-designed to enable minor procedures to be performed on-site.

MENTAL HEALTH HOSPITAL IN THE HOME TEAM RECEIVES TANDEM AWARD

The Barwon Health Mental Health Hospital in the Home (HITH) team has been recognised for exceptional service to the community at the annual Tandem Awards. The team received the Service Clinical award for its work alongside family, carers and supporters in mental health. Tandem is the peak body representing Victorian family, carers and supporters of people living with mental health challenges. Mental Health HITH at Barwon Health is a service that provides intensive mental health support and treatment to the community in their own home, where they would otherwise require admission to an inpatient unit. The team of psychiatrists, mental health nurses, peer workers, social workers, occupational therapists and an exercise physiologist offers support, including medication supervision, emotional support, social and physical activities, developing daily routines and coping skills and help with linking into local community supports and services.

RECORD PLANNED SURGERY PERFORMANCE

The financial year ended with Barwon Health providing a record number of elective surgeries in the 2023-2024 financial year; with more procedures and more patients treated. This performance reduced the waiting times for patients substantially and saw Barwon Health meeting all planned surgery treat-in-time targets.

This increased throughput was made possible by several initiatives, including working with partners in the region to maximise access to operating theatres and a full year's impact of the expanded surgery footprint with the Youang Surgery Centre fully commissioned.

NEW FACILITIES FOR CHILDREN'S AREA OF EMERGENCY DEPARTMENT

Commissioning commenced for new facilities in the children's area in the Emergency Department at University Hospital Geelong, with sections opened for use in anticipation of a full opening in late 2024. This expansion to the Emergency Department will enable children up to the age of 18 to be treated in a purpose-built environment and features a low-stimulus room, two dedicated resuscitation bays and nine acute cubicles, eight paediatric short stay beds and associated procedure and consult rooms. The waiting area provides ample space for children and their families in a calming environment and includes a parent's room and kitchenette.

SUPPORTING ABORIGINAL CULTURAL SAFETY

It has been a year of achievements as we worked to achieve the initiatives outlined in our Aboriginal Cultural Safety Plan, enabled by the Cultural Safety Grant.

In early 2024 the Aboriginal Employment Plan was launched, establishing a roadmap of initiatives and opportunities to explore in order to grow our First Nations workforce through cadetships, traineeships and graduate years.

A focus on collection and analysis of data with a dashboard report now provides the leadership team with information that can be used to identify service needs and gaps. This information is shared with a reference group, Wathaurong Aboriginal Cooperative and other agencies.

Raising awareness and understanding of culturally appropriate care and asking the question to establish if a patient identifies as First Nations is embedded across the organisation and also includes onboarding sessions with Junior Medical Staff and Graduate Nurses.

Work is underway in developing a Cultural Awareness Framework which includes mandatory training for all staff and optional opportunities, including cultural immersion, on country experiences and promotion of links to recommended films, books and documentaries.

Our environment is transforming into a culturally welcoming space with the inclusion of artwork by First Nations artists and a formal consultation strategy to engage Aboriginal and Torres Strait Islander stakeholders in capital and major works across Barwon Health.

The significance of cultural practices such as 'Sorry Business' and end-of-life care for First Nations people has been recognised with clear protocols and procedures now embedded in the Prompt document management system.





ABOUT BARWON HEALTH



STRATEGIC PLAN – FUTURE READY

We are entering the final year of our current Strategic Plan and there is much to be proud of in regards our achievements.

The past few years have seen a period of constant change as we have adapted to business as usual on the back of the COVID-19 pandemic. We have substantially enhanced our services and have new facilities that will be vital in meeting the expectations of our community now and into the future.

The decisions and steps we have taken have positioned us to enable the provision of a broader range of services, better meeting the needs of the community we serve.

STRATEGIC PLAN

– FUTURE READY SUMMARY

OUR VISION

By 2050, everyone in our community enjoys the best health and wellbeing in Victoria.

OUR PURPOSE

Provide best care, every person, every day, so that everyone feels better.

STRATEGIC
PRIORITY 1:
DELIVER
BEST CARE

PERSON-CENTRED

Our consumers direct the care they receive to achieve their goals.

VALUE

We aim always to improve the value of our services.

INTEGRATION

We integrate care without gaps or duplication of effort.

EVIDENCE

We apply evidence to improve care.

APPROPRIATE

Right care, right time, right place, right way.

STRATEGIC
PRIORITY 2:
INVEST TO
IMPROVE

RESEARCH

We embed research in care to create a learning system.

RESILIENCE

We build our capacity to deal with the unexpected.

EXPERIENCE

We improve the experience of our consumers and our people.

ACCESS

We aim to improve timely, local, simple and equitable access to services.

FACILITIES

We develop fit-for-purpose, modern facilities to improve consumer experience and staff satisfaction.

STRATEGIC
PRIORITY 3:
ENSURE OUR
FUTURE

FINANCIAL SUSTAINABILITY

We live within our means and we grow our capacity.

AGILE

We are agile in responding to changing needs and opportunities.

ENVIRONMENTAL SUSTAINABILITY

We aim to achieve net zero emissions by 2050 to reduce the impact of climate change on the health of our community.

GROW OUR OWN

We train, develop and support staff, for Barwon Health and for the region.

TOGETHER

We partner for greater impact.

OUR VALUES

RESPECT

We respect the people we connect with.

COMPASSION

We show compassion for the people we care for and work with.

COMMITMENT

We are committed to quality and excellence in everything we do.

ACCOUNTABILITY

We take accountability for what we do and act with integrity.

INNOVATION

We drive innovation for better care.

OUR ENABLERS

- **Integrated models of care:** integrated models of care make transitions seamless.
- **Our people:** leadership, staff engagement, teamwork and commitment to excellence.
- **Our culture:** supports us to make the right choices every time.
- **Effective tools:** platforms, processes and systems, technology and analytics.

WE MEASURE OUR SUCCESS BY:

- Our consumers feel better.
- Our community is confident that Barwon Health will meet their healthcare needs.
- Our stakeholders recognise us as an innovative health service and a trustworthy partner.
- Our owner, the Victorian Government, supports our plans.
- Our staff tell us that they feel hopeful, confident and safe in the workplace.

CORE OBJECTIVES FOR VICTORIAN PUBLIC HEALTH SERVICES THAT FRAME THE BARWON HEALTH STRATEGY

- Quality and safety.
- Good governance and leadership.
- Access and timeliness.
- Financial sustainability.

NATURE AND RANGE OF SERVICES

Barwon Health is established under the Health Services Act 1988 as a Schedule 5 Public Health Service.

Formed in 1998, Barwon Health is one of the largest and most comprehensive regional health services in Australia, providing care at all stages of life and circumstance.

With 9,373 staff, we are one of Australia's largest regional employers and the largest employer in Geelong.

Services are provided equitably to our community. As a regional health service, we provide leadership and tertiary referral services across the Barwon South West region together with the provision of junior medical staff and key services such as renal services and support services to other health services in our region. The Barwon South West Public Health Unit also supports key initiatives across the region, including support for outbreaks of communicable diseases.

Our local community is referred to as the G21 region and comprises the residents of the City of Greater Geelong, Colac Otway Shire, Golden Plains Shire, Borough of Queenscliffe and the Surf Coast Shire.

Services are provided from a network of key locations, including the main precincts of University Hospital Geelong and the McKellar Centre in North Geelong, Barwon Health North and Community Health Centres in Anglesea, Belmont, Corio, Newcomb and Torquay. Residential aged care is provided both on the McKellar Centre precinct and at Alan David Lodge, including a new Specialist Dementia Care Program at Blakiston Lodge at McKellar.

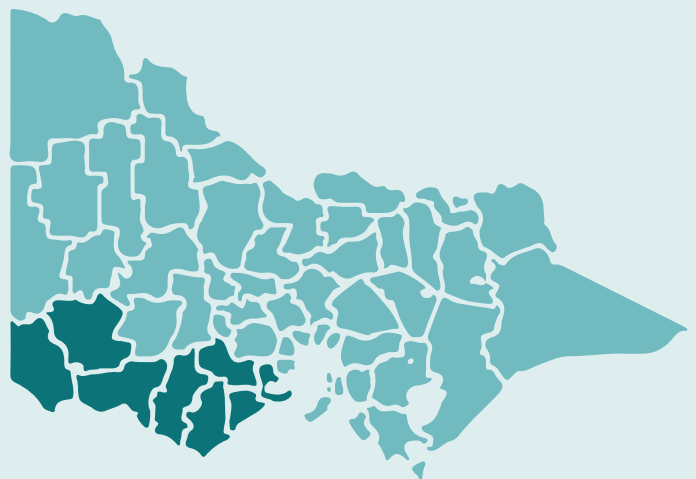
The breadth of services provided are comprehensive and include acute care (medicine, surgery, women's health, paediatrics, emergency and specialist clinics), mental health, alcohol and other drugs services, primary care, community health, rehabilitation, geriatric medicine, palliative care, community nursing and hospital in the home. We are also one of four public radiation oncology providers in Victoria.

We have several partnerships with regional providers, including Epworth Hospital in Warrn Ponds and St John of God Hospital in Geelong. Our collaboration with Epworth Hospital enhances our surgical capacity and allows us to better serve renal and day oncology patients from the western side of Geelong and beyond. Meanwhile, our partnership with St John of God Hospital Geelong involves Barwon Health providing pharmacy and paediatric services. This includes paediatricians and newly appointed neonatal nurse practitioners working at both hospitals.

Our partnership with Deakin University continues to flourish, with expanded joint research initiatives and innovative training programs designed to build, encourage, and empower the future health workforce. This commitment to education and research is further enhanced through collaborations with LaTrobe University, The Gordon Institute, University of Melbourne, and Monash University. By focusing on leadership and development, we have become an employer of choice for those pursuing a career in health.

Our people are committed to continuously improving their skills to provide best care. We collaborate, lead, generate and facilitate research across the organisation, seeking to integrate research into routine clinical care to create a learning healthcare system.

The Barwon Health Foundation is our key partner in philanthropic endeavours.





New mum, Chloe Greenwood with midwife, Brianna Osborne

BARWON HEALTH PROVIDES SERVICES ACROSS THE BARWON SOUTH WEST REGION



MANNER OF ESTABLISHMENT AND RELEVANT MINISTERS

MANNER OF ESTABLISHMENT

Barwon Health is a public health service established under the Health Services Act 1988 (Vic) and is charged with delivering public healthcare to the Barwon south west region.

THE RESPONSIBLE MINISTERS ARE:

MINISTER FOR HEALTH

THE HON. MARY-ANNE THOMAS

from 1 July 2023 to 30 June 2024

MINISTER FOR MENTAL HEALTH

THE HON. GABRIELLE WILLIAMS

from 1 July 2023 to 2 October 2023

THE HON. INGRID STITT

from 2 October 2023 to 30 June 2024

MINISTER FOR DISABILITY, AGEING AND CARERS

THE HON. LIZZIE BLANDTHORN

From 1 July 2023 to 2 October 2023

MINISTER FOR DISABILITY AND MINISTER FOR CHILDREN

THE HON. LIZZIE BLANDTHORN

From 2 October 2023 to 30 June 2024

MINISTER FOR AGEING

THE HON. INGRID STITT

From 2 October 2023 to 30 June 2024

ADMINISTRATIVE STRUCTURE OF BARWON HEALTH

BOARD OF DIRECTORS

Clare Amies
 Ian Broadway
 Brendan Crotty
 Stephen Elder
 Libby Mears
 The Hon. Lisa Neville (Chair)
 Susan Sdrinis
 Shane Solomon
 Virginia Todd

COMMITTEES

FINANCE COMMITTEE MEMBERS

Ian Broadway (Committee Chair)
 Lisa Neville
 Brendan Crotty
 Shane Solomon

AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS

Shane Solomon (Committee Chair)
 Clare Amies
 Stephen Elder
 Ian Broadway
 Tony Brain (Independent Member)

PRIMARY CARE & POPULATION HEALTH COMMITTEE MEMBERS

Virginia Todd (Committee Chair)
 Brendan Crotty

COMMUNITY ADVISORY COMMITTEE MEMBERS

Susan Sdrinis (Committee Chair)
 Virginia Todd
 Libby Mears
 Alison Lewis-Nicholson (Co-Chair)
 James Bell
 Wendy Bourke
 Bruce Butler
 Kim Edgar (to October 2023)
 Piper Knox (to December 2023)
 Anelyse Everill
 Fay Stewart-Muir
 (from August 2023)
 Jessica Chappell
 (from November 2023)
 Vanessa Schernickau
 (from November 2023)
 Paige Humm (from November 2023)

QUALITY, SAFETY & CLINICAL GOVERNANCE COMMITTEE MEMBERS

Brendan Crotty (Committee Chair)
 Susan Sdrinis
 Libby Mears

PEOPLE, CULTURE, GOVERNANCE AND REMUNERATION COMMITTEE (Established January 2024)

Lisa Neville (Committee Chair)
 Clare Amies
 Stephen Elder
 Libby Mears

EXECUTIVE TEAM

CHIEF EXECUTIVE

Adjunct Professor Frances Diver
BAppSci, MBA, GAICD

CHIEF OPERATING OFFICER

Amanda Cameron
RN, BAppSc, Grad Dip Critical Care, MHA

CHIEF FINANCIAL OFFICER

Cobus Lotheringen
CA, B.Com, B.Compt (Hons)

CHIEF MEDICAL OFFICER

Professor Ajai Verma
MBBS MS MHM MPH DCH FRACGP FRACMA FCHSM CHE

CHIEF NURSING AND MIDWIFERY OFFICER

Ange Erwin
RN

CHIEF PEOPLE AND CULTURE OFFICER

Tracy Gilligan

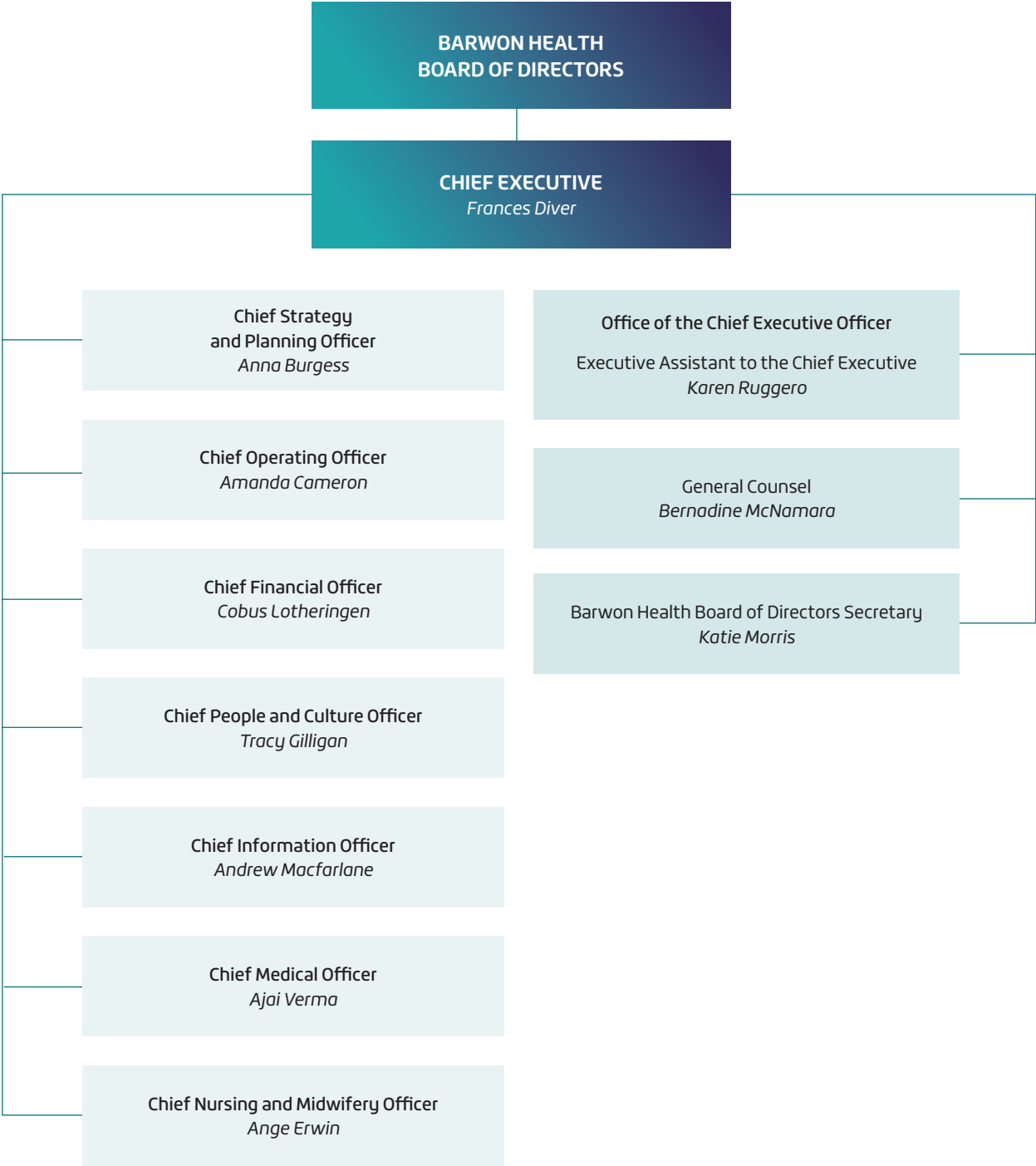
CHIEF INFORMATION OFFICER

Andrew Macfarlane

CHIEF STRATEGY AND PLANNING OFFICER

Anna Burgess
*BSc(Hons), Grad Dip Health Management, Grad Dip
Health Economics, FACHSM, CHE, FIPPA (Vic)*

ORGANISATIONAL STRUCTURE





WE EMPLOYED

2633
NURSES

(FTE)

IN 2024 COMPARED
TO 2,469 IN 2023

WORKFORCE DATA

HOSPITAL LABOUR CATEGORY	JUNE CURRENT MONTH FTE		AVERAGE MONTHLY FTE	
	2023	2024	2023	2024
Nursing	2469.59	2633.38	2571.52	2749.94
Administration and Clerical	894.82	938.98	968.14	985.45
Medical Support	481.77	485.29	512.26	521.59
Hotel and Allied Services	673.55	675.55	688.12	731.40
Medical Officers	416.42	449.76	451.23	469.15
Hospital Medical Officers	86.04	86.62	96.13	91.91
Sessional Clinicians	196.66	225.70	195.93	215.23
Ancillary Staff (Allied Health)	556.69	584.29	566.40	605.46

The FTE figures required in the table are those excluding overtime. These do not include contract staff (for example, agency nurses and fee-for-service visiting Medical Officers) who are not regarded as employees for this purpose. The data is consistent with that provided in the Minimum Employee Data Set.

EMPLOYMENT AND CONDUCT PRINCIPLES

Public Sector Values and Employment Principles have been incorporated into Barwon Health's leadership and employee orientation programs. The employment principles have also been incorporated into our recruitment and selection training programs to ensure that all employment decisions are based on merit and equity. Barwon Health is an Equal Opportunity Employer. Employees have been correctly classified in workforce data collections.

OCCUPATIONAL HEALTH AND SAFETY

Barwon Health complies with the Occupational Health and Safety Act 2004 and continues to implement measures designed to reduce safety incidents in the workplace, including occupational violence and aggression, manual handling and fatigue; whilst also actively promoting employee health and wellbeing in the workplace.

NEW INITIATIVES FOR THE YEAR INCLUDE:

- Critical incident training was provided to staff for effective incident response.
- Training clinicians in the Major Incident Medical Management and Support (MIMMS) course.
- Training statistics:
 - Management of Violence and Aggression International Training (MOVAIT)
 - › 2, 231 face-to-face sessions conducted.
 - › 2,591 online training sessions completed.
 - Smart Moves Smart Lift (SMSL) Training
 - › 3,551 face-to-face sessions completed.
 - › 881 new staff sessions.
 - › 2,670 annual updates completed.
- Through collaborative efforts, several new initiatives have been implemented including the introduction of new Food Retherm Trolleys and the installation of a new dishwasher line at the Food Services Central Production Kitchen at the McKellar Centre.
- Other initiatives include relocation of a new Oxygen cylinder storage cabinet at Alan David Lodge (ADL), the introduction of powered tow trolleys at the McKellar Centre, ADL, and University Hospital Geelong for bin and linen transfers and the replacement of the old linen tow motor at the McKellar Centre with a safer model.

OCCUPATIONAL HEALTH AND SAFETY DATA

OCCUPATIONAL HEALTH AND SAFETY STATISTICS	2023-2024	2022-2023	2021-2022
The number of reported hazards/incidents for the year per 100 FTE	47.01	47.69	46.54*
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.57	0.79	0.66*
The average cost per WorkCover claim for the year	\$77,400	\$85,101	\$91,543

**Corrections have been applied to 2021-2022 data above, due to incorrect FTE being used in 2021-2022.*

OCCUPATIONAL VIOLENCE

OCCUPATIONAL VIOLENCE STATISTICS

OCCUPATIONAL VIOLENCE STATISTICS	2023-2024	2022-2023
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.125	0.085
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0.64	0.46
Number of occupational violence incidents reported	1,054	966
Number of occupational violence incidents reported per 100 FTE	16.5	16.5
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	40%	41%

DEFINITIONS OF OCCUPATIONAL VIOLENCE

OCCUPATIONAL VIOLENCE

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

INCIDENT

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

ACCEPTED WORKCOVER CLAIMS

Accepted WorkCover Claims that were lodged in the financial year 2023-2024.

INJURY, ILLNESS OR CONDITION

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



FINANCIAL INFORMATION

REPORT FROM THE CHIEF FINANCIAL OFFICER

Barwon Health had a busy year, both in terms of operating activity and capital infrastructure projects. With a focus on delivering quality safe care in modern fit-for-purpose facilities Barwon Health delivered a net operating surplus of \$61k for the financial year ended 30 June 2024.

