RURAL northwest HEALTH

centred on you

Annual Report

2023–2024

Centred on you

This Report

Covers the period 1 July 2023 to 30 June 2024

- Is prepared for the Minister for Health, the Parliament of Victoria and the community
- Is prepared in accordance with government and legislative requirements and FRD 30 guidelines
- Will be presented to the community at the Rural Northwest Health Annual General Meeting
- Acknowledges the support of our community

Rural Northwest Health acknowledges the support of the Victorian Government

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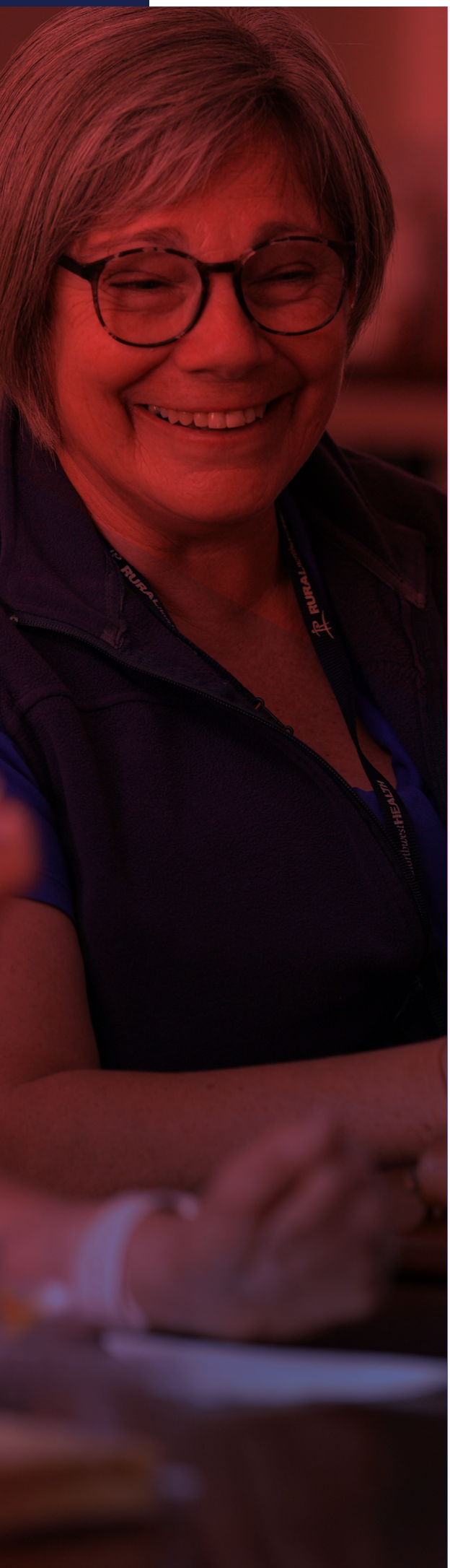
Rural Northwest Health acknowledges the traditional custodians of the land, the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Jupagulk peoples, on which our campuses are situated. We pay our respects to Elders, past, present and emerging and strive to provide the best possible health outcomes for all community members.

We also welcome all people to work, volunteer and access services from us, regardless of their age, ethnicity, culture, gender, sexuality, ability or religion.

Annual Report 2023–2024

Rural Northwest Health



Rural Northwest Health

Rural Northwest Health is a public health service located in the Wimmera Mallee Region of Victoria established in 1999 under the Health Services Act 1994 and responsible to the Minister for Health.

Rural Northwest Health is funded by State and Commonwealth Government and supported by local community members delivering residential care, acute care, urgent care, community health and most recently in-home community care (including home care, personal care, respite care & meals on wheels).

Rural Northwest Health provides responsive quality care and community services by empowering a vibrant and committed group of staff and volunteers who collaboratively operate within the expansive 600km^2 catchment area encompassing the Warracknabeal, Beulah and Hopetoun campuses, all situated within the Yarriambiack Shire. Services are also provided in the community at local halls, parks and in the homes of community members.

The key focus of Rural Northwest Health is caring and supporting people to be healthy and living a full life. This is reflected by our logo whereby the carer reaches out to embrace our communities over the broad horizon.

Rural Northwest Health works in partnership with regional and sub-regional service providers to support community members to access high quality and safe care as close to home as possible. Key partners include the Grampians Health Service Partnership and Grampians Public Health Unit, West Vic Primary Health Network, Grampians Health, Woodbine, Yarriambiack Shire, Ambulance Victoria, local general practitioners, Royal Flying Doctor Service and the Department of Health.

The Responsible Minister is the Minister for Health

Minister for Health

The Hon. Mary-Anne Thomas
From 1 July 2022 to 30 June 2024

Other Ministers

Minister for Ambulance Services

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

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

Minister for Mental Health

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

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

Minister for Disability, Ageing and Carers

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

Minister for Disability/Minister for Children

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

Minister for Ageing

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

A message from our Board Chairperson and Chief Executive Officer

As Board Chair and CEO, we are pleased to present the Rural Northwest Health 2023–2024 annual report on behalf of the Board of Directors and Executive Team.

Our Care

The year commenced with the introduction of community care services transitioned from Yarriambiack Shire. The Rural Northwest Health (RNH) team had a month to introduce these services, we welcomed a number of staff to RNH from the Shire and the program has grown from strength to strength throughout the year.

In September 2023, RNH hosted an open board meeting that was well attended by the community.

Dr Rohan Laging, Deputy Director Alfred Emergency Department was engaged to work with RNH and our visiting medical officers to continue to strengthen relationships.

Toward the end of the financial year RNH participated in two audits. The Australian Council of Health Care Standards across the organisation and the unannounced audit for Aged Care Standards in Warracknabeal. Whilst RNH are very conscious accreditations are a measure of what the health service must deliver, there is still a lot of work that goes in to ensure accreditors have all the information they require. It is wonderful validation for the team to receive positive feedback from accreditors who are visiting health services each week.

