Northern Health

Annual Report

2023-24

Our Vision

A healthier community, making a difference for every person, every day

Our Priorities

- **A safe, positive patient experience**
- **A healthier community**
- **An innovative and sustainable future**
- **Enabled staff, empowered teams**
- **Engaged learners, inspired researchers**

Our Values

Safe

We provide safe, trusted care for our patients.

We are inclusive and culturally safe, celebrating the diversity of our staff and community.

Kind

We treat everyone with kindness, respect and empathy.

We provide patient-centred and compassionate care.

Together

We work together with our staff, patients, consumers and health system partners.

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Northern Health acknowledges Victoria's Aboriginal communities and their rich culture and pays respect to their Elders past, present and emerging.

We acknowledge Aboriginal people as Australia's first peoples and as the Traditional Owners and custodians of the land (the Wurundjeri and Taungurung people) on which Northern Health's campuses are built.

We recognise and value the ongoing contribution of Aboriginal people and communities to our lives and we embrace the spirit of reconciliation, working towards the equality of outcomes and ensuring an equal voice.

Northern Health celebrates, values, and includes people of all backgrounds, genders, sexualities, cultures, bodies and abilities.

From the Board Chair and Chief Executive

In 2023-24, Northern Health continued on its path of rapid expansion and innovation. A voluntary amalgamation with Kilmore District Health, the expansion of mental health services, the growth in the statewide Victorian Virtual Emergency Department (VVED), the implementation of the Electronic Medical Record (EMR), and a new inhouse radiology service are examples of how well we are meeting our strategic priorities.

Our community is growing, and with the addition of Kilmore District Hospital, we can now provide more services across Mitchell Shire, one of Victoria's three main growth areas. We remain steadfast in our commitment to deliver outstanding healthcare to our richly diverse community.

Over the past 12 months, our health service has seen increased services across all categories. Our physical emergency department at Epping remains the busiest in Victoria with 116,453 emergency presentations, including 33,894 patients arriving by ambulance. There were 123,160 hospital admissions, 22,416 non-emergency surgeries were performed, 284,409 specialist appointments were conducted and 3,295 babies were born. Our mental health division provided 285,995 community care interactions and 2,509 admissions.

Northern Health receives funding from the state and federal governments and in 2023-24 we reported an operating deficit of $74m which was disappointing but it was a very challenging year. Despite the deficit, we believe our efficiency compares positively to other health services.

We are pleased to acknowledge our Number 1 ranking among health services in the state for energy efficiency per occupied bed day, according to the NABERS Sustainability Portfolio Index.

Over the past 12 months, our Victorian Virtual Emergency Department accounted for 195,939 presentations statewide, successfully diverting 83.7 per cent of non-life-threatening emergencies away from a physical emergency department. In March 2024, the Victorian Government announced a plan to expand our service over the next four years, essentially doubling the service's capacity to 1,000 presentations per day.

Our Victorian Virtual Emergency Department works in partnership with Ambulance Victoria, primary health networks, residential aged care facilities and Nurse on Call to manage non-life-threatening emergencies, virtually. A dedicated paediatric service provides comfort to families, with direct access to specialised emergency care for their young children. The paediatric service was the winner of the 'Celebrating Innovation in Health Care' category of the 2023 Victorian Public Healthcare Awards.

We continued to build on our innovative virtual, community and home-based care, establishing a statewide Victorian Virtual Consult Service (VVCS), a service which provides community healthcare providers access to a free virtual 20-minute consultation with a Northern Health specialist.

In July 2022, Northern Health became a designated Mental Health Service. One year later, on 1 July 2023, we welcomed into Northern Health the Broadmeadows Aged Persons Mental Health Unit and the new Specialist Older Adults Consultation Service, completing the transition of mental health services from Melbourne Health.

On 15 August 2023, the new Northern Hospital Mental Health Unit at Epping was officially opened to patients. The unit comprises 30 acute inpatient mental health beds and includes technologically enhanced sensory rooms and courtyards designed for recreation and exercise. This facility provides a safe, welcoming and healing environment to our patients. Existing mental health wards within the health service have also been upgraded.

Our capital works projects remain on track, with Craigieburn Community Hospital and Whittlesea Community Hospital earmarked for completion in late 2024 and early 2025, respectively. On 7 May 2024, the Victorian Government confirmed funding of $813 million to deliver a new Emergency Department at Northern Hospital Epping, which will include a dedicated paediatric zone and a mental health, alcohol and other drugs hub, along with extra inpatient beds.

After two years of planning, testing and training, the Electronic Medical Record (EMR) was successfully implemented across all Northern Health sites in September 2023. The EMR has simplified and streamlined workflows and involved a whole of organisation approach to ensure a successful transition.

In October 2023, Northern Health brought its radiology services inhouse, welcoming 170 new staff along with new state of the art equipment and an expansion of imaging services across three of our five campuses. In addition, anatomical pathology services were also brought inhouse providing our patients with improved access to testing.

On 1 November 2023, Kilmore District Hospital became a campus of Northern Health, ensuring a greater coordination of health services across Melbourne's north and the Kilmore region. This partnership strengthened existing ties which helped to ensure a successful transition in consultation with the local community of Kilmore. The amalgamation has improved access to services for patients in the Northern Growth Corridor, as well as enhancing opportunities for further education and career progression of our staff.

We are fostering the next generation of engaged learners and inspired researchers at Northern Health through our commitment to research and education. The newly established Research Executive Committee will enable us to develop a strong reputation for high quality research. We thank our academic partners, University of Melbourne, La Trobe University, and RMIT University for their support and continued collaboration.

Northern Health continues its strong focus on quality and safety and, in May 2023, was subject to a short notice National Accreditation Survey and successfully achieved accreditation, meeting all National Standards with no recommendations that required remedial action. This achievement is a testament to our staff and their commitment to quality and safety. Our patients remain at the centre of everything we do and providing a safe, positive patient experience is our highest priority.

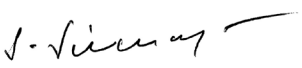
Our achievements would not have been possible without the commitment, skill and dedication of our staff. Our workforce of over 9,000 people thrive in a culture of collaboration, where they can share ideas and innovative solutions and are encouraged to see them through to implementation. Our staff are driven by our values of safe, kind and together, which are evident in their interactions.

We acknowledge our high performing executive team and thank them for their leadership. We recognise the hard work and contribution of our frontline staff and all those working in support and administrative functions. We also thank our 180 volunteers for their time and service, along with the great work of Northern Health Foundation who delivered much needed fundraising to support us. Our sincere thanks to everyone for their unwavering commitment.

We take this opportunity to thank the board of Kilmore District Health for their collaboration and participation throughout the voluntary amalgamation process and warmly welcome former Kilmore District Health board director, Ms Jo Anne Mazzeo, to the new Northern Health board. We would also like to thank the Directors of the Northern Health board for their commitment and support throughout the year.

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for Northern Health for the year ending 30 June 2024.

Jennifer Williams AM
Board Chair
Northern Health
26 September 2024



Siva Sivarajah
Chief Executive
Northern Health
16 August 2024

Our Services

Northern Health is the major provider of acute, maternity, sub-acute, mental health, specialist, community and home-based services in Melbourne's rapidly growing outer north.

Services are provided across five main campuses: Northern Hospital Epping, Broadmeadows Hospital, Bundoora Centre, Craigieburn Centre, and Kilmore District Hospital. In addition, Mental Health Services are provided at Epping, Broadmeadows, Jacana, Preston, Mill Park and Coburg.

The emergency department treats over 116,000 patients each year and supports close to 200,000 patients in the Victorian Virtual Emergency Department. Northern Health cares for over 123,000 patients admitted to hospital each year (including over 35,000 arriving by ambulance) and assists with the delivery of over 3,200 babies.

The Northern Health catchment includes three of the state's six growth areas: Hume, Whittlesea and Mitchell. The swift development of new suburbs in the north will see the population grow between 50-53 per cent by 2036.

Northern Health cares for a diverse community, born in more than 153 countries, who speak over 122 different languages and follow over 90 different religions or beliefs.

Northern Hospital Epping
185 Cooper Street Epping

Broadmeadows Hospital
35 Johnston Street Broadmeadows

Kilmore District Hospital
1 Anderson Road Kilmore

Craigieburn Centre
350 Craigieburn Road West Craigieburn

Bundoora Centre
1231 Plenty Road Bundoora

- Broadmeadows Community Care Unit
- Broadmeadows Prevention & Recovery Care
- Hotham St Clinic
- McLellan House Residential Care
- Merri-Bek Community Team
- Noogal Clinic
- Northern Community Care Unit
- Northern Prevention & Recovery Care

Mitchell
5
Whittlesea
2
1
Hume
3
4
Merri-Bek
Darebin
Melbourne

Our Care at a Glance

Emergency presentations
116,453

VVED presentations*
195,939

Paediatric emergency presentations
25,032

Ambulance arrivals
33,894

Babies born
3,295

Elective surgical procedures
22,416

Hospital admissions
123,160

Specialist clinic appointments
284,409

Mental Health adult / aged admissions
2,509

Mental Health community care contacts**
285,995

VVSC Service consultations***
1,220

Telehealth consultations
99,766

* Victorian Virtual Emergency Department
**Follow-up interactions with Mental Health patients, post discharge
*** Victorian Virtual Specialist Consult Service consultations

A Safe, Positive Patient Experience

Following the successful expansion of the Virtual Emergency Department to the state-wide Victorian Virtual Emergency Department (VVED), additional funding was announced by the Victorian Government. This allowed for a further expansion in the number of patients who can access the service to 1,000 people daily, providing them with the care and advice they need, and potentially avoiding an unnecessary trip to the hospital in the process.

Across the state, the VVED works in partnership with Ambulance Victoria, primary health networks, residential aged care facilities and Nurse on Call to manage non-life-threatening emergencies. A dedicated paediatric service was established this year to provide comfort to families who can now access appropriate and specialised virtual emergency care for their young children. The paediatric service was the winner of the 'Celebrating Innovation in Health Care' category at the November 2023 Victorian Public Healthcare Awards.

In addition to the VVED, Northern Health has also established a state-wide Victorian Virtual Specialist Consult (VVSC) service, which provides community healthcare providers access to a free virtual 20-minute consultation with a Northern Health specialist. Northern Health has also continued to build on its home-based services providing care in the comfort of patient's homes.

After two years of planning, testing and training, the Electronic Medical Record (EMR) was successfully implemented across all Northern Health sites in September 2023. This major milestone transformed how clinical care is provided to patients and the community, and will deliver significant benefits into the future. The introduction of EMR has simplified and streamlined workflows, providing a single source of truth for all patient records. Northern Health is also the first Cerner Oracle site to implement the maternity module for inpatients and outpatients.

In 2023, Northern Health launched its Timely Emergency Care Collaborative (TECC), a statewide initiative involving 15 health services and Ambulance Victoria. The aim of the project is to reduce the length of time patients are waiting in the Emergency Department by improving the way patients are processed. As part of the TECC, the addition of a virtual triage next to the emergency waiting room at Northern Hospital Epping has eliminated the need for patients to endure lengthy waiting times and enable them to receive timely care without compromising quality.

Another innovative concept born from the TECC is FLIP (Fast Track Leadership and Intervention Physician), aimed at decreasing the average length of time patients spend in the hospital before going home. A one-week trial involving an Emergency Physician in the Fast Track area of the ED—a bustling environment equipped with eight cubicles, three procedure rooms, and handling an average of 80-85 patients each day—was conducted. This area typically caters to patients who require assessment, treatment, and care before they can safely return home.

A new paediatric service supporting young children experiencing developmental and behavioural issues, including speech delay, autism and ADHD concerns and significant levels of anxiety, launched at Kilmore District Hospital. The service focuses on identifying and treating concerns before children commence school, and linking them with the most appropriate services early on. This service forms part of Northern Health's commitment to providing better connected care, and ensuring the needs of the community are being met, now and into the future.

Northern Health demonstrates a commitment to safety and reliability by working with our patients, their families and carers to provide a positive patient experience.

A Healthier Community

Northern Health provides comprehensive, holistic and integrated care that addresses the needs of patients with complex conditions.

In July 2022, Northern Health became a designated Mental Health Service in response to recommendations made by the Royal Commission into the Mental Health System in Victoria. On 1 July 2023, the Broadmeadows Aged Persons Mental Health Unit and the new Specialist Older Adults Consultation Service joined Northern Health, completing the transition of mental health services.

As part of a growing commitment to mental health services in the north, a new purpose-built Northern Hospital Mental Health Unit officially opened to patients on 15 August 2023. The unit comprises 30 acute inpatient mental health beds and includes technologically enhanced sensory rooms, courtyards and areas for recreation and exercise. This new facility provides a safe, welcoming and healing environment to our patients, and allows people living in Melbourne's growing northern suburbs to receive the care they need close to their homes, families and support networks.

Northern Health continues to work with our patients, staff and partners to embed the concept of staying well, both in hospital based and community care.

Those living in Melbourne's north now have access to donor sperm and eggs through Australia's first ever public egg and sperm bank at Northern Health, in partnership with the Royal Women's Hospital. The Northern Health clinic will provide eligible patients with access to a range of fertility services including specialist consultations, diagnostic tests, ultrasounds, medications and in-cycle management, all closer to their homes.

Healthcare delivery is continually evolving, with an ongoing need to provide alternative ways to traditional face-to-face services. The Australian-first Virtual Cardiac Rehabilitation (VCR) Program at Northern Health aids patient recovery after a heart event, procedure or condition. The virtual program is designed to improve the health of patients with heart disease, and to achieve the highest quality of life possible. Patients can participate in the virtual program that integrates with their home and work, assisting with reducing transportation and eliminating travel barriers.

A new model of care for Adult Community Mental Health was launched, with an aim to provide services at a level and time that meets the consumer's care needs, with the focus on keeping people well in the community. The first phase began in February 2024 and involved the commencement of Consultant/Psychiatrist led Outpatients Clinics at four community mental health sites. The new model provides consumers with the option to transition to an outpatient stream of care with less intensive ongoing support for as long as they choose to engage. Early warning signs of relapse can be detected, with an easy transition to more intensive treatment and care in the community setting.

Northern Health's Vascular Surgery Unit, led by Mr Iman Bayat, Clinical Lead for Complex Venous Service, was the first vascular team on Australia's east coast to use an innovative new device to perform deep venous thrombus (DVT) removal in a patient. The new INARI ClotTreiver device was closely followed in international literature by Mr Bayat for over two years, before being used on a Northern Health patient to successfully remove a large thrombus. The Vascular Surgery Unit has since performed the same procedure on two more Northern Health patients with large clots in the central abdominal veins and the subclavian vein – the first use of the INARI ClotTreiver for this particular indication in Australia.

An Innovative and Sustainable Future

Northern Health is a recognised leader in healthcare innovation, and ensures patient access and flow is optimised whilst exceeding many performance measures and targets.

On 5 October, Northern Imaging Victoria (NIV) officially opened, bringing imaging services in-house at Northern Health. This transition enabled Northern Health to provide a more integrated model of value-based healthcare by upholding high standards of practice and transparency, continuing to enhance the experience of our patients and clinicians. As part of this transition, 170 new staff members were welcomed to Northern Health, along with new state-of-the-art equipment and an expansion of imaging services across three campuses. Since the launch of NIV, the scope and capacity of services provided have expanded, including the clinical arm of Interventional Radiology. This has grown into a full clinical service delivered by a dedicated team of specialist medical, nurses and radiography staff.

Northern Imaging Victoria also expanded its breast imaging services with a team of seven breast radiologists and dedicated mammography technologists. NIV also introduced three new specialised services; Contract Enhanced Mammography, Stereotactic Breast Biopsies and MRI Breast Biopsies. This expansion has resulted in the availability of a fully comprehensive breast imaging service at Northern Health.

Northern Health is committed to promoting a sustainable and healthy community, and recognises the need to reduce its environmental footprint. The Northern Health Environmental Management Plan 2023 – 2028 addresses Northern Health's environmental impacts in its operations, and sets out planning, policies and procedures to support this commitment in the future. Through this plan, Northern Health has set bold targets for reducing greenhouse gas emissions to net zero by 2040, ahead of the 2050 target set by the Victorian Government.

Northern Health was also ranked the most energy-efficient health service in Victoria, according to the NABERS Sustainability Portfolio Index (SPI). NABERS, the National Australian Built Environment Rating System, evaluates the environmental performance of public buildings by measuring energy and water usage, and comparing them to similar institutions.

Victorian public hospitals have collectively attained an impressive average NABERS rating of 4.1 stars for energy, categorising them as 'high performance'. Northern Health surpassed this benchmark, earning an exceptional 5.1 stars out of 6 for energy efficiency per occupied bed day, the highest in the state.

As a trusted provider of value-based health care, Northern Health is focused on reducing inefficiencies to enable treatment of a greater number of patients with current resources.

Enabled Staff, Empowered Teams

Throughout the financial year, staff facilitated education and development opportunities for the community and were empowered to improve the safety of the health service.

Northern Health achieved three years of national accreditation in May 2024, successfully meeting all National Standards with no recommendations. This is a testament to staff and their commitment to quality and safety. Patients remain at the centre of care at Northern Health and providing a positive patient experience is the highest priority. Northern Health is proud of the highly skilled teams, who work together to care for a diverse community and provide safe and culturally appropriate care.

Northern Health's Dr Sherene Devanesen AM, Board Director, and Dr Amanda Baric AM, Deputy Director, Anaesthesia and Perioperative Medicine, were awarded the Member of the Order of Australia (AM) in the General Division.

Dr Devanesen AM was recognised for significant service to community health through governance and administrative roles. She is a medical practitioner with over 30 years' experience in the management of health services and medical administration in Victoria.

Dr Baric AM was honoured for significant service to pain medicine, and to tertiary education. She has been instrumental in teaching medical students, developing educational programs as far as Mongolia and Myanmar and provides exceptional anaesthesia care to her patients.

The Victorian Virtual Emergency Department (VVED) Paediatric Service was a winner at the 2023 Victorian Public Healthcare Awards, taking home the 'Celebrating Innovation in Health Care award'. The paediatric service has revolutionised emergency care for children and their families, by offering specialised paediatric care through consultations.

The Aboriginal Support Unit, Narrun Wilip-giin, was a finalist in the Excellence in Aboriginal Health and Wellbeing category. The service was nominated for the introduction of executive yarning circles and a possum-skin baby wrap project, both instrumental in giving a voice to Aboriginal staff and patients.

The Busy Fingers Auxiliary, who have raised more than $3 million for Bundoora Centre in their 50 years of service, was also a finalist in the Health Volunteer/Team of the Year category, highlighting the value volunteers bring to Northern Health.

Reverend Melanie Moore, Anglican and Palliative Care Chaplain at Northern Health, was awarded the Best of Care Award 2023 by Spiritual Care Australia. Melanie was presented with this honour for her best practice and excellence within the spiritual care sector. She has been delivering spiritual care since 2004, and since 2006 at Northern Health, where she promotes spiritual wellbeing and continuity of care to a diverse range of patients, their support network, and staff.

Northern Health acknowledges the contributions of its staff through staff recognition programs. The Quarterly Staff Recognition Awards formally recognise and celebrate the contributions of our staff across categories including Rising Star, Education and Clinical Excellence.

Northern Health staff have the skills, knowledge, motivation and opportunity to make a difference for patients and each other.

Engaged Learners, Inspired Researchers

Northern Health strives to underpin the clinical care we deliver with education and research.

Northern Health staff are equipped with the latest knowledge and best practices to support positive patient experiences and safe, effective care.

On Wednesday, 5 July 2023, Northern Health officially launched the Education and Training Strategic Plan 2023-27.

The Education and Training Strategic Plan will provide strategic direction for education and training over the next five years and will guide Northern Health and its partners as they work to meet the education and training needs of staff and the community, now and into the future.

Education and training are pivotal to the successful implementation of the Northern Health Strategic Plan. The plan is based on the principle that the 'science' of education will empower teams and enable staff through their engagement with the excellent learning culture at Northern Health. It is hoped that, in turn, this culture will help Northern Health to attract, retain and develop its workforce in a way that best meets the health needs of the diverse northern community.

In January 2024, for the first time since the COVID 19 pandemic, Northern Health had the pleasure of welcoming 61 medical interns, in person, for their orientation – a record number for the health service. Eleven new positions were added to the 2024 program; four in general medicine, one in plastics surgery, two in mental health, two in the emergency department, one in renal services and one in palliative care.

In February, the newest group of graduate nurses and midwives were welcomed to Northern Health; 72 registered nurses and eight registered nurses/midwives. A further 80 graduate nurses and midwives commenced in May 2024, bringing the total new to 152 graduates for 2024.

These graduate nurses and midwives work across all Northern Health campuses in a structured 12-month program to assist with their skill development and consolidation of knowledge. All graduates are supported by teams of educators in each area, along with preceptors, mentors and experienced clinical staff.

Research Report

The Research Executive Committee, in conjunction with the Research Development and Governance Unit (RDGU), is pleased to report a year of strong growth and transformation in research at Northern Health. Highlights for the 2023-24 financial year include:

National Clinical Trials Governance Framework

Assessment against the National Clinical Trials Governance Framework (NCTGF) formed part of Northern Health's accreditation against the National Safety and Quality Health Standards (NSQHS) for the first time in May 2024.

Assessments were conducted against the framework's requirements for Standard 1 (Clinical Governance) and Standard 2 (Partnering with Consumers). A total of 20 clinical trials being conducted at Northern Health were selected for detailed review by an external assessor. Northern Health was rated as having 'mature' clinical trial systems, an honour held by few hospitals nationwide.

Clinical Translational Research Partnership with RMIT University

Northern Health and RMIT University established the Clinical Translational Research Partnership (CTRP) to accelerate the translation of innovative diagnostics and therapies from the lab to real-world applications. The partnership officially launched on 27 May, 2024.

This new partnership will accelerate the establishment of new and innovative clinical trials and foster collaborations with the pharmaceutical industry to improve patient outcomes. It will support workforce development by offering postgraduate research training opportunities for the next generation of health researchers.

MACH fellowship recipients

Eleanor Johnson, Research Midwife, was awarded a prestigious Melbourne Academic Centre for Health 2023 MACH Track Fellowship. The fellowship will enable Ms Johnson to combine postgraduate research training with clinical work, focusing on partnering with consumers and community through co-design to optimise abortion care in Melbourne's north.

Kellie Le, Early Supported Discharge Coordinator and Senior Podiatrist at Northern Health, was awarded a 2024 MacHSR Future Leaders Fellowship program. Her project, 'An Evaluation of the Victorian Virtual Specialist Consults (VVSC) at Northern Health,' aims to assess the impact of VVSC on patient care and healthcare system efficiency. The fellowship offers Ms Le dedicated research time, mentoring and training in research, allowing her to contribute to evidence-based solutions and improve healthcare services.

Research Funding

In collaboration with our research partners, Northern Health research was boosted by success in obtaining competitive research funding. Highlights include:

Project Title: StrepSure™: An ultrasensitive biosensor for protecting newborns from GBS
Industry Partners: Nexsen Biotech, RMIT, Atomo Diagnostics, Northern Health
Northern Health Investigators: Prof Prahlad Ho, Prof Lisa Hui and Prof Shekhar Kumta
Grant Type: Australian Government Cooperative Research Centre's Projects (CRC-P)
Funding total: $3M

Project Title: Safe Recovery - Reducing Falls Injuries by Older People in Australian Hospitals
Chief Investigator: Prof Anne-Marie Hill
Administering Institution: University of Western Australia
Northern Health Investigators: A/Prof Adam Semciw and Dr Hazel Heng
Project Partners: University of Western Australia, La Trobe University
Grant Type: Medical Research Future Fund
Funding total: $1.4M

Project Title: Adoption and scale up of Volunteer Peer Health Navigators to support patients and reduce access barriers in cancer
Chief Investigator: Dr Rebecca Jessup
Administering Institution: Northern Health
Northern Health Investigators: A/Prof Adam Semciw, Prof Prahlad Ho, Ms Simone Said, Dr Susan Whicker, Dr Jason Talevski and Dr Hanife Mehmet.
Project Partners: Peter MacCallum Cancer Centre, La Trobe University
Grant Type: Victorian Medical Research Acceleration Fund
Funding total: $400k Total ($200k awarded + $200k from NH/Peter Mac)

Project Title: Advancing quality and safe Virtual Diabetes Care in Emergency Settings (VIRDI)
Chief Investigator: Prof Elif Ekinci
Administering Institution: University of Melbourne
Northern Health Investigators: Dr Loren Sher and Dr Rebecca Jessup
Project Partners: University of Melbourne
Grant Type: MRFF
Funding total: $915,823.40

Project Title: Emerging from the long shadow: Optimising supportive consumer and provider journeys through the post-acute sequelae of COVID-19 (PASC).
Chief Investigator: Prof Catherine Itsiopolous
Administering Institution: RMIT
Northern Health Investigators: Prof Don Campbell and Dr Rebecca Jessup
Project Partners: RMIT University
Grant Type: MRFF
Funding total: $4,999,855.75

Project Title: Enabling safe, high quality and high value virtual emergency care in Australia
Chief Investigator: Prof Jon Karnon
Administering Institution: Flinders University
Northern Health Investigators: Dr Suzanne M Miller and Dr Rebecca Jessup
Project Partners: Flinders University, QLD Health, WA Health, NSW Health, Northern Health
Grant Type: MRFF
Funding total: $999,945.60

Project Title: Co-design and evaluation of a resource to improve patient-clinician communication in rural chronic disease settings
Chief Investigator: A/Prof Alison Beauchamp
Administering Institution: Monash University
Northern Health Investigators: Dr Rebecca Jessup and Dr Jason Talevski
Project Partners: Northern Health, Grampians Health, Monash University
Grant Type: MRFF
Funding total: $864,186.64

Project Title: Optimising chest pain pathways that ensure earlier access to definitive care for patients in remote and rural communities
Chief Investigator: Prof Dion Stubb
Administering Institution: Monash University
Northern Health Investigators: Dr Loren Sher
Project Partners: Monash Health, Monash University, Northern Health, Ambulance Victoria
Grant Type: MRFF
Funding total: $1,464,955.38

Internal Grant Scheme

To support the growth of Northern Health-led research, a variety of research grants were made available under the Northern Health Research Grants Program.