Major capital works projects and asset acquisitions completed during the year included:

- The footprint of the University Hospital Precinct was expanded with the move of some services to consulting rooms located at 73 Little Ryrie Street.
- Included in the move to 73 Little Ryrie Street was the Ophthalmology Specialist Clinic, providing a purpose-built and expanded clinical space that is easily accessible by patients.
- The Victorian Government announced \$3.5 million over four years to establish Women's Health Clinics across the State; Barwon Health was identified as one of the sites for this service, which is co-located with the Public Fertility Clinic.
- The construction of an extension to the Youang Surgery Centre commenced signifying an important step forward in preparation for the Barwon Women's and Children's. Once completed, this extension will be home to the day surgical services currently provided in the Gretta Volum Centre. This then enables the demolition of the Gretta Volum building to make way for Barwon Women's and Children's construction.
- A wing of Blakiston Lodge, a residential aged care facility located within the McKellar Centre precinct, was renovated to support Dementia patients. This renovation, and the commencement of the Specialist Dementia Care Program (SDCP) was funded by the Commonwealth Government and is Victoria's first public SDGP.

Despite a high level of investment in building projects with eight major projects completed and commissioned at ~\$37.5 million, new and replacement infrastructure and information technology (IT) projects, Barwon Health has delivered a strong balance sheet with solvency and liquidity ratios in excess of health target levels.

Debtors and creditors days continued to be well managed and are well within the required public health services targets.

On an operational level the increase in service delivery and expanded facility footprint impacted staffing numbers and labour costs. Overall, labour costs grew by 4.9 per cent due to increased staff numbers, increased staff entitlements and Enterprise Bargaining Agreement wage increases.

Commercial revenue increased by \$4.8 million to \$48.7 million due to increased investment returns, increased revenue from clinical trials and new health services provided to Cherry Creek Youth Justice Centre.

The Barwon Health Foundation delivered a net surplus from fundraising, donations, bequests and investments activities, of \$6.3 million (2023 \$3.8 million). The Foundation played a key role in the relocation of and construction of state-of-the-art Dental Services at Barwon Health North, contributing \$2 million of the construction cost from their Project North campaign, the remainder being funded by the Victorian Government.

The cash rate increased to 4.4 per cent from 4.1 per cent in June 2023, resulting in improved returns on cash and investment fund accounts. This pattern of return is expected to continue in 2024-2025.



Cobus Lotharingen
Chief Financial Officer

Opposite: Bassam Nuseibeh, Emergency medicine physician

FINANCIAL INFORMATION

	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000
OPERATING RESULT*	61	365	281	283
Total revenue	1,183,923	1,141,399	1,053,122	908,292
Total expenses	(1,216,920)	(1,147,894)	(1,030,911)	(929,179)
Net result from transactions	(32,997)	(6,495)	22,211	(20,887)
Total other economic flows	(11,272)	(5,122)	(932)	9,128
Net result	(44,269)	(11,617)	21,279	(11,759)
Total assets	1,453,490	1,172,528	1,127,186	947,711
Total liabilities	388,427	397,602	345,584	277,324
Net assets / total equity	1,065,063	774,926	781,602	670,387

* The operating result is the result for which Barwon Health is monitored in the Statement of Priorities.

RECONCILIATIONS BETWEEN THE NET RESULT FROM TRANSACTIONS TO THE STATEMENT OF PRIORITIES OPERATING RESULT

Below is a summary of the financial results and is consistent with the audited financial statements.

	2023-2024 \$'000
Operating result	61
Capital purpose income	46,645
COVID-19 State Supply Arrangements <i>Assets received free of charge or for nil consideration under the State Supply</i>	1,747
Expenditure for capital purpose	(5,736)
Depreciation and amortisation	(74,653)
Net result from transactions	(32,997)



CONSULTANCIES INFORMATION

DETAILS OF CONSULTANCIES (UNDER \$10,000)

In 2023-2024, there were five consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2023-2024 in relation to these consultancies is \$13,735 (excl. GST).

DETAILS OF CONSULTANCIES (VALUED AT \$10,000 OR GREATER)

In 2023-2024 there were 12 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023-2024 in relation to these consultancies is \$713,803 (excl. GST). Details of these consultancies are available upon request and are subject to the Freedom of Information Act 1982. The following table details consultancies over \$10,000.

CONSULTANCIES OVER \$10,000

CONSULTANT	PURPOSE OF CONSULTANCY	TOTAL APPROVED PROJECT FEE	EXPENDITURE 2023-2024	FUTURE EXPENDITURE
		(EXCL. GST)	(EXCL. GST)	(EXCL. GST)
Catherine Heln Jones	Gap Analysis Report	13,448	13,448	-
Davidson Exec	Barwon Health Foundation relationship agreement review	67,053	67,053	-
Donald Cant Watts Cork	Colac Mental Health Hub Plan	94,123	38,073	-
EY	Car park business case	15,000	15,000	-
Gartner	Specialist advice and guidance on the technology industry trends	105,891	105,891	-
Health Advance Connect	Health Innovation Precinct Strategy	64,406	64,406	-
Healthconsult	Barwon South West Strategic Clinical Services Plan	114,437	114,437	-
Jackie Austin Consulting	Pharmacy Review	11,120	11,120	-
KMPG	Barwon Health Digital Strategy	108,727	108,727	-
Space to Develop	Logistics strategy master plan	18,744	18,744	-
JBWere	Investment Portfolio Advice and Management	68,274	68,274	-
Megan Phelan	Public Health Strategy for the Barwon South West Region 2023-2033	32,580	32,580	-



Arthur Braver with the Koala Kids Screen

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2023-2024 is \$35.6 million (excluding GST) with the details shown below:

ICT EXPENDITURE

BUSINESS AS USUAL (BAU) ICT EXPENDITURE	NON-BUSINESS AS USUAL (NON BAU) ICT EXPENDITURE		
	Total operational expenditure and capital expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
Total (excluding GST)			
\$34.1m	\$1.5m	\$0.6m	\$0.9m



GENERAL INFORMATION, DISCLOSURES AND ATTESTATIONS

DISCLOSURES REQUIRED UNDER LEGISLATION

FREEDOM OF INFORMATION ACT 1982

The Freedom of Information Act 1982 (Vic) provides a legally enforceable right of public access to information held by government agencies. All applications made to Barwon Health under the Freedom of Information Act 1982 were processed in accordance with that Act.

Freedom of Information ("FOI") requests can be made by downloading the application form from the Barwon Health website www.barwonhealth.org.au or by contacting the FOI Office on 03 4215 1168 to request a form to be emailed or mailed out.

The application fee of \$32.70 is waived for applicants who demonstrate impecuniousness, hardship or hold a pension/health care card. The total production cost varies according to the number, types of documents required and method of production.

During 2023-2024, Barwon Health received 1,374 valid applications. Of these requests, 947 personal requests and 427 non-personal requests were received.

There were 1,373 decisions made within the statutory time periods. Of the decisions made outside this time, one was made within a further 45 days. Of the 1374 applications, 405 were granted in full, 823 granted in part and one denied in full. During 2023-2024, six requests were subject to complaint/internal review by the Office of the Victorian Information Commissioner. One request progressed to the Victorian Civil and Administrative Tribunal (VCAT).

PUBLIC INTEREST DISCLOSURE ACT 2012

Under the Public Interest Disclosures Act 2012 Barwon Health cannot accept protected disclosures. Barwon Health has a written procedure informing staff of this and providing contact details for Independent Broad-based Anti-corruption Commission (IBAC).

BUILDING ACT 1993

Barwon Health fully complies with the building and maintenance provisions and regulations of the Building Act 1993 and the relevant provisions of the National Construction Code.

Actions that ensure that Barwon Health complies include:

- The use of qualified engineers, registered building consultants, building surveyors, architects and qualified trade personnel.
- All works and testing are verified during and at completion using a Certificate of Occupancy for new works and supplier sign off for all essential safety measure testing.
- Barwon Health undergoes regular internal and external audits regarding fire, risk assessments and safety compliance to ensure ongoing adherence to the Building and Safety codes.

NATIONAL COMPETITION POLICY

As a public entity, Barwon Health is obliged to compete fairly and equitably in its business processes. Barwon Health is committed to transparent behaviour in this regard and complies with government policies regarding competitive neutrality.

CARERS RECOGNITION ACT 2012

The Carers Recognition Act 2012 recognises, promotes and values the role of people in care relationships. Barwon Health understands the different needs of persons in care relationships and that care relationships bring benefits to the consumer, their supports and the community. Barwon Health takes all practicable measures to ensure that its employees, agents and carers have an awareness and understanding of care relationship principles and this is reflected in our commitment to a model of care that is consumer centred. It is also reflected in the important role consumers' play in the day-by-day operations of our organisation and with consumers being a key focus of our 2020/2025 Strategic Plan.

LOCAL JOBS FIRST ACT 2003

During 2023/2024, Barwon Health commenced three local job first standard projects and no local jobs first strategic project.

Of those:

- Total Project value - \$7,000,000.
- Total Local content committed to - \$4,312,600 (61.16 per cent).
- Total local Hours created commitment -96,160.
- Total local Hours retained commitment - 19,964.

During 2023/2024, Barwon Health had Ongoing four local job first standard projects and one local jobs first Strategic project.

Of those:

- Total Project value - \$91,900,000.
- Total Local content committed to - \$67,726,848 (73.74 per cent), 58.36 per cent of commitment delivered to date.
- Total local Hours created commitment -28,970, 58.34 per cent delivered to date.
- Total local Hours retained commitment - 89,448, 15.36 per cent delivered to date.

SOCIAL PROCUREMENT FRAMEWORK

Our SPF objectives include the prioritisation of opportunities for Aboriginal enterprises, Social Enterprises and Disadvantaged Victorians within our annual procurement opportunities.

Building on the integration of Social Procurement, we have focussed on training procurement practitioners in the scope of opportunity that can be solicited, as accommodated for in our Social Procurement Evaluation methodology, including offers of apprenticeships for Aboriginal, Disabled or Disadvantaged Victorians.

Indirect procurement has achieved the Total Social Procurement spend of \$1,330,578, including:

- Victorian Aboriginal businesses - \$32,580,
- Victorian Social Enterprises (led by a mission for people with disability) and Australian Disability Enterprises - \$339,322
- Victorian Social Enterprises - \$958,421

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

Details in respect of the items listed below have been retained by Barwon 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):

- 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.
- Details of all consultancies and contractors including:
 - Consultants/contractors engaged.
 - Services provided.
 - Expenditure committed to for each engagement.

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

The disclosures below summarises Barwon Health's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The assessment evaluates capability maturity against the 41 mandatory requirements of AMAF. AMAF requirements can be found on the DTF website (<https://www.dtf.vic.gov.au/infrastructure-investment/asset-managementaccountability-framework>).

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

The following describes the breakdown of compliance/maturity against the five (5) categories and forty-one (41) associated requirements listed in the AMAF.

LEADERSHIP AND ACCOUNTABILITY (REQUIREMENTS 1-19)

Barwon Health has met its target maturity level under most requirements within the Leadership and Accountability category. There is no material non-compliance reported in this category.

Non-material compliance deficiencies have been identified within Information Management (SWARH alliance) where improvement is needed. Areas identified for improvement include:

Standardisation of performance standards and targets.

- Embedding of centralised reporting and management systems.
- Embedding reviews of asset performance.

SWARH has developed plans to address these deficiencies and is working with SWARH alliance members to ensure this plan is adhered to by all members.

STATUS	SCALE
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

PLANNING (REQUIREMENTS 20-23)

Barwon Health has met its target maturity level under most requirements within the Planning category. There is no material non-compliance reported in this category.

Non-material compliance deficiencies have been identified within Information Management (SWARH) due to growth areas and the need to align strategy with security.

ACQUISITION (REQUIREMENTS 24 AND 25)

Barwon Health has met its target maturity level in this category.

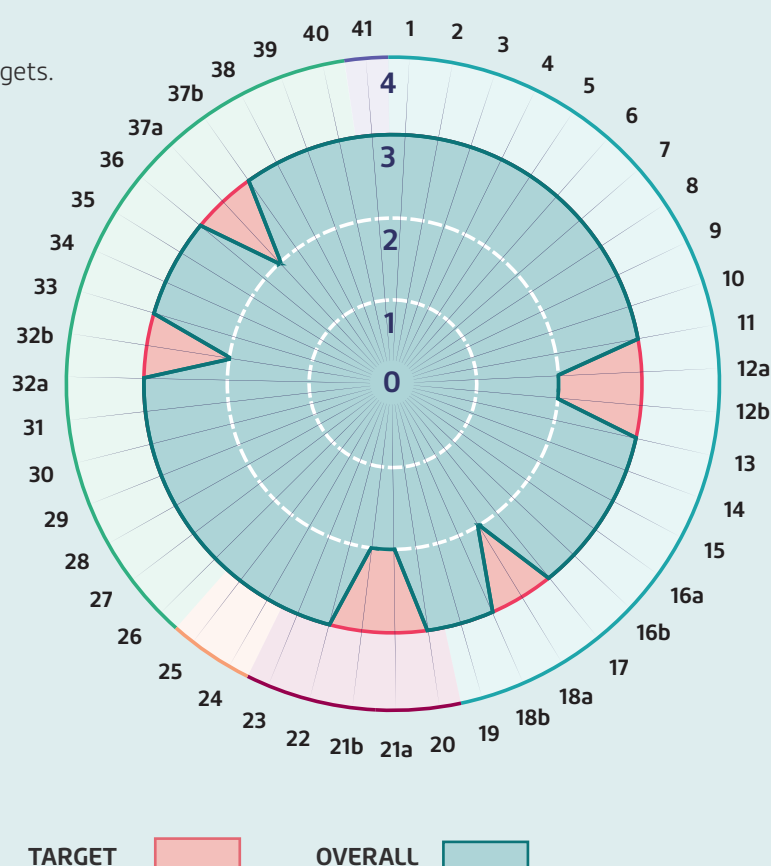
OPERATION (REQUIREMENTS 26-40)

Barwon Health has met the target maturity level for Monitoring and Preventive Maintenance; Maintenance of Assets; Record Keeping; and Asset Valuation.

Non-material compliance deficiencies have been identified within Information Management (SWARH) relating to availability and allocation of resources and definition of minimum information requirements.

DISPOSAL (REQUIREMENT 41)

Barwon Health has met its target maturity level in this category.



REVIEW AND STUDY EXPENSES

During 2023-2024, there were three reviews and studies undertaken. Details of individual reviews and studies are outlined below.

NAME OF THE REVIEW	REASON FOR REVIEW/STUDY	TERMS OF REFERENCE/	2022 \$,000
Davidson review of Barwon Health Foundation (BHF) Ways of Working and Partnership Agreement	Review of the Relationship Agreement entered into by Barwon Health and Barwon Health Foundation.	Review of the operating model of the relationship agreement between Barwon Health Foundation and Barwon Health, including strategy, priorities and communications.	\$85,000
SWARH Workplan Review	A review was conducted on the operational work plan for SWARH.	Identify critical areas of the operational work plan (work plan, benchmarking, resource planning and stakeholder consultation).	\$164,000
HRIS (Human Resource Information System) Success Factors Implementation Planning Study	Implementation planning study for the development of a business case for a new HRIS for the Barwon South West region.	Overall HRIS solution: Core HR, Recruitment and Onboarding, Payroll, HRIS Reporting, Enquiry Management, Learning and Development, Performance Development and Review, Employee Experience Management, Succession Planning.	\$404,000

GENDER EQUALITY ACT 2020

Barwon Health continues working towards creating an inclusive environment where equal opportunity and diversity are valued and that reflects the communities we serve.

Consistent with the Gender Equality Act 2020, Barwon Health:

- Promoted gender equality through gender impact assessments, workplace gender audits and consultation forums.
- Developed and implemented a Gender Equality Action Plan (GEAP) including establishing targets.
- Monitored progress of the GEAP.

Barwon Health's 2022-2025 GEAP includes short and longer-term strategies and measures to make positive organisational change towards gender equality, based on the results of Barwon Health's workplace gender audit.

CAR PARKING FEES

Barwon Health complies with the requirements of Hospital Circular 05/2015 on car parking fees effective 1 February 2016. Details of car parking fees and concession benefits can be viewed via the website www.barwonhealth.org.au.

SAFE PATIENT CARE ACT 2015

Barwon Health rosters in accordance with its obligations under Section 40 of the *Safe Patient Care Act 2015*. There are no matters to report.

ATTESTATIONS AND DECLARATIONS

FINANCIAL MANAGEMENT COMPLIANCE

I, Lisa Neville, on behalf of the Responsible Body, certify that Barwon Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



The Hon. Lisa Neville
Board Chair, Barwon Health
6 September 2024

DATA INTEGRITY DECLARATION

I, Frances Diver, certify that Barwon Health has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. Barwon Health has critically reviewed these controls and processes during the year.



Frances Diver
Chief Executive, Barwon Health
6 September 2024

INTEGRITY, FRAUD AND CORRUPTION DECLARATION

I, Frances Diver, certify that Barwon Health has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Barwon Health during the year. No reportable fraud was identified in the 2023-2024 financial year.



Frances Diver
Chief Executive, Barwon Health
6 September 2024

CONFLICT OF INTEREST DECLARATION

I, Frances Diver, certify that Barwon 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 Barwon 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.



Frances Diver
Chief Executive, Barwon Health
6 September 2024

COMPLIANCE WITH HEALTHSHARE VICTORIA (HSV) PURCHASING POLICIES DECLARATION

I, Frances Diver, certify that Barwon Health has put in place appropriate internal controls and processes to ensure that it has complied with all material requirements set out in the HSV Purchasing Policies including use of mandatory HSV collective agreements as required by the Health Services Act 1988 (Vic). Barwon Health has critically reviewed these controls and processes during the year.



Frances Diver
Chief Executive, Barwon Health
6 September 2024

ENVIRONMENTAL PERFORMANCE

Barwon Health's environmental program has progressed in 2023/2024 under the guidance of the Environmental Sustainability Executive Sub-Committee.

The committee provides centralised governance and oversight of the environmental sustainability program. In 2023-2024 Barwon Health's first Environmental Sustainability Strategy was endorsed. The strategy was built around the ten Global Green and Healthy Hospitals' focus areas and will guide our environmental actions for the next six years. Key goals of the strategy are to:

- Embed environmental sustainability into organisational day-to-day operations.
- Enable Barwon Health's infrastructure to support carbon-neutral operations.
- Actively reduce, reuse and recycle waste.
- Reduce the environmental impact associated with pharmaceutical use.
- Reduce our carbon footprint through purchasing decisions.
- Reduce carbon emissions by improving transportation strategies for patients and staff.

Barwon Health is establishing a staff network of environmental champions who support the implementation of our Environmental Sustainability Strategy.

Barwon Health is participating in the pilot of the Australian Commission on Safety and Quality in Health Care draft Environmental Sustainability module which will assist us to benchmark and monitor our environmental activities and progress our planning around climate change adaptation.

**Environmental data is collated and reported from EdenSuite. Some measurement methods have been amended since the prior year therefore 22-23 data has been restated to current measuring methods.*

SUSTAINABLE BUILDINGS AND INFRASTRUCTURE

The Barwon Early Parenting Centre at North Geelong, within the grounds of the McKellar Centre, was completed in 2023/2024. The building was designed according to the VHBA Guidelines for Environmentally Sustainable Design.

Barwon Health received its 2022/2023 energy and water efficiency ratings from the NABERS (National Australian Built Environment) Scheme. The energy efficiency for University Hospital Geelong was rated five stars and water use efficiency was rated at four stars, out of a possible six stars. The McKellar Centre was rated at three stars for both energy and water efficiency.

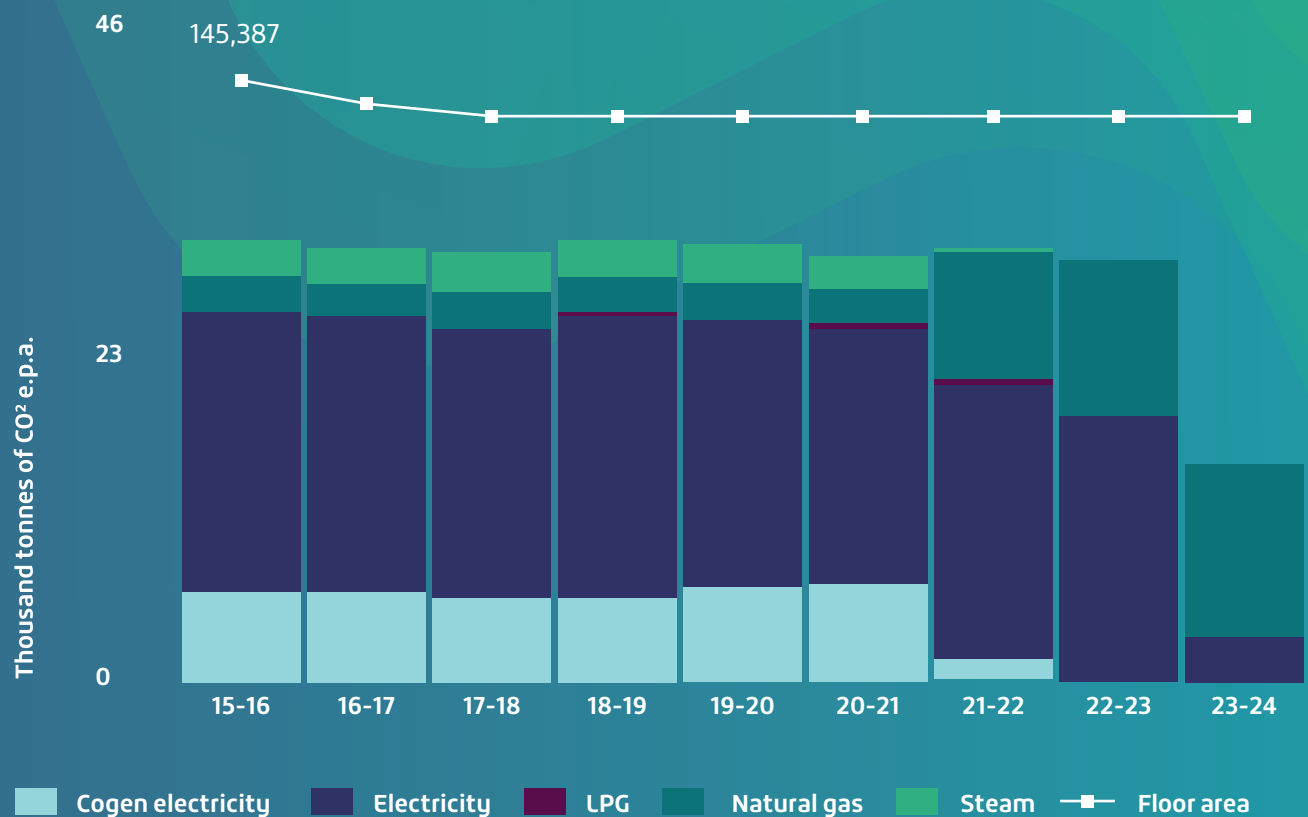
SUSTAINABLE PROCUREMENT

Barwon Health has an extensive social and sustainable procurement program, utilising recycling services from a number of local Geelong-based enterprises that also employ people living with disabilities. Geelong Disabled People's Industries (GDP) is an Australian Disability Enterprise. GDP collects polystyrene, wooden pallets, e-waste and sterilisation wrap for recycling from Barwon Health at a cost of \$10,000 per annum.