Our Team

Our team have once again demonstrated their unwavering commitment to our residents, patients, their colleagues and the community. They have been tested with COVID, with accreditations and workforce challenges.

Significant measures were taken to address workforce shortages including the engagement of Latitude Recruitment. This decision resulted in the employment of 96 new staff this

financial year; a number of these roles hadn't been filled for several months. Further, RNH took the opportunity provided by the Department of Health to send Joseph Bermudo to the United Kingdom to work with the Department to present Victoria (and in turn RNH) as a desirable place for health care staff to live and work.

In December 2023, Gowthami Kandimalla was awarded the Betty Richardson Award for her consumer focus, being a genuine team player, being flexible, reliable and pragmatic with a 'get on with it' attitude, being a humble achiever with a sense of humour that lifts the spirits of others. There were two recipients of the Leo Casey Scholarship to support learning experiences that will increase the capability and capacity of the RNH workforce to deliver high quality, safe care and services to RNH consumers. Congratulations to Sophie Quinn and Narelle Gunn.

Rural Northwest Health cannot deliver the services it does without the support of our volunteers, meals on wheels drivers, reference group members and the Warracknabeal and Hopetoun Women's Auxiliary groups. Our volunteers are such an important part of the team and this annual report provides the opportunity to say thank you for their time and incredible service.

Our Partnerships

Jenni as CEO has engaged extensively with the community, and accepted every invitation whether this be Yarriambiack Shire Council, Warracknabeal Action Group, CFA, Country Women's Association, , Goolum Goolum or Rotary. This has provided a wonderful opportunity to understand what is important to the community and to keep the community informed regarding the health services priorities.

Rural Northwest Health has engaged extensively with the Yarriambiack Shire and Wimmera Southern Mallee Development to explore all options for housing for the region. This partnership will continue into the new financial year as Rural Northwest Health understand the importance of local affordable accommodation when recruiting workforce.

In April 2024 the value of partnership could not be more evident than when East Wimmera Health Service, West Wimmera Health Service and Rural Northwest Health invited Professor Stephen Duckett to Warracknabeal to explore future health service models. Attending this workshop was the Grampians Public Health Unit, Wimmera Southern Mallee Development, Regional Partnerships, Yarriambiack Shire and Board and Executive of the three health services. It was a fantastic opportunity to discuss rural health and explore alternative models of health care delivery.

Leadership and Governance

In May 2023 Rural Northwest Health Board and Executive spent two days working together to develop the strategic priorities for the year ahead. This work considered feedback received from reference groups and the community, and took into account areas of health need for the region. Strategic priorities for the Board and Executive continue to be the growth of community health services (i.e. women's health, paediatric care, mental health, domestic violence services, alcohol and other drugs) and improved and sustainable urgent care and emergency response in Hopetoun. The intent is to achieve these goals whilst consolidating residential care and acute services post COVID and within budgets.

Katharine Terkuile completed her 3-year tenure on the Rural Northwest Health Board. As Board Chair and CEO we would like to thank Katharine for her service. Katharine was involved in two Subcommittees and all her contributions had staff and the community at the forefront. David Siddell also made the decision to resign from his role as Executive Manager Environmental Services to commence his retirement. We thank Dave for all his work to ensure RNH facilities remain at their high standard, contracts are responsibly managed and RNH food services continue to meet the nutritional and culinary expectations of our patients and residents.

From the Departing Board Chair

It has been an absolute honour to be Board Chair Rural Northwest Health for the last 2 years of my 6-year tenure as a Director. I would like to thank my Board colleagues, the Executive and the community for their incredible support of myself during this time. I am incredibly proud of the organisation and the services they offer our community.

Genevieve O'Sullivan

Board Chairperson
Rural Northwest Health

Jenni Masters

Chief Executive Officer
Rural Northwest Health

In accordance with the Financial Management Act 1994 I am pleased to present the annual report of Operations for Rural Northwest Health for the year ending 30 June 2024.

Genevieve O'Sullivan

November 2024

Our Strategic Direction

The Rural Northwest Health 2020–25 Strategic Plan, Better health for all, articulates our aspirations for and commitment to strong, healthy, vibrant rural communities, and maps out how we will deliver this.

We will build on our strengths as a sustainable organisation, maintain the highest quality of care, and strengthen our collaboration both within and beyond the health sector.

OUR VISION

Strong, healthy, vibrant rural communities

OUR MISSION

To promote wellness, enhance health, and support healthy ageing

WHAT DEFINES US

- **We are committed to excellence**
- **We listen and collaborate**
- **We are caring and connected**
- **We are friendly and enjoy our work**
- **We are lifelong learners**

We are here for our communities to achieve better health and wellbeing for all

Strategic Focus Areas

Three focus areas define where we are directing efforts during 2020–2025. Our care places safety, quality, and accessibility at the heart of our health services and at the forefront of every interaction with our communities. Our team ensures we have the systems, culture and skills in place to be an effective and sustainable organisation as well as being an employer of choice. Our partnerships will see us collaborate within and beyond our sector for greater collective impact and to influence a better healthcare system for all.

2023–24 Strategic Plan Progress

Our Care

Safe Healthcare

Rural Northwest Health underwent three accreditation visits in the 2023–2024 financial year – Aged Care Quality Standards for Yarriambiack Lodge in Warracknabeal, the National Safety and Quality Health service Standards for Acute and Urgent Care across the organisation and the Diagnostic Imaging Standards for the X-ray and Ultrasound services. RNH were awarded a 3-year accreditation for Yarriambiack Lodge in Warracknabeal and a 3-year accreditation for the X-ray and Ultrasound services. At the time this annual report goes to print, we are in the final process for accreditation of Acute and Urgent Care services.

During the last 12 months, RNH has reviewed and strengthened Clinical Governance. We importantly focused on increasing the consumer voice and appointed a consumer representative on the Clinical Governance Committee.

Quality Healthcare

Rural Northwest Health was successful in a grant to support the implementation of an electronic medication management system for residential aged care. The electronic system will further enhance the medication management of our residents.