These grants benefit the Northern Health community through new knowledge generation, support the development of research ideas towards external funding success, enhance research culture and support staff development. The successful grant recipients included:

Northern Health Foundation Grant

1. Dr Jason Talevski, Senior Research Fellow at Victorian Virtual Emergency Department
   Project Title: *OSTEO-LINK: Bridging the gap in osteoporosis and fracture care across the acute-to-primary care interface.*

Research @ Northern Support Grants

1. Dr Rowena Brook, Consultant Haematologist and a PhD Candidate
   Project Title: *Use of novel multimodal biomarkers to assess changes in cardiovascular risk in response to type 2 diabetes treatment.*

2. Dr Heng Khuen Cheok, Emergency Physician
Project Title: *Personalised Acupuncture at Northern emergency department for Acute pain (PANDA project).*

3. Dr Hazel Heng, Allied Health Research Lead
Project Title: *Determining feasibility of co-designing a virtual model of care for people at risk of falls.*

Grants in Aid

1. Dr Katharine See, Chief Health Outcomes Officer and Head of Respiratory
Project Title: *Providing excellence of care through the development and implementation of Remote Patient Monitoring across Northern Health Clinical Leadership, Effectiveness and Outcomes.*

2. Dr Benjamin Wong, VMO Specialist Anaesthetist
Project Title: *Use of Machine Translation Earbuds in the Perioperative Setting- a pilot study.*

3. Dr Siaw Hui Wong, Head of Medical Obstetrics
Project Title: *Women's experiences of receiving Medical Obstetrics at Home (MOAH) care at Northern Health: A qualitative study protocol.*

4. Dr Brendan McCann, Paediatrician
Project Title: *Characterising IgE mediated food allergy and atopic disease in children of first-generation immigrants in Australia: a hospital cohort.*

5. Dr Sun Loo and Dr Chong Chyn Chua, Consultant Haematologists
Project Title: *Establishment of the Northern Health Haematology Tissue Bank.*

Research Week

Northern Health Research Week took place from 23 – 27 October 2023. The week-long event highlighted the breadth and depth of research activity across Northern Health and its partners, drawing over 70 abstract submissions. Other highlights included oral presentations, daily 'poster blitz' sessions, a research-focused Medical Grand Round, an allied health research showcase and a trivia session.

The event culminated in a final day of keynote and oral presentations from both internal and external researchers. Notable speakers included Professors Magdalena Plebanski and Vipul Bansal from RMIT University, and Professor Geoff Donnan AO, former Director of the Florey Institute.

The event also honoured Professor Peter Brooks, former Northern Health Research Lead, for his pivotal contributions to the advancement of research at Northern Health. Professor Brooks also presented awards for the best oral and poster presentations. This included the inaugural Peter Brooks Research Award for the best abstract oral presentation to Ishara Atukorala for her paper entitled 'First Trimester Placental Exposure to Novel CMV Antiviral Drugs: An In Vitro Toxicity Study.'

Research Publications

In the 2023-24 financial year, Northern Health researchers led, or contributed to, over 230 articles in scientific journals. Some examples include:

- Rifly Rafiudeen, Bill van Gaal and colleagues showed that the use of ivabradine, a drug used to treat heart failure, did not protect the hearts of elderly patients undergoing surgery for bone fracture. *(Rafiudeen et al, Ivabradine in the prevention and reduction in size, of perioperative myocardial injury in patients undergoing orthopaedic surgery for acute fracture. Journal of the American Heart Association 2023; Vol 12 Issue 22)*

- Wei Qi Fan, Debra Bourne and colleagues showed that early pregnancy mental health issues are associated with early readmission of babies to hospital, signalling the importance of perinatal depression on neonatal health. *(Fan et al, Early readmission of exclusively breastmilk-fed infants born by means of normal birth or caesarean is multifactorial and associated with perinatal maternal mental health concerns. Birth 2023; 51:186-197)*

- Belinda Baines, Rebecca Jessup and colleagues showed that kidney dialysis impacts the ratio of toe pressure to systolic blood pressure, called the toe brachial index (TBI). This is important because TBI is a predictor of risk of lower limb disease that might lead to amputation. *(Baines et al, Temporal changes in toe-brachial index results in haemodialysis patients. PLOS One 2024, April 25)*

- Benjamin Wee, Brandon Liu and colleagues report that direct oral anticoagulants (DOA) are as safe to use as other types of anticoagulants in cancer patients to prevent blood clots. This is important because blood clots can affect up to 10 per cent of all patients with cancer, and DOAs are easier to use at fixed doses without constant monitoring. *(Wee et al, A ten-year comparison of treatment and outcomes of cancer-associated thrombosis to non-cancer venous thromboembolism: from traditional anticoagulants to direct oral anticoagulants. Journal of Thrombosis and Thrombolysis 2024; 57:658-67)*

- Kira Edwards and colleagues showed that using nasal sprays that contain heparin can interfere with the results of PCR-based nasal swab tests, such as that used for COVID-19, and that adding an enzyme that degrades heparin can overcome this interference. *(Edwards et al, Heparin-mediated PCR interference in SARS-CoV-2 assays and subsequent reversal with heparinase I. Journal of Virological Methods 2024; 327:114944)*

Over the next 12 months, the Research Executive Committee and Research Development and Governance Office look forward to continued growth and development of research at Northern Health, and driving continuous improvement in clinical care and better health outcomes for the people of Melbourne's north and beyond.

Quality and Safety Report

Northern Health is committed to the safety of its patients and staff while delivering high-quality care every day. This mission relies heavily on the dedication of its staff, who work closely to address the needs of patients and their families, as well as strong partnerships with the community it serves.

National Safety and Quality Health Service Standards

The National Safety and Quality Health Service (NSQHS) Standards define the level of care expected in hospitals and health services across the country. These standards provide a benchmark for the care consumers can expect from a health service. Their primary focus is to address high-risk areas, aiming to protect the public from harm and enhance the quality of health care provided. The governance of the health service (Standard 1 - Governance) and partnerships with consumers (Standard 2 - Partnering with Consumers) are fundamental to the principles of the other six clinical standards.

Accreditation

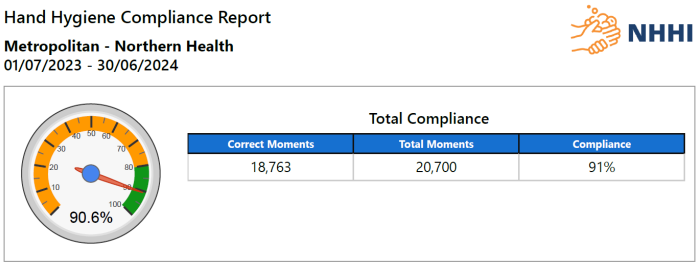
Health services nationwide are required to undergo an accreditation survey approximately every three years, conducted by an external body authorised to evaluate care in accordance with the National Standards. Recently, the process has shifted to short notice, with health services receiving only one business days' notice prior to assessment. Under this scheme, Northern Health successfully completed its accreditation in May 2024, meeting all required actions with no recommendations for remediation. Northern Health is accredited until October 6, 2027.

Infection Prevention and Control

Infection Prevention and Control is a critical health and safety issue. All staff within the health sector are responsible for ensuring a safe environment for patients, families, and colleagues. Northern Health has a dedicated team of infectious diseases physicians, infection prevention nurse consultants, and a specialised committee to ensure adherence to infection standards and to identify and implement opportunities for improvement.

In 2023-24, 95 per cent of Northern Health staff were immunised against influenza.

Northern Health also achieved 91% compliance for hand hygiene, surpassing both the state target of 85 per cent and the national target of 80 per cent.


Hand Hygiene Compliance Report

Metropolitan - Northern Health
01/07/2023 - 30/06/2024

NHHI

Total Compliance

Correct Moments	Total Moments	Compliance
18,763	20,700	91%

Consumer, Carer and Community Participation

Northern Health encourages patients, families, carers and members of the community to participate in decisions regarding their care and healthcare services provided. Feedback is actively sought to identify gaps in service quality and help respond to suggestions for improvement.

Feedback is collected through the Patient Experience Office and an electronic survey that poses five key questions about recent healthcare experiences, with 417 surveys completed in 2023-24. Of these, 15 per cent required interpreter assistance, and 19 per cent were from visitors to the health service.

The five key questions asked and key results were:

- **Question 1:**
  Overall, how would you rate the care provided by Northern Health?
  95 per cent rated care as good or very good.

- **Question 2:**
  How often did health professionals explain things in a way that you could understand?
  98 per cent answered all the time or most of the time.

- **Question 3:**
  In your opinion, how clean was the area of the hospital you were in?
  78 per cent answered very clean or clean.

- **Question 4:**
  Did you feel that you were listened to and understood by staff?
  84 per cent answered yes always.

- **Question 5:**
  If you had any questions or concerns, were you able to discuss these with staff?
  83 per cent said yes always or yes sometimes.

Compliments received: 779

Complaints: 1,783

Complaints resolved within 30 days: 83%

Strengthening ways we partner with consumers

Co-design is a collaborative approach that involves partnering with consumers who have lived experience, alongside stakeholders with professional expertise, to design and develop healthcare services, products, or solutions through shared decision-making. This method is crucial for the future of effective healthcare, as it allows those most affected by a design or policy to become equal partners and ensures that solutions are tailored to meet the needs of those impacted.

The Clinical Leadership, Effectiveness and Outcomes (CLEO) team initiated a co-design project to acknowledge the value of lived experience and to create safer, higher-quality and more efficient care.

The project, known as Co-Design with Consumers @ Northern Health, established and implemented a co-design framework and toolkit. This framework supports both clinical and non-clinical staff in working confidently and effectively with consumers and carers who have lived experience when designing or redesigning models of care.

Partnering with our patients and their family or carers for safety: R.E.A.C.H. program

Northern Health has an escalation process in place for when patients, families, carers, or support people are worried about the physical or mental health deterioration of the patient or their loved one. This process is known as R.E.A.C.H. (Recognise, Engage, Act, Call, Help is on its way).

The R.E.A.C.H program allows patients and family members the opportunity to voice their concerns when a 'worrying change' is identified, by following the below process:

- Step 1: Speak to your nurse. Tell them your concerns.
- Step 2: If you're still worried, ask your nurse for a "clinical review". This should occur within 30 minutes.
- Step 3: If a doctor has seen you or your loved one and you're still worried, call REACH on the dedicated number. At Northern Hospital Epping, this call is directed to the Intensive Care Medical Emergency team.

Following the calls, the caller is followed up by the Patient Experience team to ensure that their issue was resolved and to inform improvements to the program.

Feedback reports after using the R.E.A.C.H program include:

- "I felt my needs and those of my loved ones were adequately addressed after I called for a rapid response."
- "R.E.A.C.H. call was very good, made us feel heard and put our mind at rest."
- "Family was very happy with service and immediate response. It changed the care for their mother."

Linguistic equity

Northern Health is committed to ensuring linguistic equity for all patients, allowing them to access health information in a culturally and linguistically appropriate manner. Patients come from over 153 countries and speak more than 122 languages.

In 2023-24, one in five Northern Health patients at Northern Health requires the assistance of an interpreter. There were 74,419 interpreting requests across 122 languages, with 87.3 percent assigned.

Top Languages	Total
Arabic	21,586
Turkish	8,242
Italian	5,747
Assyrian Chaldean	6,659
Macedonian	5,514
Greek	5,458
Vietnamese	3,294
Punjabi	2,225
Mandarin	2,199
Persian	1,707

Transcultural and Language Services (TALS) and the Narrun Wilip-giin Aboriginal Support Unit collaboratively provided a combination of face-to-face and online cultural competence education sessions, cumulatively drawing an attendance of 1,689 individuals. TALS undertook 65 translation projects, effectively translating 276,097 words across our top seven languages.

Diversity and Inclusion

Our goal at Northern Health is to reflect the diverse community we serve and create a workplace where everyone feels included, recognised and celebrated. Their different characteristics, backgrounds, abilities, beliefs and needs create unique opportunities and challenges.

Northern Health is committed to creating an open, respectful culture and directly involving people at all stages of their health care. We embrace the individual skills, experiences and perspectives that our staff bring and harness these to deliver an improved patient experience and service delivery.

Northern Health focuses on gender equality for its staff and consumers and recognises intersectionality across all areas. A workplace that is respectful, courteous, fair, and values individual differences, is a core aspect of building a positive workplace culture.

Northern Health focuses specifically on five groups:

- Aboriginal and Torres Strait Islanders
- Culturally and Linguistically Diverse people (CALD)
- Disability
- Lesbian, Gay, Bisexual, Transgender, Intersex, Queer/Questioning and Asexual/ Ally (LGBTIQA+)
- Refugees and Asylum Seekers.

Northern Health's community has a large refugee and asylum seeker population, with both Hume and Whittlesea among the top 10 refugee settlement areas of Victoria. Some of the specific services available for refugees include the Refugee Paediatric Clinic and the Assyrian Mothers Group. This population is also reflected in Northern Health's staff, with 1.4 four per cent of staff hailing from refugee background.

Better Connected Care

The voluntary amalgamation of services between Northern Health and Kilmore District Health marked a significant milestone in the 2023-24 financial year.

With an established history of successful collaboration, the amalgamation was a natural evolution of an existing partnership, and a crucial step towards improving access to health care services closer to home for those living in Melbourne's outer north.

Both organisations were experiencing increasing demand for specialist services closer to home - from maternity services, dialysis treatment and paediatric care, to outpatient services and elective surgery. A larger, older population with growing chronic conditions was also contributing to an increase in demand for flexible, person-centered treatment models.

With a shared focus on improving health care in the northern growth corridor, a voluntary amalgamation was proposed to address fundamental challenges in access to quality care for the local community. This was established as the Better Connected Care project.

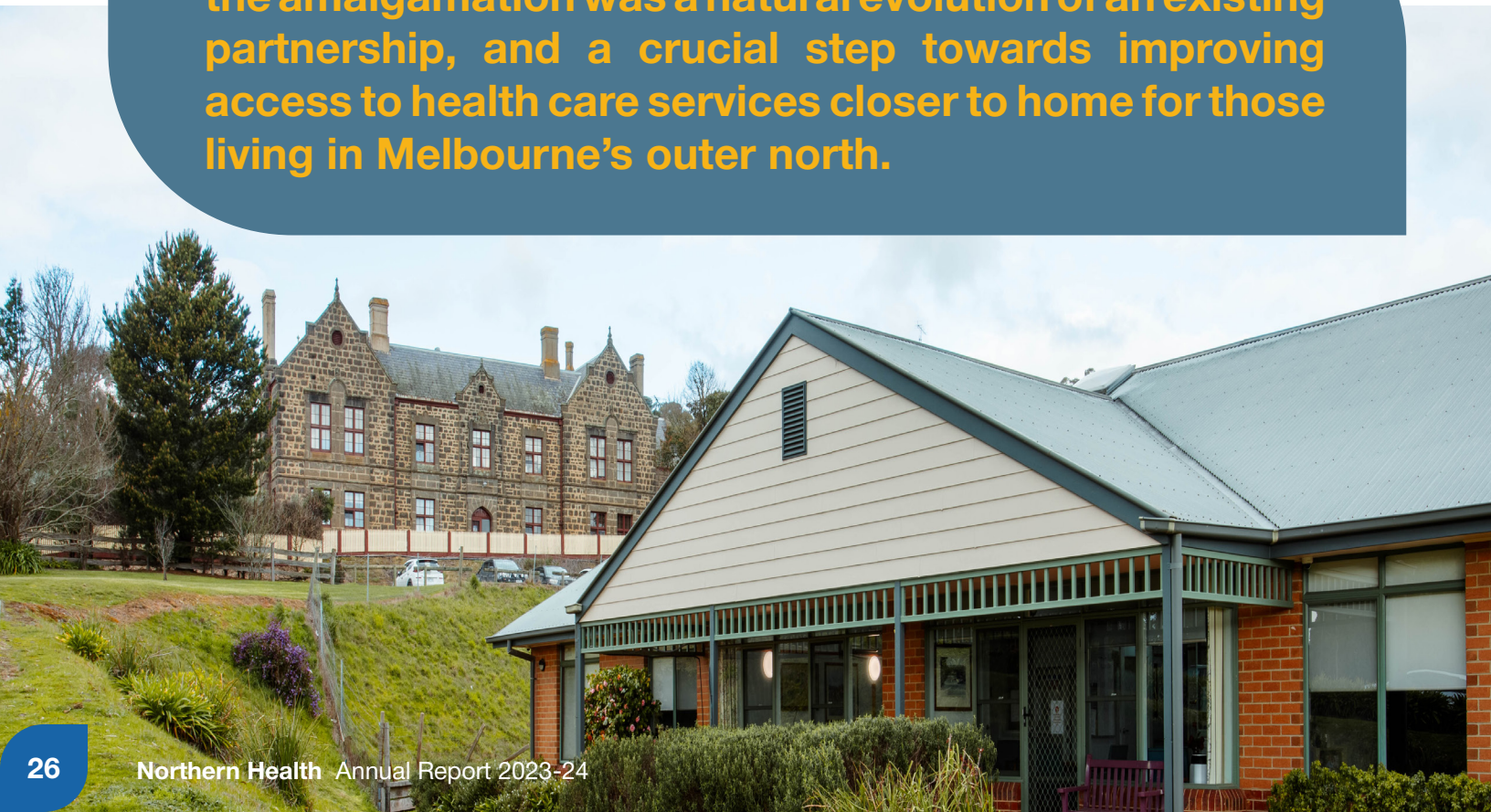
The benefits of the amalgamation were considered throughout the engagement and business case development process. These benefits were supported by a robust evaluation framework focused on access, equity, workforce wellbeing, capacity and capability, along with improved community trust and engagement.

As of 1 November 2023, Kilmore District Hospital became a campus of Northern Health, joining its existing network of services in Craigieburn, Bundoora, Broadmeadows, Epping, Mill Park, Preston and Mernda.

From delivering cost efficiencies to expanding clinical services, the voluntary amalgamation has demonstrated clear benefits for health service delivery in the region, together with significant overall financial savings for the Victorian health system.

Not only is it allowing more care to be provided closer to home, it is assisting Northern Health to attract and retain an experienced workforce, and to provide greater career development opportunities and employment flexibility for staff.

With an established history of successful collaboration, the amalgamation was a natural evolution of an existing partnership, and a crucial step towards improving access to health care services closer to home for those living in Melbourne's outer north.



Narrun Wilip-giin

The Aboriginal Support Unit, Narrun Wilip-giin, plays a crucial role in enhancing cultural safety and wellbeing for Northern Health's Aboriginal patients and staff.

Narrun Wilip-giin, a Woiwurrung name meaning "spirit keepers', is a growing, valuable and diverse service that focuses on improving cultural safety as well as the health and wellbeing of Northern Health's Aboriginal patients and staff. Northern Health has received an Aboriginal cultural safety grant, designed to strengthen cultural safety in Victorian health services, and some of the work undertaken as a result of this funding is detailed below.

Strengthening partnerships with local Aboriginal communities

Working closely with Narrun Wilip-giin is the Northern Health Aboriginal Advisory Committee (NHAAC). The committee advises on the health needs of the Aboriginal and Torres Strait Islander community and provides strategic direction in the planning and delivery of culturally appropriate and safe services for those attending Northern Health.

Northern Health has a dedicated cultural gathering space for staff to gather and yarn, offer cultural supervision, and hold regular team meetings led by Senior Aboriginal Liaison Officer Karen Bryant. Staff actively participate in and report on NHAAC meetings, are consulted in the hospital's strategic planning, and both internal and external communication channels help to highlight their contributions and promote cultural awareness.

Northern Health strives to offer a culturally safe environment by utilising the new Narrun Wilip-giin Cultural Gathering Space, and providing a welcoming atmosphere through the commissioning and display of new artwork and Acknowledgment Plaques at all sites. A smoking ceremony garden is located in Northern Hospital Epping, with a second planned for the palliative care garden. Additionally, Rights and Responsibilities posters for Aboriginal patients, designed by VACCHO, are prominently displayed at all sites.

Increasing Aboriginal health staffing

A significant contributor to cultural safety within health services is the presence of Aboriginal Hospital Liaison Officers (AHLOs) and other Aboriginal staff.

This includes an Aboriginal Clinical Educator, Senior Aboriginal Liaison Officer, Aboriginal Liaison Officers, Emergency Department Aboriginal Liaison Officer, Mental Health Aboriginal Liaison Officer and Koori Maternity Service. Staff cover morning shifts for wards from Monday to Friday, and afternoon and evening shifts in the Emergency Department seven days a week.

Northern Health aims to provide staff with clear job descriptions, roles and reporting lines, option to attend AHLO state-wide forums or Aboriginal staff networking events, access to peer and cultural support, special cultural leave provisions and professional development opportunities, such as cadetships, scholarships and traineeships.

Delivery of cultural safety training

Asking the Question training is provided for administrative staff, and those working within the emergency department, to enhance their cultural sensitivity and communication skills when identifying patients of Aboriginal or Torres Strait Islander origin. The Executive team also receives tailored, face-to-face training to address leadership in Aboriginal cultural safety. The Koori Maternity Service facilitates training for maternity staff, and mental health wards receive specialised orientation in working with the Aboriginal Mental Health Liaison Officer. Acknowledgement of Country training is provided by Kinaway, and culture and history workshops are delivered during NAIDOC Week. We also provide simulation training for nurses in working with Aboriginal patients and Aboriginal Liaison Officers.

Launch of the second Innovate Reconciliation Action Plan

A significant achievement in the 2023-24 financial year was the launch of Northern Health's second Innovate Reconciliation Action Plan (RAP). The RAP serves as a strategic framework to promote reconciliation by fostering relationships, respect and opportunities between Aboriginal and Torres Strait Islander peoples and the broader Australian community.

After more than two years of consultation with the Aboriginal community, the RAP provides direction and a pathway to deepen Northern Health's commitment to reconciliation, allowing for continuous strategies through practical actions informed by community feedback and shared experiences. The RAP was developed by the Northern Health Reconciliation Action Plan Subcommittee, in partnership with the Northern Health Aboriginal Advisory Committee and other community members. The RAP Subcommittee meets regularly, with the primary aims of monitoring, implementing and reporting on the RAP.

Priorities for the new RAP include strengthening relationships with Aboriginal organisations and communities, building upon the respect they intend to practice each and every day towards Aboriginal people. Other key priorities also include facilitating opportunities for the Aboriginal workforce, ensuring cultural safety and tailoring services to help close the gap with Aboriginal patients.

2023 Victorian Public Healthcare Awards

Northern Health was a finalist in the 2023 Victorian Public Healthcare Awards in the category of Excellence in Aboriginal Health and Wellbeing.

This nomination recognised the significant contributions of the Narrun Wilip-giin and Koori Maternity Service, who introduced executive yarning circles and a possum-skin baby wrap project. These initiatives have been instrumental in giving a voice to Aboriginal staff and patients.

Environmental Sustainability

Northern Health is committed to improving sustainability within health system infrastructure and performance. Northern Health's Sustainable Environmental Resources Management Policy demonstrates a commitment to environmental responsibility in accordance with the Victorian Government Climate Change Act 2017.

The Northern Health Environmental Management Plan 2023-28 consolidates previous actions to reduce environmental impacts in operations, and sets out planning, policies and procedures to support this commitment. This plan contains environmental goals to reduce net carbon emissions to zero by 2040, and a commitment to net zero Scope 2 emissions by 2025, net zero Scope 1 emissions by 2030 and net zero Scope 3 emissions by 2040.

The Environmental Management Plan also sets out major environmental initiatives, including:

- Installation of solar panels: The solar panel installation has been completed across all Northern Health sites. It is expected that the solar panels will meet approximately five per cent of Northern Health's electricity demand.
- Reduced reliance on natural gas: The replacement of gas with renewable energy will occur progressively until 2030.
- Car Fleet converted to hybrid/electric: The motor vehicle fleet will be converted to hybrid or electric and infrastructure for fleet EV charging will be installed at major sites by 2025.
- Virtual healthcare: Northern Health continues to build on strong virtual health offerings which reduce reliance on the built environment and Scope 3 emissions. In 2023-24, 195,000 patients were seen in the VVED and 100,000 outpatient appointments were attended via telehealth.
- Supply Chain: Work continues with Health Share Victoria and other agencies to more accurately record Scope 3 emissions from the Supply Chain and gain commitments from major suppliers in relation to reducing carbon footprint.

Waste audits are conducted to explore waste avoidance and resource recovery education opportunities, with the findings used to develop a series of interventions that aim to increase resource recovery, reduce waste to landfill and minimise clinical waste costs.

The Victorian Government encourages the efficient use of water in relation to building standards and government projects, and Northern Health is committed to encouraging builders of new buildings and occupants of existing buildings to use water more efficiently.