Gen-U, also based in Geelong, provides disability support, senior services, training and employment. Gen-U collects all Barwon Health's confidential paper waste for shredding and recycling, costing around \$105,000 per annum.

GREENHOUSE GAS EMISSIONS

Barwon Health has significantly reduced its Scope Two emissions from electricity in 2023/2024 by surrendering the Large Scale Generation Certificates (LGCs) purchased through the Barwon Regional Energy Partnership (B-REP) agreement. The innovative agreement is a joint venture between Barwon Health, Barwon Water, Geelong Port and windfarm operator Acciona which enables the three regional partners to reduce their carbon emissions by purchasing and surrendering the LGCs created by the windfarm.



Scope Two emissions from electricity have been reduced by 13,337 tonnes CO₂-e in 2023-2024 by the surrender of Large Scale Generation Certificates (LGCs), acquired through the Barwon Renewable Energy Project, a joint venture between Barwon Health, Barwon Water, Geelong Port and Acciona.

Environmental data are collated and reported using EdenSuite. EdenSuite uses the market based method for calculating carbon emissions from electricity for the FRD24 report.

The bar graph above uses the Location based method to enable comparison with previous years.

Gas used by the cogen plant is now purchased by Barwon Health. The emissions from cogen electricity shifted from Scope 2 in 2021-2022 to Scope 1 in the following years.

Normalisation factors	2023-2024	2022-2023	2021-2022
1000km (corporate)			
1000km (non-emergency)			
Aged Care OBD	89,278	96,151	109,404
ED departures	78,142	77,630	75,231
FTE	5,959	5,657	5,335
LOS	275,319	260,401	229,053
OBD	364,597	356,552	338,457
PPT	541,534	526,003	496,234
Separations	98,795	91,821	82,546
TotalAreaM2	136,747	136,747	136,747

ENVIRONMENTAL PERFORMANCE

GREENHOUSE GAS EMISSIONS (CONTINUED)

	2023-2024	2022-2023	2021-2022
Total scope one (direct) greenhouse gas emissions [tonnes CO2e]			
Carbon dioxide	12,367	11,348	9,671
Methane	24	22	18
Nitrous oxide	10	9	8
Total	12,400	11,379	9,697
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e]	11,911	10,874	9,110
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e]	489	505	588
Medical/refrigerant gases			
Nitrous oxide	1,668	146	
Refrigerant - R134A (HFC-134A)	4	5	
Refrigerant - R22 (HCFC-22)		1	
Refrigerant - R404A (HFC-404A)	65	233	
Refrigerant - R410A (HFC-410A)	52	36	
Total scope one (direct) greenhouse gas emissions [tonnes CO2e]	14,189	11,800	9,697
Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]			
Cogen electricity			1,627
Electricity	13,818	14,934	15,312
Steam			506
Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]	13,818	14,934	17,444
Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)			
Commercial air travel	280	527	
Waste emissions (WR5)*	1,886	2,498	2,359
Indirect emissions from stationary energy	2,686	2,825	2,376
Indirect emissions from transport energy	403	654	31
Paper emissions			
Any other scope 3 emissions	437	377	355
Total scope three greenhouse gas emissions [tonnes CO2e]	5,692	6,881	5,121
Net greenhouse gas emissions (tonnes CO2e)			
Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]	33,697	33,615	32,262
LGCs (separately purchased)	-13,337		
Any reduction measures offsets purchased (EL4-related)	-13,337		
Any offsets purchased	-13,337		
Net greenhouse gas emissions [tonnes CO2e]	20,360	33,615	32,262

*Indicators are not reported where data is unavailable or an indicator is not relevant to the organisation's operations

ELECTRICITY PRODUCTION AND CONSUMPTION

Electricity usage slightly increased from the previous year, with less taken from the grid and more generated on-site by the cogen plant and roof-top solar.

Electricity generated from roof-top solar increased significantly due to the new solar systems installed at various sites during the 2023-2024 financial year.

The Large Scale Generation Certificates (LGCs) purchased via the B-REP agreement from the Mount Gellibrand wind farm, and surrendered in December 2023, have offset emissions from 14,934 CO₂-e tonnes of electricity in FY2023, to 481 tonnes of CO₂-e in FY2024 (see Greenhouse Gas Emissions on previous page).

	2023-2024	2022-2023	2021-2022
Total electricity consumption segmented by source [MWh]			
Purchased	21,008	21,740	22,607
Self-generated	6,363	4,972	4,530
Total electricity consumption [MWh]	27,371	26,712	27,137
On site-electricity generated [MWh] segmented by:			
Consumption behind-the-meter			
Solar electricity	482	240	184
Cogeneration electricity	5,881	4,732	4,346
Total consumption behind-the-meter [MWh]	6,363	4,972	4,530
Exports			
Cogeneration electricity	814	674	666
Total electricity exported [MWh]	814	674	666
Total on site-electricity generated [MWh]	7,177	5,646	5,197
On-site installed generation capacity [kW converted to MW] segmented by:			
Cogeneration plant	6	6	6
Diesel generator	7	7	7
Solar system	1	0	0
Total on-site installed generation capacity [MW]	14	13	13
Total electricity offsets segmented by offset type [MWh]			
LGCs voluntarily retired on the entity's behalf	14,656		
RPP (Renewable Power Percentage in the grid)	3,950	4,087	3,898
Total electricity offsets [MWh]	18,606	4,087	3,898

ENVIRONMENTAL PERFORMANCE

STATIONARY FUEL USE

	2023-2024	2022-2023	2021-2022
Total fuels used in buildings and machinery segmented by fuel type [MJ]			
Natural gas	226,858,258	206,653,105	172,420,617
LPG	3,356,263	3,629,776	3,586,849
Diesel	255,251	74,120	105,587
Total fuels used in buildings [MJ]	230,469,771	210,357,000	176,113,052
Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e]			
Natural gas	11,690	10,649	8,885
LPG	203	220	217
Diesel	18	5	7
Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]	11,911	10,874	9,110

Use of reticulated fossil gas increased from the previous year while LPG decreased slightly. The large increase in gas use between the two previous financial years was an artefact of the contractual change to gas purchasing and does not reflect any actual change in use.

The amount of diesel used by back-up generators increased significantly. This was due to increased usage of the generators located in the Percy Baxter Wing (at University Hospital Geelong), Youang Surgery Centre and the McKellar Mental Health and Wellbeing Centre.

Building Services maintenance planner Caleb Hunnam with one of the new electric vehicles.



WASTE REDUCTION

*HSV data for Q4 not yet available therefore only Q1, Q2 and Q3 reported for 2023-2024.

	2023-2024*	2022-2023	2023-2024
Total units of waste disposed of by waste stream and disposal method			
	(kg)	(kg)	(kg)
Landfill (total)			
General waste - bins	805,282*	1,052,800	1,006,075
General waste - skips	449,534*	591,320	491,710
Offsite treatment			
Clinical waste - incinerated	17,133*	24,593	25,812
Clinical waste - sharps	14,842*	18,381	19,066
Clinical waste - treated	169,496*	242,388	280,435
Recycling/recovery (disposal)			
Batteries	1,044		1,037
Cardboard	327,912	483,573	256,279
Commingled	351,864	143,532	91,275
E-waste	90,000	17,940	53,820
Fluorescent tubes	996	600	640
Mattresses	3,600	1,000	900
Metals	7,300		3,600
Mobile phones	100		50
Organics (food)	36,507	39,462	25,937
Packaging plastics/films	50	78,000	24,336
Paper (confidential)	43,798	119,760	106,212
PVC	231	1,821	826
Toner & print cartridges	250		4,013
Wood	8,400	5,000	10,000
Total units of waste disposed [kg]	2,328,340	2,842,492	2,402,922

ENVIRONMENTAL PERFORMANCE

WASTE REDUCTION (CONTINUED)

	2023-2024*	2022-2023	2021-2022
Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per patient treated [(kg general waste)/PPT]	2.32	3.13	3.02
Total waste to offsite treatment per patient treated [(kg offsite treatment)/PPT]	0.37	0.54	0.66
Total waste recycled and reused per patient treated [(kg recycled and reused)/PPT]	1.61	1.74	1.17
Recycling rate [%]			
Weight of recyclable and organic materials [kg]	872,052	913,010	579,824
Weight of total waste [kg]	2,328,340	2,842,492	2,402,922
Recycling rate [%]	37.45%	32.12%	24.13%
Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]			
tonnes CO2-e	1,885.97	2,497.98	2,359.17

*HSV data for Q4 not yet available therefore only Q1, Q2 and Q3 reported for 2023-2024.

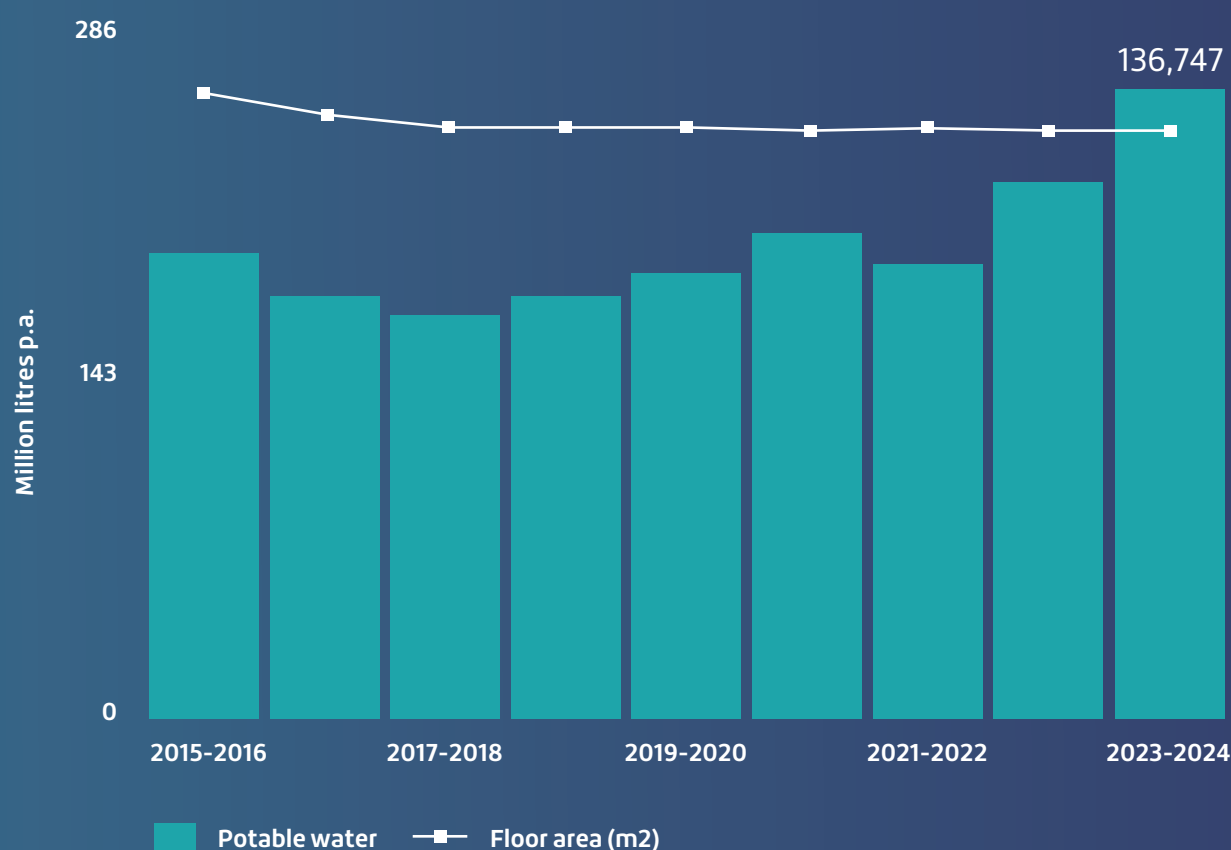
Theatre staff highlighting the reduction in use of "Blueys" in surgery.



WATER USAGE

Water use has increased in 2023-2024.

	2023-2024	2022-2023	2021-2022
Total units of metered water consumed by water source (kl)			
Potable water [kL]	260,211	222,509	188,862
Total units of water consumed [kl]	260,211	222,509	188,862
Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD [kL/Aged Care OBD]	2.91	2.31	1.73
Water per unit of LOS [kL/LOS]	0.95	0.85	0.82
Water per unit of bed-day (LOS+Aged Care OBD) [kL/OBD]	0.71	0.62	0.56
Water per unit of separations [kL/Separations]	2.63	2.42	2.29
Water per unit of floor space [kL/m ²]	1.90	1.63	1.38



ENVIRONMENTAL PERFORMANCE

TRANSPORTATION

	2023-2024	2022-2023	2021-2022
Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]			
Non-executive fleet - Gasoline	5,300,993	5,793,131	6,064,347
Petrol	5,300,993	5,793,131	6,064,347
Non-executive fleet - Diesel	1,852,804	1,606,146	2,524,841
Diesel	1,852,804	1,606,146	2,524,841
Total energy used in transportation (vehicle fleet) [MJ]	7,153,797	7,399,277	8,589,188
Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]			
Non-executive fleet - Gasoline	358	392	410
Petrol	358	392	410
Non-executive fleet - Diesel	130	113	178
Diesel	130	113	178
Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]	489	505	588
Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)			
Total distance travelled by commercial air travel	1,400,595	3,091,506	

The amount of unleaded petrol (gasoline) has declined annually over the past three financial years. This is a consequence of introducing more fuel efficient (hybrid) and electric vehicles into the passenger fleet.

Diesel used by the fleet has increased slightly since last year, due to the increase in diesel commercial vehicles.

The number of vehicles in the fleet increased by nine from the previous year with a move to more electric cars and fewer petrol cars.

The number of commercial vehicles increased considerably, from 23 to 35. Five of the new vehicles are diesel, which may account for the increased use of diesel noted above.

	2023-2024	%
Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category		
Number and proportion of vehicles	274	
Road vehicles	274	
Passenger vehicles	233	85%
<i>Internal combustion engines</i>		
Petrol	98	
Diesel	1	
Hybrid	118	
Zero emission vehicle	16	
Commercial vehicles	35	13%
<i>Internal combustion engines</i>		
Goods carrying incl. vans & utes		
Petrol	20	
Diesel	12	
Heavy commercial		
Diesel	3	
Buses (rental + owned)	6	2%
<i>Internal combustion engines</i>		
Petrol	6	

ENERGY CONSUMPTION

	2023-2024	2022-2023	2021-2022
Total energy usage from fuels, including stationary fuels and transport fuels [MJ]			
Total energy usage from stationary fuels [MJ]	230,469,771	210,357,000	176,113,052
Total energy usage from transport [MJ]	7,153,797	7,399,277	8,589,188
Total energy usage from fuels, including stationary fuels and transport fuels [MJ]	237,623,569	217,756,277	184,702,241
Total energy usage from electricity [MJ]			
Total energy usage from electricity [MJ]	98,536,764	96,161,961	97,692,720
Total energy usage segmented by renewable and non-renewable sources [MJ]			
Renewable	68,716,594	15,575,998	14,695,206
Non-renewable	269,180,201	299,204,925	268,362,197
Units of stationary energy used normalised			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	3,685	3,188	2,503
Energy per unit of LOS [MJ/LOS]	1,195	1,177	1,195
Energy per unit of bed-day (LOS+Aged Care OBD) [MJ/OBD]	902	860	809
Energy per unit of Separations [MJ/Separations]	3,330	3,338	3,317
Energy per unit of floor space [MJ/m2]	2,406	2,242	2,002

Representatives of the Barwon Region Environmental Partnership at Mt Gellibrand Wind Farm: Barwon Health, Barwon Water and GeelongPort.





REPORTING OUTCOMES FROM STATEMENT OF PRIORITIES 2023-2024

STATEMENT OF PRIORITIES PART A: PERFORMANCE PRIORITIES

The Health Services Act 1988 (Vic) allows that post 1 October of each financial year the Minister for Health makes a Statement of Priorities which is provided to and agreed with health services. This Statement outlines the goals for the year for Barwon Health.

The Barwon Health Statement of Priorities are aligned with the Department of Health Strategic Plan 2023-2027. Barwon Health will contribute to the Strategic Plan 2023-2027 by agreeing to the following priorities:

MINISTERIAL PRIORITIES

1. Improved health system culture, grounded in respect and safety.
2. A supported, growing and fit-for-purpose health workforce.
3. A reformed overall health system (community-based and acute health services), with reforms to service models and enablers (structural, financial and cultural), delivering improved patient safety, experiences and outcomes, particularly for people in regional and rural Victoria.
4. A step-change in women's health.
5. Nation-leading reductions in rates of vaping.
6. Improved health equity through:
 - Improved Aboriginal health, mental health and wellbeing, achieved through self-determination and ceding power.
 - Family-centred health models for priority populations.
 - Intersectional improvements in health access and outcomes for priority cohorts.
7. Improved mental health system through:
 - New and transformed integrated services through the implementation of the Royal Commission into Victoria's Mental Health System.
 - Strengthening system guidance, stewardship and commissioning.
 - Realising the vision of the new Mental Health and Wellbeing Act 2022 by driving cultural change.
 - Supporting a culture that embraces lived experience leadership at every level of the mental health and wellbeing system.
 - Investing in suicide prevention and mental health and wellbeing promotion.

SYSTEM PRIORITIES

This section consists of five mandatory goals and one to two elective goals selected by the health service.

*Opposite: Lisa Stafford, Dietitian,
Mental Health, Drugs and Alcohol Services*

STATEMENT OF PRIORITIES PART A

MA – EXCELLENCE IN CLINICAL GOVERNANCE

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

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
MA7 Improve mental health and wellbeing outcomes by implementing Victoria's new and expanded Mental Health and Wellbeing system architecture and services.	Commission the new Central Mental Health and Wellbeing Hub to provide expanded and integrated community based mental health and wellbeing services.	Ongoing (Carried into 2024-25 priorities)	Client facing services to commence at the Central Mental Health and Wellbeing Hub in August 2024.
	Develop a new Mental Health service experience framework in collaboration with consumers and carers.	Achieved	The Mental Health service experience framework was endorsed and implemented.
MA9 Maintain commitment to driving planned surgery reform in alignment with the Surgery Recovery and Reform Program, as well as identify and implement local reform priorities.	Implement and expand alternative treatment pathways, including evidence-based alternatives to surgery and patient optimisation pathways for surgery.	Achieved	Barwon Health has met the time to treatment targets for planned surgery and has treated 11,555 patients in FY24 which is an increase of 1,911 since FY23.
	Proactively manage patients who require surgery including supporting patients into optimal care pathways.	Ongoing	New models of care have been implemented to proactively support consumers referral for planned surgery.
	Review Board performance reporting to incorporate a comprehensive overview of planned surgery.	Achieved	Board reporting has been updated to incorporate additional measures relating to planned surgery.
MA11 Develop strong and effective systems to support early and accurate recognition and management of deterioration of paediatric patients.	Partner with Safer Care Victoria (SCV) and relevant multidisciplinary groups to establish protocols and processes to manage effective monitoring and escalation of deterioration in paediatric patients via VICTOR charts.	Ongoing	Barwon Health was a pilot site for adding parental concern as a VICTOR chart observation on the paediatric ward (HW3), in partnership with Safer Care Victoria.
	Improve paediatric patient outcomes through implementation of the "VICTOR track and trigger" observation chart and escalation system, whenever children have observations taken.		Barwon Health also has a parental escalation (PACE) program throughout the hospital for paediatric patients.
	Implement staff training on the "VICTOR track and trigger" tool to enhance identification and prompt response to deteriorating paediatric patient conditions.		Barwon Health staff have been trained on the VICTOR track and trigger tool.

MB – WORKING TO ACHIEVE LONG TERM FINANCIAL SUSTAINABILITY

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

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
MB1 Co-operate with and support Department-led reforms that look towards reducing waste and improving efficiency to address financial sustainability, operational and safety performance, and system management.	Implementation of sustainability initiatives including clinical service reform, workforce sustainability and corporate services efficiencies. Collaborate with other health service providers and community organisations explore opportunities for shared services, joint procurement, and resource sharing to reduce costs and improve efficiency.	Ongoing	Client facing services to commence. Barwon Health has implemented reforms to support sustainability including clinical service reform, workforce attraction and retention, and corporate services efficiencies. Barwon Health partners with other health service providers across the Barwon South West region to support resource sharing.
MB2 Development of a health service financial sustainability plan in partnership with the Department with a goal to achieving long term health service safety and sustainability.	Development of a multi-year investment plan aligned to Barwon Health priorities.	Achieved	Barwon Health has a financial sustainability plan including a three year capital investment plan.