The Health Promotion and Prevention programs delivered in 2023–2024 included:

- Vic Kids eat Well and Achievement Program: One local school was newly enrolled in Vic Kids Eat Well and two local schools newly joined the Achievement Program.
- Workplace Achievement Program and Health Choices: Policy Directive: New posters were developed and placed around Rural Northwest Health campuses. New and updated menu items were added to the system to ensure the healthy eating policy directive was followed.
- Cancer Awareness, Support and Early Detection: More than nine cancer support meetings were held, one initiative to increase accessibility to breast screening was planned (to be implemented in 2024–2025 with 8 participants) and one cancer awareness season was held with 72 participants. Three skin cancer screening events were held at Warracknabeal Field Day, Wimmera Field day and Hopetoun Neighbourhood House Event. These events resulted in 42%, 33% and 45% of participants respectively testing positive for some type of skin conditions that required further evaluation and medical intervention.
- Wellness Walls: Rural Northwest Health was successful in a grant for the use of digital screens to improve health awareness and health literacy in our community and normalise cancer screening behaviour. Six screens have been installed in Warracknabeal, Beulah and Hopetoun. The project is in the testing phase.

The PHN chronic conditions program was implemented in the 2023–2024 financial year. The program saw Rural Northwest Health partner with four other rural health services to provide integrated and collaborative services to community members experiencing chronic health conditions.

Accessible Healthcare

On 1 July 2023, Rural Northwest Health began providing an expanded in-home care service to the community. The expanded services were successfully transferred from the Yarriambiack Shire without a single consumer being without services. There was an increase in consumers accessing the services from approximately 236 (who transferred from the Shire in July 2023) to 300 at the end of June 2024.

Our Team

Strong Culture

During the 2023–2024-year, Rural Northwest Health's focus on recruitment resulted in 96 new members of staff across the organisation. The level of new staff despite the on-going shortage of health staff nationally is testament to the hours of work by our Human Resources team.

Rural Northwest health reviewed and strengthened the Health & Safety Committee and training for Health & Safety representatives. We submitted our Gender Equality Action Plan report to the Commission and began a regular bi-monthly combined Executive and Management Team meeting.

Internal communications were enhanced with the implementation of a twice weekly staff newsletter (HIVE) and use of intranet posts to keep staff up to date and celebrate successes. The year saw an increase in the number and quality of social media posts (Facebook and LinkedIn) to celebrate events, recruitment and opportunities for the community to engage with the organsiation.

Skilled Team

Rural Northwest was fortunate to support four graduate registered nurses and three graduate enrolled nurses in 2023–2024. We also provided placements for 25 student nurses throughout the year equating to 57 weeks of placement.

There was significant increase in planned education and training opportunities for staff across the organsiation including expanded clinical and non-clinical opportunities. The training opportunities were delivered both in-house and by external agencies, both onsite and offsite with a number participating on-line.

We implemented specific training for the Management Team in recognition of the responsibilities of these roles. Our Movement Disorder Nurse presented at the ANNA Conference in October 2023 on Multiple System Atrophy and the importance of a multidisciplinary team approach to care. The presentation received positive feedback from the participants of the Australian wide conference.

Effective Systems

Rural Northwest Health made several improvements across our systems in 2023–2024. We enhanced our return-to-work capability for staff on long-term leave and to assist in preparation for planned retirement. Our staff now have access to trained Family Violence Contact Officers and Clinical Champions. We updated the HR systems to ensure mandatory checks were in place such as CrimCheck, Working with Children and Credentialling.

The IT systems' support was improved with an updated contract for 24-hour support and our finances moved to a new system (Magiq). We reviewed and updated our document management and incident reporting systems and undertook an update of the contact management system.

The fire system was upgraded, and we completed an improved Rural Northwest Health Procurement Plan and Asset Management Plan.

Our Partnerships

Broad Collaboration

Rural Northwest Health continued as an active partner in 2023–2024 on the Grampians Health Services Partnership and the Executive team attended several regional meetings including the Grampians Regional Executive Nurses Group, Grampians Region Infection Control, Grampians Regional Procurement and Grampians Region People and Culture Executives. Staff were involved in projects including Residential In Reach, Regional Credentialling, Grampians Sector Development CHSP developments and Regional Maternity and Newborn Service development.

During 2023–2024, Rural Northwest Health was also represented on the Grampians Rural Health Alliance Executive Committee and was an active participant in the Small Rural Health and Multi-Purpose CEO Group.

Regular meetings were held with the Yarriambiack Shire, Neighborhood House and local providers of health and social care services.

Meaningful Engagement

Rural Northwest Health continued to prioritise communication and engagement with the community. A number of meetings were held with diverse range of community groups including the Ladies Auxiliary in Warracknabeal and Hopetoun, church groups, men's sheds, the Country Women's Association in Warracknabeal and Hopetoun, and the LGBTQI+ community.

Rural Northwest Health engaged with providers of services for Aboriginal and Torres Strait Island including Goolum Goolum and the Barengi Gadjin Land Council Aboriginal Corporation.

Targeted Influence

Rural Northwest Health Board Chair and CEO actively participated in workshops as part of the Health Service Planning. These workshops were led by the Expert Advisory Panel appointed by the Minister of Health to investigate options for the future structure of Victorian Health service.

About Us

History

1999: Rural Northwest Health was created from the amalgamation of Warracknabeal District Hospital (including JR & AE Landt Nursing Home), Hopetoun Bush Nursing Hospital (including Cumming House) and Beulah Pioneers Bush Nursing Hospital.

2001: The two low care facilities — Corrong Village at Hopetoun and Landt Hostel at Warracknabeal were subsequently amalgamated with Rural Northwest Health.

2008: To modernise Rural Northwest Health facilities, new campuses were constructed at Hopetoun and Warracknabeal. Hopetoun's new campus and ambulance station were officially opened in July 2008. Stage one of Warracknabeal's redevelopment including new integrated care facilities was officially opened by the Victorian Premier in October 2008.