Northern Health places a strong focus on energy efficiency in organisation-wide environmental management systems and processes, including the setting of targets for improving energy efficiency, and using the energy procurement option that delivers the most competitive price. We note with pride our number 1 ranking (of more than 70 Victorian Health Services) for energy efficiency in the built environment.

Environmental Scorecard

Electricity use	July 2023 - June 2024	July 2022 - June 2023	July 2021 - June 2022
EL1 Total electricity consumption segmented by source [MWh]			
Purchased	20,331.91	20,149.59	18,634.64
Self-generated	165.62	21.33	21.53
EL1 Total electricity consumption [MWh]	**20,497.53**	**20,170.92**	**18,656.17**
EL2 On site-electricity generated [MWh] segmented by:			
Consumption behind-the-meter			
Solar Electricity	165.62	21.33	21.53
Total Consumption behind-the-meter [MWh]	**165.62**	**21.33**	**21.53**
Exports			
Solar Electricity	9.00	8.25	0.16
Total Electricity exported [MWh]	**9.00**	**8.25**	**0.16**
EL2 Total On site-electricity generated [MWh]	**174.62**	**29.58**	**21.69**
EL3 On-site installed generation capacity [kW converted to MW] segmented by:			
Cogeneration Plant	1.00	1.00	1.00
Diesel Generator	5.46	5.46	5.46
Solar System	1.34	0.19	0.19
EL3 Total On-site installed generation capacity [MW]	**7.79**	**6.65**	**6.65**
EL4 Total electricity offsets segmented by offset type [MWh]			
RPP (Renewable Power Percentage in the grid)	3,822.40	3,788.12	3,464.18
EL4 Total electricity offsets [MWh]	**3,822.40**	**3,788.12**	**3,464.18**
F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]			
Natural gas	81,009,947.50	83,381,448.70	95,085,003.20
F1 Total fuels used in buildings [MJ]	**81,009,947.50**	**83,381,448.70**	**95,085,003.20**
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e]			
Natural gas	4,174.44	4,296.65	4,899.73
F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]	**4,174.44**	**4,296.65**	**4,899.73**
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]			
Total energy used in transportation (vehicle fleet) [MJ]	**192,472.00**	**313,468.50**	
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			

Electricity use	July 2023 - June 2024	July 2022 - June 2023	July 2021 - June 2022
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]			
Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]	**13.12**	**21.10**	
T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)			
Total distance travelled by commercial air travel			
T(opt1) Total vehicle travel associated with entity operations [1,000 km]			
Total vehicle travel associated with entity operations [1,000 km]		288.00	194.00
T(opt2) Greenhouse gas emissions from vehicle fleet [tonnes CO2-e per 1,000 km]			
tonnes CO2-e per 1,000 km			
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]			
Total energy usage from stationary fuels (F1) [MJ]	81,009,947.50	83,381,448.70	95,085,003.20
Total energy usage from transport (T1) [MJ]	192,472.00	313,468.50	
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	**81,202,419.50**	**83,694,917.20**	**95,085,003.20**
E2 Total energy usage from electricity [MJ]			
Total energy usage from electricity [MJ]	73,791,112.44	72,615,318.14	67,162,201.13
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]			
Renewable	14,357,677.95	13,715,544.00	12,548,555.56
Non-renewable (E1 + E2 - E3 Renewable)	141,232,088.30	142,671,489.24	149,776,160.57
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	3,326.05	3,666.29	4,361.60
Energy per unit of LOS [MJ/LOS]	427.16	432.95	523.02
Energy per unit of bed-day (LOS+Aged Care OBD) [MJ/OBD]	378.55	387.23	467.02
Energy per unit of Separations [MJ/Separations]	1,176.20	1,275.70	1,540.72
Energy per unit of floor space [MJ/m2]	1,541.29	1,553.20	1,718.74
B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings			
B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule			

Electricity use	July 2023 - June 2024	July 2022 - June 2023	July 2021 - June 2022
B3 NABERS Energy (National Australian Built Environment Rating system) ratings of newly completed/occupied Entity-owned office buildings and substantial tenancy fit-outs (itemised)			
B4 Environmental performance ratings (eg. NABERS, Green Star, or ISCAIS rating scheme) of newly completed Entity-owned non-office building or infrastructure projects or upgrades with a value over $1 million			
NABERS Energy	5.1		
B5 Environmental performance ratings achieved for Entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted			
Rating scheme			
W1 Total units of metered water consumed by water source (kl)			
Potable water [kL]	176,859.59	178,938.47	139,778.90
Total units of water consumed [kl]	**176,859.59**	**178,938.47**	**139,778.90**
W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD [kL/Aged Care OBD]	3.80	4.21	3.76
Water per unit of LOS [kL/LOS]	0.49	0.50	0.45
Water per unit of bed-day (LOS+Aged Care OBD) [kL/OBD]	0.43	0.44	0.40
Water per unit of Separations [kL/Separations]	1.34	1.46	1.33
Water per unit of floor space [kL/m2]	1.76	1.78	1.48

Waste and recycling	July 2023 - June 2024	July 2022 - June 2023	July 2021 - June 2022
WR1 Total units of waste disposed of by waste stream and disposal method [kg]			
Landfill (total)			
General waste - bins	204,428.40	59,014.32	74,917.44
General waste - compactors	833,500.00	909,891.00	777,150.00
General waste - skips	44,087.00	168,732.50	150,238.00
Offsite treatment			
Clinical waste - incinerated	14,423.47	15,110.56	21,210.34
Clinical waste - sharps	18,698.53	25,139.03	22,957.37
Clinical waste - treated	252,878.97	404,706.09	498,654.30
Recycling/recovery (disposal)			
Batteries	446.00	290.00	371.62
Cardboard	163,470.00	266,667.19	280,632.58
Commingled	42,240.00	94,126.56	101,212.32
Organics (food)	13,665.00	14,310.00	1,612.80
Packaging plastics/films		1,688.00	
Paper (confidential)	124,805.38	159,530.68	90,419.33
Paper (recycling)		875.52	
PVC	1,162.00	2,135.00	461.00
Sterilization wraps	105.00		468.00
Total units of waste disposed [kg]	**1,713,909.75**	**2,107,645.45**	**2,020,305.10**
WR1 Total units of waste disposed of by waste stream and disposal method [%]			
Landfill (total)			
General waste	63.13%	53.98%	49.61%
Offsite treatment			
Clinical waste - incinerated	0.84%	0.72%	1.05%
Clinical waste - sharps	1.09%	1.19%	1.14%
Clinical waste - treated	14.75%	19.20%	24.68%
Recycling/recovery (disposal)			
Batteries	0.03%	0.00%	0.02%
Cardboard	9.54%	12.65%	13.89%

Waste and recycling	July 2023 - June 2024	July 2022 - June 2023	July 2021 - June 2022
Commingled	2.46%	4.47%	5.01%
Organics (food)	0.80%		0.08%
Packaging plastics/films		0.08%	
Paper (confidential)	7.28%	7.57%	4.48%
Paper (recycling)		0.04%	
PVC	0.07%	0.10%	0.02%
Sterilization wraps	0.01%		0.02%
WR2 Percentage of office sites covered by dedicated collection services for each waste stream			
Printer cartridges	0.30		
Batteries	0.10		
e-waste	0.63		
Soft plastics			
WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per patient treated [(kg general waste)/PPT]	0.44	1.54	1.78
Total waste to offsite treatment per patient treated [(kg offsite treatment)/PPT]	0.12	0.60	0.97
Total waste recycled and reused per patient treated [(kg recycled and reused)/PPT]	0.14	0.71	0.85
WR4 Recycling rate [%]			
Weight of recyclable and organic materials [kg]	345,893.38	525,051.95	475,177.65
Weight of total waste [kg]	1,713,909.75	2,107,645.45	2,020,305.10
Recycling rate [%]	**20.18%**	**24.91%**	**23.52%**
WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]			
tonnes CO2-e	1,602.26	2,051.02	1,999.74

Greenhouse gas emissions	July 2023 - June 2024	July 2022 - June 2023	July 2021 - June 2022
G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]			
Carbon Dioxide	4,176.97	4,306.83	4,887.37
Methane	8.10	8.34	9.51
Nitrous Oxide	2.49	2.56	2.85
Total	**4,187.56**	**4,317.74**	**4,899.73**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e]	**4,174.44**	**4,296.65**	**4,899.73**
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e]	**13.12**	**21.10**	
Medical/Refrigerant gases			
Total scope one (direct) greenhouse gas emissions [tonnes CO2e]	**4,187.56**	**4,317.74**	**4,899.73**
G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]			
Electricity	13,372.70	13,841.80	13,607.90
Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]	**13,372.70**	**13,841.80**	**13,607.90**
G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)			
Commercial air travel			
Waste emissions (WR5)	1,761.00	2,051.02	1,999.74
Indirect emissions from Stationary Energy	1,974.99	2,116.93	1,867.05
Indirect emissions from Transport Energy	3.30	5.21	
Paper emissions			
Any other Scope 3 emissions	296.78	303.10	262.56
Total scope three greenhouse gas emissions [tonnes CO2e]	**4,036.08**	**4,476.25**	**4,129.35**
G(Opt) Net greenhouse gas emissions (tonnes CO2e)			
Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]	21,596.34	22,635.79	22,636.98
Any Reduction Measures Offsets purchased (EL4-related)			
Any Offsets purchased			
Net greenhouse gas emissions [tonnes CO2e]	21,596.34	22,635.79	22,636.98

Normalisation factors	July 2023 - June 2024	July 2022 - June 2023	July 2021 - June 2022
1000km (Corporate)			
1000km (Non-emergency)			
Aged Care OBD	46,542.00	42,549.00	37,199.00
ED Departures	310,445.00	212,437.00	109,122.00
FTE	5,540.00	5,540.00	
LOS	362,395.00	360,308.00	310,211.00
OBD	408,937.00	402,857.00	347,410.00
PPT	850,993.00	737,577.00	561,838.00
Separations	131,611.00	122,283.00	105,306.00
TotalAreaM2	100,436.00	100,436.00	94,399.00

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

Northern Health Foundation

Northern Health Foundation works alongside Northern Health to achieve the shared vision of creating a healthier community for every person, every day. At the heart of its mission is the desire to make a difference to patients and the local community beyond the hospital's walls. Through philanthropic and community support, the Foundation contributes to the compassionate and innovative care provided in one of the most significant growth corridors in Victoria by funding vital research, programs and medical equipment for those who need it the most.

Northern Health Foundation is governed by a board of diversely skilled directors who volunteer their time to serve the community. The board is led by Chair, Peter McWilliam, and Deputy Chair, Trudi Hay. The Foundation continues to face challenges in the current economic climate, but despite this, has distributed over $356,000 to Northern Health in 2023-24. Whilst this figure is lower when compared to previous years, a significant amount of funds are held in trust and tied to future projects. Overall, the Foundation raised close to $1 million in revenue over the past 12 months.

Fundraising highlights

The Palliative Care Garden Project was successfully completed and unveiled in early December 2023, with Northern Health executives, Foundation patrons, board members, and staff coming together to launch the newly refurbished area. Thanks to the support of Josie Minniti OAM and Bev Carman, patients are now able to spend quality time in this beautiful outdoor space with their loved ones. This has had an extremely positive impact on the patient experience.

In November 2023, Northern Health Foundation hosted its first Annual Dinner post-pandemic at Casa D'Abruzzo Club Epping, where close to 300 people attended in their finest Gatsby costumes. Over $74,000 was raised in support of the Women's and Children's Department.

In early 2024, the Foundation and Cancer Service teams united to fulfill a vision to create a Cancer Wellness Lounge for patients and their families. What was previously a four-bed room in Ward 5 of Northern Hospital Epping has been transformed into a welcoming and relaxing oasis, providing much-needed respite from the clinical areas. In addition to being a place to rest and restore, the Cancer Wellness Lounge is a venue for yoga and various other WellAhead programs designed specifically for those living with, and beyond, cancer.

The Cancer Wellness Lounge was made possible through the financial support of Josie Minniti OAM, Margie Hill, Bev Carman and Trudi Hay. Their generosity enables patients to have a place where they can enjoy valuable time alone or with their families, allowing them to connect with others who are going through a similar journey.

In May 2024, the Foundation hosted its second annual Gala Ball at the Plaza Ballroom in Melbourne. The event was attended by 400 people and raised $140,000 for Northern Health Cancer Services. In 2024, Northern Health Foundation officially launched its bequest program, offering community, staff members and patients the unique opportunity to leave a lasting legacy at Northern Health.

Major appeals

This year, the Foundation turned its fundraising efforts towards important areas of need within the hospital, including the Women's and Children's Department and Cancer Services at Northern Health.

Over $220,000 was distributed across these areas, funding infrastructure and medical equipment.

In support of this, direct marketing appeals raised almost $40,000, with funding earmarked for the Women's and Children's Department to purchase advanced medical equipment.

Community support

Northern Health Foundation is well supported in the northern community by local sporting associations, religious groups and social clubs. These groups enthusiastically engage in fundraising activities, giving back to the health service in a meaningful way.

In 2023, Busy Fingers Auxiliary, which celebrated its 50th anniversary, was a finalist in the Health Volunteer/Team of the Year category of the Victorian Public Healthcare Awards. In their 50-year history, Busy Fingers Auxiliary has raised more than $3m to support the health service.

Our Patrons

Northern Health Foundation is privileged to have the support of its long-standing patrons, Bev Carman, Josie Minniti OAM and Trudi Hay.

Northern Health Foundation patrons significantly contribute to the funding of essential equipment at Northern Health. In 2023-24, they joined forces to ensure the successful completion of two significant projects; the Palliative Care Unit Garden and the Cancer Wellness Lounge.

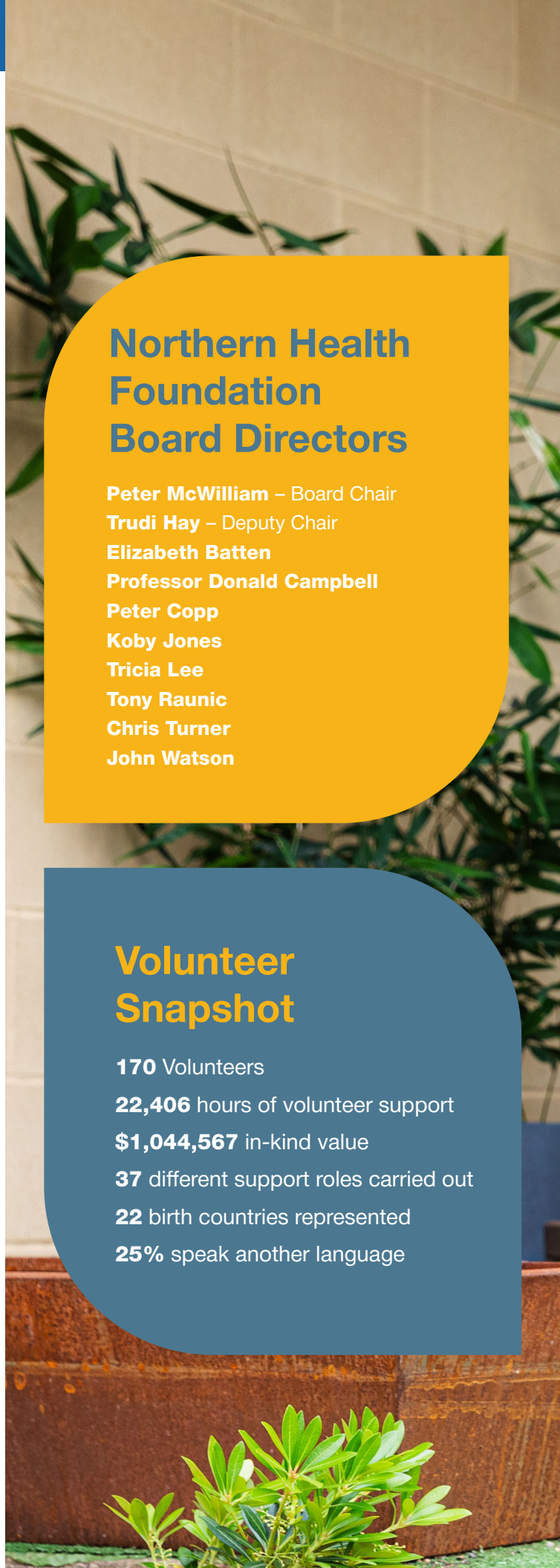
Volunteer and community support

Woven into the tapestry of Northern Health are its volunteers. Supporting staff with everything from wayfinding and administration, to baby cuddling, and providing tea and coffee for patients and visitors, volunteers make a significant contribution to the health service.

In 2023-24, 170 volunteers contributed over 22,000 hours of service to Northern Health, and over $24,000 to Northern Health Foundation through their fundraising efforts. Beyond the contribution volunteers make to Northern Health, many of them report feeling a real sense of purpose and connection to the health service, which contributes to their own health and wellbeing. In May 2024, during National Volunteers Week, 53 volunteers achieved service milestones, including two 20-year and two 25-year milestones. A special event acknowledged the dedication of all volunteers and consumer representatives across all sites.

Local craft groups have continued their support of the health service, crafting beanies, rugs, and baby and children's clothing, which are sold in the Foundation Shop or the Busy Fingers kiosk. Additionally, care items such as turbans and port pillows for Oncology patients, Octopus Premmies for babies in the Neonatal Unit, Fiddle Muffs for dementia patients, and knee rugs for Palliative Care patients have been warmly received.

We sincerely thank all volunteers and consumer representatives for giving their valuable time in support of Northern Health and the local community.



Northern Health Foundation Board Directors

Peter McWilliam – Board Chair
Trudi Hay – Deputy Chair
Elizabeth Batten
Professor Donald Campbell
Peter Copp
Koby Jones
Tricia Lee
Tony Raunic
Chris Turner
John Watson

Volunteer Snapshot

170 Volunteers
22,406 hours of volunteer support
$1,044,567 in-kind value
37 different support roles carried out
22 birth countries represented
25% speak another language

Organisational Structure

BOARD

OFFICE OF THE CHIEF EXECUTIVE

CHIEF LEGAL OFFICIER
Carolyn Baker

EXECUTIVE DIRECTOR PUBLIC AFFAIRS AND FOUNDATION
Pina Di Donato

DIRECTOR PLANNING
Chelsea Simpson

DIRECTOR CAPITAL DEVELOPEMENT
Ashley Shea

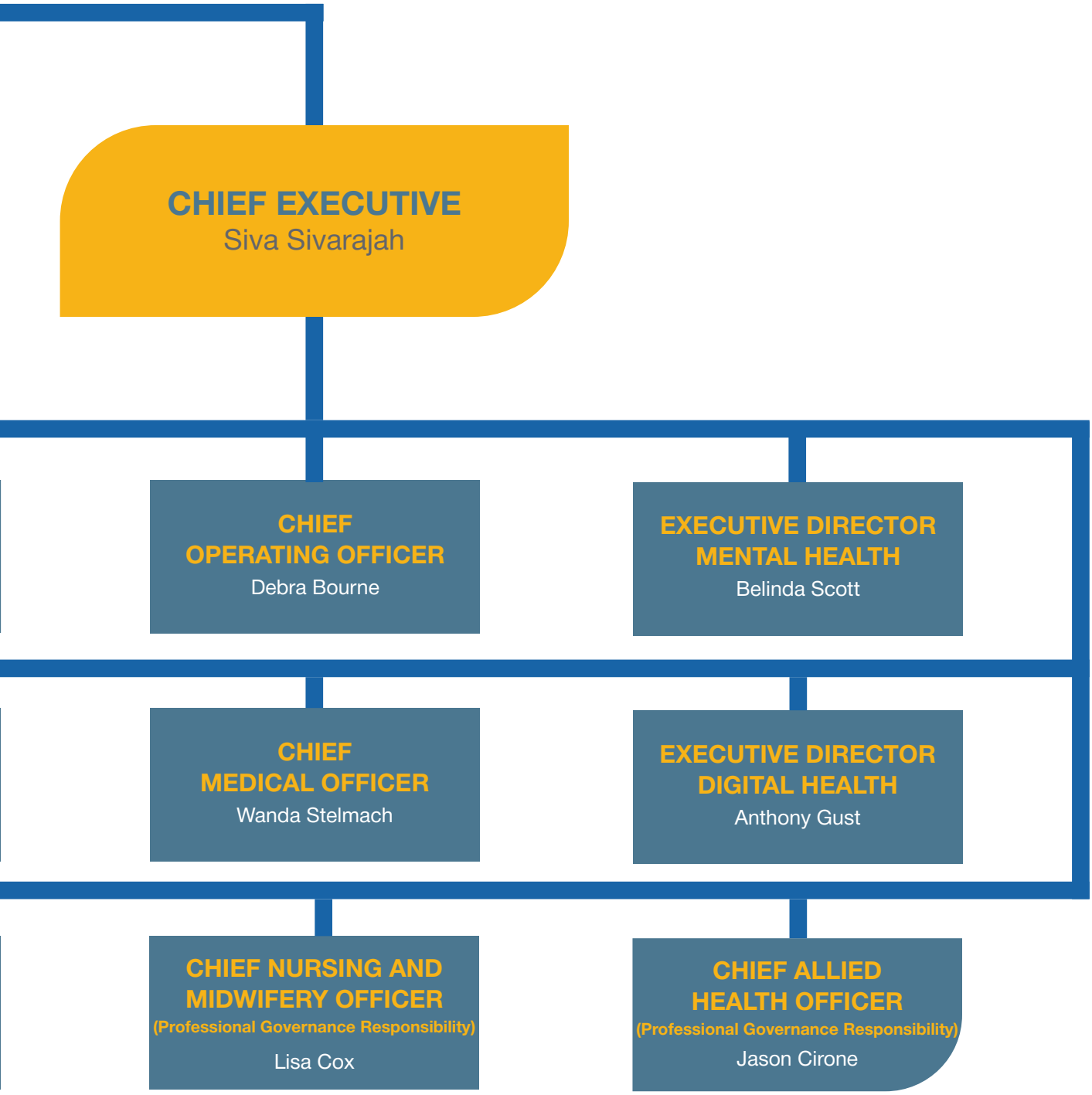
DIRECTOR ENGINEERING
Alex Jovanovski

DIRECTOR CORPORATE GOVERNANCE / EXECUTIVE ADVISOR
Deidre Cope

EXECUTIVE DIRECTOR PEOPLE AND CULTURE
Michelle Fenwick

CHIEF FINANCE OFFICIER
Basil Ireland

EXECUTIVE DIRECTOR QUALITY SAFETY AND TRANSFORMATION
Bill Shearer


CHIEF EXECUTIVE
Siva Sivarajah
CHIEF OPERATING OFFICER
Debra Bourne
EXECUTIVE DIRECTOR MENTAL HEALTH
Belinda Scott
CHIEF MEDICAL OFFICER
Wanda Stelmach
EXECUTIVE DIRECTOR DIGITAL HEALTH
Anthony Gust
CHIEF NURSING AND MIDWIFERY OFFICER
(Professional Governance Responsibility)
Lisa Cox
CHIEF ALLIED HEALTH OFFICER
(Professional Governance Responsibility)
Jason Cirone

Our Board

Ms Jennifer Williams AM
Board Chair

Jennifer Williams AM was first appointed as Northern Health Board Chair on 1 July 2015 and reappointed on 1 November 2023 following the voluntary amalgamation with Kilmore District Health.

Jennifer is a non-executive director with a number of Board appointments in addition to her Northern Health role. She is Chair of Yooralla and Deputy Chair of the Independent Hospital and Aged Care Pricing Authority. She has previously completed eight years on the board of La Trobe University.

Jennifer has extensive experience in the health sector and has previously worked as a Chief Executive to several large health care organisations including Austin Health, Alfred Health and as Chief Executive of the Australian Red Cross Blood Service.

Mr Phillip Bain

Phillip Bain was appointed to the Northern Health Board in July 2017 and reappointed on 1 November 2023 following the voluntary amalgamation with Kilmore District Health and is Chair of the Primary Care and Population Health Advisory Committee.

He is the former Chief Executive of Plenty Valley Community Health and Your Community Health. He has a long history in the community, vocational education and health sectors.

Phillip is a member of the DJPR Northern Metropolitan Partnerships and is a longstanding Director of QIP, the national quality provider in primary care. He is also a Director of Client Focused Evaluation Program (CFEP).

Phillip was chair of the State Government task force into Community Health in 2018-19.

Phillip's professional career includes a lengthy period working with GPs in the north of Melbourne and managing the Goulburn Valley Medicare Local in central Victoria. He has served as a local Councillor and Mayor, and was a Victorian Multicultural Commissioner.

Dr Sherene Devanesen AM

Sherene Devanesen AM was appointed to the Northern Health Board on 1 July 2021 and reappointed on 1 November 2023 following the voluntary amalgamation with Kilmore District Health.

She is a medical practitioner with experience in health administration and corporate and clinical governance and is currently Chair of the Royal Victorian Eye and Ear Hospital Board.

Sherene held the position of Chief Executive Officer of Yooralla from January 2014 to February 2021. Prior to that, she was the Chief Executive Officer of Peninsula Health. With over 30 years' experience in the management of health services and medical administration in Victoria, her experience has provided her with a strong reputation in consumer consultation and engagement and in achieving quality outcomes for human and community services.

Mr Domenic Isola

Domenic Isola was appointed to the Northern Health Board in July 2022 and reappointed on 1 November 2023 following the voluntary amalgamation with Kilmore District Health.

Domenic commenced his career in local government in 1996 following a career in institutional banking audit in a leading financial institution. He has expertise in financial management, reporting and audit, extensive management skills and experience in governance and risk and strong leadership and public sector experience.