MC – IMPROVING EQUITABLE ACCESS TO HEALTHCARE AND WELLBEING

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

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

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
MC1 Address service access issues and equity of health outcomes for rural and regional people including more support for primary, community, home-based and virtual care, and addiction services.	Develop a Primary Care Strategy.	Achieved	The Barwon Health Primary Care Strategy was endorsed by the Board Population Health and Primary Care Committee.
	Expand and further embed @ Home and Connected Care programs to improve access to care.	Achieved	@ Home programs have continued to develop and expand. The connected care service has been redesigned to support a multi-disciplinary team approach to vulnerable consumers in the community.
	Expand specialist clinics to improve access to specialist care.	Achieved	Additional access in Ophthalmology, ENT, General Surgery, Diabetes, Motor Neurone Disease (MND), Paediatric and Women's clinics.
	Work with rural public hospitals in the Barwon South West Region to identify opportunities to improve service access and health outcomes for their local communities through the Regional Clinical Services Plan.	Ongoing	The first two stages of the Regional Clinical Services Plan project have been completed. Stage 3 is on hold pending the outcome of the Victorian Health Service System Plan.

STATEMENT OF PRIORITIES PART A

MC – IMPROVING EQUITABLE ACCESS TO HEALTHCARE AND WELLBEING (CONTINUED)

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
MC3 Enhance the provision of appropriate and culturally safe services, programs and clinical trials for and as determined by Aboriginal people, embedding the principles of self-determination.	Partner with Wathaurong Aboriginal Cooperative Ltd and Wadawurrung Traditional Owners to prioritise and deliver healthcare improvements.	Achieved	A Memorandum Of Understanding (MOU) is in place to support collaboration between Barwon Health and Wathaurong Aboriginal Cooperative Ltd.
	Promote effective Aboriginal and Torres Strait Islander client and patient identification.	Ongoing	Face to Face 'Asking the Question' training provided to staff across Barwon Health. Resources being developed – posters, flyers and brochures for both staff and consumers.
	Promote a culturally safe welcoming environment with Aboriginal cultural symbols and spaces to demonstrate the recognition, celebration and respect for Aboriginal communities and culture.	Ongoing	Various spaces in the organisation have been refreshed to include Aboriginal art work. Original commissioned pieces are then reproduced into wall decals. Aboriginal Prison Art Program – receiving more pieces to add to the catalogue available for display and purchase in the organisation. Engagement with Capital Works activities. Architect discussions and focus groups being conducted in the community.
	Partner with Colac Area Health, Portland District Health, Wathaurong Co-operative and Dhauwurd-Wurrung Elderly & Community Health Service to improve health outcomes for Aboriginal and Torres Strait Islander people, in particular those accessing ED/UCCs, by building health literacy and improving cultural safety.	Ongoing	Funding was received under the Health Service Partnership (HSP) to conduct an Aboriginal Health Improvement Initiative project. This is being delivered in collaboration with the multiple stakeholders across the Barwon South West region.

MD – A STRONGER WORKFORCE

There is increased supply of critical roles, which supports safe, high-quality care.

Victoria is a world leader in employee experience, with a focus on future roles, capabilities and professional development.

The workforce is regenerative and sustainable, bringing a diversity of skills and experience that reflect the people and communities it serves.

As a result of a stronger workforce, Victorians receive the right care at the right time closer to home.

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
MD1 Improve employee experience across four initial focus areas to assure safe, high-quality care: leadership, health and safety, flexibility, and career development and agility.	Publish the new People and Culture Strategic Plan and commence its' implementation.	Achieved	Published the People and Culture Strategic Plan 2023-25 and commenced implementation.
	Continue to deliver wellbeing and safety initiatives focused on workforce wellbeing.	Ongoing	Launched the 2024-2025 Safety and Security plan focused on employee safety. Continue to review and implement employee experience initiatives in response to feedback from the People Matter Survey. Implementation of a new Human Resource Information System (HRIS) in phased approach.
MD2 Explore new and contemporary models of care and practice, including future roles and capabilities.	Implement new and innovative models of care in the Geelong/ Queenscliffe Mental Health and Wellbeing Local (GGQ Local).	Ongoing	Barwon Health has implemented a new model of care for the GGQ Local including a diverse staffing profile recruited to, inclusive of psychiatrists, clinicians, wellbeing workers and peer workers, across four Consortium Partners (Barwon Health), Wellways, ermha365 and Wathaurong). GGQ Local currently participating in Social Prescribing Trial. GGQ Local currently participating in Trauma trial with Phoenix Australia. A new Therapy stream has been introduced into the GGQ Local.
	Implement new and innovative models of care in the commissioning of the new Specialised Dementia Care Program.	Ongoing (Carried into 2024-25 priorities)	A new, contemporary person-centred, dementia focused model of care has been successfully implemented in the new Specialised Dementia Care Program opened in May 2024.

STATEMENT OF PRIORITIES PART A

ME – MOVING FROM COMPETITION TO COLLABORATION

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

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
ME1 Partner with other organisations (for example community health, ACCHOs, PHNs, General Practice, private health) to drive further collaboration and build a more integrated system.	Commission new primary care service at Cherry Creek Youth Justice Centre.	Achieved	Primary care services at Cherry Creek Youth Justice Centre commenced operations in August 2023.
	Continue the partnership with Wathaurong Aboriginal Co-operative.	Ongoing	Continuing outreach services and supports to Wathaurong Health Service in a variety of specialities, including endocrinology, paediatrics, obstetrics and midwifery.
ME2 Engage in integrated planning and service design approaches, whilst assuring consistent and strong clinical governance, with partners to join up the system to deliver seamless and sustainable care pathways and build sector collaboration.	Develop Regional Clinical Services Plan for Barwon South-West. (Same as MC1 above).	Ongoing and carried forward into 2024-25 priorities	Same as MC1 above.
	Development of neonatal and paediatric expansion model with St John of God Hospital Geelong to support the sustainability of the SJGHG maternity service and facilitate transfers where required.	Achieved	Barwon Health has been engaged to provide neonatal and paediatric services for St John of God Geelong Hospital's maternity service.

Opposite: Health pop-up at the Barwon South West Public Health Unit. Photo supplied by Cultura/Hadeel Al-Badran.

MANDATORY FOR HEALTH SERVICES WITH LOCAL PUBLIC HEALTH UNITS (INCLUDING BARWON HEALTH)

EA – EMPOWERING PEOPLE TO KEEP HEALTHY AND SAFE IN THE COMMUNITY

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

SUB GOALS	KEY DELIVERABLES	RESULT/STATUS	
EA6 Reduce risk factors contributing to the burden of preventable chronic disease through place-based prevention and population health initiatives delivered and coordinated by LPHUs.	Develop and implement the Local Public Health Unit catchment plan, reflecting statewide and local priorities.	Achieved	A catchment plan was completed.
	Develop and implement the Barwon South West Public Health Strategy in collaboration with public health stakeholders.	Achieved	The Public Health Strategy for the Barwon South West Region 2023-2033 completed and published.
EA7 Perform authorised health protection functions for the population in the Barwon South West public health catchment.	Manage and deliver local public health responses to integrated notifiable conditions—including COVID-19—within the Barwon South West public health catchment.	Achieved	The Public Health Unit Barwon South West region has integrated reporting of all notifiable conditions as required across the region.
	Respond to notifications for integrated notifiable conditions in their catchment.		



STATEMENT OF PRIORITIES PART A

ELECTIVE

EC – A HEALTH SYSTEM THAT TAKES EFFECTIVE CLIMATE ACTION

Barwon Health is focused on environmental sustainability. It is resilient and adaptable to climate change and takes effective action to achieve net zero emissions.

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
EC2 Implement climate adaptation initiatives to support the health service's resilience and prepare for future challenges.	Develop an Environmental Sustainability Strategic Plan.	Achieved	The Environmental Sustainability Strategic Plan has been developed and endorsed by the Board.
	Investigate replacement of gas-fired boilers with electric steam generators.	Ongoing	Plans are in place to replace the gas-fired co-generation plant at University Hospital Geelong.
EC3 Build a better understanding of the health service's carbon footprint, including Scope 3 (indirect emissions), to inform effective action.	Undertake energy performance assessment.	Achieved	Completed as part of the baseline assessment for an Energy Performance Contract.
	Implement actions to achieve a reduction in emission targets over the longer term.	Ongoing	Established the Environmental Sustainability Executive Sub-committee (ESES) to drive the implementation of Barwon Health's Environmental Sustainability Strategy. Commenced pilot of ACSQHC environmental sustainability module. Installed additional 764 kW of solar PV generation capacity on Barwon Health buildings.

HEALTH SERVICE LOCAL PRIORITY GOAL

BARWON WOMEN'S AND CHILDREN'S (BWC)

Advance the development of the new Barwon Women's and Children's to improve patient outcomes and access; improve patient and family experience; improve community confidence that care will be available when they need it; and help sustain maternity services across Barwon South West region through increased professional training.

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
Progress BWC early works to enable timely clearing of the site for the main construction works.	Commence construction of the new endoscopy and day procedure facilities in the Youang Surgery Centre.	Achieved	Construction works commenced on the new endoscopy and day procedure facilities in the Youang Surgery Centre in March 2024.
Complete BWC design stages on time and on budget to avoid project delays.	Work collaboratively with patients, families, community stakeholders, staff, First Nations stakeholders, the Victorian Health Building Authority and consultants to complete schematic design for the main works component on time and on budget.	Achieved	Schematic design for the main works has been completed in consultation with all stakeholders including the appointed contractor Built.
	Contribute to the Statewide Advisory Group on the comprehensive women's health clinics to inform the model of care and support the expansion of women's health services at Barwon Health.	Ongoing	Barwon Health participated in the Statewide Advisory Group and has commenced the expansion of the Women's health clinics, including expanded pelvic pain clinic capacity.

STATEMENT OF PRIORITIES PART B

HIGH QUALITY AND SAFE CARE

KEY PERFORMANCE MEASURE	TARGET	RESULT
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	85%
Percentage of healthcare workers immunised for influenza	94%	87%
Continuing care		
Average change in the functional independence measure (FIM) score per day of care for rehabilitation separations	≥ 0.645	0.727
Healthcare associated infections (HAIs)		
Rate of central-line-associated blood stream infections in intensive care units per 1,000 central-line days	Zero	0.3
Rate of healthcare-associated S. aureus bloodstream infections per 10,000 bed days	≤ 0.7	1.3
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	93%
Maternity and Newborn		
Percentage of full-term babies (without congenital anomalies) who are considered in poor condition shortly after birth (Apgar score <7 to 5 minutes)	≤ 1.4%	1.4%
Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation	≤ 28.6%	27.8%
Unplanned readmissions		
Rate of unplanned readmissions to any hospital following a hip replacement procedure	< 6%	5.8%
Aboriginal Health		
Percentage of Aboriginal admitted patients who left against medical advice	1.4%	2%
Percentage of Aboriginal emergency department presentations who did not wait to be seen	12.8%	14%
Mental Health patient experience		
Percentage of consumers who rated their overall experience of care with a service in the last three months as positive	80%	58%
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%	80%
Percentage of families/carers reporting a 'very good' or 'excellent' overall experience of the service	80%	44%
Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected	90%	74%

Note: *Outcomes reflective of published data available at time of authoring

HIGH QUALITY AND SAFE CARE (CONTINUED)

KEY PERFORMANCE MEASURE	TARGET	RESULT
Mental Health post-discharge follow-up		
Percentage of consumers followed up within seven days of separation – Inpatient (adult)	88%	91%
Percentage of consumers followed up within seven days of separation – Inpatient (older persons)	88%	94%
Mental Health readmission		
Percentage of consumers re-admitted within 28 days of separation – Inpatient (adult)	< 14%	13%
Percentage of consumers re-admitted within 28 days of separation – Inpatient (older persons)	< 7%	10%
Mental Health seclusion		
Rate of seclusion episodes per 1,000 occupied bed days – Inpatient (adult)	≤ 8	9
Rate of seclusion episodes per 1,000 occupied bed days – Inpatient (older persons)	≤ 5	1

STRONG GOVERNANCE, LEADERSHIP AND CULTURE

KEY PERFORMANCE MEASURE	TARGET	RESULT
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	69%

TIMELY ACCESS TO CARE

KEY PERFORMANCE MEASURE	TARGET	RESULT
Planned surgery		
Percentage of urgency category one planned surgery patients admitted within 30 days	100%	100%
Percentage of all planned surgery patients admitted within the clinically recommended time	94%	94%
Number of patients on the planned surgery waiting list	1,850	1,563
Number of patients admitted from the planned surgery waiting list	8,165	8,165
Number of patients (in addition to base) admitted from the planned surgery waiting list	3,749	3,390
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	5%	4%
Number of hospital-initiated postponements per 100 scheduled planned surgery admissions	≤ 7	4
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	59%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category one to five emergency patients seen within clinically recommended time	80%	53%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	44%
Number of emergency patients with a length of stay in the ED greater than 24 hours	0	0

TIMELY ACCESS TO CARE (CONTINUED)

KEY PERFORMANCE MEASURE	TARGET	RESULT
Mental Health		
Percentage of mental health-related emergency department presentations with a length of stay of less than four hours	81%	42%
Percentage of 'urgent' (category 'C') mental health triage episodes with a face-to-face contact received within eight hours	80%	68%
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	72%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	93%
Home Based Care		
Percentage of admitted bed days delivered at home	10.5%	11.9%
Percentage of admitted episodes delivered at least partly at home	4%	4.2%

EFFECTIVE FINANCIAL MANAGEMENT

KEY PERFORMANCE MEASURE	TARGET	RESULT
Operating result (\$m)	0.00	0.1
Average number of days to pay trade creditors	60 days	48.5
Average number of days to receive patient fee debtors	60 days	41.7
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.79
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ \$250,000	17.3
Actual number of days of available cash, measured on the last day of each month	14 days	13 days

Note: *Outcomes reflective of published data available at time of authoring

STATEMENT OF PRIORITIES PART C: STATE FUNDING

FUNDING TYPE	2023/2024 ACTIVITY ACHIEVEMENT
Consolidated activity funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU*	118,275
Acute admitted	
National Bowel Cancer Screening Program NWAU*	-
Acute admitted DVA	396
Acute admitted TAC	424
Acute non-admitted	
Home enteral nutrition NWAU	62
Home renal dialysis NWAU	427
Radiotherapy WAUs DVA	28
Radiotherapy WAUs Public	37,859
Subacute / non-acute, admitted and non-admitted	
Subacute – DVA	62
Transition care - Bed days	9,952
Transition care - Home days	6,144
Aged care	
Residential Aged Care	89,416
HACC	19,473
Mental health and drug services	
Mental health ambulatory	102,241
Mental health inpatient - available bed days	20,088
Mental health residential	16,470
Mental health subacute	7,686
Drug services	1,991
Primary health	
Community health / Primary care programs	38,225
Community health other	1,358

*A National Weighted Activity Unit (NWAU) is a measure of health service activity expressed as a common unit, against which the National Efficient Price (NEP) is paid.



Barwon
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Volunteer

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Health

FINANCIAL REPORT

314

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BOARD MEMBERS, ACCOUNTABLE OFFICER AND CHIEF FINANCIAL OFFICER DECLARATION

The attached consolidated financial statements for Barwon Health and the consolidated entity have been prepared in accordance with 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and the financial position of Barwon Health and the consolidated entity at 30 June 2024.

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

We authorise the attached consolidated financial statements for issue on 6 September 2024.



Lisa Neville
Board Chair



Frances Diver
Chief Executive



Cobus Lotharingen
Chief Financial Officer

Geelong
6 September 2024

COMPREHENSIVE OPERATING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	PARENT ENTITY		CONSOLIDATED	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue and income from transactions					
Operating activities	2.1	1,157,788	1,119,882	1,161,369	1,124,848
Non-operating activities	2.1	7,576	5,527	8,335	6,168
Share of revenue from joint operation	8.8	14,221	10,383	14,221	10,383
Total revenue and income from transactions		1,179,585	1,135,792	1,183,925	1,141,399
Expenses from transactions					
Employee expenses	3.1	(849,170)	(809,711)	(849,830)	(810,431)
Supplies and consumables	3.1	(181,551)	(175,484)	(181,557)	(175,500)
Depreciation and amortisation	4.5	(74,623)	(70,113)	(74,653)	(70,115)
Other administrative expenses	3.1	(52,225)	(43,203)	(53,007)	(44,786)
Other operating expenses	3.1	(37,271)	(33,815)	(37,274)	(33,815)
Finance costs	3.1	(1,095)	(401)	(1,099)	(406)
Share of expenditure from joint operation	8.8	(19,502)	(12,841)	(19,502)	(12,841)
Total expenses from transactions		(1,215,437)	(1,145,568)	(1,216,922)	(1,147,894)
Net result from transactions - net operating balance		(35,852)	(9,776)	(32,997)	(6,495)
Other economic flows included in net result					
Net loss on non-financial assets		(1,384)	(1,317)	(1,384)	(1,317)
Net loss on financial instruments		(1,345)	(5,346)	(1,245)	(5,297)
Net gain from other economic flows		(6,361)	1,145	(6,361)	1,145
Share of other economic flows from joint operation		(2,282)	347	(2,282)	347
Total other economic flows included in net result	3.2	(11,372)	(5,171)	(11,272)	(5,122)
Net result for year		(47,224)	(14,947)	(44,269)	(11,617)

COMPREHENSIVE OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

	NOTES	PARENT ENTITY		CONSOLIDATED	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
OTHER ECONOMIC FLOWS - OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified to net result					
Changes in property, plant and equipment revaluation surplus		330,806	-	330,806	246
Changes in the fair value of equity investments at fair value through other comprehensive income		-	-	663	645
Items that may be reclassified subsequently to net result					
Changes in fair value of available-for-sale financial assets through other comprehensive income		153	89	153	89
Total other comprehensive income		330,959	89	331,622	980
Comprehensive result for the year		283,735	(14,858)	287,353	(10,637)

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

BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	PARENT ENTITY		CONSOLIDATED	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	6.2	89,829	146,306	93,593	148,327
Receivables	5.1	20,172	21,509	20,453	21,977
Contract assets	5.2	8,042	7,463	8,152	7,551
Prepaid expenses		7,285	13,088	7,285	13,088
Investments and other financial assets	4.1	4,207	3,337	4,477	3,337
Inventories		6,215	4,052	6,229	4,052
Non-financial physical assets held for sale		-	-	2,027	450
Share of assets in joint operation	8.8	18,944	14,112	18,944	14,112
Total current assets		154,694	209,867	161,160	212,894
Non-current assets					
Property, plant and equipment	4.2	1,159,068	827,699	1,161,193	829,809
Receivables	5.1	69,952	64,186	69,952	64,186
Investments and other financial assets	4.1	13,572	15,121	25,948	27,316
Intangible assets	4.4	1,969	3,408	1,969	3,408
Share of assets in joint operation	8.8	8,106	8,920	8,106	8,920
Right-of-use assets	4.3	25,162	25,995	25,162	25,995
Total non-current assets		1,277,829	945,329	1,292,330	959,634
Total assets		1,432,523	1,155,196	1,453,490	1,172,528

BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

	NOTES	PARENT ENTITY		CONSOLIDATED	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
LIABILITIES					
Current liabilities					
Employee benefits	3.3	209,662	180,225	209,753	180,364
Payables	5.3	80,037	121,503	80,184	121,546
Other liabilities	5.5	26,046	25,529	26,046	25,529
Borrowings	6.1	4,314	3,214	4,314	3,214
Contract liabilities	5.4	1,519	4,678	1,519	4,678
Share of liabilities in joint operation	8.8	19,871	15,240	19,871	15,240
Total current liabilities		341,449	350,389	341,687	350,571
Non-current liabilities					
Employee benefits	3.3	22,518	27,383	22,518	27,383
Borrowings	6.1	20,115	17,425	20,115	17,425
Share of liabilities in joint operation	8.8	4,107	2,223	4,107	2,223
Total non-current liabilities		46,740	47,031	46,740	47,031
Total liabilities		388,189	397,420	388,427	397,602
Net assets		1,044,334	757,776	1,065,063	774,926
EQUITY					
Land revaluation surplus		241,554	69,243	241,554	69,243
Buildings revaluation surplus		662,112	503,617	662,358	503,863
Financial assets at fair value through other comprehensive income		217	64	1,551	735
Restricted specific purpose reserve		7,087	6,401	12,383	11,653
Contributed capital		251,898	249,075	251,898	249,075
Accumulated deficit		(118,534)	(70,624)	(122,344)	(71,062)
Permanent endowment		-	-	17,663	11,419
Total equity		1,044,334	757,776	1,065,063	774,926

This balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	LAND REVALUATION RESERVE	BUILDING REVALUATION RESERVE	FINANCIAL ASSETS THROUGH OCI REVALUATION SURPLUS	RESTRICTED SPECIAL PURPOSE RESERVE	CONTRIBUTED CAPITAL	ACCUMULATED DEFICIT	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PARENT							
Balance at 1 July 2023	69,243	503,617	64	6,401	249,075	(70,624)	757,776
Net result for the year	-	-	-	-	-	(47,224)	(47,224)
Transfer to reserves	-	-	-	686	-	(686)	-
Movement in reserves	-	-	153	-	-	-	153
Buildings revaluation surplus	-	158,495	-	-	-	-	158,495
Contribution from Victorian Government	-	-	-	-	2,823	-	2,823
Land revaluation surplus	172,311	-	-	-	-	-	172,311
Balance at 30 June 2024	241,554	662,112	217	7,087	251,898	(118,534)	1,044,334
Balance at 1 July 2022	69,243	503,617	(25)	5,714	245,115	(55,266)	768,398
Net result for the year	-	-	-	-	-	(14,947)	(14,947)
Transfer to reserves	-	-	-	687	-	(687)	-
Movement in reserves	-	-	89	-	-	-	89
Prior year corrections	-	-	-	-	-	276	276
Contribution from Victorian Government	-	-	-	-	3,960	-	3,960
Balance at 30 June 2023	69,243	503,617	64	6,401	249,075	(70,624)	757,776