2016: Member for Lowan, Emma Kealy officially opened stage two of Warracknabeal's redevelopment including Community Health and Medical Clinic wings in March 2016.

Our Services

Acute Care

- Acute Medical
- Palliative Care
- Urgent Care
- Pathology Services
- Pharmacy

Aged Care

Warracknabeal and Hopetoun campuses provide aged care services including:

- High and Low Care Accommodation
- Memory Support (Warracknabeal)
- Lifestyle Program
- Respite Care
- Cognitive Rehabilitative Therapist

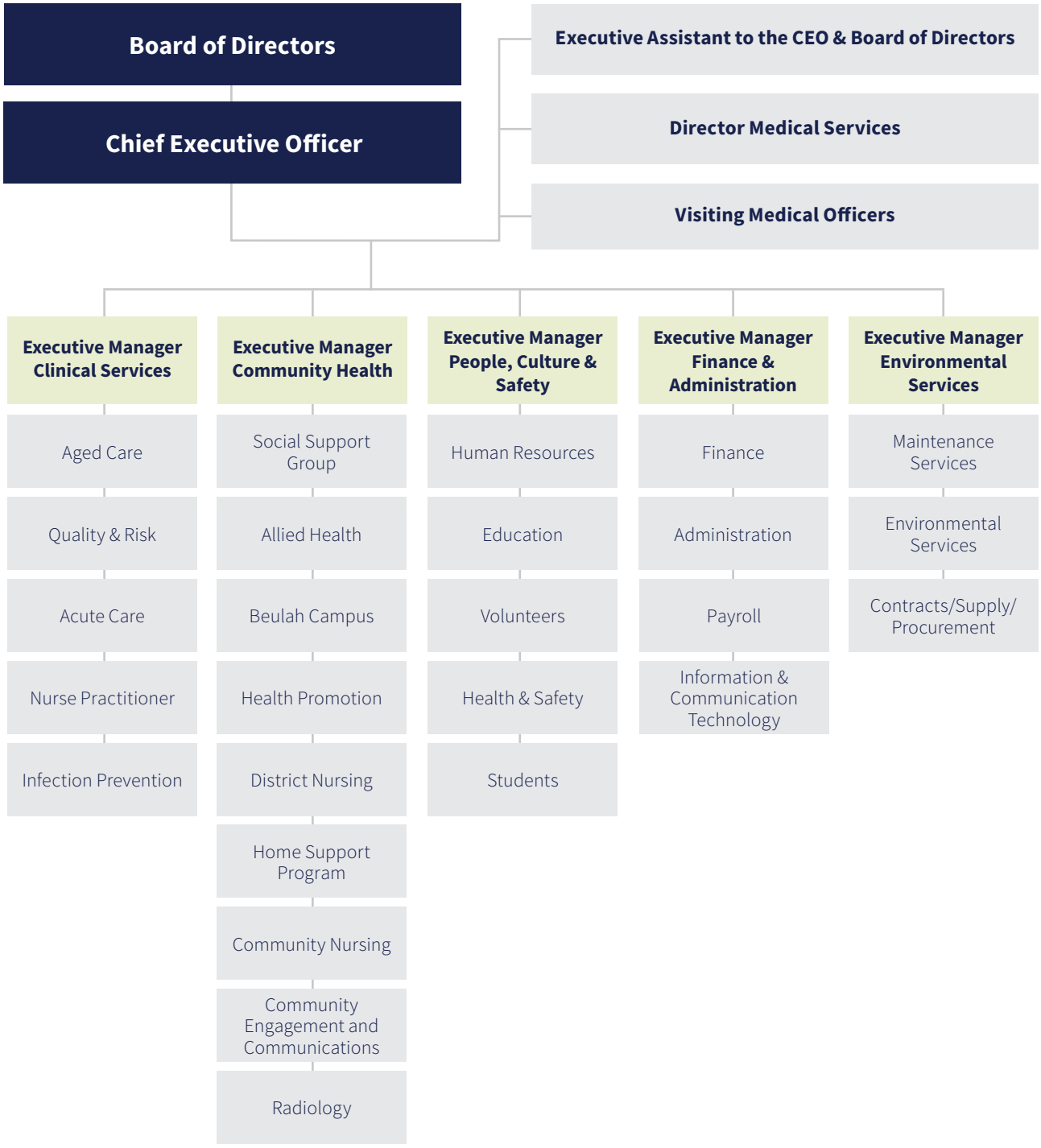
After Hours

General Practitioners, Nurse Practitioner and nursing team members provide an after-hours on call service 24 hours seven days per week at Warracknabeal and Hopetoun campuses.

Community Health

- Podiatry & Foot Care
- Social Work / Counselling
- Exercise Groups
- X-Ray & Ultrasound
- Physiotherapy
- Occupational Therapy
- Diabetes Education
- Rehabilitation Groups
- Cancer Support
- 24 Hour Blood Pressure & Heart Monitoring
- Speech Pathology
- Dietetics
- Asthma Education
- Community Nursing / District Nursing
- Movement Disorder
- Massage Therapy
- Midwifery / Domiciliary Service
- Personal Care
- Domestic Assistance
- Respite
- Social Support Individual
- Meals on Wheels
- Home Modifications
- Home Maintenance
- Transport

Organisational Structure Chart



Board of Directors

Genevieve O'Sullivan

Chairperson
First appointed
1 July 2018

Dr John Aitken

Deputy Chairperson
First appointed
1 July 2018

Katherine Burton

First appointed
1 November 2023

Chris Downes

First appointed
1 July 2023

Dr Zivit Inbar

First appointed
1 July 2020

Prof. Amanda Kenny

First appointed
7 March 2017

La Vergne Lehmann

First appointed
1 July 2022

Veena Mishra

First appointed
1 July 2020

Katharine Turkuile

First appointed
1 July 2021

Namita Warrior

First appointed
1 November 2023

Board Committees

Finance Audit & Compliance Committee (FACC)