Domenic commenced with Hume City Council in June 1999 and held the positions of Finance Manager and Director City Governance and Information before being appointed to the role of Chief Executive Officer in August 2007, a position he held for 13 years. He was previously a co-opted member of the former board of Dianella Community Health and Community Chef. During that time, he was a member of the Finance and Audit committees and remains a member of DPV Health.

Domenic has led a number of local initiatives and dealt with a broad range of complex matters in the north, and worked with a range of stakeholders including Government Ministers, community health organisations and Government agencies and maintains strong working relationships with community health organisations. Domenic is a Board Director of Lower Murray Water and member of the Finance and Audit Committee.

Dr Andrea Kattula

Andrea Kattula was appointed to the Northern Health Board in July 2019 and reappointed on 1 November 2023 following the voluntary amalgamation with Kilmore District Health and is Chair of the Quality and Safety Committee.

Andrea originally trained as an anaesthetist, working in hospitals in Australia and the United States. She transitioned to a career in safety and quality in healthcare, and brings broad experience in successfully establishing clinical governance systems and processes, leading change, engaging clinicians and supporting clinical leadership development.

Committed to delivering safer health care, Andrea has served in a range of safety and quality roles over the past 20 years. More recently these roles have included Chair of the Victorian Consultative Council on Anaesthetic Mortality and Morbidity (2017-2019), Deputy Chair of the Victorian Perioperative Consultative Council (2019-2022), and member of the Victorian Audit of Surgical Mortality Management Committee (ongoing since 2012). She presently teaches as a Lecturer in the Master of Public Health program for Monash University.

Andrea is also a keen Meals on Wheels volunteer in her local community.

Mr Peter McDonald

Peter McDonald was appointed to the Northern Health Board in December 2016 and reappointed on 1 November 2023 following the voluntary amalgamation with Kilmore District Health, and is Chair of the Finance Committee.

He is an executive with Australian Red Cross Lifeblood and previously worked as Chief Financial Officer at Austin Health and Alfred Health for 12 years. Prior to that he had a number of senior management roles in Victorian Government departments.

Peter is a Fellow of CPA Australia and a former Council member and Chair of the Finance & Resources Committee at La Trobe University.

Ms Linda Rubinstein

Linda Rubinstein was appointed to the Northern Health Board on 1 July 2019 and was reappointed on 1 November 2023 following the voluntary amalgamation with Kilmore District Health and is Chair of the Consumer Advisory Committee.

Linda is a former trade union official and lawyer with over 30 years board experience, largely related to industry superannuation funds. She worked in a senior role at the ACTU and as the Pro Bono Manager at a national law firm and for 18 years was a volunteer Community Visitor appointed under the Disability Act 2006.

Mr John Watson

John Watson was appointed to the Northern Health Board in August 2016 and was reappointed on 1 November 2023 following the voluntary amalgamation with Kilmore District Health. John is Chair of the Audit and Risk Committee and is also a member of the Northern Health Foundation Board in 2023 Board. John has had a long career in state and local government for more than four decades. He has held several leadership roles in local government including Chief Executive Officer of the former Shire of Bulla, Moonee Valley City Council and Hume City Council. John's Victorian Government roles include periods as a Director, and then as Executive Director, of Local Government Victoria.

John has been Chair of the Victorian Local Government Grants Commission since 2012 and was Chair of the Panel of Administrators of the Brimbank City Council from 2012 to 2016. He Chairs or sits as an independent member on the Audit and Risk Committees for a number of Victorian local governments, the Municipal Association of Victoria and the Maryborough District Health Service.

Associate Professor Jo-Anne Mazzeo

Associate Professor Mazzeo was appointed to the Northern Heath Board of Directors on 1 November 2023. Ms Mazzeo is an Australian Legal Practitioner who works across the health, education and disability sectors to conduct investigations, provide legal advice and deliver training and methods of alternative dispute resolution.

Ms Mazzeo has previously worked as in-house Counsel for the Mental Health Review Board of Victoria and the Disability Services Commissioner of Victoria, has held various positions on State Government Boards and Tribunals, is currently a Legal Member of the Mental Health Tribunal of Victoria and is Deputy Chair of the Independent Office for School Dispute Resolution (within the Department of Education).

Ms Mazzeo is also the Convenor of the Medical Law Program within the Monash University Medical Degree, is a Senior Lecturer at both Monash and La Trobe Universities, where she teaches health law related content at both undergraduate and post graduate levels, and is a Senior Legal Advisor for the Victorian Institute of Forensic Medicine.

Ms Mazzeo is admitted to practice in both the High Court of Australia and the Supreme Court of Victoria.

Corporate Governance

Appointment of Directors

As described in the Health Services Act 1988 (S.65S), Northern Health has a board of directors consisting of up to nine persons appointed by the Governor in Council on the recommendation of the Health Minister for a term of up to three years. A director of the board must not serve more than nine consecutive years.

As part of the voluntary amalgamation process with Kilmore District Health, a Governor in Council Order reset the terms for all Northern Health Directors. Associate Professor Jo-Anne Mazzeo was appointed to the Board on 1 November 2023.

Role of the Board

- The role of the Board is to exercise good governance in the achievement of Northern Health's stated objectives.
- Key aspects of this governance role include:
- Setting the organisation's statement of priorities and strategic plans and monitoring compliance with those statements and plans.
- Developing financial and business plans, strategies and budgets to ensure the accountable and efficient provision of health services and long-term financial viability of the health service.
- Establishing and maintaining effective systems to ensure that the health services provided meet the needs of the communities served and that the views of users and providers of health services are considered.
- Monitor the performance of the health service to ensure:
    - it operates within its budget.
    - auditing and accounting systems accurately reflect the financial position and viability of the health service.
    - adherence to its financial and business plans, strategic plans and statements of priorities
    - effective and accountable risk management systems are in place.
    - effective and accountable systems are in place to monitor and improve the quality, safety and effectiveness of the health services provided.
    - problems identified with the quality, safety or effectiveness of the health services provided are addressed in a timely manner.
    - the health service continually strives to improve the quality and safety of the services provided and to foster innovation.
    - the committees established operate effectively.
- Appointing and monitoring the performance of the Chief Executive.
- Establishing the organisation structure, including management structure.
- Developing arrangements with other relevant agencies and service providers to enable effective and efficient service delivery and continuity of care.
- Ensuring the Minister and Secretary are advised about significant board decisions and are informed of issues of public concern or risks to the health service.
- Establishing a Finance Committee, an Audit Committee and a Quality and Safety Committee.
- Facilitating research and education.
- Adopting a code of conduct for staff.

Board meetings and access to management

At Board and committee meetings, the Executive and other senior members of staff regularly present information or decision items relevant to their areas of responsibility in the health service.

Between meetings, individual board members have contact with management related to their involvement in committees and are contacted by the Chief Executive on major issues.

Delegation of functions

The Northern Health By-Laws provide for the delegation of duties by the Board. As part of the voluntary amalgamation process with Kilmore District Health, the Northern Health By-Laws were updated in November 2023.

The Board has approved and regularly reviews a detailed Delegations of Authority Policy, enabling designated Northern Health Executives to perform their duties through the exercise of specified authorities.

Board Committees

Small groups of directors provide their expertise through participation in committees that support the functioning of the Board.

Directors and members of the Northern Health Executive were members of committees as follows:

Audit and Risk Committee

Mr John Watson – Director (Chair)
Ms Jennifer Williams AM – Board Chair
Ms Linda Rubinstein – Director
Dr Sherene Devanesen AM – Director

The following executive staff attend this Committee:

Mr Siva Sivarajah – Chief Executive
Mr Basil Ireland – Chief Financial Officer
Dr Bill Shearer – Executive Director Quality, Safety and Transformation
Mr Anthony Gust – Executive Director Digital Health
Ms Michelle Fenwick – Executive Director People and Culture

Meetings were also attended by representatives from Northern Health's internal and external auditors. Directors who were not designated members of committees were able to attend and participate in meetings.

The Audit and Risk Committee is responsible to the Board for the provision of independent assurance and advice on the financial reporting process, including the application of accounting policies, the risk management system, the system of internal controls, and compliance with laws, regulations and the Code of Conduct.

Finance Committee

Mr Peter McDonald – Director (Chair)
Ms Jennifer Williams AM – Board Chair
Mr John Watson – Director
Mr Domenic Isola – Director
Dr Sherene Devanesen AM – Director
Mr Siva Sivarajah – Chief Executive
Mr Basil Ireland – Chief Financial Officer
Ms Debra Bourne – Chief Operating Officer

The Finance Committee is responsible to the Board for ensuring that financial and asset management strategies and policies enhance the productivity and performance of Northern Health in line with Government policies and directives. In addition, the committee ensures that Northern Health adheres to its financial plans and operates within its budget.

Directors who were not designated members of committees were able to attend and participate in meetings.

Quality and Safety Committee

Dr Andrea Kattula – Director (Chair)
Ms Jennifer Williams AM – Board Chair
Mr Phillip Bain – Director
Mr Siva Sivarajah – Chief Executive
Dr Bill Shearer – Executive Director Quality, Safety and Transformation
Professor Wanda Stelmach – Chief Medical Officer
Ms Lisa Cox – Chief Nursing and Midwifery Officer
Associate Professor Jason Cirone – Chief Allied Health Officer
Ms Belinda Scott – Executive Director Mental Health

The Quality and Safety Committee is responsible to the Board for ensuring that effective and accountable systems are in place to monitor and improve the quality and safety of the health services provided by Northern Health. The committee ensures that any systemic problems are identified and addressed in a timely manner, and that the organisation strives to continuously improve quality and safety and foster innovation.

Directors who were not designated members of committees were able to attend and participate in meetings.

Remuneration and Appointments Committee

Ms Jennifer Williams AM – Board Chair (Chair)
Mr John Watson – Director
Mr Peter McDonald – Director
Mr Siva Sivarajah – Chief Executive
Ms Michelle Fenwick – Executive Director People and Culture

The Remuneration and Appointments Committee makes recommendations to the Board in relation to Chief Executive recruitment, performance and remuneration and monitors Northern Health's compliance with the Health Executive Employment and Remuneration Policy.

Community Advisory Committee

Ms Linda Rubinstein – Director (Chair)

Mr Phillip Bain – Director

Ms Jo-Anne Mazzeo – Director

Ms Maureen Canzano – Consumer representative

Ms Nurcihan Ozturk – Consumer representative

Ms Dalal Sleiman – Consumer representative

Ms Careena Newcastle – Consumer representative

Ms Tania De Carli – Consumer representative

Mr Evan Bichara – Consumer representative

Mr Shane Burke – Consumer representative (until August 2023)

Ms Clare Malcolm – Consumer representative (appointed 23 May 2024)

Mr Nathan Foggie – Consumer representative (appointed 23 May 2024)

Ms Karen Bryant – Senior Aboriginal Liaison Officer

Mr Siva Sivarajah – Chief Executive

Ms Debra Bourne – Chief Operating Officer

Dr Bill Shearer – Executive Director Quality Safety and Transformation

Ms Pina Di Donato – Executive Director Public Affairs and Foundation

The Community Advisory Committee advises the Board on strategies to enhance and promote consumer and community participation at all levels within the health service. The Committee seeks to enhance the Board's ability to advocate on behalf of the communities served by Northern Health.

Primary Care and Population Health Advisory Committee

Mr Phillip Bain – Director (Chair)

Ms Jennifer Williams AM – Board Chair

Mr Domenic Isola – Director

Ms Linda Rubinstein – Director

Ms Amanda Mullins – CEO Nexus Primary Health

Mr Don Tidbury – CEO, DPV Health

Ms Alex Haynes – CEO, Whittlesea Connect

Ms Amelia Ryan – Interim Manager, Community and Place, City of Whittlesea

Ms Grishma Bista – North Western Melbourne Primary Care Partnership

Ms Narelle Quinn – Executive Director, Eastern Melbourne Primary Health Network

Ms Carol Wildey – Portfolio Manager Chronic and Complex Care Eastern Melbourne PHN

Ms Jennifer Gilham – Acting Chief Executive, Kilmore District Health (until 1 November 2023)

Vacant – City of Hume

Mr Michael Graham – Chief Executive Officer Victorian Aboriginal Health Services

Ms Helen Riseborough – CEO, Women's Health in the North

Mr Peter McWilliam – NORTHLink

Ms Jamie Tredoux – Coordinator Advocacy, Social Policy and Partnerships, Mitchell Shire

Ms Joanne Kenny – North Eastern Public Health Unit

Ms Jo Richardson – Public Health Promotion Programs Department of Health

Ms Kellie Core – Public Health Promotion Programs Department of Health

Ms Melanie Chisholm – Northern Eastern Public Health Unit

Mr Siva Sivarajah – Chief Executive

Ms Debra Bourne – Chief Operating Officer

Ms Briana Baass – Senior Advisor Partnerships (until November 2023)

Associate Professor Jason Cirone – Chief Allied Health Officer (from November 2023)

Ms Belinda Scott – Executive Director Mental Health

Ms Jennifer Gilham – Divisional Director Community Hospitals (from November 2023)

Ms Karen Bryant – Senior Aboriginal Liaison Officer Northern Health

The Primary Care and Population Health Advisory Committee assists the Board with inter-agency planning and the integration of health services in the catchment area – particularly as it relates to the primary care and the acute sector. The Committee also assists the Board in identifying community health needs with a view to establishing innovative programs to improve the accessibility and responsiveness of Northern Health services.

In addition to the Board Committees, a Northern Health Kilmore District Health Services Voluntary Amalgamation Subcommittee was established in 2023. The Subcommittee was chaired by both Board Chairs and compromised two Directors from each Board and members of each Executive. The Committee met regularly up until 1 November 2023.

Directors who were not designated members of committees were able to attend and participate in meetings.

Directors' Attendance for Board and Sub Committee Meetings: 1 July 2023 – 30 June 2024

	Board	Finance Committee	Audit and Risk Committee	Quality and Safety Committee	Community Advisory Committee	Primary Care and Population Health Advisory Committee	Remuneration and Appointments Committee	Total
Number of Meetings	**12**	**11**	**4**	**6**	**6**	**5**	**1**	**45**
Jennifer Williams AM	12/12	11/11	4/4	5/6	0/0	4/5	1/1	37
John Watson	11/12	9/11	3/4	0/0	0/0	0/0	1/1	24
Peter McDonald	11/12	11/11	2/4	0/0	0/0	0/0	1/1	25
Phillip Bain	12/12	1/0	0/0	5/6	5/6	5/5	0/0	28
Linda Rubinstein	12/12	2/0	4/4	0/0	6/6	5/5	0/0	29
Andrea Kattula	11/12	4/0	3/0	6/6	0/0	1/0	0/0	25
Sherene Devanesen AM	12/12	11/11	4/4	0/0	0/0	0/0	0/0	27
Domenic Isola	11/12	10/11	0/0	0/0	0/0	4/5	0/0	25
Jo-Anne Mazzeo	7/7	1/0	0/0	0/0	4/4	0/0	0/0	12

Notes:

- The first number is the number of meetings attended. The second number indicates eligibility or membership of the particular committee.
- All board members are welcome to attend other committee meetings with the exception of the Community Advisory Committee as the terms of reference indicate a limited number of Directors attend these meetings.
- Associate Professor Jo-Anne Mazzeo joined the Board on 1 November 2023.
- An Extraordinary Board meeting was held in April 2024.
- The December Board meeting is a combined Board and Finance Committee meeting.

Statement of Priorities - Part A

Mandatory Priorities

Action	Deliverable	Status	Update
Working with Safer Care Victoria to reduce hospital acquired complications, including minimising COVID-19 transmission into and within the health service, including to staff and patients.	Provide Safer Care Victoria with a quarterly quality and safety performance report incorporating improvement partnerships with SCV, care delivery including Serious Adverse Patient Safety Event Report and Hospital Acquired Complications and Patient Experience based on surveys, feedback and Statutory Duty of Candour.	Met	Northern Health has developed and provided quality and safety reports that demonstrate compliance with the requirements set out in this SOP deliverable and that guide and have been useful in informing quarterly performance meetings with Safer Care Victoria.
Identify and develop clinical service models where face to face consultations can be substituted by virtual care wherever possible (using telehealth, remote monitoring), whilst ensuring strong clinical governance, safety surveillance and patient choice.	Adopt the Department of Health 'Virtual Care Operational Framework' and formulate governance and procedures to align with those outlined within the Framework.	Met	Northern Health has updated the following procedures, • Telehealth to provide clinical care procedures • VVED to include the Department of Health's 'Virtual Care Operational Framework' A mock accreditation exercise showed strong governance of virtual care.
Develop strong and effective systems to support early and accurate recognition and management of deterioration of paediatric patients.	• Partner with SCV and relevant multidisciplinary groups to establish protocols and auditing processes to manage effective monitoring and escalation of deterioration in paediatric patients via ViCTOR charts. • Improve paediatric patient outcomes through implementation of the "ViCTOR track and trigger" observation chart and escalation system, whenever children have observations taken. • Implement staff training on the "ViCTOR track and trigger" tool to enhance identification and prompt response to deteriorating paediatric patient conditions.	Met	Northern Health has implemented ViCTOR charts into clinical practice and staff are trained in their use. Northern Health is sharing information with regards to use of the ViCTOR charts with other health services via a collaborative VVED model. Northern Health is piloting a statewide Urgent Concern Helpline for families and/or carers with concerns about deterioration in paediatric patients (18 years or younger). The helpline is part of the VVED service, and is not intended to replace local health service escalation processes. It will be piloted as an extension of REACH.

Action	Deliverable	Status	Update
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.	• Financial forecasting and risk management: Develop robust financial forecasting models to project future revenue and expenditure, identify financial risks, and implement risk mitigation strategies to ensure long-term sustainability. • Cost containment initiatives: Implement strategies to control costs, such as negotiating favourable contracts with suppliers, optimising workforce utilisation, and managing healthcare technologies and equipment effectively. • Develop innovative, cost-effective models of care with a focus on virtual health service delivery.	Met	Northern Health developed a Financial Management Improvement Plan (FMIP) with the Department of Health to achieve recurrent savings in non-clinical areas. This included cost containment initiatives in procurement, workforce optimisation and technology and equipment management. Northern Health continues to lead the state on innovative, cost effective models of care in virtual health.
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 roadmap for Northern Health's virtual health care, building on the success of the state-wide Victorian Virtual Emergency Department and Medical Community Virtual Consults service.	Met	Northern Health has developed multiple examples of hospital care delivered virtually including; emergency care and short stay, specialist consultations, ward and home-based observation and assessment services and hybrid virtual and physical health care. Northern Health will continue to expand the range and reach of virtual services including support to health services in rural and regional communities.
Strengthen programs that support Aboriginal people to access early intervention and prevention services.	Improve access to the Koori Maternity Service (KMS) and Emergency Services. Employ a second Aboriginal Liaison Officer in the Emergency Department. Review ALO services in mental health and implement relevant recommendations.	Met	Following the introduction of two new Aboriginal Liaison Officer (ALO) roles in the Emergency Department, Northern Health has continued to extend the ALO program to strengthen Aboriginal people's access to necessary services. A First Nations Clinical Nurse Educator commenced in May 2024, an Aboriginal Cultural Safety Trainer role has been advertised and an additional Mental Health ALO role, to support Aboriginal inpatients, is in development. These developments are consistent with commitments in Northern Health's Reconciliation Action Plan 2024-26 and are funded through the Aboriginal Cultural Safety grant. Service reviews and performance monitoring are ongoing activities to help determine the efficacy of Aboriginal services and provisions at Northern Health.

Action	Deliverable	Status	Update
Explore new and contemporary models of care and practice, including future roles and capabilities.	• Implement Allied Health advanced practice roles in Pelvic Health Physiotherapy and Nasogastric Insertion Dietetics. • Progress the pathway for National Disability Insurance Scheme patients into transitional accommodation. • Develop Nurse Practitioner candidates to support models of care within Community Hospital Urgent Care Centres. • Continue Making it Free to Study Nursing initiatives to support undergraduate, transition and post graduate nursing and midwifery workforce. • Develop alternative employment models such as career Medical Officer to support newer models of care in metropolitan and regional centres.	Met	The Advanced Practice Roles (APR) project and related funding ended in June 2024. The APR in Dietetics has been absorbed into usual practice. Allied Health is exploring options for the new Women's Health Hub to include Pelvic Health Physiotherapy practices. The relationship with Premier Disability Care Services continues to strengthen, with 13 NDIS participants transitioned this financial year. Northern Health is undertaking qualitative research on patients' experience. The MOU with Premier Disability Care Services, which provides for two expert positions in the NDIS Inpatient Specialist Team, is being renegotiated ahead of its expiry in October. Nurse Practitioner models are well established in the emergency services directorate, and the VVED, supporting the progression to work in Urgent Care Centres, starting with Kilmore District Hospital. Making it free to study Nursing and Midwifery Department of Health funding ceased 30 June 2024, with recipients funded until end of calendar year. Through this funding, great opportunities have been afforded to nurses and midwives with scholarships and employment support to build capability and progress professional development. Northern Health is awaiting notice from the Department with respect to postgraduate funding for nurses and midwives in 2025. Northern Health continues to support ongoing permanent employment of our Graduate Nurses and support 2025 programs. Agreements for Career Medical Officer (CMO) and Transition to Consultants in areas of need have been finalised. These agreements, particularly the CMO Agreement, have assisted with recruitment and retention of medical staff at Kilmore District Hospital since the amalgamation.

Action	Deliverable	Status	Update
Partner with other organisations (for example community health, ACCHOs, PHNs, General Practice, private health) to drive further collaboration and build a more integrated system.	Develop agreements with priority partners in primary and community health that provide the platform for interventions to keep our patients healthy in the community.	Met	Monitoring of interagency agreements (MoU's) has continued over the past six months, through meetings with First Peoples Health and Wellbeing, Nexus and DPV Health. The Victorian Aboriginal Health Service (VAHS) relocation has delayed the planned review of the MoU with VAHS. Our organisations continue to work together to progress key actions in the respective Reconciliation Action Plans and Northern Health's Aboriginal Cultural Safety Plan, with shared representation on committees.

Elective Priorities

Action	Deliverable	Status	Commentary
Improve women's health outcomes through the quality, availability, and equity of women's health services across Victoria.	Improve access to women's health services including contraception, abortion, pelvic pain and menopause through grants or research, or the new hospital-based women's health clinics or sexual and reproductive community-based hubs.	On Track	Following confirmation of funding, Northern Health is on track to provide a women's health hub offering care in four streams: contraception, bleeding and pelvic pain, prolapse and continence and menopause. This is a new and innovative service that is being designed to overcome traditional barriers to support for women's mental and physical health care.
	Continue to develop the Northern Health Fertility Service, expanding the scope of service delivery for women in the Northern Health catchment.	Met	Northern Health's Fertility Service is fully operational, with the service being delivered consistent with the model of care.
Identify and develop clinical service models of care that can be delivered via virtual care (videocall, telehealth, remote monitoring) where safe and appropriate to enable care closer to home.	Adoption of ICT platforms that conform with accredited standards, guidelines, and frameworks measures to ensure technology used for clinical engagement interactions remains secure.	Met	Northern Health has conducted its due diligence to ensure conformance with accredited standards, guidelines and frameworks for cyber security. Northern Health is delivering care via five digital care pathways that include remote patient monitoring.
Implement climate adaptation initiatives to support the health service's resilience and prepare for future challenges.	Rollout solar panels across nine Northern Health sites providing close to 1,000KW hours, thereby reducing NH's power bills by up to 20% per annum.	Met	Solar panels have been installed at the following six sites: Northern Hospital (500KW) Broadmeadows Hospital (80KW), Northern Centre for Health Education and Research (99KW), McLellan House (11KW), P144 Mental Health Building (50KW), Bundoora Centre (99KW). Northern Health has been ranked the most energy efficient health service in Victoria under the National Australian Built Environment Rating System.

Statement of Priorities - Part B

Performance Priorities

High quality and safe care

Key Performance Measure	Target	Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program*	85%	91 % (Average from Q1 – Q3 monitors)
Percentage of healthcare workers immunised for influenza	94%	95 %
Continuing care		
Average change in the functional independence measure (FIM) score per day of care for rehabilitation separations	≥ 0.645	0.743
Healthcare associated infections (HAI's)		
Rate of central-line-associated blood stream infections (CLABSI) in intensive care units per 1,000 central-line days	Zero	3
Rate of healthcare-associated *S. aureus* bloodstream infections per 10,000 bed days	≤ 0.7	0.6 (Average from Q1 – Q3 monitors)
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	81%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	81%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	81%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	80%
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%	1.1%
Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation	≤ 28.6%	24.4%
Unplanned Readmissions		
Rate of unplanned readmissions to any hospital following a hip replacement procedure	≤ 6%	7.7%

*Effective date of target change from 85% to 80% conditional on pending changes to BP3 requirements.

Key Performance Measure	Target	Result
Aboriginal Health		
Percentage of Aboriginal admitted patients who left against medical advice*	3.5%	Not achieved
Percentage of Aboriginal emergency department presentations who did not wait to be seen	25% reduction in gap based on prior year's annual rate	9.1%

* Further work will be undertaken on leave event measures terminology that better captures patient experience and Aboriginal community's holistic understanding of health and wellbeing.