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

	LAND REVALUATION RESERVE	BUILDING REVALUATION RESERVE	FINANCIAL ASSETS THROUGH OCI REVALUATION SURPLUS	PERMANENT ENDOWMENT	RESTRICTED SPECIAL PURPOSE RESERVE	CONTRIBUTED CAPITAL	ACCUMULATED DEFICIT	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CONSOLIDATED								
Balance at 1 July 2023	69,243	503,863	735	11,419	11,653	249,075	(71,062)	774,926
Net result for the year	-	-	-	-	-	-	(44,269)	(44,269)
Transfer to reserves	-	-	-	4,997	1,977	-	(6,974)	-
Movement in reserves	-	-	816	1,247	(1,247)	-	-	816
Buildings revaluation surplus	-	158,495	-	-	-	-	-	158,495
Contribution from Victorian Government	-	-	-	-	-	2,823	-	2,823
Land revaluation surplus	172,311	-	-	-	-	-	-	172,311
Prior year corrections	-	-	-	-	-	-	(39)	(39)
Balance at 30 June 2024	241,554	662,358	1,551	17,663	12,383	251,898	(122,344)	1,065,063
Balance at 1 July 2022	69,243	503,617	-	10,001	8,617	245,115	(54,991)	781,602
Net result for the year	-	-	-	-	-	-	(11,617)	(11,617)
Transfer to reserves	-	-	-	1,418	3,036	-	(4,454)	-
Movement in reserves	-	-	735	-	-	-	-	735
Buildings revaluation surplus	-	246	-	-	-	-	-	246
Contribution from Victorian Government	-	-	-	-	-	3,960	-	3,960
Balance at 30 June 2023	69,243	503,863	735	11,419	11,653	249,075	(71,062)	774,926

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	PARENT		CONSOLIDATED	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash flows from operating activities					
Operating grants from State Government		882,560	854,646	882,560	854,646
Operating grants from Commonwealth Government		35,916	32,675	35,916	32,675
Capital grants from State Government		9,729	11,243	9,729	11,243
Capital grants from Commonwealth Government		7,351	7,670	7,351	7,670
Patient and resident fees received		59,049	62,928	59,049	62,928
Capital donation and bequests received		1,411	2,160	7,859	5,881
GST received from ATO		30,380	18,164	30,552	17,976
Pharmaceutical sales		16,436	19,221	16,436	19,221
Pharmaceutical Benefits Scheme		44,824	43,796	44,824	43,796
Private practice fees received		2,082	2,043	2,082	2,043
Investment income receipts		7,446	5,454	8,219	6,017
Other receipts		47,946	55,857	48,739	55,967
Total receipts		1,145,130	1,115,857	1,153,316	1,120,063
Payments to employees		(826,613)	(761,006)	(827,318)	(761,657)
Payments for supplies, consumables and purchased services		(266,157)	(221,015)	(270,362)	(222,171)
Other payments		(48,939)	(41,996)	(48,979)	(42,024)
Total payments		(1,141,709)	(1,024,017)	(1,146,659)	(1,025,852)
Net cash inflow from operating activities	8.1	3,421	91,840	6,657	94,211

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

	NOTES	PARENT		CONSOLIDATED	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash flows from investing activities					
Proceeds from sale of financial assets at fair value through other comprehensive income		-	-	100	-
Payments for property, plant and equipment		(61,883)	(42,060)	(63,476)	(43,916)
Proceeds from sale of property, plant and equipment		69	164	69	213
Net cash outflow used in investing activities		(61,814)	(41,896)	(63,307)	(43,703)
Cash flows from financing activities					
Repayment of principal proportion of lease liabilities		(1,553)	(3,419)	(1,553)	(3,419)
Repayment of borrowings from government		(114)	(119)	(114)	(119)
Contributed capital from government		2,823	3,960	2,823	3,960
Receipt of accommodation deposits		8,926	9,245	8,926	9,245
Repayment of accommodation deposits		(8,166)	(9,191)	(8,166)	(9,191)
Net cash inflow from financing activities		1,916	476	1,916	476
Net (decrease)/increase in cash and cash equivalents		(56,477)	50,420	(54,734)	50,984
Cash and cash equivalents at the beginning of the financial year		146,306	95,886	148,327	97,343
Cash and cash equivalents at end of year	6.2	89,829	146,306	93,593	148,327

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

30 JUNE 2024

NOTE 1 BASIS OF PREPARATION

Structure

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

These consolidated financial statements represent the audited general purpose consolidated financial statements for Barwon Health and its controlled entities for the year ended 30 June 2024. The report provides users with information about Barwon Health's stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements.

NOTE 1.1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

Barwon Health is a not-for-profit entity and therefore applies the additional Australian paragraphs applicable to "not-for-profit" entities under the Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

Barwon Health operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds. Barwon Health's Capital and Specific Purpose Funds include unspent capital donations and receipts from fundraising activities conducted solely in respect of these funds.

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

The financial statements have been prepared on a going concern basis (refer to Note 8.10 Economic dependency).

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Barwon Health and its controlled entities on 6 September 2024.

NOTE 1.2 ABBREVIATIONS AND TERMINOLOGY USED IN THE FINANCIAL STATEMENTS

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

REFERENCE	TITLE
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include interpretations
ATO	Australian Taxation Office
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
IT	Information Technology
NWAU	National Weighted Activity Unit
SD	Standing Direction
VAGO	Victorian Auditor-General's Office
SWARH	South West Alliance of Rural Health

NOTE 1.3 PRINCIPLES OF CONSOLIDATION

The financial statements include the assets and liabilities of Barwon Health and its controlled entities as a whole as at the end of the financial year and the consolidated results and cash flows for the year.

Barwon Health controls the following entities:

- Barwon Health Foundation
- Barwon Health Foundation Limited

Details of the controlled entities are set out in Note 8.7 Controlled entities.

The transactions and balances of the parent entity are not disclosed separately in the notes to the financial statements.

An entity is considered to be a controlled entity where Barwon Health has the power to govern the financial and operating policies of an organisation so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are considered.

Barwon Health consolidate the results of its controlled entities from the date on which the health service gains control until the date the health service ceases to have control. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Transactions between segments within Barwon Health have been eliminated to reflect the extent of Barwon Health's operations as a group.

NOTE 1.4 JOINT ARRANGEMENTS

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

Barwon Health has the following joint arrangement:

- South West Alliance of Rural Health - joint operation

Details of the joint arrangement is set out in Note 8.8.

NOTE 1.5 MATERIAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Management makes estimates and judgements when preparing the financial statements.

These estimates and judgements are based on historical knowledge and 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 accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.2: Property, plant and equipment
- Note 4.3: Right-of-use assets
- Note 4.4: Intangible assets
- Note 4.5: Depreciation and amortisation
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.3: Fair value determination

NOTE 1.6 ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Barwon Health has assessed the potential impacts of the accounting standards and interpretations issued by the AASB but are not yet effective to have no material impact on reporting with the exception of AASB2022-10 for which the impact is still being determined.

NOTE 1.7 GOODS AND SERVICES TAX (GST)

Income, expenses, assets and liabilities are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the ATO. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the balance sheet are stated inclusive of the amount of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis, except for the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

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

NOTE 1.8 REPORTING ENTITY

The consolidated financial statements include all the controlled activities of Barwon Health.

Barwon Health's principal address is:

Ryrie Street
Geelong Victoria 3220

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

NOTE 2 FUNDING DELIVERY OF OUR SERVICE

Barwon Health's overall objective is to provide quality health services through programs and services that support and enhance the wellbeing of all Victorians within the Barwon region. Barwon Health is predominantly funded by grant funding for the provision of outputs. Barwon Health also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

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

MATERIAL JUDGEMENTS AND ESTIMATES

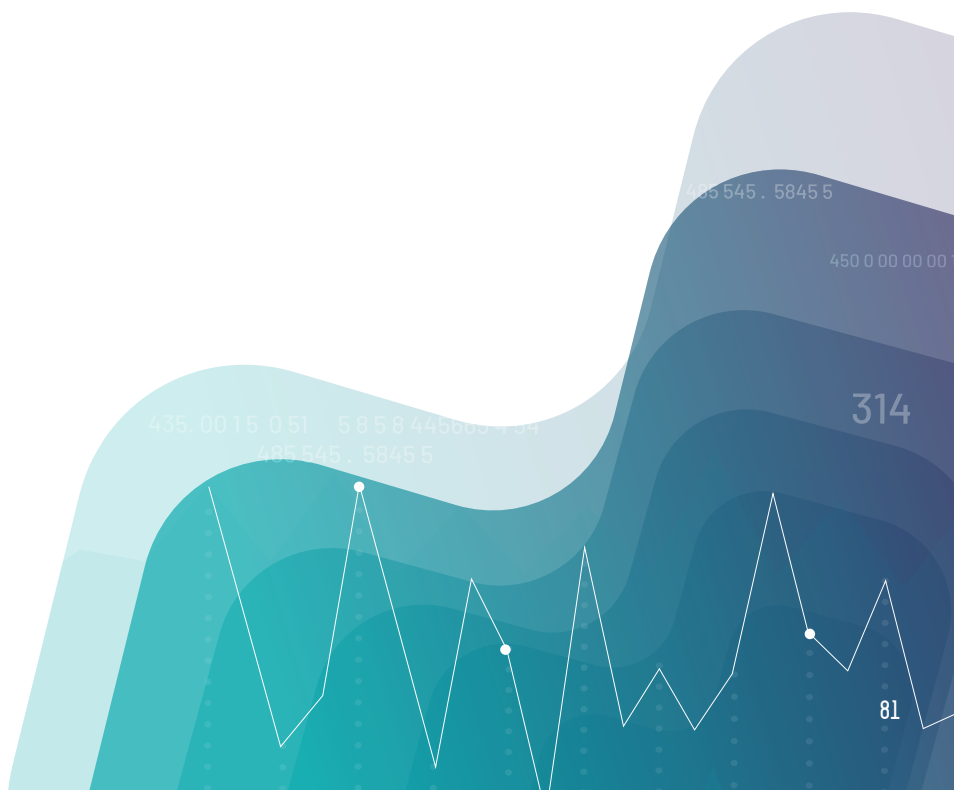
This section contains the following material judgements and estimates:

MATERIAL JUDGEMENTS AND ESTIMATES	DESCRIPTION
Identifying performance obligations	Barwon Health applies material judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criterion is met, the contract/ funding agreement is treated as a contract with a customer, requiring Barwon Health to recognise revenue as or when the health service transfers promised goods or services to customers. If this criterion is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Barwon Health applies material judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.
Determining time of capital grant income recognition	Barwon Health applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred are used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.
Assets and services received free of charge or for nominal consideration	Barwon Health applies material judgement to determine the fair value of assets and services provided free of charge or for nominal value.

NOTE 2.1 REVENUE AND INCOME FROM TRANSACTIONS

	NOTES		
		2024 \$'000	2023 \$'000
OPERATING ACTIVITIES			
Revenue from contracts with customers			
Government grants (State) - operating		886,701	857,992
Government grants (Commonwealth) - operating		86,864	79,167
Patient and resident fees		59,365	56,705
Private practice fees		1,915	1,859
Commercial activities ¹		48,678	43,866
Total revenue from contracts with customers	2.1(a)	1,083,523	1,039,589
Other sources of income			
Government grants (State) - capital		43,694	49,281
Government grants (Commonwealth) - capital		1,951	3,224
Other revenue from operating activities (including non-capital donations)		30,454	28,036
Assets received free of charge under state supply arrangements	2.2	1,747	4,718
Total other sources of income		77,846	85,259
Total revenue and income from operating activities		1,161,369	1,124,848
NON-OPERATING ACTIVITIES			
Income from other sources			
Dividends		630	593
Interest income		7,705	5,575
Total income from non-operating activities		8,335	6,168
Total revenue and income from transactions		1,169,704	1,131,016

¹ Commercial activities represent business activities which Barwon Health enter into to support their operations.



NOTE 2.1(A) TIMING OF REVENUE FROM CONTRACTS WITH CUSTOMERS

	2024 \$'000	2023 \$'000
Goods and services transferred to customers		
At a point in time	1,034,845	995,723
Over time	48,678	43,866
Total	1,083,523	1,039,589

HOW WE RECOGNISE REVENUE AND INCOME FROM OPERATING ACTIVITIES

Government operating grants

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

When both these conditions are satisfied, the health service:

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

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

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the health service:

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

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



This policy applies to each of Barwon Health's revenue streams, with information detailed below relating to Barwon Health's significant revenue streams:

GOVERNMENT GRANT	PERFORMANCE OBLIGATIONS
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Other grants (if funding conditions contain enforceable and sufficiently specific performance obligations)	For other grants with performance obligations Barwon Health exercises judgement over whether the performance obligations have been met, on a grant by grant basis. The individual grant will also depend on whether revenue is recognised at a point in time or over time.

Capital grants

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

Income is recognised progressively as the asset is constructed which aligns with Barwon 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.

Patient and resident fees

Patient and resident fees are charges that can be levied on patients for some services they receive. Patient and resident fees are recognised at a point in time when the performance obligation, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

Private practice fees

Private practice fees include recoupments from various private practice practitioners for the use of hospital facilities. Private practice fees are recognised over time as the performance obligation, the provision of facilities, is provided to customers.

Commercial activities

Revenue from commercial activities includes items such as car park income, clinical trial income, ethics review fees, training and seminar fees and cafeteria income. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

HOW WE RECOGNISE REVENUE AND INCOME FROM NON-OPERATING ACTIVITIES

Dividend income

Dividend income is recognised when the right to receive payment is established. Dividends represent the income arising from Barwon Health and its controlled entities' investments in financial assets. Barwon Health does not recognise dividends received or receivable from its associates in joint ventures as income. Instead, dividends from associates and joint ventures are adjusted directly against the carrying amount of the investments using the equity method.

Interest income

Interest income is recognised on a time proportionate basis that considers the effective yield of the financial asset, which allocates interest over the relevant period.

NOTE 2.2 FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION

	2024 \$'000	2023 \$'000
Plant and equipment	35	-
Personal protective equipment and other consumables	1,712	4,718
Total fair value of assets and services received free of charge or for nominal consideration	1,747	4,718

HOW WE RECOGNISE THE FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION

Donations and bequests

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

Personal protective equipment

Under the State Supply Arrangement, Health Share Victoria supplies personal protective equipment to Barwon Health for nil consideration.

Contributions of resources

Barwon Health may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when Barwon Health obtains control over the asset, 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 Barwon Health as a capital contribution transfer.

Voluntary Services

Barwon Health receives volunteer services from members of the community in the following areas:

- Patient transport.
- Patient support.
- Administrative duties.
- Concierge services supporting patients and visitors when accessing the hospital.

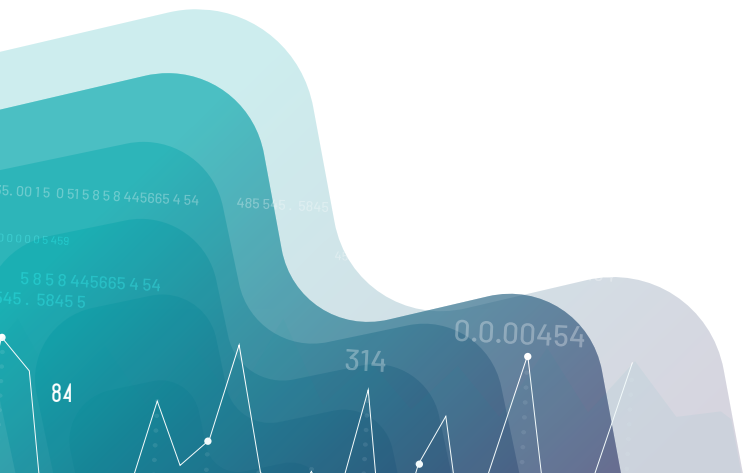
Barwon Health recognises contributions by volunteers in its financial statements, if the fair value can be reliably measured and the services would have been purchased had they not been donated.

Barwon Health greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services. Hence we have not recognised a fair value contribution from volunteers.

Non-cash contributions from the Department of Health

The Department of Health make some payments on behalf of Barwon Health as follows:

SUPPLIER	DESCRIPTION
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Barwon 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.
Victorian Health Building Authority	The Department of Health made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2024, on behalf of Barwon Health.
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 Department of Health.





Operating theatre staff

NOTE 3 THE COST OF DELIVERING OUR SERVICES

This section provides an account of the expenses incurred by Barwon Health in delivering services and outputs. In Note 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 from transactions
- 3.2 Other economic flows
- 3.3 Employee benefits and related on-costs
- 3.4 Superannuation

MATERIAL JUDGEMENTS AND ESTIMATES

This section contains the following material judgements and estimates:

MATERIAL JUDGEMENTS AND ESTIMATES	DESCRIPTION
Classifying employee benefit liabilities	<p>Barwon Health applies material judgement when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Barwon Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Barwon Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
Measuring employee benefit liabilities	<p>Barwon Health applies material judgement when measuring its employee benefit liabilities. The health service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.</p>

NOTE 3.1 EXPENSES FROM TRANSACTIONS

	NOTE		
		2024 \$'000	2023 \$'000
Employee Expenses			
Salaries and wages		656,818	641,486
On-costs		168,704	147,841
WorkCover premium		10,352	6,893
Agency expenses		5,145	6,508
Fee for service		8,811	7,703
Total employee expenses		849,830	810,431
Supplies and consumables			
Drug supplies		66,913	67,898
Medical and surgical supplies (including prostheses)		50,651	54,287
Diagnostic and radiology supplies		11,200	10,309
Other supplies and consumables		52,793	43,006
Total supplies and consumables		181,557	175,500
Finance			
Finance costs		1,099	406
Total finance costs		1,099	406
Other			
Other administrative expenses		53,007	44,786
Total other administrative expenses		53,007	44,786
Other operating			
Fuel, light, power and water		7,145	6,368
Repairs and maintenance		8,129	7,293
Maintenance contracts		8,128	8,584
Medical indemnity insurance		11,980	10,241
Expenditure for capital purpose		1,892	1,329
Total other operating expenses		37,274	33,815
Total operating expenses		1,122,767	1,064,938
Depreciation and amortisation	4.5	74,653	70,115
Total depreciation and amortisation		74,653	70,115
Total non-operating expense		74,653	70,115
Total expenses from transactions		1,197,420	1,135,053

HOW WE RECOGNISE EXPENSES FROM TRANSACTIONS

Expense Recognition

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

Employee Benefits

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

- Interest on short-term and long-term borrowings (interest expense is recognised in the period in which it is incurred).
- Finance charges in respect of leases which are recognised in accordance with AASB 16 Leases.

Other operating expenses

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

- Fuel, light and power.
- Repairs and maintenance.
- Other administrative expenses.
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$2,000 or for IT related expenditure \$5,000).

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

Non-operating expenses

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

NOTE 3.2 OTHER ECONOMIC FLOWS

	2024 \$'000	2023 \$'000
Allowance for impairment losses of contractual receivables	(399)	(1,329)
Net loss on financial instruments	(846)	(3,968)
Total net loss on financial instruments	(1,245)	(5,297)
Net gain on disposal of property plant and equipment	(1,318)	(1,317)
Net loss on devaluation of buildings	(66)	-
Total net gain/(loss) on non-financial assets	(1,384)	(1,317)
Share of joint arrangement other economic flows	92	13
Net (loss)/gain on change in ownership percentage of joint arrangement	(2,374)	334
Total share of other economic flows from joint arrangements	(2,282)	347
Net (loss)/gain arising from revaluation of long service liability	(6,361)	1,145
Total other gains from other economic flows	(6,361)	1,145
Total losses from other economic flows	(11,272)	(5,122)

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- The revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- Reclassified amounts relating to equity instruments from the reserves to retained surplus/(deficit) due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

NOTE 3.3 EMPLOYEE BENEFITS AND RELATED ON-COSTS

	2024 \$'000	2023 \$'000
CURRENT EMPLOYEE BENEFITS AND RELATED ON-COSTS		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months ⁱ	1,846	1,449
	1,846	1,449
Annual leave		
Unconditional and expected to be settled within 12 months ⁱ	66,779	59,480
Unconditional and expected to be settled after 12 months ⁱⁱ	10,440	9,266
	77,219	68,746
Long service leave		
Unconditional and expected to be settled within 12 months ⁱ	15,315	12,589
Unconditional and expected to be settled after 12 months ⁱⁱ	91,409	78,112
	106,724	90,701
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months ⁱ	10,360	8,319
Unconditional and expected to be settled after 12 months ⁱⁱ	13,604	11,149
	23,964	19,468
Total current employee benefits	209,753	180,364
NON-CURRENT EMPLOYEE BENEFITS AND RELATED ON-COSTS		
Conditional long service leave	19,853	24,238
Provisions related to employee benefit on-costs	2,665	3,145
Total non-current employee benefits and related on-costs	22,518	27,383
Total employee benefits and related on-costs	232,271	207,747

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

3.3 (A) CONSOLIDATED EMPLOYEE BENEFITS AND RELATED ON-COSTS

	CONSOLIDATED	
	2024 \$'000	2023 \$'000
CURRENT EMPLOYEE BENEFITS AND RELATED ON-COSTS		
Unconditional annual leave entitlements	86,941	76,457
Unconditional long service leave entitlements	120,966	102,293
Unconditional accrued days off	1,846	1,614
Total current employee benefits and related on-costs	209,753	180,364
NON-CURRENT EMPLOYEE BENEFITS AND RELATED ON-COSTS		
Conditional long service leave entitlements	22,518	27,383
Total non-current employee benefits and related on-costs	22,518	27,383
Total employee benefits and related on-costs	232,271	207,747

Attributable to:

Employee Benefits	205,642	185,134
Provision for related on-costs	26,629	22,613
Total employee benefits and related on-costs	232,271	207,747

3.3 (B) PROVISION FOR EMPLOYEE ENTITLEMENTS MOVEMENT SCHEDULE

	CONSOLIDATED	
	2024 \$'000	2023 \$'000
Carrying amount at start of year	207,747	188,438
Additional provisions recognised	116,080	91,461
Amounts utilised during the year	(85,195)	(73,297)
Net (loss)/gain on revaluation of long service leave	(6,361)	1,145
Carrying amount at end of year	232,271	207,747

HOW WE RECOGNISE EMPLOYEE BENEFITS

Employee benefit recognition

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

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

Annual leave and accrued days off

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

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

- Nominal value - if Barwon Health expects to wholly settle within 12 months, or
- Present value - if Barwon 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 Barwon 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.