Board representatives:

La Vergne Lehmann (Chair) and Veena Mishra

Governance Committee

Board representatives:

Dr John Aitken (Chair), Genevieve O'Sullivan, Prof. Amanda Kenny, La Vergne Lehmann and Dr Zivit Inbar

Clinical Governance Committee

Board representatives:

Prof. Amanda Kenny (Chair), Katharine Terkuile and Veena Mishra

People, Culture & Safety Committee

Board representatives:

Dr Zivit Inbar (Chair) and Katharine Terkuile

Hopetoun Beulah Reference Group (HBRG)

Board representative:

Dr John Aitken (Chair)

Warracknabeal Reference Group (WRG)

Board representatives:

Dr John Aitken (Chair)

Workforce Data

Rural Northwest Health recruits high quality team members with the right skills to deliver the key objectives of the position, business unit and organisation and will comply with all legislated requirements and reflect a fair and open process with an appointment made on merit. Rural Northwest Health is an equal opportunity employer.

	June Current Month FTE		Average Monthly FTE	
Hospitals Labour Category	**2023**	**2024**	**2023**	**2024**
Nursing	53.40	63.93	62.15	58.30
Admin/ Clerical	33.82	40.97	30.20	38.79
Medical Support	0	0	0	0
Hotel & Allied Services	66.07	76.72	68.45	72.43
Medical Officers	0	0	0	0
Hospital Med Officers	0	0	0	0
Sessional Clinicians	0	0	0	0
Ancillary Staff (Ancillary Health)	6.08	9.55	7.04	7.30

Occupational Health and Safety

Rural Northwest Health is responsible for the health and safety of all team members in the work place. To fulfil this responsibility we have a duty to maintain a working environment that is safe and without risks to residents, clients, visitors and our team members' health.

Rural Northwest Health have ensured compliance with the Occupational Health and Safety Act 2004 by:

- Effective implementation of Occupational Health and Safety policy and protocols
- Providing opportunities for regular discussion between the Board, leadership and management team and team members
- Providing information, training and supervision for all team members in correct use of plant, equipment, chemical and other substances used
- Maintaining regular reporting on Occupational Health and Safety statistics and data.

Occupational Health and Safety Statistics	**2021–22**	**2022–23**	**2023–24**
Health and Safety Incidents	50	56	49
Standard Lost Time Claims/100 FTE	3	2	5
Average Cost per WorkCover Claim for the Year	$108,846	$44,035	$108,236

Definitions of Occupational Violence

Total Health and Safety Incidents for the Year 2023–24 is 49.

Occupational Violence Statistics	2023–24
Workcover accepted claims with an occupational violence cause per 100 FTE	1
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	12
Number of occupational violence incidents reported per 100 FTE	7
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	8%

- Occupational violence — any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- Incident — an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- Accepted Workcover claims — accepted Workcover claims that were lodged in 2023–24.
- 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.

Environmental Performance

Rural Northwest Health is committed to sustainability and to continually improving our environmental performance. In order to improve on our environmental performance, we constantly monitor activities such as electricity, gas and water usage while also implementing initiatives that provide an opportunity to decrease our energy usage. Team members across the three campuses are encouraged to conserve energy use where possible, reduce the amount of paper-based documents and recycle access points are easily accessible for everyone.

Electricity Use	2021–22	2022–23	2023–24
EL1: Total electricity consumption segmented by source (MWh)			
Purchased	1,625.12	1,508.42	1,434.16
Self-generated	104.63	108.16	-0.02
EL1 Total electricity consumption (MWh)	**1,729.75**	**1,616.58**	**1,434.14**
EL2: On site-electricity generated [MWh] segmented by:			
Consumption behind-the-meter			
Solar Electricity	104.63	108.16	-0.02
Total Consumption behind-the-meter (MWh)	**104.63**	**108.16**	**-0.02**
Exports			
Solar Electricity	0.02	0.02	0.02
Total Electricity exported (MWh)	**0.02**	**0.02**	**0.02**
EL2 Total On site-electricity generated (MWh)	**104.65**	**108.18**	**0.00**
EL3: On-site installed generation capacity (kW converted to MW) segmented by:			
Diesel Generator	0.65	0.65	0.65
Solar System	0.14	0.14	0.14
EL3 Total On-site installed generation capacity (MW)	**0.79**	**0.79**	**0.79**
EL4: Total electricity offsets segmented by offset type (MWh)			
RPP (Renewable Power Percentage in the grid)	302.11	283.58	269.62
EL4 Total electricity offsets (MWh)	**302.11**	**283.58**	**269.62**

Stationary Energy	2021–22	2022–23	2023–24
F1: Total fuels used in buildings and machinery segmented by fuel type (MJ)			
LPG	2,952,410.90	2,627,311.00	2,497,693.00
F1 Total fuels used in buildings (MJ)	**2,952,410.90**	**2,627,311.00**	**2,497,693.00**
F2: Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (Tonnes CO2-e)			
LPG	178.92	159.22	151.36
F2 Greenhouse gas emissions from stationary fuel consumption (Tonnes CO2-e)	**178.92**	**159.22**	**151.36**

Transportation Energy	2021–22	2022–23	2023–24
T1: Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type (MJ)			
Non-executive fleet – Gasoline	330,635.10		
Petrol	**330,635.10**		
Non-executive fleet – E10		950,212.80	813,427.20
Petrol (E10)		**950,212.80**	**813,427.20**
Non-executive fleet – Diesel	313,374.20	115,800.00	86,078.00
Diesel	**313,374.20**	**115,800.00**	**86,078.00**
Total energy used in transportation (vehicle fleet) (MJ)	**644,009.30**	**1,066,012.80**	**899,505.20**
T2: Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
Not reported			
T3: Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (tonnes CO2-e)			
Non-executive fleet – Gasoline	22.36		
Petrol	**22.36**		
Non-executive fleet – E10		57.87	49.54
Petrol (E10)		**57.87**	**49.54**
Non-executive fleet – Diesel	22.06	8.15	6.06
Diesel	**22.06**	**8.15**	**6.06**
Total Greenhouse gas emissions from transportation (vehicle fleet) (tonnes CO2-e)	**44.42**	**66.02**	**55.60**
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)	473.38		
T(opt2) Greenhouse gas emissions from vehicle fleet (tonnes CO2-e per 1,000 km)			
Tonnes CO2-e per 1,000 km	0.09		