Key Performance Measure	Target	Result
Mental Health		
Mental Health Patient Experience		
Percentage of consumers who rated their overall experience of care with a service in the last 3 months as positive	80%	90.9%
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%	83.3%
Percentage of families/carers reporting a 'very good' or 'excellent' overall experience of the service	80%	34.6%
Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected	90%	65.5%
Mental Health Post-Discharge Follow-up		
Percentage of consumers followed up within 7 days of separation – Inpatient (adult)	88%	85%
Percentage of consumers followed up within 7 days of separation - Inpatient (older persons)	88%	89%
Mental Health Readmission		
Percentage of consumers re-admitted within 28 days of separation - Inpatient (adult)	< 14%	10%
Percentage of consumers re-admitted within 28 days of separation - Inpatient (older persons)	< 7%	0%
Mental Health Seclusion		
Rate of seclusion episodes per 1,000 occupied bed days - Inpatient (adult)	≤ 8%	3
Rate of seclusion episodes per 1,000 occupied bed days - Inpatient (older persons)	≤ 5	2

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%	53%


FIGS

Timely access to care

Key Performance Measure	Target	Result
Planned Surgery		
Percentage of urgency category 1 planned surgery patients admitted within 30 days	100%	100%
Percentage of all planned surgery patients admitted within the clinically recommended time	94%	89.5%
Number of patients on the planned surgery waiting list	2,200	2,132
Number of patients admitted from the planned surgery waiting list	9,385	9,666
Number of patients (in addition to base) admitted from the planned surgery waiting list	2,555	2,605
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	5% or 15% proportional improvement from prior year	6.9%
Number of hospital-initiated postponements per 100 scheduled planned surgery admissions	≤ 7	4.7%
Emergency Care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	77%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	54%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	46%
Number of emergency patients with a length of stay in the ED greater than 24 hours	Zero	Zero
Mental Health		
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	81%	40%
Percentage of 'urgent' (category 'C') mental health triage episodes with a face-to-face contact received within 8 hours	80%	0%*

* N/A - No Mental Health triage Service at Northern Health, Emergency Services contacted as required.

Key Performance Measure	Target	Result
Specialist Clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	94%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	84%
Home Based Care		
Percentage of admitted bed days delivered at home	Equal to or better than prior year result	(7%)*
Percentage of admitted episodes delivered at least partly at home	Equal to or better than prior year result	(3.8%)

* New KPI for 2023-24 - previous year comparison not available

Effective financial management

Key Performance Measure	Target	Result
Operating result ($M)	$(100.45)m	$(73.9)m
Average number of days to pay trade creditors	60 days	49 days
Average number of days to receive patient fee debtors	60 days	57 days
NWAU activity performance to target	100%	102.4%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.51
Number of days of available cash	14.0 days	(2.2) days
Net result from transactions variance	< $250,000	Not met

The data included in this Annual Report was accurate at the time of publication, and it is subject to validation by official sources from the Departement of Health.

Statement of Priorities - Part C

Activity and Funding

Funding Type	2023-24 Activity Achievement
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	118,902
Acute Admitted	
National Bowel Cancer Screening Program NWAU	245
Acute admitted DVA	176.86
Acute admitted TAC	186.40
Acute Non-Admitted	
Home Enteral Nutrition NWAU	49
Home Renal Dialysis NWAU	288
Radiotherapy - Other	351
Subacute/Non-Acute, Admitted & Non- admitted	
Subacute - DVA	15
Transition Care - Bed days	8,456
Transition Care - Home days	14,342
Aged Care	
Residential Aged Care	26,551
HACC	648
Mental Health and Drug Services	
Mental Health Ambulatory	178,172
Mental Health Inpatient*	38,281
Mental Health Residential**	17,532
Mental Health Subacute	17,167

*available bed days 48,577 (133 beds)

**available bed days 22,646 (62 beds)

Kilmore District Health funding summary for 1 July 2023 – 30 June 2024

Funding Type	2023-24 Activity Achievement
Small Rural	
Small Rural Acute	5.45
Small Rural Primary Health & HACC	174
Small Rural Residential Care	19,997

Please note:

- Base level funding, related services and activity levels, outlined within the Policy and Funding Guidelines are subject to change throughout the year. Further information about the department's approach to funding and price setting for specific clinical activities, and funding policy changes is also available from: Policy and funding guidelines for health services <https://www.health.vic.gov.au/policy-and-funding-guidelines-for-health- services>
- Each funding type row (eg "emergency services") comprises a mix of activity-based funding and block grants. Funding depends on the service profile. For further details, refer to the Policy and funding guidelines for health services (see above point for link).
- In situations where a change is required to Part C, changes to the agreement will be actioned through an exchange of letters between the department and the health service's Chief Executive Officer.

The data included in this Annual Report was accurate at the time of publication, and it is subject to validation by official sources from the Departement of Health.

Corporate Information

General Information

Northern Health is a public health service established under the Health Services Act 1988 (Vic).

The responsible Minister is the Minister for Health.

Minister for Health:
The Hon Mary-Anne Thomas
From 1 July 2023 to 30 June 2024.

Northern Health provides a wide range of health care services to the northern growth corridor, a catchment of close to 500,000 people living in Melbourne's middle to outer northern suburbs and the semirural regions beyond the urban fringe.

Northern Health comprises Broadmeadows Hospital, Bundoora Centre, Craigieburn Centre, Kilmore District Hospital (from 1 November 2023) and Northern Hospital Epping. A future Community Hospital is currently in construction in the City of Whittlesea (Mernda).

Northern Health also delivers mental health services from a number of different sites as part of the Northern Area Mental Health Service (NAMHS) and NorthWest Area Mental Health Service (NWAMHS).

Northern Area Mental Health Service sites include Northern Hospital adult inpatient units (Epping), Northern Community Care Unit (Preston), Northern PARC (Preston), Hotham Street Community Clinic (Preston) and Noogal Clinic (Mill Park).

NorthWest Area Mental Health Service sites include the Broadmeadows Hospital Adult Inpatient Unit, Broadmeadows Community Care Unit (CCU), Broadmeadows Prevention and Recovery Care (PARC), Moreland Community Clinic (Coburg) and Craigieburn Centre.

Amalgamation

On 1 November 2023, the services, staff and net assets of Kilmore District Health (KDH) were transferred to Northern Health as part of the amalgamation. The amalgamation was accounted for in accordance with the requirements of FRD 119A Transfers Through Contributed Capital, whereby the net assets of KDH were accounted for as a capital contribution to Northern Health. No income was recognised by Northern Health in respect of the net asset transferred from KDH. The net assets assumed by Northern Health were recognised in the balance sheet on 1 November 2023, at the carrying amount of those assets in KDH's balance sheet immediately before the transfer as disclosed in Note 8.11.

Consultancies

Consultancy fees greater than $10,000 in individual amount

In 2023-24, Northern Health engaged six consultancies with an individual amount greater than $10,000. The total expenditure incurred in 2023-24 in relation to these consultancies was $132,107. This is detailed below.

Consultant	Purpose of Consultancy	Period	Total Project fee (Exc GST)	Expenditure 2023-24 (Exc GST)
Casuscelli Design	Design work for Northern Health Foundation.	January 2024 - May 2024	$10,000	$10,000
Grant Thornton Australia	Advice on doctors working remotely in foreign jurisdictions as part of their role with the Victorian Virtual Emergency Department.	July 2023	$10,815	$10,815
Grant Thornton Australia	Advice in relation to employment tax and law obligations for foreign jurisdictions.	February 2024 - March 2024	$56,282	$56,282
Canyon	Northern Imaging Victoria website design and build.	August 2023 - October 2023	$20,000	$20,000
Essential Utilities Corporation	Consultancy and analysis in relation to mobile, SMS and landline billings and contracts.	December 2023 - January 2024	$24,370	$24,370
W Hamill Consulting	Carpark review and tender preparation.	March 2024 - June 2024	$10,640	$10,640

Consultancies below $10,000

In 2023-24, Northern Health engaged five consultancies with an individual amount less than $10,000. The total value of these consultancies was $11,450.

Occupational Health and Safety

Occupational Health and Safety Statistics	2021-22	2022-23	2023-24
The number of reported hazards/incidents for the year per 100 FTE	36.4	24.8	74.5
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.45	1.05	1.00
The average cost per WorkCover claim for the year ('000)	$157,987	$115,229	$67,375

These are standard Workcover claims, which are defined as claims that are over the statutory employer excess and reported to the Victorian WorkCover Authority during the financial year.

Occupational Violence Statistics

Occupational Violence Statistics	2023-24
Workcover accepted claims with an occupational violence cause per 100 FTE	0.15
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.71
Number of occupational violence incidents reported	3,649
Number of occupational violence incidents reported per 100 FTE	60.3
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	4.8%

Definitions of occupational violence

- **Occupational violence** – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- **Incident** – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- **Accepted Workcover claims** – accepted Workcover claims that were lodged in 2022-24
- **Lost time** – is defined as greater than one day.
- **Injury, illness or condition** – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Safe Patient Care Act 2015

Northern Health complies with the intent of the Safe Patient Care Act (Vic) 2015 which guarantees nurse to patient and midwife to patient ratios.

Merit and Equity Principles

Merit and equity principles are encompassed in all employment and diversity management activities throughout Northern Health.

Gender Equality Act 2020

Northern Health is committed to being a gender equitable employer and service provider, where all staff and consumers, regardless of gender or intersectional characteristics, are recognised, celebrated and supported. Following the launch of our first Gender Quality Action Plan (GEAP) (2021-25) in June 2022, the following progress has been made in the last 12 months:

- Progress report against Northern Health's GEAP (due every second year) was submitted to the Public Sector Gender Equality Commissioner.
- Progress report against workplace gender equality indicators (such as gender composition, family violence leave, flexible working arrangements etc.) was submitted to the Public Sector Gender Equality Commissioner.
- Diversity Survey was launched, receiving over 4,100 responses (45 per cent response rate), to capture gender and broader intersectionality data. The information collected continues to guide us in improving current practices around the employee life cycle process of attraction, recruitment, retention, promotion and development.

Freedom of Information Act 1982

During 2023-24, Northern Health received 1,518 applications. Of these requests, none were from Members of Parliament, one from the media, and the remainder from the general public.

Northern Health made 1,518 FOI decisions during the 12 months ending 30 June 2024.

There were 1,509 decisions made within the statutory time periods. Of the decisions made outside time, three were made within a further 45 days and six decisions were made in greater than 45 days.

A total of 1,136 FOI access decisions were made where access to documents was granted in full, 326 granted in part and three denied in full. Thirty-eight decisions were made after mandatory extensions had been applied or extensions were agreed upon by the applicant. Of requests finalised, the average number of days over / under the statutory time (including extended timeframes) to decide the request was 15 days.

During 2023-24, three requests were subject to a complaint/ internal review by Office of the Victorian Information Commissioner. No requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Local Jobs First Act

In the 2023-24 financial year, the Local Jobs First Policy (LJFF) applied to the following projects:

- Imaging Equipment – CT Scanners, X-Ray and Fluoroscopy: Under Implementation
- PET-CT: Under Implementation
- Wholesale Pharmaceuticals: Implemented

The Imaging Equipment project is committed to an overall ANZ value-added commitment of 50.4 per cent, with a total of four SMEs representing 40 per cent of all suppliers engaged in the supply chain.

For PET-CT Imaging Equipment project is committed to an overall ANZ value-added commitment of 48 per cent. This provides opportunities for three suppliers.

Wholesale Pharmaceuticals is committed to an overall value-added commitment of 44.4 per cent, with 15 SMEs in Supply Chain representing a total of 142 supplies in the supply chain.

National Competition Policy

Services that are regularly tested in accordance with the Victoria Government's Competitive Neutrality Policy Include:

- Building and Engineering Services
- Clinical Services
- Community Services
- Corporate Services
- ICT Services
- Medical Imaging/Equipment
- Support Services

Market testing of services will continue in 2024-25 based on contract lifecycle, category management strategies and operational requirements at Northern Health.

Social Procurement Framework Report

Northern Health has a commitment to implementing the Victorian Government's Social Procurement Strategy. At Northern Health, the following objectives have been incorporated into our Social Procurement Strategy:

- Opportunities for Victorian Aboriginal people
- Opportunities for disadvantaged Victorians
- Environmentally sustainable outputs
- Opportunities for Victorians with a disability
- Women's equality and safety
- Supporting safe and fair workplaces

Social procurement creates an opportunity for Northern Health to use its buying power to deliver positive social impacts that help to build a fair, inclusive and sustainable Victoria.

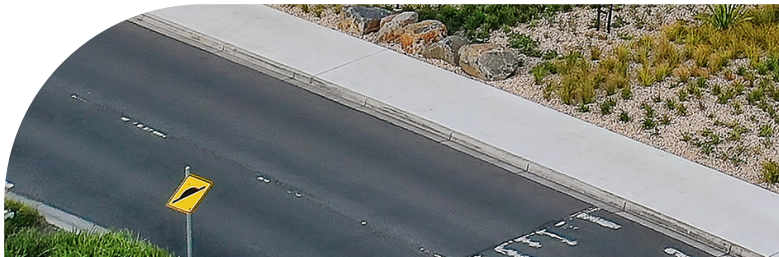
Procurement process where the value is over $3M include evaluation criteria for Social Procurement objectives and outcomes. In the 2023-2024 financial year, two large value contracts; for Security Services and Wholesale Pharmaceuticals incorporated our Social Procurement Strategy.

In the past 12 months, under the Social Procurement Strategy, Northern Health has engaged seven social benefit suppliers with a direct spend of $244,459 and three Victorian Aboriginal businesses with a direct spend of $4,924.

Additional information available on request

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

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



Building Act 1993

Northern Health has put in place appropriate internal controls and processes to ensure that it complies with the building and maintenance provisions of the Building Act 1993, with all works completed in 2023-24 according to the relevant provisions of the National Construction Code and relevant statutory regulations, compliance with building standards and the Department of Health Fire Risk Management Guidelines.

Northern Health ensures works are inspected by independent building surveyors and maintains registers of jobs they have certified along with certificates of occupancy for those jobs. All building practitioners are required to show evidence of current registration and must maintain their registration throughout the course of their work with Northern Health.

All contractors engaged by Northern Health in major construction projects are on the approved Victorian Health Building Authority Construction Supplier register.

Car Parking Fees

Northern Health complies with the Department of Health hospital circular on car parking fees and concession benefits can be viewed at www.nh.org.au.

Carers and Care Relationships

Northern Health is dedicated to providing the highest quality of care in the safest possible environment for every patient. Northern Health complies with the intent of the Carers Recognition Act 2012 which seeks to:

- recognise, promote and value the role of people in care relationships
- recognise the different needs of persons in care relationships
- support and recognise that care relationships bring benefits to the persons in the care relationship and to the community.
- Mental Health has a Carer Lived Experience workforce and a co-design framework.

Public Interest Disclosure Act 2012

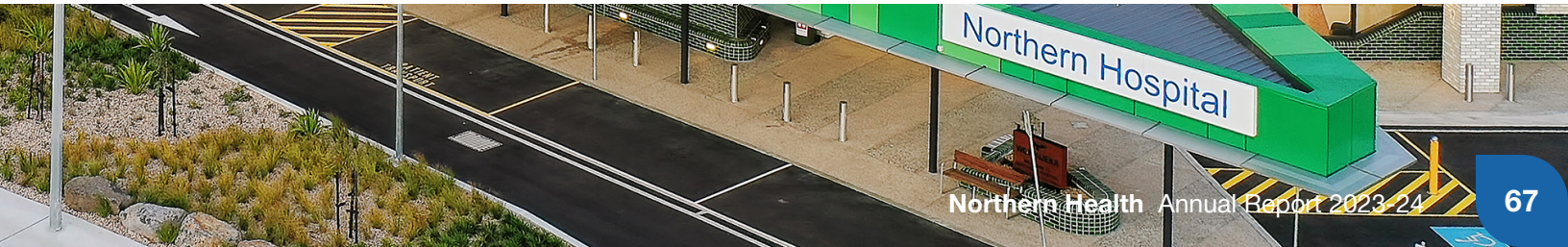
Under the Public Interest Disclosure Act 2012, complaints about certain serious misconduct or corruption involving public health services in Victoria should be made directly to the Independent Broad-based Anti-Corruption Commission (IBAC) in order to remain protected under the Act.

Northern Health encourages individuals to make any disclosures which are protected disclosures within the meaning of the Act with IBAC.

Information and Communications Technology (ICT) Expenditure

The total ICT expenditure incurred during 2023-24 is detailed below:

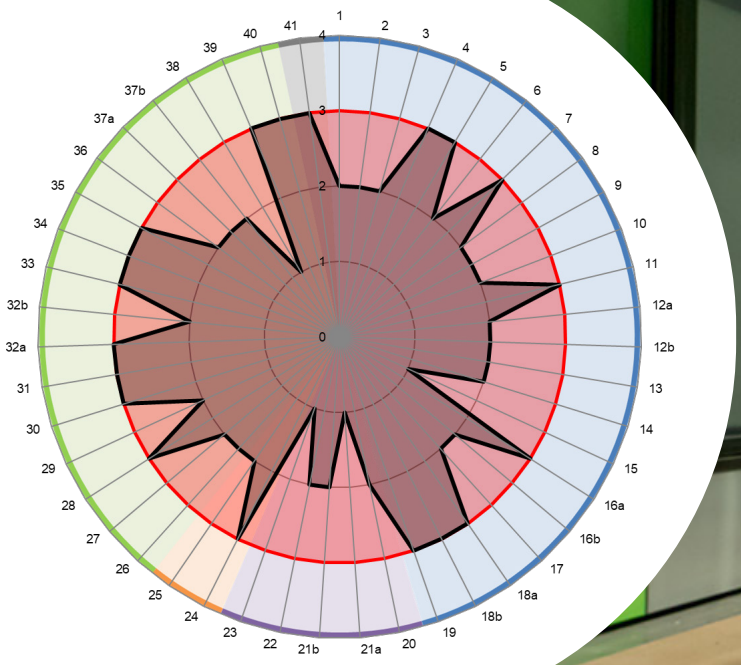
Business as Usual (BAU) ICT Expenditure ($000)		Non-Business as Usual (non-BAU) ICT Expenditure ($000)	
Total (excluding GST)	Total = Operational expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational expenditure (excluding GST) (a)	Capital expenditure (excluding GST) (b)
15,750	22,735	5,670	17,066



Asset Management Accountability Framework

Northern Health has conducted a self-assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website: www.dtf.vic.gov.au

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



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

Northern Health has not identified any material compliance deficiencies with the AMAF.

It is pleasing to note that there have been improvements since the last maturity assessment reported in in the 2020-21 Annual Report.

Our self-assessment indicates that improvement is required in a number of aspects of the AMAF. A significant program of work is underway to increase our compliance with AMAF requirements as we seek to lift asset management maturity across the organisation. Key priority areas include integrating multiple asset policies, streamlining procedures and a focus on a long-term strategic asset renewal program.

Attestations

Data Integrity Declaration

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

26 September 2024

Debra Bourne
Accountable Officer
Northern Health

Conflict of Interest Declaration

I, Debra Bourne, certify that Northern Health has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised) and 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 Northern 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.

26 September 2024

Debra Bourne
Accountable Officer
Northern Health

Integrity, Fraud and Corruption Declaration

I, Debra Bourne, certify that Northern Health has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at during the year.

26 September 2024

Debra Bourne
Accountable Officer
Northern Health

Compliance with Health Share Victoria (HSV) Purchasing Policies

No compliance issues

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

26 September 2024

Debra Bourne
Accountable Officer
Northern Health

Financial Management Compliance Attestation Statement

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

26 September 2024

Debra Bourne
Accountable Officer
Northern Health

Workforce Information

Northern Health has grown significantly due to the commencement of new services, and being situated in a growth corridor within the northern region. Northern Health will continue to expand over the coming years, to provide a positive and proactive healthcare system to staff, and the community.

The Full Time Equivalent (FTE) head count for Northern Health as at 30 June 2023 and 30 June 2024 is provided below.

	June Current Month FTE		Average Monthly FTE	
Labour Category	**2023**	**2024**	**2022/23**	**2023/24**
Total	**5,342.29**	**6,104.88**	**5,021.23**	**5,786.44**
Nursing Services	2,547.62	2,811.97	2,328.42	2,700.39
Administration and Clerical	816.17	888.48	802.47	862.66
Medical Support Services	386.61	508.15	365.39	464.06
Hotel and Allied Services	229.27	266.76	222.12	255.16
Medical Officers	101.53	124.74	91.75	113.55
Hospital Medical Officers	495.19	600.21	485.42	550.53
Sessional Medical Officers	234.37	277.74	208.41	252.41
Ancillary Support Services	531.53	626.83	517.25	587.69

*FTE stands for full-time equivalent position. All employees of Northern Health are correctly classified in the workforce data collections.

Employment and Conduct Principles

Northern Health is committed to ensuring all aspects of employment, including recruitment, selection, promotion, training and retention of employees is fair and transparent.

Embedded in Northern Health's policies and procedures are the principles of merit and equity, with appropriate avenues for grievance and complaint processes.

Northern Health provides a dynamic working environment with a culture of teamwork, diversity, safety and respect, based on strong values and Codes of Conduct.

Financial Results

Northern Health's financial objective is to provide the resources necessary to meet service and activity requirements, address capital needs and ensure cash sustainability.

In 2023-24, Northern Health generated a SoP operating deficit of ($73.9m) (2023: surplus of $0.5m). Despite an overall increase in funding, it was not sufficient to meet the increase in our costs which were driven higher by the introduction of new services and increased demand. Despite the deficit, we believe our efficiency compares positively to other health services.

Cash reserves were used to meet the operating deficit with available cash reducing from a surplus of $46.1m at 30 June 2023 to a deficit of ($6.8m) at 30 June 2024. Northern Health drew upon capital reserves to meet its operating commitments for the year.

Northern Health is confronted with significant financial challenges in 2024-25. We will continue to drive efficiency initiatives while working with the Department of Health to secure adequate funding to sustain our operations.

The financial results for Northern Health over the past five financial years are shown below.

Item	2024 $000	2023 $000*	2022 $000	2021 $000	2020 $000
Operating result (SoP)	(73,927)	483	135	113	98
Total revenue	1,149,319	1,202,183	946,952	810,742	712,437
Total expenses	1,266,113	1,146,538	876,366	740,212	668,461
Net result from transactions	(116,794)	55,645	70,586	70,530	43,976
Total other economic flows	1,003	(9,251)	4,900	7,224	2,021
Net result	(115,791)	46,394	75,486	77,755	41,955
Total assets	1,168,249	965,048	822,560	714,935	595,735
Total liabilities	379,847	302,621	242,812	216,595	182,063
Net assets / Total equity	788,402	662,427	579,748	498,340	413,672

*Figures were updated post the ARC meeting on 17/08/2023.

Events occurring after balance date

There are no matters or circumstances that have arisen since the end of the financial year which significantly affect or may affect the operations of Northern Health, the results of the operations or the state of affairs of Northern Health in the future financial years.

Reconciliation of net result from transactions and operating result

Item	2024 $000	2023 $000*	2022 $000	2021 $000	2020 $000
Operating result (SoP)	(73,927)	483	135	112	98
Controlled entities operating result	609	(193)	(43)	345	260
Capital purpose income	25,894	105,221	117,280	105,268	76,998
Specific expenses	(3,327)	(1,011)	(158)	(184)	(670)
Expenditure for capital purpose	(15,492)	(4,378)	(9,063)	(1,423)	(3,131)
Finance costs	(31)	(13)	(9)	(6)	(6)
Depreciation and amortisation	(50,520)	(44,464)	(37,556)	(33,582)	(29,573)
COVID-19 State Supply Arrangements: - Assets received free of charge or for nil consideration under the State Supply	1,369	9,244	10,016	11,717	976
State supply items consumed up to 30 June	(1,369)	(9,244)	(10,016)	(11,717)	(976)
Net result from transactions	116,794	55,645	70,586	70,530	43,976

*Figures were updated post the ARC meeting on 17/08/2023.

Disclosure Index

The annual report of Northern 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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Financial Statements

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Board members', Accountable Officer's and Chief Financial and Accounting Officer's declaration

We certify that the attached financial statements for Northern Health and the consolidated entity have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the ***Financial Management Act*** 1994, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

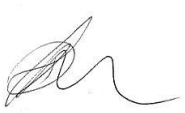
We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, the Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and notes forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2024 and financial position of Northern Health and the consolidated entity at 30 June 2024.

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

We authorise the attached financial report for issue on this day.

Ms Jennifer Williams AM
Board Chair
Northern Health

12 September 2024



Ms Debra Bourne
Interim Chief Executive
Northern Health

12 September 2024

Mr Basil Ireland
Chief Financial and Accounting Officer
Northern Health

12 September 2024

Independent Auditor's Report

VAGO
Victorian Auditor-General's Office

To the Board of Northern Health

Opinion	I have audited the consolidated financial report of Northern Health (the health service) and its controlled entities (together the consolidated entity), which comprises the: • 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 and accounting officer's declaration. 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 *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service 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.

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

Auditor's responsibilities for the audit of the financial report	As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service 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.