The components of this current LSL liability are measured at:

- Nominal value - if Barwon Health expects to wholly settle within 12 months, or
- Present value - if Barwon 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. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in estimations e.g. bond rate movements, inflation rate movements and changes in probability factors which are then recognised as other economic flows.

Termination benefits

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

Provision for on-costs related to employee benefits

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

NOTE 3.4 SUPERANNUATION

	PAID CONTRIBUTION FOR THE YEAR		CONTRIBUTION OUTSTANDING AT YEAR END	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Defined benefit plansⁱ				
Aware Super	405	585	-	-
ESS Super	114	128	-	-
Defined contribution plans				
Aware Super	31,227	30,658	-	-
Hesta	30,405	27,248	-	-
Other compliant superannuation funds as selected by employee	12,517	9,505	-	-
Total	74,668	68,124	-	-

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

Employee Benefit Recognition

Employees of Barwon Health are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans

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

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

The DTF discloses the State's defined benefits liabilities in its disclosure for administered items. Superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Barwon Health.

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

Defined contribution superannuation plans

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

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

NOTE 4 KEY ASSETS TO SUPPORT SERVICE DELIVERY

Barwon Health controls infrastructure and other assets that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to Barwon Health to be utilised for delivery of those outputs.

Structure:

- 4.1 Investments and other financial assets
- 4.2 Property, plant & equipment
- 4.3 Right-of-use assets
- 4.4 Intangible assets
- 4.5 Depreciation and amortisation
- 4.6 Impairment of assets

MATERIAL JUDGEMENTS AND ESTIMATES

This section contains the following material judgements and estimates:

MATERIAL JUDGEMENTS AND ESTIMATES	DESCRIPTION
Estimating useful life and residual value of property, plant and equipment	Barwon Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Barwon Health applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating the useful life of intangible assets	Barwon Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	<p>At the end of each year, Barwon Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none">– If an asset's value has declined more than expected based on normal use.– If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset.– If an asset is obsolete or damaged.– If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life.– If the performance of the asset is or will be worse than initially expected. <p>Where an impairment trigger exists, the health services applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

NOTE 4.1 INVESTMENTS AND OTHER FINANCIAL ASSETS

	CONSOLIDATED					
	OPERATING FUND		CAPITAL FUND		TOTAL	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current						
Australian Dollar term deposits > 3 months ⁱ	270	-	167	167	437	167
Fixed bonds and floating rate notes ⁱⁱ	-	-	4,040	3,019	4,040	3,019
Derivative financial instrument ⁱⁱⁱ	-	-	-	151	-	151
Total current financial assets	270	-	4,207	3,337	4,477	3,337
Non-current						
Equities at fair value ⁱⁱ	8,722	8,548	-	-	8,722	8,548
Fixed bonds and floating rate notes ⁱⁱ	3,654	3,647	13,218	14,046	16,872	17,693
Derivative financial instrument ⁱⁱⁱ	-	-	354	1,075	354	1,075
Total non-current financial assets	12,376	12,195	13,572	15,121	25,948	27,316
Total other financial assets	12,646	12,195	17,779	18,458	30,425	30,653

Represented by:

Barwon Health investments (including monies held in trust)	-	-	17,779	18,458	17,779	18,458
Barwon Health Foundation investments	12,646	12,195	-	-	12,646	12,195
Total other financial assets	12,646	12,195	17,779	18,458	30,425	30,653

ⁱ Financial assets at amortised cost. ⁱⁱ Financial assets at fair value through other comprehensive income. ⁱⁱⁱ Financial assets at fair value through net result.

HOW WE RECOGNISE INVESTMENTS AND OTHER FINANCIAL ASSETS

Barwon Health's investments and other financial assets are made in accordance with Standing Direction 3.7.2 - Treasury Management, including the Central Banking System.

Barwon Health manages its investments and other financial assets in accordance with an investment policy approved by the Board.

Investments held by Barwon Health Foundation do not fall in the scope of the Standing Directions as they are not public entity funds (i.e. not controlled by the government). However, such investments are consolidated into Barwon Health's financial statements as Barwon Health has control of Barwon Health Foundation. Refer to Note 8.7 for further information.

Investments are recognised when Barwon Health enters into a contract to either purchase or sell the investment (i.e. when it becomes a party to the contractual provisions to the investment). Investments are initially measured at fair value, net of transaction costs.

Barwon Health classifies its other financial assets between current and non-current assets based on the Board's

intention at balance date with respect to the timing of disposal of each asset. Term deposits with original maturity dates of three to twelve months are classified as current, whilst term deposits with original maturity dates in excess of 12 months are classified as non-current.

Barwon Health assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment.

Derivative financial instrument

On 16 June 2022, Barwon Health entered into a ten year Power Purchasing Agreement (PPA) with a wind farm energy generator.

The PPA contains a contract for difference (CfD) payment mechanism in respect of the electricity generated by the facility.

Refer to Note 7.3(a) for more information about the judgements and assumptions used in measuring fair value determination of derivative financial instruments.

NOTE 4.2 PROPERTY, PLANT AND EQUIPMENT

4.2 (A) GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION

	AT COST/ VALUATION \$'000	ACCUMULATED DEPRECIATION/ AMORTISATION \$'000	NET ASSETS 2024 \$'000
2024 CONSOLIDATED			
Land and buildings at fair value			
Land at valuation	243,556	-	243,556
Buildings at valuation	766,122	(1,970)	764,152
	1,009,678	(1,970)	1,007,708
Assets under construction at cost	74,362	-	74,362
	74,362	-	74,362
Leasehold improvements at fair value	5,438	(3,710)	1,728
	5,438	(3,710)	1,728
Plant and equipment at fair value			
Plant and equipment	83,360	(59,253)	24,107
	83,360	(59,253)	24,107
Medical equipment at fair value			
Medical equipment at fair value	118,332	(76,533)	41,799
	118,332	(76,533)	41,799
Furniture and fittings at fair value			
Furniture and fittings at fair value	23,172	(11,683)	11,489
	23,172	(11,683)	11,489
Total property, plant and equipment	1,314,342	(153,149)	1,161,193

4.2 (A) GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION (CONTINUED)

	AT COST/ VALUATION \$'000	ACCUMULATED DEPRECIATION/ AMORTISATION \$'000	NET ASSETS 2023 \$'000
2023 CONSOLIDATED			
Land and buildings at fair value			
Land at valuation	69,520	-	69,520
Buildings at valuation	695,852	(44,894)	650,958
	765,372	(44,894)	720,478
Assets under construction at cost	27,468	-	27,468
	27,468	-	27,468
Leasehold improvements at fair value	4,905	(3,036)	1,869
	4,905	(3,036)	1,869
Plant and equipment at fair value			
Plant and equipment	80,752	(54,787)	25,965
	80,752	(54,787)	25,965
Medical equipment at fair value			
Medical equipment	107,110	(66,286)	40,825
	107,110	(66,286)	40,825
Furniture and fitting at fair value			
Furniture and fittings at fair value	22,838	(9,634)	13,204
	22,838	(9,634)	13,204
Total property, plant and equipment	1,008,445	(178,637)	829,809

4.2 (B) RECONCILIATIONS OF THE CARRYING AMOUNTS OF EACH CLASS OF ASSET

		BUILDINGS	LAND	LEASEHOLD IMPROVEMENTS	PLANT AND EQUIPMENT	MEDICAL EQUIPMENT	FURNITURE AND FITTINGS	ASSETS UNDER CONSTRUCTIONS	TOTAL
	NOTE	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024 CONSOLIDATED									
Balance at 1 July 2023		650,958	69,520	1,869	25,965	40,824	13,205	27,469	829,810
Additions		2,129	600	-	2,357	8,602	112	53,746	67,546
Revaluation surplus		158,495	172,311	-	-	-	-	-	330,806
Transfers		810	1,125	533	1,529	2,620	236	(6,853)	-
Disposals		(634)	-	-	(33)	-	-	-	(667)
Depreciation charge	4.5	(47,606)	-	(674)	(5,711)	(10,247)	(2,064)	-	(66,302)
Balance at 30 June 2024	4.2(a)	764,152	243,556	1,728	24,107	41,799	11,489	74,362	1,161,193
2023 CONSOLIDATED									
Balance at 1 July 2022		621,865	69,460	2,211	24,246	44,459	14,714	67,531	844,486
Additions		15,908	60	160	5,665	2,573	400	25,403	50,169
Revaluation surplus		246	-	-	-	-	-	-	246
Transfers		59,402	-	105	1,767	3,118	129	(64,521)	-
Disposals		(1,569)	-	-	(97)	(136)	-	(945)	(2,747)
Depreciation charge	4.5	(44,894)	-	(607)	(5,616)	(9,189)	(2,039)	-	(62,345)
Balance at 30 June 2023	4.2(a)	650,958	69,520	1,869	25,965	40,825	13,204	27,468	829,809

RECOGNITION OF PROPERTY, PLANT AND EQUIPMENT

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

Initial recognition

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

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.

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) are subsequently measured at fair value less accumulated depreciation and impairment losses where applicable.

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

Further information regarding fair value measurement is disclosed below.

Revaluation

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

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

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10 per cent or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10 per cent is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40 per cent, Barwon Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

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

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

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

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

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

NOTE 4.3 RIGHT-OF-USE ASSETS

4.3 (I) GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION

	2024 \$'000	2023 \$'000
Right-of-use concessionary land at fair value	22,114	22,114
Less accumulated depreciation	(12,996)	(10,280)
Total right-of-use concessionary land at fair value	9,118	11,834
Right-of-use buildings at fair value	20,844	16,096
Less accumulated depreciation	(5,636)	(3,371)
Total right-of-use buildings at fair value	15,208	12,725
Total right-of-use concessionary land and buildings	24,326	24,559
Right-of-use equipment	2,717	4,736
Less accumulated depreciation	(1,881)	(3,300)
Total right-of-use equipment at fair value	836	1,436
Total right-of-use assets	25,162	25,995

4.3 (II) RECONCILIATIONS OF CARRYING AMOUNT BY CLASS OF ASSET

	NOTE	BUILDINGS - ROU \$'000	LAND - ROU \$'000	EQUIPMENT -ROU \$'000	TOTAL \$'000
2023 CONSOLIDATED					
Balance at 1 July 2022		1,286	13,568	2,221	17,075
Additions		12,612	975	-	13,587
Depreciation charge	4.5	(1,173)	(2,709)	(785)	(4,667)
Balance at 30 June 2023		12,725	11,834	1,436	25,995
2024 CONSOLIDATED					
Balance at 1 July 2023		12,725	11,834	1,436	25,995
Additions		5,423	-	602	6,025
Disposals		(62)	-	(601)	(663)
Depreciation charge	4.5	(2,878)	(2,716)	(601)	(6,195)
Balance at 30 June 2024		15,208	9,118	836	25,162

RIGHT OF USE ASSETS CARRIED AT VALUATION

The Valuer-General Victoria undertook to re-value all of Barwon Health right of use assets to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined with reference to the amount at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date, under current conditions. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2024.

HOW WE RECOGNISE RIGHT-OF-USE ASSETS

Initial recognition

When a contract is entered into, Barwon Health assesses if the contract contains or is a lease.

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

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

- Any lease payments made at or before the commencement date.
- Any initial direct costs incurred.
- 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.

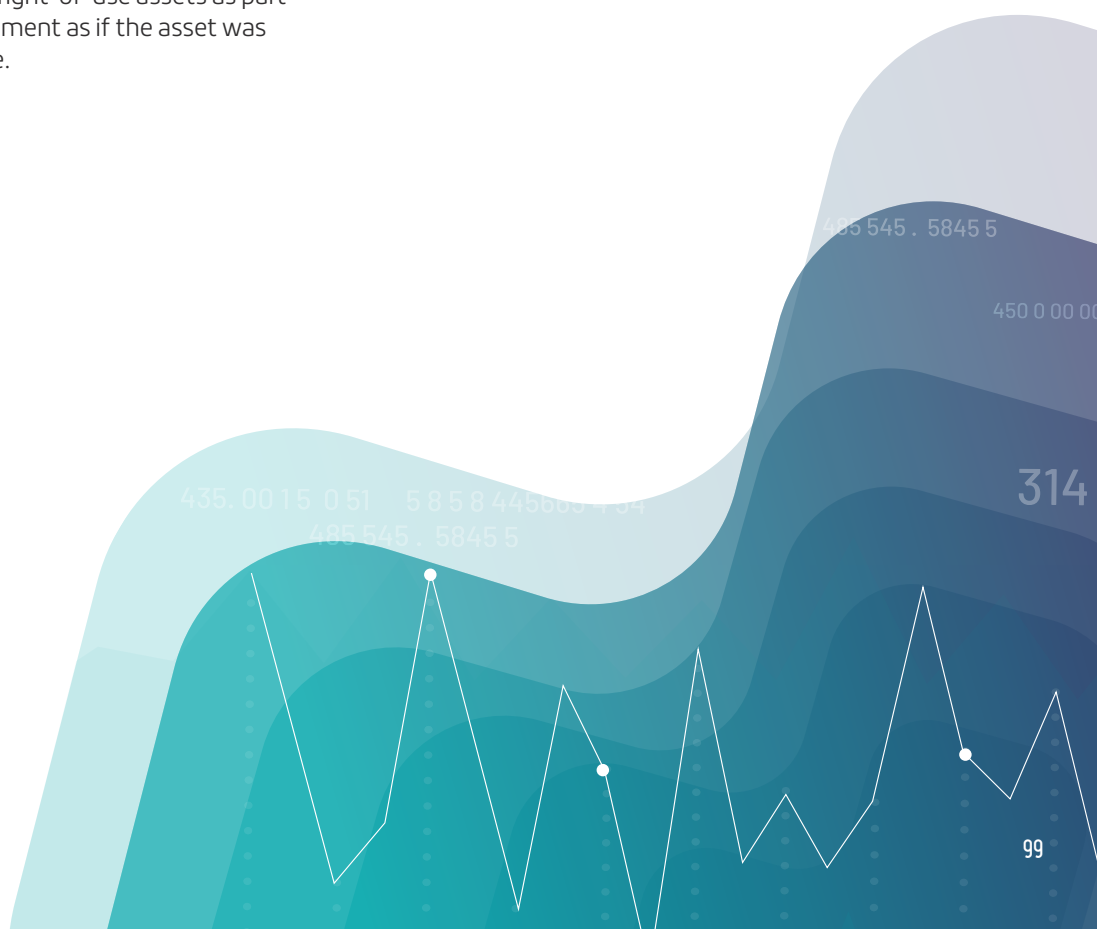
Barwon Health presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service.

Subsequent measurement

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

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 4.4 INTANGIBLE ASSETS

4.4 (A) GROSS CARRYING AMOUNT AND ACCUMULATED AMORTISATION

	NOTE	2024 \$'000	2023 \$'000
Software		21,093	22,056
Less accumulated amortisation	4.5	(19,124)	(18,648)
Total intangible assets		1,969	3,408

4.4 (B) RECONCILIATION OF THE CARRYING AMOUNT

	2024 \$'000	2023 \$'000
Balance at beginning of financial year	3,408	6,343
Additions	717	169
Amortisation	(2,156)	(3,104)
Balance at end of financial year	1,969	3,408
Total intangible assets	1,969	3,408

HOW WE RECOGNISE INTANGIBLE ASSETS

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software.

Initial recognition

Purchased intangible assets are initially recognised at cost.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is also recognised at cost if, and only if, all of the following are demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- An intention to complete the intangible asset and use or sell it.
- The ability to use or sell the intangible asset.
- The intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities is recognised as an expense in the period on which it is incurred.

Subsequent measurement

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

NOTE 4.5 DEPRECIATION AND AMORTISATION

	2024 \$'000	2023 \$'000
Depreciation		
Buildings	47,606	44,894
Leasehold improvements	674	607
Plant and equipment	5,711	5,616
Medical equipment	10,247	9,189
Furniture and fittings	2,064	2,038
Total depreciation - property, plant and equipment	66,302	62,344
Right-of-use assets		
Land - right-of-use	2,878	1,173
Buildings - right-of-use	2,716	2,709
Medical equipment - right-of-use	601	785
Total depreciation - right-of-use assets	6,195	4,667
Total depreciation	72,497	67,011
Amortisation		
Intangible assets - software	2,156	3,104
Total amortisation	2,156	3,104
Total depreciation and amortisation	74,653	70,115

How we recognise depreciation

All infrastructure assets, 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 to exercise a purchase option, the specific right-of-use asset is depreciated over the useful life of the underlying asset.

How we recognise amortisation

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

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

	2024	2023
Buildings (including right-of-use assets) and leasehold improvements	1 - 50 years	1-50 years
Land (right-of-use assets)	15 - 50 years	15-50 years
Plant and equipment	5 - 10 years	5-10 years
Medical equipment (including right-of-use assets)	1 - 10 years	1-10 years
Furniture and fittings	5 - 10 years	5-10 years
Intangible assets	4 - 5 years	4-5 years

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

NOTE 4.6 IMPAIRMENT OF ASSETS

How we recognise impairment

At the end of each reporting period, Barwon Health reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired.

The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on Barwon Health which changes the way in which an asset is used or expected to be used.

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

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

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

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

Barwon Health did not record any impairment losses for the year ended 30 June 2024 (2023: nil).



NOTE 5 OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the hospital's operations.

Structure

- 5.1 Receivables
- 5.2 Contract assets
- 5.3 Payables
- 5.4 Contract liabilities
- 5.5 Other liabilities

MATERIAL JUDGEMENTS AND ESTIMATES

This section contains the following material judgements and estimates:

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

NOTE 5.1 RECEIVABLES

	NOTES		
		2024 \$'000	2023 \$'000
CURRENT RECEIVABLES			
Contractual			
Patient fees		8,218	6,169
Sundry debtors		11,711	11,925
Less: allowance for impairment losses of contractual receivables	5.1(a)	(369)	(307)
Accrued investment income		547	433
		20,107	18,220
Statutory			
GST Receivable		346	3,757
Total current receivables and contract assets		20,453	21,977
NON-CURRENT			
Contractual			
Long service leave - Department of Health		69,952	64,186
Total non-current receivables		69,952	64,186
Total receivables		90,405	86,163

5.1 (i) Financial assets classified as receivables and contract assets (Note 7.1)

Total receivable and contract assets	90,405	86,163
GST receivable	(346)	(3,757)
Total financial assets	90,059	82,406

5.1 (A) MOVEMENT IN ALLOWANCE FOR IMPAIRMENT LOSSES OF CONTRACTUAL RECEIVABLES

	CONSOLIDATED	
	2024 \$'000	2023 \$'000
Balance at beginning of year	(307)	(203)
Amounts written off during year	399	1,329
Increase in allowance	(461)	(1,433)
Balance at end of the year	(369)	(307)

Receivables

HOW WE RECOGNISE RECEIVABLES

Receivables consist of:

- **Contractual receivables**, including debtors in relation 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 subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory receivables**, including Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

Impairment losses of contractual receivables

Refer to Note 7.2(a) for Barwon Health's contractual impairment losses.

NOTE 5.2 CONTRACT ASSETS

	2024 \$'000	2023 \$'000
CURRENT CONTRACT ASSETS		
Contract assets	8,152	7,552
Total current contract assets	8,152	7,552

5.2 (A) MOVEMENT IN CONTRACT ASSETS

	2024 \$'000	2023 \$'000
Balance at the beginning of the year	7,552	6,591
Add: Additional costs incurred that are recoverable from the customer	8,152	7,552
Less: Transfer to trade receivable or cash at bank	(7,552)	(6,591)
Balance at end of the year	8,152	7,552

HOW WE RECOGNISE CONTRACT ASSETS

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

NOTE 5.3 PAYABLES

	NOTES		
		2024 \$'000	2023 \$'000
CURRENT PAYABLES			
Contractual			
Trade creditors		187	13,771
Accrued expenses		31,704	39,495
Accrued salaries and wages		23,060	22,339
Salary packaging		1,491	1,929
Other		2,759	2,152
Deferred capital grant income	5.3(a)	13,143	29,686
Superannuation		2,061	124
Total contractual payables		74,405	109,496
Statutory			
GST payable		5,779	12,050
Total statutory payables		5,779	12,050
Total payables		80,184	121,546

5.3 (i) Financial liabilities classified as payables (Note 7.1(a))

Total payables		80,184	121,546
Deferred grant income		(13,143)	(29,686)
Superannuation		(2,061)	(124)
GST payable		(5,779)	(12,050)
Total financial liabilities	7.1(a)	59,201	79,686

HOW WE RECOGNISE PAYABLES

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Barwon 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 30 days.