Total Energy Use	2021–22	2022–23	2023–24
E1: Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)			
Total energy usage from stationary fuels (F1) (MJ)	2,952,410.90	2,627,311.00	2,497,693.00
Total energy usage from transport (T1) (MJ)	644,009.30	1,066,012.80	899,505.20
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**3,596,420.20**	**3,693,323.80**	**3,397,198.20**
E2: Total energy usage from electricity (MJ)			
Total energy usage from electricity (MJ)	6,227,109.26	5,819,682.91	5,162,892.67
E3: Total energy usage segmented by renewable and non-renewable sources (MJ)			
Renewable	1,464,265.10	1,505,285.68	1,051,894.47
Non-renewable (E1 + E2 - E3 Renewable)	8,735,932.46	8,397,085.62	7,508,107.71
E4: Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD (MJ/Aged Care OBD)	339.49	362.59	329.76
Energy per unit of LOS (MJ/LOS)	3,019.58	2,251.33	3,147.32
Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD)	305.18	312.30	298.48
Energy per unit of Separations (MJ/Separations)	21,752.42	24,413.28	22,867.42
Energy per unit of floor space (MJ/m^2)	554.15	509.93	462.46

Sustainable Buildings and Infrastructure	2021–22	2022–23	2023–24
B1: Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings			
Not reported			
B2: Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule			
Not reported			
B3: NABERS Energy (National Australian Built Environment Rating system) ratings of newly completed/occupied Entity-owned office buildings and substantial tenancy fit-outs (itemised)			
Not reported			
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			
Not reported			
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			
Not reported			

Water Use	2021–22	2022–23	2023–24
W1: Total units of metered water consumed by water source (kl)			
Potable water (kL)	16,873.63	12,480.72	14,543.34
Total units of water consumed (kl)	**16,873.63**	**12,480.72**	**14,543.34**
W2: Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD (kL/Aged Care OBD)	0.62	0.54	0.63
Water per unit of LOS (kL/LOS)	5.55	3.33	5.98
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.56	0.46	0.57
Water per unit of Separations (kL/Separations)	39.98	36.07	43.41
Water per unit of floor space (kL/m^2)	1.02	0.75	0.88

Waste and Recycling	2021–22	2022–23	2023–24
WR1: Total units of waste disposed of by waste stream and disposal method (kg)			
Landfill (total)			
General waste — bins	82,920.41	10,430.42	1,391.04
Offsite treatment			
Clinical waste — incinerated	280.59	92.65	595.95
Clinical waste — sharps	32.59	388.09	175.91
Clinical waste — treated	777.37	3,395.18	4,497.95
Recycling/recovery (disposal)			
Cardboard	13,265.00	729.41	12,655.00
Commingled		6,589.44	
E-waste	181.00	184.00	274.00
Metals	12,600.00	11,216.00	11,450.00
Organics (garden)	3,180.00	2,350.00	29,250.00
Other recycling			728.64
Paper (confidential)		34.00	3,531.26
Paper (recycling)	2,225.00	2,117.00	2,010.00
Toner & print cartridges	7.00	7.00	3.77
Total units of waste disposed (kg)	**115,468.96**	**37,533.19**	**66,563.52**

Waste and Recycling (continued)	2021–22	2022–23	2023–24
WR1: Total units of waste disposed of by waste stream and disposal method (%)			
Landfill (total)			
General waste	71.81%	27.79%	2.09%
Offsite treatment			
Clinical waste — incinerated	0.24%	0.25%	0.90%
Clinical waste — sharps	0.03%	1.03%	0.26%
Clinical waste — treated	0.67%	9.05%	6.76%
Recycling/recovery (disposal)			
Cardboard	11.49%	1.94%	19.01%
Commingled		17.56%	
E-waste	0.16%	0.49%	0.41%
Metals	10.91%	29.88%	17.20%
Organics (garden)	2.75%	6.26%	43.94%
Other recycling			1.09%
Paper (confidential)		0.09%	5.31%
Paper (recycling)	1.93%	5.64%	3.02%
Toner & print cartridges	0.01%	0.02%	0.01%
WR2: Percentage of office sites covered by dedicated collection services for each waste stream			
Not reported			
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)	2.72	0.38	0.05
Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT)	0.04	0.14	0.20
Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT)	1.03	0.85	2.30
WR4: Recycling rate (%)			
Weight of recyclable and organic materials (kg)	31,458.00	23,226.85	59,902.67
Weight of total waste (kg)	115,468.96	37,533.19	66,563.52
Recycling rate (%)	**27.24%**	**61.88%**	**89.99%**
WR5: Greenhouse gas emissions associated with waste disposal (tonnes CO2-e)			
Tonnes CO2-e	109.10	18.56	8.41