MELBOURNE
26 September 2024

Dominika Ryan
as delegate for the Auditor-General of Victoria

Northern Health
Comprehensive Operating Statement
For the Year Ended 30 June 2024

	Note	Parent 2024 $'000	Parent 2023 $'000	Consolidated 2024 $'000	Consolidated 2023 $'000
Revenue and income from transactions					
Operating activities and other sources of income	2.1	1,132,192	1,185,566	1,133,097	1,186,375
Non-operating activities	2.1	16,142	15,756	16,222	15,808
Total revenue and income from transactions		**1,148,334**	**1,201,322**	**1,149,319**	**1,202,183**
Expenses from transactions					
Employee expenses	3.1	(946,932)	(835,736)	(947,429)	(836,179)
Supplies and consumables	3.1	(140,491)	(152,123)	(140,491)	(151,092)
Finance costs	3.1	(31)	(14)	(31)	(14)
Depreciation and amortisation	4.5	(50,520)	(44,456)	(50,528)	(44,464)
Other administrative expenses	3.1	(15,072)	(19,240)	(14,820)	(14,517)
Other operating expenses	3.1	(106,379)	(89,043)	(106,502)	(95,380)
Other non-operating expenses	3.1	(6,312)	(4,892)	(6,312)	(4,892)
Total expenses from transactions		**(1,265,737)**	**(1,145,504)**	**(1,266,113)**	**(1,146,538)**
Net result from transactions - net operating balance		**(117,403)**	**55,818**	**(116,794)**	**55,645**
Other economic flows included in net result					
Net gain/(loss) on non-financial assets	3.2	242	(63)	242	(63)
Net gain/(loss) on financial instruments	3.2	-	1,491	-	1,491
Other gains/(losses) from other economic flows	3.2	761	(10,678)	761	(10,678)
Total other economic flows included in net result		**1,003**	**(9,251)**	**1,003**	**(9,251)**
Net result for the year		**(116,400)**	**46,567**	**(115,791)**	**46,394**
Other economic flows- other comprehensive income					
Items that will not be reclassified to net result					
Changes in property, plant and equipment revaluation surplus	4.1(b), 4.3	213,630	-	213,732	-
Changes in the fair value of equity instruments at fair value through other comprehensive income		-	-	3	(19)
Total other comprehensive income		**213,630**	**-**	**213,735**	**(19)**
Comprehensive result for the year		**97,230**	**46,567**	**97,944**	**46,375**

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

Northern Health
Balance Sheet
As at 30 June 2024

	Note	Parent 2024 $'000	Parent 2023 $'000	Consolidated 2024 $'000	Consolidated 2023 $'000
Current assets					
Cash and cash equivalents	6.2	70,086	138,144	71,265	139,283
Receivables	5.1	13,865	15,514	13,865	15,514
Contract assets	5.1(b)	2,313	2,283	2,315	2,284
Inventories		4,901	4,501	4,901	4,501
Investments and other financial assets		-	-	750	500
Prepaid expenses		31,554	35,449	31,554	35,449
Total current assets		**122,719**	**195,891**	**124,650**	**197,531**
Non-current assets					
Receivables	5.1	72,999	58,313	72,999	58,313
Investments and other financial assets		-	-	499	476
Property, plant and equipment	4.1(a)	940,171	683,643	940,741	684,119
Right-of-use assets	4.2(a)	29,055	24,013	29,055	24,013
Intangible assets	4.4(a)	305	595	305	595
Total non-current assets		**1,042,530**	**766,564**	**1,043,599**	**767,516**
Total assets		**1,165,248**	**962,456**	**1,168,249**	**965,048**
Current liabilities					
Payables	5.2	102,032	75,763	102,127	76,164
Contract liabilities	5.2(b)	2,363	2,205	2,363	2,205
Borrowings	6.1	2,599	1,405	2,599	1,405
Employee benefit provisions	3.3	205,892	171,679	205,892	171,679
Other liabilities	5.3	18,890	12,339	18,890	12,339
Total current liabilities		**331,776**	**263,390**	**331,871**	**263,791**
Non-current liabilities					
Borrowings	6.1	10,755	5,319	10,755	5,319
Employee benefit provisions	3.3	29,754	25,158	29,754	25,158
Other liabilities	5.3	7,467	8,352	7,467	8,352
Total non-current liabilities		**47,976**	**38,829**	**47,976**	**38,829**
Total liabilities		**379,752**	**302,219**	**379,847**	**302,621**
Net assets		**785,497**	**660,236**	**788,402**	**662,427**
Equity					
Property, plant and equipment revaluation surplus	4.3	490,990	277,359	491,260	277,528
Financial assets at fair value through other-comprehensive income revaluation reserve		-	-	(36)	(39)
Restricted specific purpose reserve		728	536	8,294	7,492
Contribution capital		215,535	187,504	215,535	187,504
Accumulated surplus/(deficit)		78,244	194,837	73,349	189,942
Total equity		**785,497**	**660,236**	**788,402**	**662,427**

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

Northern Health
Statement of Changes in Equity
For the Year Ended 30 June 2024

Consolidated	Note	Property, plant & equipment revaluation surplus	Financial Assets through Other Comprehensive Income Revaluation Reserve	Restricted specific purpose surplus / (deficits)	Contributed capital	Accumulated surplus/ (deficits)	Total
		$'000	$000	$'000	$'000	$'000	$'000
Balance at 1 July 2022		**277,528**	**(20)**	**7,627**	**151,203**	**143,413**	**579,752**
Net result for the year		-	-	-	-	46,394	46,394
Transfer to restricted specific purpose surplus/(deficit)				(135)		135	
Movement in reserves		-	(19)	-	-	-	(19)
Return of contributed capital		-	-	-	36,300	-	36,300
Balance at 30 June 2023		**277,528**	**(39)**	**7,492**	**187,503**	**189,942**	**662,427**
Net result for the year		-	-	-	-	(115,791)	(115,791)
Transfer to restricted specific purpose surplus/(deficit)				802		(802)	
Other comprehensive income for the year	4.1(b), 4.3	213,732	-	-	-	-	213,732
Movement in reserves		-	3	-	-	-	3
Contributed capital*		-	-	-	28,032	-	28,032
Balance at 30 June 2024		**491,260**	**(36)**	**8,294**	**215,535**	**73,349**	**788,402**

Parent	Property, plant & equipment revaluation surplus	Financial Assets through Other Comprehensive Income Revaluation Reserve	Restricted specific purpose surplus / (deficits	Contributed capital	Accumulated surplus/ (deficits)	Total
	$'000	$000	$'000	$'000	$'000	$'000
Balance at 1 July 2022	**277,360**	**-**	**499**	**151,203**	**148,308**	**577,369**
Net result for the year	-	-	-	-	46,566	46,567
Movement in reserves	-	-	-	-	-	-
Transfer to restricted specific purpose surplus/(deficit)			37		(37)	
Return of contributed capital	-	-	-	36,300	-	36,300
Balance at 30 June 2023	**277,360**	**-**	**536**	**187,503**	**194,837**	**660,236**
Net result for the year	-	-		-	(116,401)	(116,401)
Other comprehensive income for the year	213,630	-	-	-	-	213,630
Movement in reserves	-	-	-	-	-	-
Transfer to restricted specific purpose surplus/(deficit)			192		(192)	
Contributed capital*	-	-	-	28,032	-	28,032
Balance at 30 June 2024	**490,990**	**-**	**728**	**215,535**	**78,244**	**785,497**

**Transfer of property, plant and equipment resulting from mental health disaggregation to Northern Health via Contributed Capital. Refer to Notes 1.8 and 4.1(b).*

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

Northern Health
Cash Flow Statement
For the Year Ended 30 June 2024

	Note	Parent 2024 $'000	Parent 2023 $'000	Consolidated 2024 $'000	Consolidated 2023 $'000
Cash flows from operating activities					
Operating grants from government - State		1,008,623	974,368	1,008,623	974,368
Operating grants from government - Commonwealth		47,558	50,612	47,558	50,612
Capital grants from government		14,137	23,397	14,137	23,397
Patient fees received		39,442	23,195	39,442	23,195
Private practice fees received		683	1,840	683	1,840
Donations and bequests received		68	16	982	724
Pharmaceutical sales received		397	507	397	507
Interest and investment income received		5,720	6,862	5,801	6,913
Car park income received		4,414	3,374	4,414	3,374
Other receipts received		18,979	32,214	19,188	32,338
Total receipts		**1,140,021**	**1,116,383**	**1,141,225**	**1,117,267**
Employee expenses		(892,417)	(793,254)	(892,912)	(793,716)
Non-salary labour costs		(18,248)	(20,233)	(18,248)	(20,233)
Payments for supplies and consumables		(128,897)	(151,088)	(128,895)	(151,088)
Payments for repairs and maintenance		(11,757)	(11,494)	(11,764)	(11,495)
Finance costs		(38)	(33)	(38)	(33)
GST paid to ATO		1,577	(1,559)	1,577	(1,559)
Other payments		(109,432)	(100,040)	(109,586)	(99,531)
Total payments		**(1,159,212)**	**(1,077,702)**	**(1,159,868)**	**(1,077,654)**
Net cash flows from/(used in) operating activities	8.1	**(19,191)**	**38,680**	**(18,641)**	**39,613**
Cash flows from investing activities					
Proceeds from sale of non-financial assets		327	17	327	17
Purchase of non-financial assets		(58,581)	(29,289)	(58,581)	(29,286)
Purchase of financial assets		-	-	(20)	(121)
Capital donations and bequests received		239	709	-	-
Net cash flows from/(used in) investing activities		**(58,015)**	**(28,562)**	**(58,274)**	**(29,390)**
Cash flows from financing activities					
Capital contribution		-	-	-	-
Repayment of borrowings		(62)	(200)	(63)	(200)
Receipt of borrowings		179	-	179	-
Investments and other financial assets		-	-	(250)	-
Repayment of accommodation deposits		(4,045)	(1,972)	(4,045)	(1,972)
Receipt of accommodation deposits		13,076	6,172	13,076	6,172
Net cash flows from/(used in) financing activities		**9,148**	**3,999**	**8,897**	**3,999**
Net movements from/(used in) cash and cash equivalents		**(68,058)**	**14,118**	**(68,018)**	**14,223**
Cash and cash equivalents at beginning of year		138,144	124,026	139,283	125,060
Cash and cash equivalents at end of year	6.2	**70,086**	**138,144**	**71,265**	**139,283**

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

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for Northern Health and its controlled entities (the Northern Health Foundation) for the year ended 30 June 2024. The purpose of the report is to provide users with information about Northern 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 financial statements are general purpose financial statements which have been prepared in accordance with the ***Financial Management Act 1994*** and applicable Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of ***AASB 101 Presentation of Financial Statements***.

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

Northern Health is a not-for-profit health service and therefore applies the additional Australian paragraphs applicable to a "not-for-profit" entity 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.

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 Northern Health and its controlled entities on 29 August 2024.

Note 1.2. Abbreviations and terminology used in financial statements

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

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

Note 1.3. Principles of consolidation

The financial statements include the assets and liabilities of Northern 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.

Northern Health controls the Northern Health Foundation. Details of the controlled entity are set-out in Note 8.8.

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 Northern Health has the power to govern the financial and operating policies of an organisation to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are considered.

Northern Health consolidate the results of its controlled entities from the date on which it gains control until the date it 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 Northern Health have been eliminated to reflect the extent of Northern Health's operations as a group.

Note 1.4. Material accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.4: Intangible assets
- Note 4.5: Depreciation and amortisation
- Note 4.6: Impairment of assets
- Note 5.1: Receivables and contract assets
- Note 5.2: Payables and contract liabilities
- Note 5.3: Other liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

Note 1.5. Accounting standards issued but not yet effective

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

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

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

Note 1.6. Goods and Services Tax (GST)

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

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

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

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

Note 1.7. Reporting entity

The financial statements included all the controlled activities of Northern Health.

Northern Health's principal address is:
185 Cooper Street
Epping, Victoria, 3076

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

Note 1.8. Amalgamation

On 1 November 2023, the services, staff and net assets of Kilmore District Health (KDH) were transferred to Northern Health as part of the voluntary amalgamation. The amalgamation was accounted for in accordance with the requirements of FRD 119A Transfers Through Contributed Capital, whereby the net assets of KDH were accounted for as a capital contribution to Northern Health.

No income was recognised by Northern Health in respect of the net asset transferred from KDH. The net assets assumed by Northern Health were recognised in the balance sheet on 1 November 2023, at the carrying amount of those assets in KDH's balance sheet immediately before the transfer as disclosed in Note 8.11.

Note 2. Funding delivery of services

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	Northern Health applies material judgment when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations. If this criterion is met, the contract/funding agreement is treated as a contract with a customer, requiring Northern Health to recognise revenue as or when goods or services are delivered to customers. If this criterion is not met, funding is recognised immediately in the net result from operations.
Determining timing of revenue recognition	Northern 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	Northern Health applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the Northern Health'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	Northern Health applies material judgement to determine the fair value of assets and services provided free of charge or for nominal value. Assets and services received free of charge are valued at cost.

Note 2.1. Revenue and income from transactions

		Consolidated 2024 $'000	Consolidated 2023 $'000
Operating activities			
Revenue from contracts with customers			
Government grants (State) – Operating		869,514	577,978
Government grants (Commonwealth) – Operating		59,462	56,064
Patient and resident fees		27,049	23,943
Private practice fees		1,876	2,448
Commercial activities[1]		6,028	5,381
Other revenue from operating activities		541	3
Total revenue from contracts with customers	2.1(a)	**964,470**	**665,817**
Other source of income			
Government grants (State) – Operating		134,821	409,748
Government grants (State) – Capital		18,558	83.990
Other capital purpose income		25	169
Capital donations		3,899	10,014
Assets received free of charge or for nominal consideration[2]	2.1(b)	1,369	5,473
Salaries and other recoveries		3,971	8,998
Research and sundry income		4,965	1,439
Other income from operating activities		1,019	726
Total other source of income		**168,627**	**520,559**
Total revenue and income from operating activities		**1,133,097**	**1,186,375**
Non-operating activities			
Capital interest		6,399	5,623
Other income from non-operating activities		9,823	10,185
Total other sources of income		**16,222**	**15,808**
Total income from non-operating activities		**16,222**	**15,808**
Total revenue and income from transactions		**1,149,319**	**1,202,183**

[1] Commercial activities represent business activities which Northern Health undertakes to support its operations.

[2] Assets received free of charge mainly comprise Personal Protective Equipment (PPE) received free of charge from the state-wide supply centre. (2023: COVID-19 related PPE from the state-wide supply centre.)

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

	Consolidated 2024 $'000	Consolidated 2023 $'000
Northern Health disaggregates revenue by the timing of revenue recognition		
Goods and services transferred to customers		
At a point in time	944,840	647,077
Over time[1]	19,630	18,739
Total revenue from contracts with customers	**964,470**	**665,817**

[1] Revenue received for patient and resident fees relating to accommodation charges are recognised overtime, to reflect the period accommodation is provided.

Note 2.1. Revenue and income from transactions (continued)

How we recognise revenue and income from operating activities:

Government grants (State) – operating

To recognise revenue, Northern 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, Northern Health:

- Identifies each performance obligation relating to the revenue;
- Recognises a contract liability for its obligations under the agreement; and
- 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, Northern Health recognises revenue in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices.

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

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

In contracts with customers, the "customer" is typically a funding body, who is the party that promises funding in exchange for Northern Health's goods or services. Northern Health 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 Northern Health's revenue streams, with information detailed below relating to Northern Health's significant revenue streams.

DH grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU) case mix	The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'case mix') in accordance with the levels of activity agreed to, with DH in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged. NWAU activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource used for each episode of care in a diagnosis related group (DRG). 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.

Government grants (Commonwealth) - operating

Commonwealth grants (other than Home Care Packages income) are recognised on receipt of funding in accordance with AASB 1058.

Capital grants

Where Northern 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 Northern 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.

Note 2.1. Revenue and income from transactions (continued)

Private practice fees

Private practice fees include recoupments from various private practice organisations 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 such as carpark, retail and rental revenue are recognised on an accrual basis. Commercial activities revenue is recognised at a point in time upon provision of the goods or services to the customer. Rental income from investment properties is recognised on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the pattern of use of the underlying asset.

Contributions of resources

Northern Health may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when Northern Health obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

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

How we recognise revenue and income from non-operating activities

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.

Rental income

Northern Health recognised $14.4m (2023: $14.4m) of capital rent in advance from the University of Melbourne and La Trobe University for the Northern Centre for Health, Education and Research (NCHER) as part of a lease arrangement executed on 1 January 2015. The $14.4m in funding received from the universities is progressively recognised as rental income on a straight-line basis for the 21 years period of the lease ending 31 December 2035.

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

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

	Consolidated 2024 $'000	Consolidated 2023 $'000
Personal protective equipment and other consumables	1,369	5,473
Total fair value of assets and services received free of charge or for nominal consideration	**1,369**	**5,473**

Donations and bequests

Donations and bequests are generally recognised as income upon receipt (which is when Northern Health obtains 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 (PPE)

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

Contributions

Northern Health may receive assets for nil or nominal consideration to further its objectives. The assets are recognised at their fair value when Northern Health obtains control over the asset, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

Note 2.1. Revenue and income from transactions (continued)

On initial recognition of the asset, Northern Health recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions and revenue or contract liabilities arising from a contract with a customer.

Northern Health recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

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 Northern Health as a capital contribution transfer.

Voluntary services

Northern Health is supported by volunteers from the community. Northern Health recognises contributions by volunteers in its financial statements, only if the fair value can be reliably measured and the services would have been purchased had they not been donated. Northern Health greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

DH non-cash contributions

DH makes some payments on behalf of Northern Health as follows:

Supplier	Description
Victorian Managed Insurance Authority	DH purchases various forms of insurance for Northern 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	DH made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2024, on behalf of Northern Health.
Department of Health	Long Services Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the LSL funding arrangements with the DH.

Note 3 Cost of delivering of services

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

Structure

- Note 3.1. Expenses from transactions
- Note 3.2. Other economic flows
- Note 3.3. Employee benefits and related on-costs
- Note 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	Northern Health applies material judgment when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Northern Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and LSL entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Northern Health has a conditional right to defer payment beyond 12 months. LSL leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	Northern Health applies material judgment 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: • An inflation rate of 4.45% reflecting the future wage and salary levels; • Durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 33% and 70%; and • Discounting at the rate of 4.34%, as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1. Expenses from transactions

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Salaries and wages		715,771	635,100
On-costs		192,226	171,299
Agency expenses		15,138	16,897
Fee for service office medical expenses		6,081	3,411
WorkCover premium		18,213	9,473
Total employee expenses		**947,429**	**836,179**
Drug supplies		39,077	39,701
Medical and surgical supplies (including prostheses)		43,066	39,505
Diagnostic and radiology supplies		24,081	44,052
Other supplies and consumables		34,267	27,834
Total supplies and consumables		**140,491**	**151,092**
Finance cost - interest expense		31	14
Total finance costs		**31**	**14**
Other administrative expenses		14,820	14,517
Other administrative expenses		**14,820**	**14,517**
Fuel, light, power and water		6,583	5,855
Repairs and maintenance		6,523	6,913
Maintenance contracts		6,758	6,698
Domestic services and supplies		19,915	20,990
Medical indemnity insurance		16,438	14,384
Computer and communication		12,018	12,431
Staff training and development		9,952	8,687
Security costs		9,889	9,276
Patient transport		4,318	4,129
Shared service costs		1,338	1,641
Expenditure for capital purposes		12,770	4,378
Total other operating expenses		**106,502**	**95,380**
Total operating expenses		**1,209,273**	**1,097,182**
Depreciation and amortisation	4.5	50,528	44,464
Total depreciation and amortisation		**50,528**	**44,464**
Specific and ex-gratia expenses		3,327	1,011
Bad and doubtful debts expenses		2,985	3,881
Total other non-operating expenses		**6,312**	**4,892**
Total non-operating expenses		**56,840**	**49,356**
Total expenses from transactions		**1,266,113**	**1,146,538**

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Note 3.1. Expenses from transactions (continued)

Supplies and consumables

Supplies and services 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 comprise interest on borrowings, with interest expense is recognised in the period in which it is incurred.

Other operating expenses

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

- Fuel, light and power;
- Repairs and maintenance;
- Other administrative expenses; and
- Expenditure for capital purposes, namely expenditure related to the purchase of assets below the capitalisation threshold of $2,500.

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

Non-operating expenses

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

Specific and ex-gratia expenses

Specific and ex-gratia expenses include costs associated with employee departures and separations.

Note 3.2. Other economic flows

	Consolidated 2024 $'000	Consolidated 2023 $'000
Net gain on disposal of property, plant and equipment	242	(63)
Total net gain/(loss) on non-financial assets	**242**	**(63)**
Net gain/(loss) on financial instruments at fair value		
Gain on repayment of TCV loan	-	1,491
Total Net gain/(loss) on financial instruments	**-**	**1,491**
Net gain/(loss) arising from revaluation of long service leave liability	761	(10,678)
Total other gains/(losses) from other economic flows	**761**	**(10,678)**
Total gains/(losses) from other economic flows	**1,003**	**(9,251)**

How we recognise other economic flows

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

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

- 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 de-recognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Net gain / (loss) on non-financial assets

Net gain/ (loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

- Revaluation gains/ (losses) of investment properties;
- Net gain/ (loss) on disposal of non-financial assets; and
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain / (loss) on financial instruments

Net gain/ (loss) on financial instruments at fair value includes:

- Realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- Impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 7.2 for further details);
- Disposals of financial assets and de-recognition of financial liabilities.

Note 3.3. Employee benefits and related on-costs

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current employee benefits and related on-costs		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [1]	2,197	1,775
	2,197	**1,775**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [1]	70,455	55,957
Unconditional and expected to be settled wholly after 12 months [2]	11,192	8,931
	81,647	**64,888**
Long Service leave		
Unconditional and expected to be settled wholly within 12 months [1]	18,409	17,987
Unconditional and expected to be settled wholly after 12 months [2]	78,578	66,541
	96,987	**84,528**
Provision related to employee benefits on-costs		
Unconditional and expected to be settled wholly within 12 months [1]	11,940	9,570
Unconditional and expected to be settled wholly after 12 months [2]	13,121	10,918
	25,061	**20,488**
Total current employee benefits and related on-costs	**205,892**	**171,679**
Non-current employee benefits and related on-costs		
Conditional long service leave	25,948	21,949
Provisions related to employee benefits and on-costs	3,806	3,208
Total non-current provisions	**29,754**	**25,158**
Total employee benefits and related on-costs	**235,646**	**196,837**

[1] The amounts disclosed are nominal amounts.
[2] The amounts disclosed are discounted to present values.

Note 3.3(a): Consolidated employee benefits and related on-costs

	Consolidated 2024 $'000	Consolidated 2023 $'000
Unconditional accrued days off	2,197	1,775
Unconditional annual leave entitlements	92,573	73,246
Unconditional long service leave entitlements	111,122	96,658
Total current employee benefits and related on-costs	**205,892**	**171,679**
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	29,754	25,158
Total non-current employee benefits and related on-costs	**29,754**	**25,158**
Total employee benefits and related on-costs	**235,646**	**196,837**
Attributable to:		
Employee benefits	206,779	173,140
Provision for related on-costs	28,867	23,697
Total employee benefits and relates on-costs	**235,646**	**196,837**

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

	Consolidated 2024 $'000	Consolidated 2023 $'000
Carrying amount at start of year	23,696	16,125
Additional provisions recognised	1,527	6,822
Amounts incurred during the year	3,377	808
Net gain/(loss) arising from revaluation of long service leave liability	267	(59)
Carrying amount at end of year	**28,867**	**23,697**

How we recognise employee benefits

Provisions

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 all recognised in the provision for employee benefits as current liabilities, because Northern Health does not have an unconditional right to defer settlement of these liabilities.

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

- Nominal value: If Northern Health expects to wholly settle within 12 months; or
- Present value: If Northern Health does not expect to wholly settle within 12 months.

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

Long service leave (LSL)

The liability for 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 Northern 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 period of 10 years of continuous service.

The components of this LSL liability are measured at:

- Nominal value: If Northern Health expects to wholly settle within 12 months; or
- Present value: If Northern Health does not expect to wholly settle within 12 months.

Conditional LSL 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 such as bond rate movements, inflation rate movements or 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

Provisions for on-costs, such as payroll tax, worker's compensation and superannuation are recognised separately from provisions for employee benefits.

Note 3.4. Superannuation

	Paid contributions for the year		Contributions outstanding at 30 June[1]	
	Consolidated 2024 $'000	Consolidated 2023 $'000	Consolidated 2024 $'000	Consolidated 2023 $'000
Defined benefit plans[2]				
Aware Super	77	89	2	3
Defined contribution plans				
Aware Super	30,439	25,092	1,298	775
HESTA	31,004	25,113	1,266	854
Other	13,771	12,043	775	416
Total superannuation	**75,291**	**62,337**	**3,341**	**2,049**

[1] The contribution outstanding at year end refers to the accrual taken up at year end relating to the last pay period in June 2024.
[2] The basis for determining the level of contribution is determined by the various actuaries of the defined benefit superannuation plans.

How we recognise superannuation

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

Defined contribution superannuation plans

Defined contribution (i.e. accumulation) superannuation plan expenditure is 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 Northern Health are disclosed above.

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 Northern Health to the superannuation plans in respect of the services of current Northern 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.

Northern Health does not recognise any unfunded defined benefit liability in respect of the superannuation plans because Northern Health 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. DTF discloses the State's defined benefits liabilities in its disclosure for administered items.