5.3 (A) MOVEMENT IN DEFERRED CAPITAL GRANT INCOME

	2024 \$'000	2023 \$'000
Opening balance of deferred grant income	29,686	30,952
Grant consideration for capital works/purchases of assets received during the year	12,742	34,663
Grant revenue for capital works recognised consistent with the capital works undertaken/assets acquired during the year	(29,285)	(35,929)
Closing balance of deferred grant income	13,143	29,686

HOW WE RECOGNISE DEFERRED CAPITAL GRANT INCOME

Grant consideration was received from the State Government to support the construction of capital projects and the purchase of plant and equipment.

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

Barwon Health expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2025.

NOTE 5.4 CONTRACT LIABILITIES

	2024 \$'000	2023 \$'000
CURRENT CONTRACT LIABILITIES		
Contract liabilities	1,519	4,678
Total contract liabilities	1,519	4,678

5.4 (A) MOVEMENT IN CONTRACT LIABILITIES

	2024 \$'000	2023 \$'000
Opening balance of contract liabilities	4,678	18,510
Add: Payments received for performance obligations yet to be completed during the period	409	9,875
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(3,568)	(23,707)
Total contract liabilities	1,519	4,678

HOW WE RECOGNISE CONTRACT LIABILITIES

Contract liabilities include consideration received in advance from the Department of Health and other grant funders. Grant income is recognised as performance obligations are met.

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

Financial guarantees

Payments that are contingent under financial guarantee contracts are recognised as a liability, at fair value, at the time the guarantee is issued. Subsequently, should there be a material increase in the likelihood that the guarantee may have to be exercised, the liability is recognised at the higher of the amount determined in accordance with the expected credit loss model under AASB 9 *Financial Instruments* and the amount initially recognised less, when appropriate, cumulative amortisation recognised.

In the determination of fair value, consideration is given to factors including the overall capital management/prudential supervision framework in operation, the protection provided by the Department of Health by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to the health service in the event of default.

Maturity analysis of payables

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

NOTE 5.5 OTHER LIABILITIES

	NOTES	2024 \$'000	2023 \$'000
Contractual			
Refundable accommodation deposits		25,222	24,521
Residential patient monies held in trust		750	1,008
Derivative financial instrument		74	-
Total		26,046	25,529
Represented by the following assets:			
Cash held - monies held in trust	6.2	8,716	8,464
Investments and other financial assets		17,256	17,065
Total monies held in trust		25,972	25,529

Derivative financial instrument

On 16 June 2022, Barwon Health entered into a ten year Power Purchasing Agreement (PPA) with a wind farm energy generator. The PPA contains a contract for difference (CfD) payment mechanism in respect of the electricity generated by the facility. Refer to Note 7.3(a) for more information about the judgements and assumptions used in measuring fair value determination of derivative financial instruments.

Refundable Accommodation Deposit (RAD)/ Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to Barwon Health upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

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

Megan Hamilton, Belinda Carne, Belinda Hibble, Minnie Seward, Chris McRae and Anoushka Perera



NOTE 6 FUNDING OF OPERATIONS

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

6.4 Non-cash financing and investing activities

MATERIAL JUDGEMENTS AND ESTIMATES

This section contains the following material judgements and estimates:

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

NOTE 6.1 BORROWINGS

	NOTES	2024 \$'000	2023 \$'000
Current borrowings			
Lease liabilities ⁱ	6.1(a)	4,314	3,100
Government loan ⁱⁱ		-	114
Total current borrowings		4,314	3,214
Non-current borrowings			
Lease liabilities ⁱ	6.1(a)	20,115	17,425
Total non-current borrowings		24,429	20,639

ⁱ Secured by the assets leasedⁱⁱ These are secured loans which bear no interest**HOW WE RECOGNISE BORROWINGS**

Borrowings refer to interest bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities, service concession arrangements and other interest-bearing arrangements.

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs.

Subsequent measurement

Subsequent to initial recognition, interest bearing borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in the net result over the period of the borrowing using the effective interest method. Non-interest bearing borrowings are measured at 'fair value through profit or loss'.

Maturity analysis

Please refer to Note 7.2(b) for the maturity analysis of borrowings.

Defaults and breaches

During the current and prior year, there were no defaults and breaches of any of the loans.

6.1 (A) LEASE LIABILITIES

Barwon Health's lease liabilities are summarised below:

	2024 \$'000	2023 \$'000
Total undiscounted lease liabilities	29,216	24,750
Less future finance charges	(4,787)	(4,225)
Net lease liabilities	24,429	20,525
Not later than one year	5,237	3,802
Later than one year and not later than five years	13,635	11,527
Later than five years	10,344	9,421
Minimum future lease liability	29,216	24,750
Less unexpired finance expenses	(4,787)	(4,225)
Present value of lease liability	24,429	20,525

Represented by:

Current liabilities	4,314	3,100
Non-current liabilities	20,115	17,425
	24,429	20,525

HOW WE RECOGNISE LEASE LIABILITIES

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

To apply this definition, Barwon 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 Barwon Health and for which the supplier does not have substantive substitution rights.
- Barwon 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 Barwon Health has the right to direct the use of the identified asset throughout the period of use; and
- Barwon Health has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Barwon Health's lease arrangements consist of the following:

TYPE OF ASSET LEASED	LEASE TERM (INCLUDING OPTIONS)
Leased land	one to 50 years
Leased buildings	one to 15 years
Leased plant, equipment, furniture, fittings and vehicles	one to eight years

All leases are recognised on the balance sheet, with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months. The following low value, short term and variable lease payments are recognised in profit or loss:

TYPE OF PAYMENT	DESCRIPTION OF PAYMENT	TYPES OF LEASES CAPTURED
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than \$10,000	Equipment with low value - such as photocopier printers
Short-term lease payments	Leases with a term less than 12 months	Rental leases - buildings

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Barwon Health incremental borrowing rate. Our lease liability has been discounted by rates of between 1.62 per cent to 5.48 per cent.

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

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

The following types of lease arrangements, contain extension and termination options:

- Rental property leases - options are agreed contractually for defined period of years with the lease payments based on an index or fixed rate from the lease commencement rate.

These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the health service and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended (or not terminated).

Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

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

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.

Leases with significantly below market terms and conditions

Barwon 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 a peppercorn or concessionary lease arrangement.

The nature and terms of such lease arrangements are described below:

DESCRIPTION OF LEASED ASSET	NATURE AND TERMS OF LEASE
Barwon Health North (Land)	Lease payments of \$104 are required per annum. The lease commenced in 2019 and has a lease term of 50 years.
Outpatient Annexe (Land)	Lease payments of \$12 are required per annum. The lease commenced in 2009 and has a lease term of 50 years.
Corio Community Health Centre (Land)	Lease payments of \$12 are required per annum. The lease commenced in 2009 and has a lease term of 15 years.
Belmont Community Health Centre (Land)	Lease payments of \$12 are required per annum. The lease commenced in 2009 and has a lease term of 50 years.
Belmont Community Rehabilitation Facility (Land)	Lease payments of \$104 are required per annum. The lease commenced in 2009 and has a lease term of 15 years.
Newcomb Community Health Centre (Land)	Lease payments of \$12 are required per annum. The lease commenced in 2009 and has a lease term of 15 years.
Torquay Community Health Centre (Land)	Lease payments of \$12 are required per annum. The lease commenced in 2009 and has a lease term of 15 years.

The above leases are used for community based service provision. Barwon Health's dependence on these leases are considered high as essential health services are provided from each of these sites.

NOTE 6.2 CASH AND CASH EQUIVALENTS

	NOTES	2024 \$'000	2023 \$'000
Cash on hand (excluding monies held in trust)		29	29
Cash at bank (excluding monies held in trust)		3,784	2,041
Cash at bank - CBS (excluding monies held in trust)		81,064	137,793
Total cash held for operations		84,877	139,863
Cash at bank - CBS (monies held in trust)		8,716	8,464
Total cash held as monies in trust		8,716	8,464
Total cash and cash equivalents	7.1(a)	93,593	148,327

How we recognise cash and cash equivalents

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

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

For cash flow statement presentation purposes, the cash flow statement includes monies held in trust.

NOTE 6.3 COMMITMENTS FOR EXPENDITURE

	CONSOLIDATED	
	2024 \$'000	2023 \$'000
Capital expenditure commitments		
Not later than one year	14,500	-
Later than one year but not later than five years	8,652	-
Total	23,152	-
Operating expenditure commitments		
Not later than one year	24,725	12,248
Later than one year but not later than five years	40,289	13,822
Five years or more	2,182	490
Total	67,196	26,560
Non-cancellable short term and low value lease commitments		
Not later than one year	126	251
Later than one year but not later than five years	121	85
Total	247	336
Total commitments for expenditure (inclusive of GST)	90,595	26,896
Less GST recoverable from the Australian Taxation Office	8,236	2,445
Total commitments for expenditure (exclusive of GST)	82,359	24,451

HOW WE DISCLOSE OUR COMMITMENTS

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

Expenditure commitments

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

Short term and low value leases

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

NOTE 6.4 NON-CASH FINANCING AND INVESTING ACTIVITIES

	CONSOLIDATED	
	2024 \$'000	2023 \$'000
Acquisition of plant and equipment by means of leases	6,024	13,587
Total non-cash financing and investing activities	6,024	13,587

NOTE 7 RISK, CONTINGENCIES AND VALUATION UNCERTAINTIES

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

MATERIAL JUDGEMENTS AND ESTIMATES

This section contains the following material judgements and estimates:

MATERIAL JUDGEMENTS AND ESTIMATES	DESCRIPTION
Measuring fair value of non-financial assets	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Barwon Health has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <p>Barwon Health uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none"> – Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Barwon Health's specialised land, non-specialised land and non-specialised buildings are measured using this approach. – Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of Barwon Health's specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach. – Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Barwon Health does not this use approach to measure fair value. <p>The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <p>Subsequently, the health service applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul style="list-style-type: none"> – Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Barwon Health does not categorise any fair values within this level. – Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Barwon Health categorises non-specialised land and right-of-use land in this level. – Level 3, where inputs are unobservable. Barwon Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

NOTE 7.1 FINANCIAL INSTRUMENTS

Financial Instruments

Financial instruments arise out of the contractual agreements that give rise to financial assets, financial liabilities or equity instruments of Barwon Health. Due to the nature of Barwon Health's activities, certain financial assets and financial liabilities, such as taxes, arise under statute rather than a contract and therefore do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

7.1 (A) CATEGORISATION OF FINANCIAL INSTRUMENTS

	FINANCIAL ASSETS AT AMORTISED COST	FINANCIAL ASSETS AT FAIR VALUE THROUGH NET RESULT	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	CONTRACTUAL FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated 2024					
Financial assets					
Cash and cash equivalents	93,593	-	-	-	93,593
Receivables	90,059	-	-	-	90,059
Investments and other financial assets	437	354	29,634	-	30,425
Total financial assetsⁱ	184,089	354	29,634	-	214,077
Financial liabilities					
Payables	-	-	-	59,201	59,201
Refundable accommodation deposits	-	-	-	25,222	25,222
Residential patient monies held in trust	-	-	-	750	750
Borrowings	-	-	-	24,429	24,429
Derivative financial instruments	-	74	-	-	74
Total financial liabilitiesⁱ	-	74	-	109,602	109,676
Consolidated 2023					
Financial assets					
Cash and cash equivalents	148,327	-	-	-	148,327
Receivables	82,405	-	-	-	82,405
Investments and other financial assets	167	1,226	29,260	-	30,653
Total financial assetsⁱ	230,899	1,226	29,260	-	261,385
Financial liabilities					
Payables	-	-	-	79,685	79,685
Refundable accommodation deposits	-	-	-	24,521	24,521
Residential patient monies held in trust	-	-	-	1,008	1,008
Borrowings	-	-	-	20,639	20,639
Total financial liabilitiesⁱ	-	-	-	125,853	125,853

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

HOW WE CATEGORISE FINANCIAL INSTRUMENTS

Categories of financial assets

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

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

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

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

Financial assets at amortised cost

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

- The assets are held by Barwon Health solely to collect the contractual cash flows.
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interests on the principal amount outstanding on specific dates.

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

Barwon Health recognises the following assets in this category:

- Cash and deposits.
- Receivables (excluding statutory receivables).
- Term deposits.

Financial assets at fair value through other comprehensive income

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- The assets are held by Barwon Health to achieve its objective both by collecting the contractual cash flows and by selling the financial assets.
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and Barwon Health has irrevocably elected at initial recognition to recognise in this category.

Barwon Health recognises the following assets in this category:

- Investments in equity instruments.

Financial assets at fair value through net result

Barwon Health initially designates a financial instrument as measured at fair value through net result if:

- It eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or recognising the gains and losses on them, on a different basis.
- It is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial asset can be managed and evaluated consistently on a fair value basis.
- It is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through net result is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

Barwon Health recognises the following liabilities in this category:

- Payables (excluding statutory payables and contract liabilities).
- Borrowings.
- Other liabilities (including monies held in trust).

DERIVATIVE FINANCIAL INSTRUMENTS

A derivative financial instrument is classified as a held for trading financial asset or financial liability. They are initially recognised at fair value on the date on which a derivative contract is entered. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives after initial recognition, are recognised in the consolidated comprehensive operating statement as an other economic flow included in the net result.

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired, or
- Barwon 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
- Barwon 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 Barwon Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Barwon Health's continuing involvement in the asset.

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

A financial asset is required to be reclassified between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Barwon 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 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

Barwon Health's main financial risks include credit risk, liquidity risk and market risk. Barwon Health manages these financial risks in accordance with its financial risk management policy.

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

7.2 (A) CREDIT RISK

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

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

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

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

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

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

There has been no material change to Barwon Health's credit risk profile in the year ending 30 June 2024.

Impairment of financial assets under AASB 9

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

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

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

Contractual receivables at amortised cost

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

On this basis, Barwon Health determines the closing loss allowance at the end of the financial year as follows:

	MATURITY DATES				
	LESS THAN 1 MONTH	1 - 3 MONTHS	3 MONTHS - 1 YEAR	1 - 5 YEARS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000
2024 CONSOLIDATED					
Expected loss rate	0.5%	1.6%	2.0%	6.1%	1.9%
Gross carrying amount of contractual receivables	8,412	4,662	3,671	2,986	19,731
Loss allowance	38	74	74	183	369
2023 CONSOLIDATED					
Expected loss rate	0.4%	1.4%	3.2%	99.4%	1.8%
Gross carrying amount of contractual receivables	9,015	5,489	2,360	115	16,979
Loss allowance	39	76	77	115	307

Statutory receivables and debt investments at amortised cost

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

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

7.2 (B) LIQUIDITY RISK

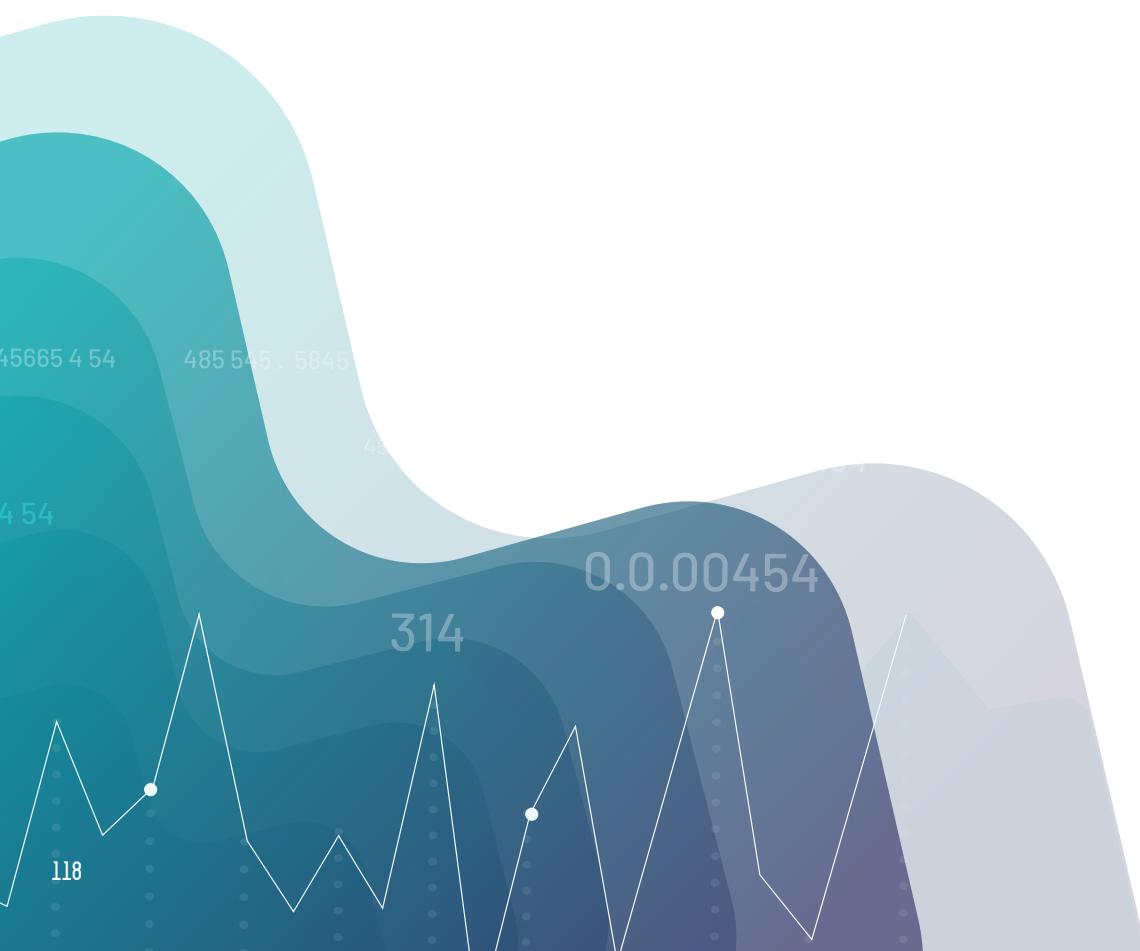
Liquidity risk arises from being unable to meet financial obligations as they fall due.

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

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

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

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



	MATURITY DATES							
	NOTE	CARRYING AMOUNT \$'000	NOMINAL AMOUNT \$'000	LESS THAN 1 MONTH \$'000	1-3 MONTHS \$'000	3 MONTHS - 1 YEAR \$'000	1-5 YEARS \$'000	OVER 5 YEARS \$'000
2024 CONSOLIDATED								
Financial liabilities at amortised cost								
Payables	5.3	59,201	59,201	42,024	16,183	994	-	-
Refundable accommodation deposits	5.5	25,222	25,222	1,051	2,102	9,459	12,610	-
Residential patient monies held in trust	5.5	750	750	750	-	-	-	-
Borrowings	6.1	24,429	24,429	362	719	3,236	11,034	9,078
Total financial liabilities		109,602	109,602	44,187	19,004	13,689	23,644	9,078
2023 CONSOLIDATED								
Financial liabilities								
Trade creditors and other payables	5.3	79,686	79,686	58,223	20,176	1,287	-	-
Refundable accommodation deposits	5.5	24,521	24,521	1,022	2,044	9,198	12,257	-
Residential patient monies held in trust	5.5	1,008	1,008	1,008	-	-	-	-
Borrowings	6.1	20,639	20,639	260	517	2,439	9,445	7,977
Total financial liabilities		125,854	125,854	60,513	22,737	12,924	21,702	7,977

Ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST payable).

7.2 (C) MARKET RISK

Barwon Health's exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

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

- A change in interest rates of one per cent up or down.

Interest rate risk

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

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

NOTE 7.3 FAIR VALUE DETERMINATION

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.
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Barwon 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. There have been no transfers between levels during the period.

Barwon 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 Barwon Health's independent valuation agency for property, plant and equipment.

Identifying unobservable inputs (level 3) fair value measurements

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

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

7.3 (A) FAIR VALUE DETERMINATION OF INVESTMENTS AND OTHER FINANCIAL ASSETS

	CONSOLIDATED CARRYING AMOUNT	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:		
	AS AT 30 JUNE \$'000	LEVEL 1 ⁱ \$'000	LEVEL 2 ⁱ \$'000	LEVEL 3 ⁱ \$'000
2024				
Investments and other financial assets	29,986	8,722	20,912	354
Total financial assets held at fair value through other comprehensive income	29,986	8,722	20,912	354
2023				
Investments and other financial assets	30,486	8,548	20,712	1,226
Total financial assets held at fair value through other comprehensive income	30,486	8,548	20,712	1,226

ⁱ Classified in accordance with the fair value hierarchy

HOW WE MEASURE FAIR VALUE OF INVESTMENTS AND OTHER FINANCIAL ASSETS

Fixed bonds and floating rate securities

In the absence of an active market, the fair value of Barwon Health's fixed bond and floating rate securities are valued using observable inputs, such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. Adjustments are made to the valuations when necessary to recognise differences in the instrument's terms.

Barwon Health classifies these debt securities as Level 2.

Equities

Equities are valued at fair value with reference to a quoted (unadjusted) market price from an active market.

Barwon Health classifies these instruments as Level 1.

Derivative Financial Instrument

The fair value of derivative instruments is based on the discounted cash flow technique. The selection of variables requires significant judgement and assumptions in estimating the fair value of derivatives.

In the absence of an active market, the fair value of the CfD derivative is valued using unobservable inputs such as future wholesale electricity prices provided by The Department of Environment, Land, Water and Planning's independent advisor and comparable risk free rates of zero coupon government bonds obtained from the Reserve Bank of Australia.

The assumptions underpinning the estimate of future wholesale electricity prices included factors influencing supply and demand fluctuations.

In addition, assumptions are applied to forecast the renewable energy generation volumes over the life of the derivative instrument.

To the extent that the significant inputs are unobservable, Barwon Health classifies these derivatives as Level 3 within the fair value hierarchy.