Greenhouse Gas Emissions	2021–22	2022–23	2023–24
G1: Total scope one (direct) greenhouse gas emissions (tonnes CO2e)			
Carbon Dioxide	221.93	223.90	205.72
Methane	0.60	0.56	0.53
Nitrous Oxide	0.81	0.77	0.71
Total	**223.34**	**225.23**	**206.96**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (tonnes CO2-e)	**178.92**	**159.22**	**151.36**
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (tonnes CO2-e)	**44.42**	**66.02**	**55.60**
Medical/Refrigerant gases			
Refrigerant — R401A (MP39) (blend HCFC-22/HFC-152a/HCFC-124)	8.27		18.91
Refrigerant — R404A (HFC-404A)	19.61	51.26	
Total scope one (direct) greenhouse gas emissions (tonnes CO2e)	**251.22**	**276.49**	**225.87**
G2: Total scope two (indirect electricity) greenhouse gas emissions (tonnes CO2e)			
** The emissions calculation for electricity-related activities uses the market-based method, as opposed to the location-based method used in previous FRD report versions.*			
Electricity	1,186.74	1,036.21	943.28
Total scope two (indirect electricity) greenhouse gas emissions (tonnes CO2e)	**1,186.74**	**1,036.21**	**943.28**
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)	109.10	18.56	8.41
Indirect emissions from Stationary Energy	140.28	186.58	166.91
Indirect emissions from Transport Energy	2.32	6.68	14.08
Paper emissions			
Any other Scope 3 emissions	31.70	21.14	24.41
Total scope three greenhouse gas emissions (tonnes CO2e)	**283.39**	**232.96**	**213.80**
G(Opt) Net greenhouse gas emissions (tonnes CO2e)			
Gross greenhouse gas emissions (G1 + G2 + G3) (tonnes CO2e)	**1,721.36**	**1,545.67**	**1,382.95**
Any Reduction Measures Offsets purchased (EL4-related)			
Any Offsets purchased			
Net greenhouse gas emissions (tonnes CO2e)	**1,721.36**	**1,545.67**	**1,382.95**

Normalisation Factors	2021–22	2022–23	2023–24
1000km (Corporate)	473.38		
1000km (Non-emergency)			
Aged Care OBD	27,039.00	23,296.00	23,231.00
ED Departures	0.00	0.00	0.00
FTE	169.00	159.00	
LOS	3,040.00	3,752.00	2,434.00
OBD	30,079.00	27,048.00	25,665.00
PPT	30,501.00	27,394.00	26,000.00
Separations	422.00	346.00	335.00
TotalAreaM2	16,565.00	16,565.00	16,565.00

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

General Notes

- Information in this report is sourced from data provided by retailers and in some cases data manually uploaded by health services into Eden Suite. Data has not been externally validated. All annual values represent a year ending 30 June.
- Emissions are calculated using the carbon factors for the year in which the emissions were generated. For health services provided with energy (electricity and steam) under the co-generation ESA (energy services agreement) carbon factors provided by the energy retailer are used.
- Electricity consumption values exclude line losses; some energy retailers include losses in reported values.
- Occupied bed days (OBD) include both inpatient and aged care data, unless stated otherwise.

Statement of Priorities

In 2023–24 Rural Northwest Health contributed to the achievement of the Victorian Government's commitments by:

Excellence in Clinical Governance (Mandatory)

Goal: MA2 Strengthen clinical governance systems that support safe care, including clear recognition, escalation, and addressing clinical risk and preventable harm.

Health Service Deliverables

Strengthen clinical governance systems that support safe care including clear recognition, escalation and addressing clinical risk and preventable harm

Achievements/Outcome

To strengthen Clinical Governance, we implemented the following management meetings that report through to the Clinical Governance Committee:

- Medication Advisory Committee
- Infection Control Committee
- Clinical Advisory Committee
- Morbidity and Mortality Committee

We have further reviewed our escalation procedure by empowering our Grade 5 registered nurses to make decisions RE: the escalation of a patient or resident's deterioration. This includes the use of the following services:

- Visiting Medical Officers
- VMO afterhours on call
- Executive on call
- Victorian Virtual Emergency Department
- My Emergency Doctor

Rural Northwest Health is also working together with the Grampians Region Health Services Partnership in rolling out the "Residential in Reach" service for residential aged care. This will add an additional support to the registered nurses when escalating the care of the residents. It will ensure that care is delivered in the right setting, at the right time and closer to home.

We now have the Statutory duty of Candour procedure in place. This has also been embedded in our VHIMS (Victorian Health Incident Management System) through the SDC (Statutory Duty of Candour) module. This has been communicated to the team to ensure our alignment with the current SCV (Safer Care Victoria) guideline.

We have further reviewed our VHIMs system that enables the team to capture any unexpected variances from the usual escalation of care.

Health Service Deliverables

HSP partnership collaboration such as maternity and newborn service development.

Achievements/Outcome

Active participant in Level 1 Maternity Collaboration group, Grampians Region Maternity and Newborn Services Steering group, Maternity and Newborn screening – Working group – Education.

Part of the GRHSP Improvement Pillar and the project to develop maternity and newborn services.

Goal: MA10 Implementation of the nutrition and quality food standards for health services.

Health Service Deliverables

Provide a greater focus on the needs of aged care residents and paediatric patients by implementing nutrition and quality food standards that align with the National Safety and Quality Health Service (NSQHS) Standards and Aged Care Quality Standards (ACQS) accreditation requirements.

Achievements/Outcome

Increase EFT in Dietetic services to collaborate with kitchen to consult in regards to healthy recipe options.

Health promotion and Dietetics service collaborating on delivering Health Food choices options for staff meals.

Health Service Deliverables

Continuous improvement processes are implemented to consider the nutritional care, menu planning and consumer partnership/choice, ensuring the food provided aligns with the Australian Dietary Guidelines i.e. Victorian Healthcare Experience Survey (VHES) and internal surveys.

Achievements/Outcome

Completed a resident survey for food. Results were reviewed by Kitchen team. The main feedback was requesting lamb into the menu, which was implemented in May 2024.

RNH is in the process of introducing Chefmax, a revolutionary management solution for food services, designed exclusively for the healthcare and aged care industries, ensuring the best possible care for patients. It optimizes food service operations by seamlessly streamlining inventory control and menu planning processes through a comprehensive suite of tools and functions. From food ordering to inventory management and reporting, Chefmax facilitates various functions aimed at providing the specified diet necessary to enhance a patient's healthcare procedure.

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

Health Service Deliverables

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

Achievements/Outcome

The VICTOR charts have been implemented for all aged groups including pediatrics ensuring appropriate escalation of care for the patients.