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

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

Note 4. Key assets to support service delivery

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

Structure

- Note 4.1. Property, plant and equipment
- Note 4.2. Right-of-use assets
- Note 4.3. Property, plant and equipment revaluation surplus
- Note 4.4. Intangible assets
- Note 4.5. Depreciation and amortisation
- Note 4.6. Impairment of assets

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Measuring fair value of property, plant and equipment	Northern Health obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, Northern Health estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices. Under FRD 103I a formal, independent revaluation occurs every five years with the revaluation performed by the VGV. In each year in between, a fair value assessment of land and buildings is undertaken utilising land and building indices issued by the VGV.
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 Northern Health 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. Northern Health applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires Northern Health to restore a right-of-use asset to its original condition at the end of a lease, Northern Health estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.
Estimating the useful life of intangible assets	Northern 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	At the end of each year, Northern Health assesses impairment by evaluating the conditions and events specific to it that may be indicative of impairment triggers. Where an indication exists, the Northern Health tests the asset for impairment. Northern Health considers a range of information when performing its assessment, including considering: • 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 Northern Health 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; and • If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the Northern Health applies material judgement and estimate to determine the recoverable amount of the asset.

Note 4.1: Property, plant and equipment

Note 4.1 (a): Gross carrying amounts and accumulated depreciation

	Consolidated 2024 $'000	Consolidated 2023 $'000
Land at fair value: Crown	54,934	72,679
Land at fair value: Freehold	11,013	3,114
Total land at fair value	**65,947**	**75,793**
Buildings at fair value	768,866	644,566
Less accumulated depreciation	-	(99,928)
Total buildings at fair value	**768,866**	**544,638**
Leasehold improvements at fair value	2,418	2,386
Less accumulated depreciation	(573)	(252)
Total leasehold improvements at fair value	**1,845**	**2,134**
Works in progress at cost	51,702	18,229
Total land and buildings	**888,360**	**640,793**
Plant and equipment at fair value	5,519	4,661
Less accumulated depreciation	(3,438)	(2,998)
Total plant and equipment at fair value	**2,081**	**1,663**
Motor vehicles at fair value	5,117	2,603
Less accumulated depreciation	(2,475)	(2,126)
Total motor vehicles at fair value	**2,642**	**477**
Medical equipment at fair value	83,317	75,450
Less accumulated depreciation	(50,032)	(45,272)
Total medical equipment at fair value	**33,284**	**30,178**
Computer equipment at fair value	33,965	25,841
Less accumulated depreciation	(22,212)	(17,346)
Total computer equipment at fair value	**11,753**	**8,494**
Furniture and fittings at fair value	5,555	5,260
Less accumulated depreciation	(3,589)	(3,204)
Total furniture and fittings at fair value	**1,966**	**2,056**
Cultural assets at fair value	654	457
Less accumulated depreciation	-	-
Total cultural assets at fair value	**654**	**457**
Total plant, equipment, furniture, fittings and vehicles at fair value	**52,381**	**43,325**
Total property, plant and equipment	**940,741**	**684,119**

Note 4.1. Property, plant and equipment (continued)

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

	Note	Land $'000	Buildings $'000	Building works in progress $'000	Leasehold Improvements $'000	Plant and equipment $000	Motor vehicles $'000	Medical equipment $'000	Computer equipment $'000	Furniture and Fittings $'000	Cultural assets $'000	Total $'000
Balance at 1 July 2022		**53,899**	**438,888**	**68,824**		**1,495**	**724**	**24,214**	**9,473**	**1,036**	**457**	**599,012**
Additions		-	60,797	16,930	2,386	36	107	7,541	1,400	707	-	89,903
Disposals		21,894	13,082			537		386	75	328		36,300
Revaluation increments/(decrements)		-	-	-	-	-	-	(80)	-	-	-	(80)
Net transfers between classes		-	60,664	(67,526)	-	22	-	3,738	2,796	307	-	-
Depreciation	4.5	-	(28,793)	-	(252)	(426)	(355)	(5,620)	(5,249)	(321)	-	(41,016)
Balance at 30 June 2023	4.1(a)	**75,793**	**544,638**	**18,229**	**2,134**	**1,663**	**477**	**30,179**	**8,494**	**2,056**	**457**	**684,119**
Additions		-	4,721	42,736	32	435	2,710	4,069	5,418	215	(1)	60,336
Asset transfer-in via contributed equity		2,658	20,644	1,376	-	277	37	3,661	225	80	-	28,958
Disposals		-	-	-	-	(8)	(16)	(54)	(8)	-	-	(86)
Revaluation increments/(decrements)		(12,504)	226,236	-	-	-	-	-	-	-	-	213,732
Net transfers between classes		-	5,165	(10,639)	-	200	-	1,899	3,177	-	198	-
Depreciation	4.5	-	(32,538)	-	(320)	(486)	(566)	(6,470)	(5,553)	(385)	-	(46,318)
Balance at 30 June 2024	4.1(a)	**65,947**	**768,866**	**51,702**	**1,846**	**2,081**	**2,642**	**33,284**	**11,753**	**1,966**	**654**	**940,741**

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by Northern Health in the delivery 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 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.

Subsequent measurement

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

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

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, Northern Health performs 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% 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% 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%, Northern Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Northern Health's property, plant and equipment was performed by the VGV effective at 30 June 2024. The valuation, which complies with Australian Valuation Standards, was determined by 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.

Note 4.1. Property, plant and equipment (continued)

Revaluation (continued)

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 property, plant and equipment 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 property, plant and equipment 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 4.2. Right-of-use assets

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

	Consolidated 2024 $'000	Consolidated 2023 $'000
Right-of-use concessionary land at fair value	22,241	22,241
Less accumulated depreciation	(5,926)	(4,741)
Total right of use land at fair value	**16,315**	**17,500**
Right-of-use buildings at fair value	15,581	8,269
Less accumulated depreciation	(3,081)	(1,965)
Total buildings at fair value	**12,500**	**6,305**
Total right of use concessionary land buildings	**28,815**	**23,805**
Right-of-use plant, equipment, furniture, fittings and vehicles at fair value	482	300
Less accumulated depreciation	(242)	(92)
Total right-of-use plant, equipment, furniture, fittings and vehicles at fair value	**240**	**208**
Total right of use assets	**29,055**	**24,013**

Note 4.2(b): Reconciliation of carrying amount of each class of asset

	Note	Right-of-use-Land $'000	Right-of-use-Buildings $'000	Right-of-use-PE, FF&V $'000	Total $'000
Balance at 1 July 2022		**18,685**	**1,779**	**-**	**20,464**
Additions		-	6,092	300	6,391
Disposals		-	-	-	-
Revaluation increments/(decrements)		-	6	-	6
Net transfers between classes		-	-	-	-
Depreciation	4.5	(1,185)	(1,571)	(92)	(2,848)
Balance at 30 June 2023	4.2(a)	**17,500**	**6,305**	**208**	**24,013**
Additions		-	8,703	222	8,925
Disposals		-	-	(68)	(68)
Revaluation increments/(decrements)		-	124	(3)	121
Net transfers between classes		-	-	-	-
Depreciation	4.5	(1,185)	(2,632)	(119)	(3,936)
Balance at 30 June 2024	4.2(a)	**16,315**	**12,500**	**240**	**29,055**

Right of Use assets carried at valuation

The VGV re-valued all of Northern Health's right-of-use assets to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts 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 is 30 June 2024.

How we recognise right-of-use assets

Initial recognition

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

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

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

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

Northern 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 asset arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable.

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

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

Note 4.3 Property, plant and equipment revaluation surplus

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Balance at the beginning of the reporting period		277,528	277,528
Revaluation increment			
Land	4.1(b)	(12,504)	-
Buildings	4.1(b)	226,236	-
Balance at the end of the reporting period		**491,260**	**277, 528**
Represented by:			
Land		61,323	73,828
Buildings		429,862	203,626
Cultural assets		75	75
Total		**491,260**	**277,528**

Note 4.4 Intangible assets

Note 4.4(a): Gross carrying amount and accumulated amortisation

	Consolidated 2024 $'000	Consolidated 2023 $'000
Software at cost	8,726	8,511
Less accumulated depreciation	(8,421)	(8,147)
Total software	**305**	**365**
WIP Software at cost	-	230
Total works in progress software	**-**	**230**
Total intangible assets[1]	**305**	**595**

[1] An intangible asset is an identifiable non-monetary asset without physical substance such as computer software and developed costs.

Note 4.4(b): Reconciliation of carrying amount by class of asset

	Note	Software $'000	Work in progress $000	Total $'000
Balance at 1 July 2022		**747**	**414**	**1,161**
Additions		217	106	324
Disposals		-	(290)	(290)
Revaluation increments/(decrements)		-	-	-
Net transfers between classes		-	-	-
Depreciation	4.5	(600)	-	(600)
Balance at 30 June 2023	4.4(a)	**365**	**230**	**595**
Additions		-	-	-
Disposals		-	(16)	(16)
Revaluation increments/(decrements)		-	-	-
Net transfers between classes		214	(214)	-
Depreciation	4.5	(274)	-	(274)
Balance at 30 June 2024	4.4(a)	**305**	**-**	**305**

[1] Work in progress additions from the prior year have been reclassified to other administrative expenses.

Note 4.4(b): Reconciliation of carrying amount by class of asset (continued)

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 use or sell the intangible asset; and
- 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

	Consolidated 2024 $'000	Consolidated 2023 $'000
Depreciation		
Property, plant and equipment		
Buildings	32,858	29,045
Plant and equipment	486	426
Motor vehicles	566	355
Medical equipment	6,470	5,620
Computer equipment	5,553	5,249
Furniture and fittings	385	321
Total depreciation- property, plant and equipment	**46,318**	**41,016**
Right-of-use assets		
Right-of-use land	1,185	1,185
Right-of-use buildings	2,632	1,571
Right-of-use plant, equipment, furniture, fittings and motor vehicles	119	92
Total depreciation- right-of-use assets	**3,936**	**2,848**
Total depreciation	**50,254**	**43,864**
Amortisation		
Software	274	600
Total amortisation	**274**	**600**
Total depreciation and amortisation	**50,528**	**44,464**

How we recognise depreciation

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite lives are depreciated. This excludes assets held for sale and land. 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 involves the transfer of ownership of the underlying asset or the cost of the right-of-use asset reflects that Northern Health 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.

Note 4.5 Depreciation and amortisation (continued)

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

	2024	2023
Buildings		
Structure shell building fabric	15 - 47 years	5 - 53 years
Site engineering services and central plant	7 - 33 years	17 - 33 years
Central Plant		
Fit out	3 - 24 years	2 - 18 years
Trunk reticulated building Systems	2 - 23 years	7 - 23 years
Medical equipment	7 - 10 years	7 - 10 years
Computers and communication	3 years	3 years
Furniture and fittings	10 years	10 years
Motor vehicles	4 years	4 years
Non-medical equipment	3 - 10 years	3 - 10 years
Plant and equipment	3 - 10 years	3 - 10 years
Intangible assets	3 years	3 years

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

The annual depreciation expense is $48m with the adoption of the revised building useful lives. In contrast, using the original remaining useful life would have resulted in an annual depreciation expense of $74m. This change has resulted in a notional reduction of $26m depreciation expense. The reassessment aligns the building values more closely with their anticipated economic benefits.

Note 4.6 Impairment of Assets

How we recognise impairment

At the end of each reporting period, Northern 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.

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, Northern 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, Northern Health estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Note 5. Other assets and liabilities

This section provides an account of the assets and liabilities that arose from Northern Health's operations.

Structure

- Note 5.1. Receivables and contract assets
- Note 5.2. Payables and contract liabilities
- Note 5.3. 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	Northern 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.
Classifying a sub-lease arrangement as either an operating lease or finance lease	Northern Health applies material judgement to determine if a sub-lease arrangement, where we are a lessor, meets the definition of an operating lease or finance lease. Northern Health considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if: • The lease transfers ownership of the asset to the lessee at the end of the term; • The lessee has an option to purchase the asset for a price that is significantly below fair value at the end of the lease term; • The lease term is for the majority of the asset's useful life; • The present value of lease payments amount to the approximate fair value of the leased asset; and • The leased asset is of a specialised nature that only the lessee can use without significant modification. All other sub-lease arrangements are classified as an operating lease.
Measuring deferred capital grant income	Where Northern 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. Northern Health applies material judgement when measuring the deferred capital grant income balance, which references the estimated the stage of completion at the end of each financial year.
Measuring contract liabilities	Northern 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 Northern Health assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include Northern Health's obligation to restore leased assets to their original condition at the end of a lease term. Northern Health applies material judgement and estimate to determine the present value of such restoration costs.

Note 5.1. Receivables and contract assets

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Current receivables			
Contractual			
Inter hospital debtors		-	705
Trade receivables		5,390	4,555
Patient fees		10,356	9,961
Allowance for impairment losses	5.1(a)	(5,659)	(5,062)
Amounts receivable from governments and agencies		-	-
Total contractual receivables		**10,087**	**10,159**
Statutory			
GST Receivable		3,778	5,355
Total statutory receivables		**3,778**	**5,355**
Total current receivables		**13,865**	**15,514**
Non-current receivables			
Contractual			
LSL - DH		72,999	58,313
Total non-current receivables		**72,999**	**58,313**
Total receivables		**86,864**	**73,827**
(i) Financial assets classified as receivables (Note 7.1(a))			
Total receivables		86,864	73,827
GST receivable		(3,778)	(5,355)
Total financial assets	7.1(a)	**83,086**	**68,472**

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

	Consolidated 2024 $'000	Consolidated 2023 $'000
Balance at the beginning of the year	(5,062)	(3,292)
Increase in allowance	(729)	(3,740)
Amount written off during the year	132	1,970
Balance at the end of the year	**(5,659)**	**(5,062)**

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. Northern Health holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment; and
- **Statutory receivables**, including 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. Northern Health applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Note 5.1. Receivables and contract assets (continued)

Trade debtors are carried at the nominal amounts 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.

Northern Health is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Impairment losses of contractual receivables

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

Note 5.1(b) Contract assets

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Current			
Contract assets		2,315	2,284
Total current contract assets		2,315	2,284
Total contract assets	5.1(c)	2,315	2,284

Note 5.1(c) Movement in contract assets

	Consolidated 2024 $'000	Consolidated 2023 $'000
Opening balance of contract assets	2,284	1,736
Add: Additional costs incurred that are recoverable from the customer	2,157	897
Less: Transfer to trade receivable or cash at bank	(2,126)	(349)
Less: impairment allowance	-	-
Closing balance of contract assets	2,315	2,284

How we recognise contract assets

Contract assets relate to the Northern 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 5.2. Payables and contract liabilities

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Current payables			
Contractual			
Trade creditors		2,368	8,347
Accrued salaries and wages		47,475	32,448
Accrued expenses		33,358	25,938
Deferred capital income	5.2(a)	10,095	4,982
Salary packaging		964	631
Superannuation		3,411	2,030
Inter hospital creditors		3,542	194
Amounts payable to government and agencies		700	1,300
Other		214	293
Total contractual payables		**102,127**	**76,164**
Total current payables		**102,127**	**76,164**
(i) Financial liabilities classified as payables (Note 7.1(a))			
Total payables		102,127	76,164
Deferred grant income		(10,095)	(4,982)
Total financial liabilities	7.1(a)	**92,032**	**71,182**

How we recognise payables and contract liabilities

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 Northern Health prior to the end of the financial year that are unpaid; and
- **Statutory payables**, including amounts payable to the Victorian Government and 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.

Standard credit terms for accounts payable are usually net 30 days.

Note 5.2 (a) Movement in deferred capital grant income

	Consolidated 2024 $'000	Consolidated 2023 $'000
Opening balance of deferred grant income	4,982	11,784
Grant consideration for capital works received during the year	19,080	16,596
Grant revenue for capital works recognised consistent with the capital works undertaking during the year	(13,967)	(23,397)
Closing balance of deferred grant income	**10,095**	**4,982**

How we recognise deferred capital grant income

Grant consideration was received from DH to support the construction of infrastructure assets.

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

Northern Health expects to recognise the remaining deferred capital grant income in line with the delivery of capital works in future years.

Note 5.2. Payables and contract liabilities (continued)

Note 5.2 (b) Contract liabilities

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Current			
Contract liabilities		2,363	2,205
Total current contract liabilities		**2,363**	**2,205**
Non-current			
Contract liabilities		-	-
Total non-current contract liabilities		-	-
Total contract liabilities	5.2(c)	**2,363**	**2,205**

Note 5.2 (c) Movement in contract liabilities

	Consolidated 2024 $'000	Consolidated 2023 $'000
Opening balance of contract liabilities	2,205	2,643
Add: payment received for performance obligations yet to be completed during the period	13,360	11,482
Add: grant consideration for sufficiently specific performance obligations received during the year	-	-
Less: revenue recognised in the reporting period for the completion of a performance obligation	(13,202)	(11,920)
Less: grant revenue for sufficiently specific performance obligations work recognised consistent with the performance obligations met during the year	-	-
Closing balance of contract liabilities	**2,363**	**2,205**

How we recognise contract liabilities

Contract liabilities include consideration received in advance from customers in respect of various services or projects before a related performance obligation is satisfied.

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

Maturity analysis of payables

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

Note 5.3. Other liabilities

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Current			
Patient monies - monies in trust	7.2(b)	16	9
Refundable accommodation deposits - monies in trust	7.2(b)	15,525	6,495
Other income in advance - current		3,349	5,835
Total current monies held in trust		18,890	12,339
Non-current			
Other income in advance – non current[1]		7,467	8,352
Total non-current monies held in trust		7,467	8,352
Total other liabilities		26,357	20,691
***Represented by the following assets:**			
Cash assets	6.2	15,585	6,530
Investment and other financial assets		10,772	14,161
Total		26,357	20,691

[1]As a lessor, Northern Health classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and is classified as an operating lease if it does not. The Northern Centre for Health Education Research building was classified, assessed and accounted for as an operating lease at inception under AASB 117 and continues to be accounted for as such under AASB 16. These amounts represent the prepaid contributions made by respective tenants.

How we recognise other liabilities

Refundable Accommodation Deposit (RAD) /Accommodation bonds

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to Northern 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 bonds are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/accommodation bond in accordance with the ***Aged Care Act 1997***.

Note 6. How we finance our operations

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

- Note 6.1. Borrowings
- Note 6.2. Cash and cash equivalents
- Note 6.3. Commitments for expenditure

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	Northern Health applies material judgement to determine if a contract is or contains a lease by considering: • If it has the right-to-use an identified asset; • If it has the right to obtain substantially all economic benefits from the use of the leased asset; and • If it 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	Northern Health applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria. Northern Health estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, Northern Health applies the low-value lease exemption. Northern Health 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, Northern Health applies the short-term lease exemption.
Discount rate applied to future lease payments	Northern 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 Northern Health's lease arrangements, Northern Health uses its incremental borrowing rate, which is the amount we 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. For leased land and buildings, Northern Health estimated the incremental borrowing rate to be between 2.06% and 5.85%.
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 Northern Health is reasonably certain to exercise such options. Northern Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: • If there are significant penalties to terminate (or not extend), Northern Health is typically reasonably certain to extend (or not terminate) the lease; • If any leasehold improvements are expected to have a significant remaining value, the Northern Health is typically reasonably certain to extend (or not terminate) the lease; and • Northern Health considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1. Borrowings

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Current borrowings			
Lease liability[1]	6.1(a)	2,537	1,405
Advances from government[2]		62	-
Total current borrowings		2,599	1,405
Non-current borrowings			
Lease liabilities[1]	6.1(a)	10,701	5,319
Advances from government[2]		54	-
Total non-current borrowings		10,755	5,319
Total borrowings	7.1(a)	13,354	6,724

[1] The borrowing rate is between 2.062% and 5.854%.
[2] These are secured loans which bear no interest.

How we recognise borrowings
Borrowings refer to interesting bearing liabilities mainly raised from advances from TCV and other funds raised through lease liabilities.

Initial recognition
All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Northern Health has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

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 or breaches of any of the loans.

Note 6.1 (a) Lease liabilities

Northern Health's lease liabilities are summarised below:

	Consolidated 2024 $'000	Consolidated 2023 $'000
Total undiscounted lease liabilities	15,287	8,213
Less unexpected finance expenses	(2,049)	(1,489)
Net lease liabilities	13,238	6,724

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

	Consolidated 2024 $'000	Consolidated 2023 $'000
Leasing liabilities		
No longer than one year	3,136	1,706
Longer than one year and not later than five years	9,777	3,583
Longer than five years	2,374	2,925
Minimum future lease liability	15,287	8,213
Less unexpired finance charges	(2,049)	(1,489)
Present value of lease liability	13,238	6,724
Represented by		
Current liabilities	2,537	1,405
Non-current liabilities	10,701	5,319
Total leasing liabilities	13,238	6,724

Note 6.1 (a) Lease liabilities (continued)

How we recognise lease liabilities

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

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

Northern Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased land	13 to 28 years
Leased buildings	4 to 6 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. Low value, short term and variable lease payments are recognised in profit or loss.

Type of payment	Description of payment	Type of leases captured
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than $10,000	Office and medical equipment
Short-term lease payments	Leases with a term less than 12 months	Motor Vehicles

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 Northern Health's incremental borrowing rate. Our lease liabilities have been discounted by rates between 2.062% and 5.854%.

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:

- Building leases:
  Options to extend can vary from one fixed-term of two years and up to two fixed-terms of five years.

These terms are used to maximise operational flexibility in terms of managing contracts. Extension and termination options are exercisable only by Northern Health 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).

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

During the current financial year, no extension or termination option was exercised in recognised lease liabilities and right-of-use assets.

Note 6.1 (a) Lease liabilities (continued)

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

Northern Health holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable it to achieve its objectives. These are commonly referred to as a peppercorn or concessionary lease arrangement.

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

Description of leased asset	Our dependence on lease	Nature and terms of lease
Broadmeadows Hospital campus land	The leased land is used to accommodate the Broadmeadows Hospital buildings. Northern Health's dependence on this lease is considered high given its nature (i.e. land).	There are no lease payments associated with this lease. The current lease commenced in August 2018 with a lease term of 10 years. The lease extension will be negotiated between Northern Health and DH. There are no restrictions placed on the use of the asset other the standard conditions that apply to all land and buildings controlled by Northern Health.
Craigieburn Centre campus land	The leased land is used to accommodate the Craigieburn Centre buildings. Northern Health's dependence on this lease is considered high given its nature (i.e. land).	There are no lease payments associated with this lease. The current lease commenced in April 2017 with a lease term of 20 years. The lease extension will be negotiated between Northern Health and DH. There are no restrictions placed on the use of the asset other the standard conditions that apply to all land and buildings controlled by Northern Health.

Note 6.2. Cash and cash equivalents

	Consolidated 2024 $'000	Consolidated 2023 $'000
Cash on hand (excluding monies held in trust)	34	33
Cash at bank - CBS (excluding monies held in trust)	55,646	132,720
Total cash held for operations	**55,680**	**132,753**
Cash at bank - CBS (monies held in trust)	15,585	6,530
Total cash held as monies in trust	**15,585**	**6,530**
Total cash and cash equivalents 7.1(a)	**71,265**	**139,283**

How we recognise cash and cash equivalents

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

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

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

Note 6.3. Commitments for expenditure

	Consolidated 2024 $'000	Consolidated 2023 $'000
Capital expenditure commitments		
Less than one year	53,943	42,207
Longer than one year but not longer than five years	9,690	7,385
Five years or more	-	-
Total capital expenditure commitments	**63,633**	**49,592**
Operating commitments		
Less than one year	74,891	61,139
Longer than one year and not longer than five years	146,026	51,736
Five years or more	4,600	1,135
Total operating expenditure commitments	**225,517**	**114,010**
Non-cancellable short term and low value lease commitments		
Less than one year	16	571
Longer than one year and not longer than five years	17	1,126
Five years or more	-	147
Total non-cancellable short term and low value lease commitments	**33**	**1,844**
Total commitments for expenditure (inclusive of GST)	**289,183**	**165,446**
less GST recoverable from the ATO[1]	(26,289)	(15,041)
Total commitments for expenditure (exclusive of GST)	**262,894**	**150,405**

[1]Supply of medical items, including drugs and diagnostic services, such as radiology and pathology are GST free.

How we disclose our commitments
Our commitments relate to expenditure and short term and low value leases.

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

Northern Health has entered into commercial leases on certain medical equipment, computer equipment and property where it is not in the interest of Northern Health to purchase these assets. These leases have an average life of between 1 and 20 years with renewal terms included in the contracts. Renewal is at the option of Northern Health. There are no restrictions placed upon Northern Health by entering into these leases.

Short term and low value leases
Northern 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(a) for further information.

Note 7. Risks, contingencies and valuation uncertainties

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

Structure:

- Note 7.1. Financial instruments
- Note 7.2. Financial risk management objectives and policies
- Note 7.3. Contingent assets and contingent liabilities
- Note 7.4. Fair value determination

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Measuring fair value of non-financial assets	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. In determining the highest and best use, Northern Health has assumed the current use is its highest and best use. Accordingly, characteristics Northern Health's assets are considered, including condition, location and any restrictions on the use and disposal of such assets. Northern Health uses a range of valuation techniques to estimate fair value, which include the following: • Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Northern Health's specialised land, non-specialised land, non-specialised buildings, investment properties and cultural assets 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 Northern Health's specialised buildings, furniture, fittings, plant, equipment and vehicles are measured using this approach; and • Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Northern Health does not this use approach to measure fair value. Northern Health 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. Subsequently, the Northern Health applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes: • Level 1, using quoted prices (unadjusted) in active markets for identical assets that Northern Health can access at measurement date. Northern 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. Northern Health categorises non-specialised land and right-of-use concessionary land in this level; and • Level 3, where inputs are unobservable. Northern 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. The Northern Health Foundation, which is the controlled entity of Northern Health, applies the same judgements and estimates above in measuring the fair value of its non-financial assets.