RECONCILIATION OF LEVEL 3 FAIR VALUE MOVEMENTS

	FINANCIAL ASSET AT FAIR VALUE THROUGH NET RESULT	
	2024 \$'000	2023 \$'000
Opening balance	1,227	5,244
Subsequent measurement of derivative financial instrument	(946)	(4,017)
Closing balance	281	1,227

DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS TO LEVEL 3 VALUATIONS

OTHER FINANCIAL ASSETS (LEVEL 3)	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	2024 RANGE (WEIGHTED AVERAGE)	SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN SIGNIFICANT UNOBSERVABLE INPUTS
Derivative Financial Instrument	Discounted cash flow	Wholesale electricity price forecasts	\$29.55/MWh to \$82.41/MWh (\$49.41/MWh)	An increase/(decrease) in the wholesale electricity price forecasts of 10 per cent would result in an increase/(decrease) fair value by \$479,097
		Discount rate - risk free rates of zero coupon government bonds	0.1047 per cent to 39.5025 per cent (20.7339 per cent)	An increase/(decrease) in the discount rate of 1 per cent would result in an increase/(decrease) fair value by \$30,508
		Credit value adjustment - Australian Corporate Bond Spreads and Yields FNFCBBB10M	6.00	An increase/(decrease) in the credit value adjustment of 1 per cent would result in an increase/(decrease) fair value by \$30,508



7.3 (B) FAIR VALUE DETERMINATION OF NON-FINANCIAL PHYSICAL ASSETS

	CONSOLIDATED CARRYING AMOUNT	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:		
	AS AT 30 JUNE \$'000	LEVEL 1 ¹ \$'000	LEVEL 2 ¹ \$'000	LEVEL 3 ¹ \$'000
2024				
Land				
Non-specialised land	34,885	-	34,885	-
Specialised land	208,671	-	-	208,671
Total land at fair value	243,556	-	34,885	208,671
Buildings				
Non-specialised buildings	14,934	-	-	14,934
Specialised buildings	749,218	-	-	749,218
Right of use buildings	15,208	-	-	15,208
Total buildings at fair value	779,360	-	-	779,360
Plant and equipment at fair value				
Plant and equipment	24,107	-	-	24,107
Leasehold improvements	1,728	-	-	1,728
Furniture and fittings	11,489	-	-	11,489
Medical equipment	41,799	-	-	41,799
Medical equipment - right of use	835	-	-	835
Total plant and equipment at fair value	79,958	-	-	79,958
	1,102,874	-	34,885	1,067,989

¹ Classified in accordance with the fair value hierarchy.

7.3 (B) FAIR VALUE DETERMINATION OF NON-FINANCIAL PHYSICAL ASSETS (CONTINUED)

	CONSOLIDATED CARRYING AMOUNT	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:		
	AS AT 30 JUNE \$'000	LEVEL 1 ¹ \$'000	LEVEL 2 ¹ \$'000	LEVEL 3 ¹ \$'000
2023				
Land				
Non-specialised land	14,150	-	14,150	-
Specialised land	55,370	-	-	55,370
Total land at fair value	69,520	-	14,150	55,370
Buildings				
Non-specialised buildings	3,486	-	-	3,486
Specialised buildings	647,472	-	-	647,472
Right of use buildings	12,725	-	-	12,725
Total buildings at fair value	663,683	-	-	663,683
Plant and equipment at fair value				
Plant and equipment	25,965	-	-	25,965
Leasehold improvements	1,869	-	-	1,869
Furniture and fittings	13,204	-	-	13,204
Medical equipment	40,825	-	-	40,825
Medical equipment - right of use	1,436	-	-	1,436
Total plant and equipment at fair value	83,299	-	-	83,299
	816,502	-	14,150	802,352

¹Classified in accordance with the fair value hierarchy

HOW WE MEASURE FAIR VALUE OF NON-FINANCIAL PHYSICAL ASSETS

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

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

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

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

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

Specialised land and specialised buildings

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

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

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and considers the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

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

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

Vehicles

Barwon 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. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying value (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 replacement cost is used to estimate the fair value. Unless there is market evidence that current replacement costs are not significantly different from the original acquisition cost, it is considered unlikely that current replacement cost will be materially different from the existing carrying amount.

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

7.3 (A) RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENT

	SPECIALISED LAND	SPECIALISED BUILDINGS	NON-SPECIALISED BUILDINGS	RIGHT OF USE BUILDINGS	LEASEHOLD IMPROVEMENTS	PLANT AND EQUIPMENT	MEDICAL EQUIPMENT	MEDICAL EQUIPMENT - ROU	FURNITURE AND FITTINGS
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024 CONSOLIDATED									
Opening balance	55,370	647,472	3,486	12,725	1,869	25,965	40,825	1,436	13,204
Adoption of AASB 16	-	-	-	-	-	-	-	-	-
Additions	-	2,129	-	5,423	533	3,886	11,222	602	348
Transfers	450	(6,022)	6,832	-	-	-	-	-	-
Gains or losses recognised in net result									
Disposals	-	(634)	-	(62)	-	(33)	-	(601)	-
Depreciation	-	(47,249)	(357)	(2,878)	(674)	(5,711)	(10,247)	(601)	(2,064)
Subtotal	55,820	595,696	9,961	15,208	1,728	24,107	41,800	836	11,488
Items recognised in other comprehensive income									
Revaluation	152,851	153,522	4,973	-	-	-	-	-	-
Closing balance	208,671	749,218	14,934	15,208	1,728	24,107	41,800	836	11,488
2023 CONSOLIDATED									
Opening balance	47,434	618,244	3,621	1,286	2,210	24,246	44,459	2,221	14,714
Additions	60	75,310	-	12,612	266	7,432	5,691	-	529
Transfers	7,876	-	-	-	-	-	-	-	-
Gains or losses recognised in net result									
Disposals	-	(1,569)	-	-	-	(97)	(136)	-	-
Depreciation	-	(44,759)	(135)	(1,173)	(607)	(5,616)	(9,189)	(785)	(2,039)
Subtotal	55,370	647,226	3,486	12,725	1,869	25,965	40,825	1,436	13,204
Items recognised in other comprehensive income									
Revaluation	-	246	-	-	-	-	-	-	-
Closing balance	55,370	647,472	3,486	12,725	1,869	25,965	40,825	1,436	13,204

7.3 (B) FAIR VALUE DETERMINATION OF NON-FINANCIAL PHYSICAL ASSETS (CONTINUED)

ASSET CLASS	LIKELY VALUATION APPROACH	SIGNIFICANT INPUTS (LEVEL 3 ONLY)
Specialised land (Crown/freehold)	Market approach	Community Service Obligation adjustments ⁽ⁱ⁾
Specialised buildings and non-specialised buildings	Current replacement cost approach	Direct cost per square metre & useful life
Plant and equipment at fair value	Current replacement cost approach	Cost per unit & useful life
Medical equipment at fair value	Current replacement cost approach	Cost per unit & useful life
Furniture and fittings at cost	Current replacement cost approach	Cost per unit & useful life

⁽ⁱ⁾ A community service obligation (CSO) range of 0 per cent to 40 per cent was applied to Barwon Health's specialised land.

NOTE 7.4 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

HOW WE MEASURE CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

NOTE 8 OTHER DISCLOSURES

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

Structure

- 8.1 Reconciliation of net result for the year to net cash from operating activities
- 8.2 Responsible persons disclosures
- 8.3 Remuneration of executives
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Events occurring after balance sheet date
- 8.7 Controlled entities
- 8.8 Joint arrangements
- 8.9 Equity
- 8.10 Economic dependency

NOTE 8.1 RECONCILIATION OF NET RESULT FOR THE YEAR TO NET CASH FROM OPERATING ACTIVITIES

	NOTE	CONSOLIDATED	
		2024 \$'000	2023 \$'000
Net result for the year		(44,269)	(11,617)
Non-cash movements			
Depreciation and amortisation	4.5	74,653	70,115
Allowance for impairment losses of contractual receivables	5.1(a)	62	104
Gain on sale of available-for-sale shares		(100)	(49)
Loss/(gain) on sale of property, plant & equipment		1,318	1,317
Non-cash capital assets acquired		(12,762)	(7,231)
Loss on revaluation of land		66	-
Loss / (gain) on derivative financial asset		946	4,017
Movements in assets and liabilities			
Increase in employee benefits		24,524	19,154
(Decrease)/increase in payables and contract liabilities		(36,232)	24,334
Increase in receivables and contract assets		(2,335)	(7,482)
Decrease/(increase) in inventories		(2,177)	1,819
(Decrease)/increase in other liabilities		2,963	(270)
Net cash inflow from operating activities		6,657	94,211

NOTE 8.2 RESPONSIBLE PERSONS DISCLOSURES

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

RESPONSIBLE MINISTERS		PERIOD	
The Honourable Mary-Anne Thomas MP			
Minister for Health	1 Jul 2023	30 June 2024	
Minister for Health Infrastructure	1 Jul 2023	30 June 2024	
Minister for Ambulance Services	2 Oct 2023	30 June 2024	
Former Minister for Medical Research	1 Jul 2023	2 Oct 2023	
The Honourable Ingrid Stitt MP			
Minister for Mental Health	2 Oct 2023	30 June 2024	
Minister for Ageing	2 Oct 2023	30 June 2024	
The Honourable Gabrielle Williams MP			
Former Minister for Mental Health	1 Jul 2023	2 Oct 2023	
Former Minister for Ambulance Services	1 Jul 2023	2 Oct 2023	
The Honourable Lizzy Blandthorn MP			
Former Minister for Disability, Ageing and Carers	1 July 2023	2 Oct 2023	
Minister for Children	2 Oct 2023	30 Jun 2024	
Minister for Disability	2 Oct 2023	30 Jun 2024	
GOVERNING BOARD		PERIOD	
Lisa Neville (Chair of the Board)	1 Jul 2023	30 Jun 2024	
Shane Solomon	1 Jul 2023	30 Jun 2024	
Virginia Todd	1 Jul 2023	30 Jun 2024	
Libby Mears	1 Jul 2023	30 Jun 2024	
Brendan Crotty	1 Jul 2023	30 Jun 2024	
Stephen Elder	1 Jul 2023	30 Jun 2024	
Clare Amies	1 Jul 2023	30 Jun 2024	
Susan Sdrinis	1 Jul 2023	30 Jun 2024	
Ian Broadway	1 Jul 2023	30 Jun 2024	
ACCOUNTABLE OFFICER		PERIOD	
Frances Diver	1 Jul 2023	30 Jun 2024	

Remuneration of Responsible Persons

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

	2024 NO.	2023 NO.
\$40,000 - \$49,999	8	8
\$80,000 - \$89,999	1	1
\$530,000 - \$539,999 ⁱ	1	-
\$550,000 - \$559,999 ⁱ	-	1
Total number of responsible persons	10	10

	2024 \$'000	2023 \$'000
Total remuneration received or due and receivable by Responsible Persons from Barwon Health for the year	982	985

ⁱ Includes long service leave accrued but not paid

Amounts relating to the Governing Board Members and Accountable Officer of Barwon Health's controlled entities are disclosed in their own financial statements. Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

Mark Cavanagh, kidney transplant recipient

NOTE 8.3 REMUNERATION OF EXECUTIVES

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

	2024 \$'000	2023 \$'000
Short-term employee benefits	2,236	2,260
Long-term benefits	88	88
Post-employment benefits	192	177
Total remuneration ⁱ	2,516	2,525
Total number of executives	7	9
Total annualised employee equivalent ⁱⁱ	7.0	7.9

ⁱ The total number of executive officers include persons who meet the definition of Key Management Personnel (KMP) of Barwon Health under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.

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



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

Short-term employee benefits

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

Post-employment benefits

Pensions and other retirement benefits (such as superannuation guarantee contributions) paid or payable on a discrete basis when employment has ceased.

Other long-term benefits

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

Termination benefits

Termination of employment payments, such as severance packages.

NOTE 8.4 RELATED PARTIES

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

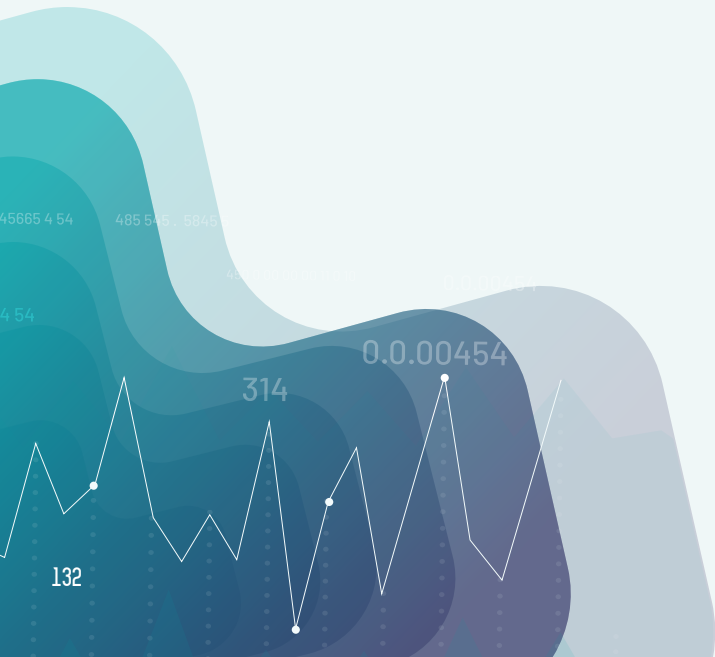
- All key management personnel (KMP) and their close family members and personal business interests.
- Cabinet ministers (where applicable) and their close family members.
- Controlled entities - Barwon Health Foundation Limited and the Barwon Health Foundation.
- Jointly controlled operations - A member of the South West Alliance of Rural Health (SWARH).
- All health services and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

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

Key Management Personnel

The Board of Directors and the Executive Directors of Barwon Health are deemed to be KMPs. Refer to Note 8.2 for Board of Directors and Accountable Officer. Executives are as follows:

Amanda Cameron	Chief Operating Officer
Cobus Lotheringen	Chief Financial Officer
Andrew Macfarlane	Chief Information Officer
Anna Burgess	Chief Strategy & Planning Officer
Angela Erwin	Chief Nursing and Midwifery Officer
Ajai Verma	Chief Medical Officer
Tracy Gilligan	Chief People & Culture Officer



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

COMPENSATION - KMPS	2024 \$'000	2023 \$'000
Short-term employee benefits	3,122	3,156
Long-term benefits	113	111
Post-employment benefits	263	244
Total ⁱ	3,498	3,511

ⁱ KMPS are also reported in Note 8.2 Responsible Persons and Note 8.3 Remuneration of Executives

Significant transactions with government related entities

Barwon Health received funding from the Department of Health of \$879.6 million (2023: \$865.9 million) and indirect contributions of \$1.6 million (2023: \$20.7 million). Balances outstanding as at 30 June 2024 are \$73.1 million (2023: \$66.9 million).

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

Transactions with KMPS and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector at arm's length 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 the Barwon Health, there were no related party transactions that involved key management personnel, their close family members or their personal business interests, except for the transactions detailed below:

- Revenue for services provided to Colac Area Health, of which Frances Diver's partner is Director - Capital Projects & Compliance - \$5.2 million (2023: \$2.6 million).
- Services have been provided by Colac Area Health, of which Frances Diver's partner is Director - Capital Projects & Compliance - \$2.3 million (2023: \$1.5 million).
- Services have been provided by Health Round Table, of which Frances Diver is a Director - \$0.1 million (2023: \$0.1 million).
- Revenue for services provided to G21 - Geelong Region Alliance Ltd, of which Frances Diver is a Director - \$Nil (2023: \$0.1 million).
- Services have been provided by St Vincent's Hospital (Melbourne) Ltd of which Ian Broadway is Chief Financial Officer - \$0.2 million (2023: \$Nil).
- Services have been provided by GenU, of which Clare Amies is Chief Operating Officer - \$0.8 million (2023: \$1.0 million).
- Services have been provided by Victorian Managed Insurance Authority, of which Virginia Todd's direct family member is a board member - \$13.8 million (2023: \$11.5 million).
- Revenue for services have been provided to Victorian Managed Insurance Authority, of which Virginia Todd's direct family member is a board member - \$0.1 million (2023: \$0.1 million).

No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2024 (2023: none).

Except for the transactions listed below, there were no other related party transactions required to be disclosed for the Barwon Health Foundation Board of Directors in 2024 (2023: none).

Controlled entities related party transactions

Barwon Health Foundation

Clare Amies is a director of Barwon Health and a director of Barwon Health Foundation.

The transactions between the two entities relate to reimbursements made by the Barwon Health Foundation to the Barwon Health for goods and services and the transfer of funds by way of distributions made to the health service. All dealings are in the normal course of business and are on normal commercial terms and conditions.

	2024 \$'000	2023 \$'000
Services provided to Barwon Health Foundation	519	413
Distributions/grants received from Barwon Health Foundation	3,333	478

NOTE 8.5 REMUNERATION OF AUDITORS

	CONSOLIDATED	
	2024 \$'000	2023 \$'000
Victorian Auditor-General's Office		
Audit of the financial statements	151	150
Total remuneration of auditors	151	150

NOTE 8.6 EVENTS OCCURRING AFTER BALANCE SHEET DATE

There were no events occurring after the balance sheet date.

NOTE 8.7 CONTROLLED ENTITIES

Barwon Health's interest in controlled entities are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

NAME OF ENTITY	COUNTRY OF INCORPORATION	EQUITY HOLDING
Barwon Health Foundation	Australia	n/a
Barwon Health Foundation Limited	Australia	n/a

CONTROLLED ENTITIES CONTRIBUTION TO THE CONSOLIDATED NET RESULT FOR THE YEAR (EXCLUDING DISTRIBUTIONS)	2024 \$'000	2023 \$'000
Barwon Health Foundation	6,316	3,767
Barwon Health Foundation Limited	-	-
	6,316	3,767

Contingent liabilities and capital commitments

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

NOTE 8.8 JOINT ARRANGEMENTS

NAME OF ENTITY	PRINCIPAL ACTIVITIES	OWNERSHIP INTEREST 2024 %	OWNERSHIP INTEREST 2023 %
South West Alliance of Rural Health (Vic)	Information Systems	63	58

Barwon Health interest in assets and liabilities of the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements:

	2024 \$'000	2023 \$'000
Current assets		
Cash and cash equivalents	14,146	10,155
Inventories	7	13
Receivables	4,791	3,944
Total current assets	18,944	14,112
Non-current assets		
Property, plant and equipment	7,336	5,689
Intangible assets	-	2,637
Other receivables	770	594
Non-current assets	8,106	8,920
Total assets	27,050	23,032
Current liabilities		
Other current liabilities	8,783	7,751
Payables	7,966	4,964
Lease liabilities	1,691	968
Employee benefits and related on-cost provisions	1,431	1,557
Total current liabilities	19,871	15,240
Non-current liabilities		
Other non-current liabilities	8	55
Employee benefits and related on-cost provisions	1,075	321
Lease liabilities	3,024	1,847
Total non-current liabilities	4,107	2,223
Total liabilities	23,978	17,463
Net assets	3,072	5,569
Equity		
Accumulated surplus	3,072	5,569
Total equity	3,072	5,569

Barwon Health's interest in revenues and expenses resulting from joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2024 \$'000	2023 \$'000
Revenue and income from transactions		
Operating activities	13,710	10,066
Non-operating activities	511	317
Total revenue and income from transactions	14,221	10,383
Expenses from transactions		
Operating expenses	(19,502)	(12,841)
Total expenses from transactions	(19,502)	(12,841)
Net result from transactions - net operating balances	(5,281)	(2,458)
Other economic flows included in the net result		
Revaluation of long service leave	92	13
Total other economic flows included in net result	92	13
Comprehensive result for the year	(5,189)	(2,445)

* Figures obtained from the unaudited South West Alliance of Rural Health annual report.

Contingent Liabilities and Capital Commitments

There are no known contingent liabilities held by the jointly controlled operations at balance date. There are no capital commitments as at balance date (100 per cent share) (2023: \$1.9 million).

NOTE 8.9 EQUITY

Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Barwon Health.

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

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

Property, plant and equipment revaluation surplus

The property, plant and equipment revaluation surplus arises on the revaluation of land and buildings. The revaluation surplus is not normally transferred to the accumulated surpluses/(deficits) on derecognition of the relevant asset.

Financial assets at fair value through comprehensive income revaluation reserve

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

Specific restricted purpose reserves

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

NOTE 8.10 ECONOMIC DEPENDENCY

Barwon Health is dependent on the Department of Health for the majority of its revenue used to operate the health service. At the date of this report, the Board of Directors believe the Department of Health will continue to support Barwon Health.



DISCLOSURE INDEX

The annual report of Barwon 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.

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LEGISLATION	REQUIREMENT	PAGE REF.
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Victorian Auditor-General's Office

Independent Auditor's Report

To the Board of Barwon Health

Opinion	<p>I have audited the consolidated financial report of Barwon Health (the health service) and its controlled entities (together the consolidated entity), which comprises the:</p> <ul style="list-style-type: none">• consolidated entity and health service balance sheets as at 30 June 2024• consolidated entity and health service comprehensive operating statements for the year then ended• consolidated entity and health service statements of changes in equity for the year then ended• consolidated entity and health service cash flow statements for the year then ended• notes to the financial statements, including material accounting policy information• board members, accountable officer's and chief financial officer declaration. <p>In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the health service as at 30 June 2024 and their 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 applicable Australian Accounting Standards.</p>
Basis for Opinion	<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 and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</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>
Board's responsibilities for the financial report	<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 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 and the consolidated entity'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>

**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 and the consolidated entity'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 and the consolidated entity'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 and the consolidated entity 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
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the health service and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the health service and the consolidated entity. I remain solely responsible for my audit opinion.

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.



Dominika Ryan

as delegate for the Auditor-General of Victoria

MELBOURNE
2 October 2024



**Barwon
Health**

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