Note 7.1. Financial instruments

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

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

Note 7.1 (a) Categorisation of financial instruments:

Consolidated 2024	Note	Financial assets at amortised cost $'000	Financial Assets at Fair Value Through Other Comprehensive Income $'000	Financial liabilities at amortised cost $'000	Total $'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	71,265	-	-	71,265
Receivables	5.1	83,086	-	-	83,086
Contract assets	5.1(b)	2,315	-	-	2,315
Investment and Other financial assets		750	499	-	1,249
Total Financial Assets		**157,416**	**499**	**-**	**157,915**
Financial Liabilities					
Payables	5.2	-	-	92,032	92,032
Contract liabilities	5.2(b)	-	-	2,363	2,363
Borrowings	6.1	-	-	13,354	13,354
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	-	15,525	15,525
Other Financial Liabilities - Monies held in trust	5.3	-	-	16	16
Total Financial Liabilities		-	**-**	**123,290**	**123,290**

Consolidated 2023	Note	Financial assets at amortised cost $'000	Financial Assets at Fair Value Through Other Comprehensive Income	Financial liabilities at amortised cost $'000	Total $'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	139,283	-	-	139,283
Receivables	5.1	68,472	-	-	68,472
Contract assets	5.1(b)	2,284	-	-	2,284
Investment and Other financial assets		500	476	-	976
Total Financial Assets		**210,540**	**476**	**-**	**211,016**
Financial Liabilities					
Payables	5.2	-	-	71,182	71,182
Contract liabilities	5.2(b)	-	-	2,205	2,205
Borrowings	6.1	-	-	6,724	6,723
Other Financial Liabilities - Refundable Accommodation Deposits	5.3	-	-	6,495	6,495
Other Financial Liabilities - Monies held in trust	5.3	-	-	9	9
Total Financial Liabilities		-	**-**	**86,615**	**86,615**

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when Northern Health becomes party to the contractual provisions to the instrument. For financial assets, this is at the date Northern 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.

Note 7.1. Financial instruments (continued)

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 Northern Health solely to collect the contractual cash flows; and
- The assets' contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specific dates.

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

Northern Health recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities are recognised when Northern 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.

Northern Health recognises the following liabilities in this category:

- Payables (excluding statutory payables and contract liabilities);
- Borrowings; and
- 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 another economic flow included in the net result.

De-recognition 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
- Northern 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
- Northern 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 Northern Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Northern Health's continuing involvement in the asset.

Note 7.1. Financial instruments (continued)

De-recognition 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments

A financial asset is required to be reclassified between fair value and amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Northern 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, Northern 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.

Northern Health's main financial risks include credit risk, liquidity risk, interest rate risk and equity price risk. Northern Health manages these financial risks in accordance with its financial risk management policy.

Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2 (a) Credit risk

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

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

In addition, Northern 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, Northern 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 Northern 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 page, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Northern Health's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to Northern Health's credit risk profile in 2023-24.

Impairment of financial assets under AASB 9

Northern Health records the allowance for expected credit loss for the relevant financial instruments by applying AASB 9's Expected Credit Loss approach. Subject to AASB 9, the impairment assessment includes Northern Health's contractual receivables. 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.

Note 7.2. Financial risk management objectives and policies (continued)

Impairment of financial assets under AASB 9 (continued)

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

Contractual receivables at amortised costs

Northern Health applied 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 rate. Northern Health has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate on Northern Health's past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

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

2024	Note	Current $000s	Less than 1 month $000s	1-3 Months $000s	3 months - 1 Year $000s	1-5 Years $000s	Total $000s
Expected loss rate		19.6%	35.7%	29.2%	43.6%	37.9%	
Gross carrying amount of contractual receivables	5.1	7,334	1,711	677	4,408	3,931	18,061
Loss allowance		(1,439)	(611)	(198)	(1,921)	(1,490)	(5,659)
2023							
Expected loss rate		10.8%	29.2%	31.7%	52.7%	55.8%	
Gross carrying amount of contractual receivables	5.1	7,958	2,906	885	4,320	1,437	17,505
Loss allowance		(856)	(848)	(280)	(2,276)	(802)	(5,062)

Note 7.2 (b) Liquidity risk

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

Northern Health is exposed to liquidity risk mainly through the financial liabilities as disclosed in the balance sheet.

Northern Health manages its liquidity risk by:

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

Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.

The following table discloses the contractual maturity analysis for Northern Health's financial liabilities. The interest rates applicable to each class of liability are covered in note 6.1: Borrowings. The ageing analysis of financial liabilities excludes statutory financial liabilities (i.e. GST payable).

				Maturity Dates				
2024	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
Payables	5.2	92,032	92,032	53,159	7,068	31,805	-	-
Borrowings	6.1	13,354	15,287	142	284	2,710	9,777	2,374
Other financial liabilities	5.3	15,541	15,541	15,541	-	-	-	-
Total financial liabilities		120,927	122,860	68,842	7,352	34,515	9,777	2,374
2023								
Payables	5.2	71,182	71,182	45,502	4,669	21,010	-	-
Borrowings	6.1	6,724	8,213	142	284	1,279	3,583	2,924

Other financial liabilities	5.3	6,504	6,504	6,504	-	-	-	-
Total financial liabilities		**84,409**	**85,899**	**52,149**	**4,953**	**22,290**	**3,583**	**2,924**

Note 7.2. Financial risk management objectives and policies (continued)

Note 7.2 (c) Market risk

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

Sensitivity disclosure analysis and assumptions

Northern Health's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. Northern 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 and changes in the top ASX 200 index of 15 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. Northern 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. Northern Health has minimal exposure to cash flow interest rate risks through cash and deposits and term deposits.

Note 7.3 Contingent assets and contingent liabilities

Northern Health does not have any contingent assets or liabilities as at 30 June 2024 (2023: nil).

Note 7.4 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through other comprehensive income;
- Property, plant and equipment; and
- Right-of-use assets.

In addition, the fair value of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure.

Valuation hierarchy

In determining fair values, a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Northern 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.

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

Note 7.4 Fair value determination (continued)

Identifying unobservable inputs (level 3) fair value measurements

Level 3 fair value inputs are unobservable valuation inputs for an asset or liability. These inputs require significant judgement and assumptions in deriving fair value for both financial and non-financial assets. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

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

			Fair value measurement at 30 June 2024 using:		
	Note	Consolidated carrying amount 30 June 2024 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Non-specialised land		200	-	200	-
Specialised land		65,747	-	7,500	58,247
Total land at fair value	4.1(b)	**65,947**	**-**	**7,700**	**58,247**
Non-specialised buildings		370	-	370	-
Specialised buildings		768,496	-	90	768,406
Total buildings at fair value	4.1(b)	**768,866**	**-**	**460**	**768,406**
Plant and equipment	4.1(b)	2,081	-	-	2,081
Motor vehicles	4.1(b)	2,642	-	-	2,642
Medical equipment	4.1(b)	33,284	-	-	33,284
Computer equipment	4.1(b)	11,753	-	-	11,753
Furniture and fittings	4.1(b)	1,966	-	-	1,966
Cultural assets	4.1(b)	654	-	654	-
Total plant, equipment, furniture, fittings and Vehicles at fair value		**52,380**	**-**	**654**	**51,726**
Right-of–use concessionary land	4.2(b)	16,315	-	16,315	-
Right-of-use buildings	4.2(b)	12,500	-	-	12,500
Right-of-use plant, equipment, furniture, fittings and vehicles	4.2(b)	240	-	-	240
Total right-of-use assets at fair value		**29,055**	**-**	**16,315**	**12,740**
Total non-financial physical assets at fair value		**916,248**	**-**	**25,129**	**891,119**

			Fair value measurement at 30 June 2023 using:		
	Note	Consolidated carrying amount 30 June 2023 $'000	Level 1 $'000	Level 2 $'000	Level 3 $'000
Non-specialised land		200	-	200	-
Specialised land		75,593	-	-	75,593
Total of land at fair value	4.1(b)	**75,793**	**-**	**200**	**75,593**
Non-specialised buildings		275	-	275	-
Specialised buildings		544,363	-	296,300	248,063
Total buildings at fair value	4.1(b)	**544,638**	**-**	**296,575**	**248,063**
Plant and equipment	4.1(b)	1,663	-	-	1,663
Motor vehicles	4.1(b)	477	-	-	477
Medical equipment	4.1(b)	30,178	-	-	30,178
Computer equipment	4.1(b)	8,494	-	-	8,494
Furniture and fittings	4.1(b)	2,056	-	-	2,056
Cultural assets	4.1(b)	457	-	457	-
Total plant, equipment, furniture, fittings and Vehicles at fair value		**43,325**	**-**	**457**	**42,868**
Right-of-use concessionary land	4.2(b)	17,500	-	17,500	-
Right-of-use buildings	4.2(b)	6,305	-	-	6,305
Right-of-use plant, equipment, furniture, fittings and vehicles	4.2(b)	208	-	-	208
Total right-of-use assets at fair value		**24,013**	**-**	**17,500**	**6,513**
Total non-financial physical assets at fair value		**687,769**	**-**	**314,732**	**373,037**

Note 7.4 Fair value determination (continued)

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.
In accordance with AASB 13 Fair Value Measurement paragraph 29, Northern 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, non-specialised buildings, investment properties and cultural assets

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

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

Specialised land and specialised buildings

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

During the reporting period, Northern Health held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.
The market approach is also used for specialised land 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 Northern Health Service, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

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

Vehicles

The Northern 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).

Note 7.4 Fair value determination (continued)

Furniture, fittings, plant and equipment

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

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

Reconciliation of level 3 fair value measurement

Consolidated	Note	Land $'000	Buildings $'000	Plant, equipment, furniture, fittings and vehicles $'000	Right-of-use building $'000	Right-of-use plant, equipment, furniture, fittings and vehicles $'000
Balance at 1 July 2022		**53,699**	**261,732**	**36,942**	**1,779**	**-**
Additions/(Disposals)		-	-	9,710	6,097	300
Asset transfer-in- via contributed equity		21,894	8,841	1,325	-	-
Net transfers between classes		-	-	6,862	-	-
Gains/(Losses) recognised in net results						
-Depreciation and amortisation		-	(22,510)	(11,971)	(1,571)	(92)
Items recognised in other comprehensive income						
-Revaluation		-	-	-	-	-
Balance at 30 June 2023	**7.4(a)**	**75,593**	**248,062**	**42,868**	**6,305**	**208**
Additions/(Disposals)		-	-	12,763	8,827	151
Asset transfer-in- via contributed equity		2,658	20,644	4,280	-	-
Net transfers between classes		(6,713)	297,035	5,276	-	-
Gains/(Losses)recognised in net result						
-Depreciation and amortisation		-	(23,412)	(13,460)	(2,632)	(119)
Items recognised in other comprehensive income						
-Revaluation		(13,291)	226,077	-	-	-
Balance at 30 June 2024	**7.4(a)**	**58,247**	**768,406**	**51,727**	**12,500**	**240**

Fair value determination of level 3 fair value measurement

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Specialised land (Crown/freehold)	Market approach	Community Service Obligations Adjustment (range of 0%-30%)
Specialised buildings	Current replacement cost approach	Cost per square metre Useful life
Non-specialised buildings	Current replacement cost approach	Cost per square metre Useful life
Plant, equipment, furniture, fittings and vehicles	Current replacement cost approach	Cost per unit Useful life

Note 8. Other disclosures

This section includes additional disclosures required by the accounting standards or otherwise, for the understanding of these financial statements.

Structure:

- Note 8.1. Reconciliation of net result for the year to net cash flows from operating activities
- Note 8.2. Responsible persons disclosures
- Note 8.3. Remuneration of executives
- Note 8.4. Related parties
- Note 8.5. Remuneration of auditors
- Note 8.6. Ex-gratia payments
- Note 8.7. Events occurring after the balance sheet date
- Note 8.8. Controlled entities
- Note 8.9. Equity
- Note 8.10. Economic dependency
- Note 8.11 Financial information of Kilmore District Health

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

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Net Result for the year		(115,791)	46,394
Non-cash movements			
Depreciation of non-current assets	4.5	50,254	43,864
Amortisation of non-current assets	4.5	274	600
Net (gain) / loss from other economic flows in net result	3.2	(1,003)	9,251
Government non-cash grants		(20,029)	(65,313)
Movements in assets and liabilities			
(Increase)/Decrease in receivables		(13,036)	(26,642)
(Increase)/Decrease in contract assets		(31)	(549)
(Increase)/Decrease in inventories		(400)	(489)
(Increase)/Decrease in prepaid expenses		3,895	(12,369)
Increase/(Decrease) in payables		25,963	(2,810)
Increase/(Decrease) in contract liabilities		158	(438)
Increase/(Decrease) in borrowings		6,631	4,745
Increase/(Decrease) in employee benefits		38,809	37,649
Increase/(Decrease) in other provisions		5,665	5,721
Net cash flow from operating activities		**(18,641)**	**39,613**

Note 8.2. Responsible persons disclosures

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

	Period
Responsible Minister	
Former Minister for Medical Research, The Hon. Mary-Anne Thomas MP	01/07/2023 – 02/10/2023
Minister for Health, The Hon. Mary-Anne Thomas MP	01/07/2023 – 30/06/2024
Minister for Health Infrastructure, The Hon. Mary-Anne Thomas MP	01/07/2023 – 30/06/2024
Minister for Ambulance Services, The Hon. Mary-Anne Thomas MP	02/10/2023 – 30/06/2024
Former Minister for Ambulance Services, The Hon. Gabrielle Williams MP	01/07/2023 – 02/10/2023
Former Minister for Mental Health, The Hon. Gabrielle Williams MP	01/07/2023 – 02/10/2023
Minister for Mental Health, The Hon. Ingrid Stitt MP	02/10/2023 – 30/06/2024
Minister for Ageing, The Hon. Ingrid Stitt MP	02/10/2023 – 30/06/2024
Former Minister for Disability, Ageing and Carers, The Hon. Lizzie Blandthorn MP	01/07/2023 – 02/10/2023
Minister for Children, The Hon. Lizzie Blandthorn MP	02/10/2023 – 30/06/2024
Minister for Disability, The Hon. Lizzie Blandthorn MP	02/10/2023 – 30/06/2024
Governing Board	
Ms Jennifer Williams AM (Chair)	01/07/2023- 30/06/2024
Mr Phillip Bain	01/07/2023- 30/06/2024
Dr Sherene Devanesen AM	01/07/2023- 30/06/2024
Mr Dominic Isola	01/07/2023- 30/06/2024
Dr Andrea Kattula	01/07/2023- 30/06/2024
Ms Jo-Anne Mazzeo	06/11/2023- 30/06/2024
Mr Peter McDonald	01/07/2023- 30/06/2024
Ms Linda Rubinstein	01/07/2023- 30/06/2024
Mr John Watson	01/07/2023- 30/06/2024
Accountable Officer	
Mr Siva Sivarajah, Chief Executive	01/07/2023- 30/06/2024

Remuneration of Responsible Persons The number of responsible persons is shown in their relevant income bands: **Income band**	Consolidated **2024** **No.**	Consolidated **2023** **No.**
$20,000 - $29,999	1	-
$30,000 - $39,999	7	-
$40,000 - $49,999	-	8
$80,000 - $89,999	1	1
$540,000 - $549,999	-	1
$570,000 - $579,999	1	-
Total numbers	**10**	**10**

	2024 **$'000**	**2023** **$'000**
Total remuneration received or receivable by Responsible Persons from the reporting entity amounted to:	**962**	**921**

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in Northern Health's controlled entities financial statements.

Amounts relating to Responsible Ministers are reported within the Department of Parliamentary Services' Financial Report.

Note 8.3. Remuneration of Executives

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

Remuneration of Executive Officers (Including Key Management Personal Disclosed in Note 8.4)	Consolidated 2024 $'000	Consolidated 2023 $'000
Short term employee benefits	2,752	2,713
Other long-term benefits	85	84
Post-employment benefits	302	285
Total remuneration of Executive Officers[1]	**3,139**	**3,081**
Total number of executives	9	9
Total annualised employee equivalent[2]	9	9

[1] The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of Northern Health under *AASB 124 Related Party Disclosures* and are also reported within Note 8.4. Related parties.

[2] The 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 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 contribution) paid or payable on a discrete basis when employment has ceased.

Other long-term benefits

LSL, other LSL benefits or deferred compensation.

Note 8.4. Related parties

Northern Health is a wholly owned and controlled entity of the State of Victoria.

Related parties of Northern Health include:

- All key management personnel (KMP) and their close family members;
- All cabinet ministers and their close family members;
- Controlled entities (the Northern Health Research, Training and Equipment Trust and the Northern Health Research, Training and Equipment Foundation Limited); and
- All hospitals and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

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

Note 8.4. Related parties (continued)

The Board Directors and Executive of Northern Health and its controlled entities are deemed to be KMPs. The KMPs during the year were as follows.

KMP	Position
Ms Jennifer Williams AM	Director Northern Health (Chair)
Mr Phillip Bain	Director Northern Health
Dr Sherene Devanesen AM	Director Northern Health
Mr Dominic Isola	Director Northern Health
Dr Andrea Kattula	Director Northern Health
Ms Anna Macleod	Director Northern Health
Mr Peter McDonald	Director Northern Health
Ms Linda Rubinstein	Director Northern Health
Mr John Watson	Director Northern Health
Mr Siva Sivarajah	Chief Executive
Mr Jason Cirone	Chief Allied Health Officer
Mr Basil Ireland	Chief Financial Officer
Dr Wanda Stelmach	Chief Medical Officer
Ms Lisa Cox	Chief Nursing and Midwifery Officer
Ms Debra Bourne	Chief Operating Officer
Mr Anthony Gust	Executive Director Digital Health
Ms Belinda Scott	Executive Director Mental Health
Dr Bill Shearer	Executive Director, Quality and Safety
Ms Michelle Fenwick	Executive Director People and Culture

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 in the Department of Parliamentary Services' Financial Report.

Compensation - KMPs	Consolidated 2024 $'000	Consolidated 2023 $'000
Short term employee benefits[1]	3,605	3,532
Other long-term benefits	100	98
Post-employment benefits	397	371
Total compensation - KMPs[2]	**4,102**	**4,002**

[1]Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.
[2]KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Note 8.4. Related parties (continued)

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with Northern Health, no other related party transactions have been identified that involve KMPs, their close family members and their personal business interests. There has been no provision required, nor any expense recognised, for impairment of receivables from related parties.

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

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

Transactions with controlled entities

During the financial year transactions were conducted between Northern Health and the Foundation. The following transactions were conducted as part of Northern Health's normal operations and are on normal commercial terms.

Controlled entities related party transactions

	Consolidated 2024 $'000	Consolidated 2023 $'000
Distribution of funds by the Foundation	307	799
Total distribution of funds by the Foundation	**307**	**799**

Note 8.5. Remuneration of auditors

	Consolidated 2024 $'000	Consolidated 2023 $'000
Victorian Auditor-General's Office		
Audit of financial statements	87	85
Total remuneration of Auditors	**87**	**85**

Note 8.6. Ex-gratia payments

The Northern Health made ex-gratia payments of $60,293 for the year ended 30 June 2024 (2023: nil).

Note 8.7. Events occurring after the balance sheet date

There are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may affect the operations of Northern Health, the results of the operations or the state of affairs of Northern Health in the future financial years.

Note 8.8. Controlled entities

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

Name of entity	Country of incorporation	Ownership Interest %	Equity holding
Northern Health Research, Training and Equipment Foundation Ltd	Australia	100	Limited by guarantee
Northern Health Research, Training and Equipment Trust	Australia	100	100%

Net Result for the year	Consolidated 2024 $'000	Consolidated 2023 $'000
Northern Health Research, Training and Equipment Foundation Ltd	-	-
Northern Health Research, Training and Equipment Trust	610	(173)

Contingent liabilities and capital commitments

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

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 Northern 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 infrastructure, land and buildings. The revaluation surplus is not normally transferred to the accumulated surpluses/(deficits) on derecognise 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.

Restricted specific purpose reserve

Restricted specific purpose reserves are funds where Northern Health have possession or title to the funds, but have no discretion to amend or vary the restriction and/or condition underlying the funds.

Note 8.10. Economic dependency

Northern Health is a public health service governed and managed in accordance with the ***Health Services Act 1988*** and its results form part of the Victorian General Government consolidated financial position. Northern Health provides essential services and is dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA).

At the time of preparing the financial statements for the year ended 30 June 2024, the level of funding available to Northern Health for the 2024-25 financial year was yet to be finalised. Notwithstanding this uncertainty, on the basis that Northern Health is considered to be a necessary function of the Victorian Health system, it is considered highly likely that the Department of Health will continue to provide financial support to Northern Health for at least the 12 month period from the date of signing the 30 June 2024 financial statements. On that basis, the financial statements have been prepared on a going concern basis.

Note 8.11. Financial Information of Kilmore District Health

As outlined in Note 1.8, the financial statements of Kilmore District Health (KDH) are provided below for the period 1 July 2023 to 31 October 2023 being the period immediately preceding voluntary transfer of KDH's operations to Northern Health.

Kilmore District Health
Comprehensive Operating Statement
For the Period 1 July 2023 to 31 October 2023

	Total Oct 2023 $'000	Total 2023 $'000
Revenue and income from transactions		
Operating activities and other sources of income	13,160	38,284
Non-operating activities	181	250
Total revenue and income from transactions	**13,341**	**38,534**
Expenses from transactions		
Employee expenses	(9,964)	(30,509)
Supplies and consumables	(1,304)	(3,844)
Depreciation and amortisation	(740)	(2,526)
Other operating expenses	(875)	(2,864)
Total expenses from transactions	**(12,883)**	**(39,743)**
Net result from transactions - net operating balance	**458**	**(1,209)**
Other economic flows included in net result		
Other gains/(losses) from other economic flows	53	21
Total other economic flows included in net result	**53**	**21**
Net result for the year	**511**	**(1,188)**
Other economic flows- other comprehensive income		
Items that will not be reclassified to net result		
Changes in property, plant and equipment revaluation surplus	-	3,239
Total other comprehensive income	**-**	**3,239**
Comprehensive result for the year	**511**	**2,051**

Note 8.11. Financial Information of Kilmore District Health (continued)

Kilmore District Health
Balance Sheet
As at 31 October 2023

	Total Oct 2023 $'000	Total 2023 $'000
Current assets		
Cash and cash equivalents	10,997	12,841
Receivables	2,331	1,193
Inventories	204	245
Other financial assets	743	166
Total current assets	**14,275**	**14,445**
Non-current assets		
Receivables	1,740	1,740
Property, plant and equipment	28,957	28,244
Right-of-use assets	158	192
Intangible assets	-	2
Total non-current assets	**30,855**	**30,178**
Total assets	**45,130**	**44,623**
Current liabilities		
Payables	3,733	3,412
Contract liabilities	46	134
Borrowings	136	146
Employee benefit provisions	5,011	4,980
Other liabilities	7,234	7,429
Total current liabilities	**16,160**	**16,101**
Non-current liabilities		
Borrowings	199	221
Employee benefit provisions	738	779
Total non-current liabilities	**937**	**1,000**
Total liabilities	**17,097**	**17,101**
Net assets	**28,033**	**27,522**
Equity		
Property, plant and equipment revaluation surplus	22,914	22,914
Contribution capital	11,532	11,532
Accumulated surplus/(deficit)	(6,413)	(6,924)
Total equity	**28,033**	**27,522**

Kilmore District Health
Statement of Changes in Equity
For the Period 1 July 2023 to 31 October 2023

	Property, plant & equipment revaluation surplus $'000	Contributed capital $'000	Accumulated surplus/ (deficits) $'000	Total $'000
Balance at 1 July 2022	**19,675**	**11,532**	**(5,736)**	**25,471**
Net result for the year	-	-	(1,188)	(1,188)
Other comprehensive income for the year	3,239	-	-	3,239
Balance at 30 June 2023	**22,914**	**11,532**	**(6,924)**	**27,522**
Net result for the year	-	-	511	511
Balance at 31 October 2023	**22,914**	**11,532**	**(6,413)**	**28,033**

Note 8.11. Financial Information of Kilmore District Health (continued)

Kilmore District Health
Cash Flow Statement
For the Period 1 July 2023 to 31 October 2023

	Total Oct 2023 $'000	Total 2023 $'000
Cash flows from operating activities		
Operating grants from government - State	8,265	31,430
Capital grants from government - State	1,171	428
Other capital receipts	17	577
Patient and resident fees received	553	1,505
GST received from ATO	622	1,160
Recoupment from private practice for use of health service facilities	31	109
Other capital receipts	181	250
Other receipts	2,094	6,795
Total receipts	**12,934**	**42,254**
Payments to employees	(9,922)	(30,525)
Payments for supplies and consumables	(2,509)	(7,482)
GST paid to ATO	(239)	(680)
Total payments	**(12,670)**	**(38,687)**
Net cash flows from/(used in) operating activities	**264**	**3,567**
Cash flows from investing activities		
Purchase of non-financial assets	(1,392)	(1,159)
Net cash flows from/(used in) investing activities	**(1,392)**	**(1,159)**
Cash flows from financing activities		
Proceeds from investments	(68)	77
Repayment of borrowings	-	(62)
Repayment of accommodation deposits	(570)	(2,306)
Receipt of accommodation deposits	550	3,510
Net cash flows from/(used in) financing activities	**(88)**	**1,219**
Net movements from/(used in) cash and cash equivalents	**(1,216)**	**3,627**
Cash and cash equivalents at beginning of year	12,841	9,214
Cash and cash equivalents at end of year	**11,625**	**12,841**

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