Health Service Deliverables

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

Achievements/Outcome

The VICTOR track and trigger system is in place for all age groups including pediatrics. This has been implemented organisation wide.

Health Service Deliverables

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

Achievements/Outcome

Coordinated with (Clinical Educator for Rural Northwest Health) to conduct training RE: “ViCTOR track and trigger” for all campuses of Rural Northwest Health.

Working to Achieve Long Term Financial Sustainability (Mandatory)

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

Health Service Deliverables

Collaborative partnerships: Collaborate with other health service providers, community organisations, the department and stakeholders to explore opportunities for shared services, joint procurement, and resource sharing to reduce costs and improve efficiency.

Achievements/Outcome

RNH continues to implement the Chefmax Menu Management System in partnership with West Wimmera Health Service. We have been given access to a shared recipe library that has been dietician-checked and approved. The success of this ongoing project will include a reduction in waste.

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

Health Service Deliverables

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

Achievements/Outcome

Began working with neighbouring health service with Health Promotion Plan and our community accessing research they are undertaking. We are working together to achieve Department of Health promotion goals efficiently, having an impact on financial sustainability by sharing resources.

Improving Equitable Access to Healthcare and Wellbeing (Mandatory)

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

Health Service Deliverables

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

Achievements/Outcome

Began relationship with Gollum Goollum and the Land Council.

Cultural safety training provided to RNH staff with support from Gollum Goollum.

Improvement in identification of ASTI peoples accessing acute and urgent care services through the National Urgent Care Dataset project. By May 2024 100% compliance.

A Stronger Workforce (Mandatory)

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

Health Service Deliverables

Deliver programs to improve employee experience across four initial focus areas: leadership, safety and wellbeing, flexibility, and career development and agility.

Achievements/Outcome

Executive Team attended 4-hour workshop on Quality with Kathy Balding.

A leadership development training program was implemented through Wren Learning so leaders experience a program that incorporates a suite of five full-day workshops over a six month period beginning in March 2024. The program initially focuses on;

- Positive Leadership
- Strengths Based Leadership
- Managing Important Conversations
- Building High Performing Team
- Advanced Interviewing

These workshops cover essential leadership skills supported by evidence-based research in positive psychology, leadership theory and best practice. Each workshop is intended to build on previous skills and knowledge.

While our programs are evidence-based, our interest is in empowering leaders in their day-to-day practice using concrete models, skills, scripts, and steps to improve the engagement, motivation, relationships, meaning, and accomplishment of their teams.

Further, RNH has modified the occupational health and safety (OHS) committee function. This committee oversees the OHS management system within the organisation with representation from all departments. Our Health & Safety representatives have all been trained and are highly active in the management of the OHS management system.

The OHS committee engaged with an external safety auditor in February 2024 against the OHS management standard ISO45001 with pleasing results although, some areas for improvement were noted and monitored through the committee.

RNH has further strengthened the OHS function and implemented an emergency control committee. This committee overseas and is directly responsible for the overall emergency management planning within RNH. This committee reports into the OHS committee, which reports to the People, Culture and Safety Committee, which is then reported to the Board of Governance.

RNH is committed and passionate about the overall wellbeing of the workforce, to further imbed this commitment RNH has begun, in collaboration with staff, a Wellbeing & Cultural Champions working group. This group of passionate individuals is comprised of management and frontline staff who share in our intention to create a harmonious, supportive, respectful and highly professional organisation. Procedures, wellbeing programs and other organisational wide initiatives will be created via this working group to address psychological safety, culturally diversity and competence, equity and equality. The group will also take improvement action identified within staff surveys throughout the year.

RNH has developed education plans that address skills gaps for both clinical and non-clinical staff. This can also be showcased in the commitment to upskill staff, and continuously provide career pathways from junior staff, all the way through to the most senior clinical practitioners offering an array of fiscal and non-fiscal support.

Moving from Competition to Collaboration (Mandatory)

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

Health Service Deliverables

Through Grampians HSP partner with SCV to develop a new system of regional credentialing.

Achievements/Outcome

Rural Northwest Health is working collaboratively with the Grampians Region Health Service Partnership as part of the Aboriginal Health Innovation Steering Committee. The aim of this committee is to identify barriers to care for Aboriginal community members. The Committee will then advocate for changes on how we can improve the health outcomes for the Aboriginal community members.

Rural Northwest Health is an active partner in the Grampians Regional Health Service Partnership project to implement regional credentialing. The project includes a regional IT system and credentialing processes.

Empowering People to Keep Healthy and Safe in the Community (Elective)

Goal: EA3 Deliver collective and collaborative preventative health, mental health and wellbeing services and programs, where all people, sectors and communities have an important role to play in enabling people to live their best lives.

Health Service Deliverables

Embed strategies to raise awareness and implementation of the 'Healthy choices food and drink policy directive for Victorian public health services' to enable staff, visitors and the health service community to have access to healthier options to support their health and wellbeing.

Achievements/Outcome

Health choices food and drink policy embedded in organisation with regular consultation with Dietetic review in regard to new introduced meals for staff.

Care Close to Home (Elective)

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

Health Service Deliverables

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

Achievements/Outcome

VVED implementation in urgent care at Warracknabeal and Hopetoun. Advertised VVED as an option for community at home.

Organised replacement radiology service to continue providing diagnostic imaging in the community.

Community Health – Intake team structure review in action with aim to have one entry point into RNH Community Service.

Rural Northwest Health has continued to admit patients within our scope. This helps in freeing some beds from Grampians Health Horsham. Our acute ward in Warracknabeal has continued to provide care for the community members ensuring that care is provided closer to home.

Goal: EB3 Support improved access to services for people managing chronic disease by improving access to home-based and remote service delivery.

Health Service Deliverables

Transition CHSP services from shire to RNH.

Achievements/Outcome

Successfully transitioned in home services from Yarriambiack Shire to RNH without a single community member missing care.

228 consumers transferred over from shire services and currently 333 consumers are actively receiving home Support Program Services

Development of internal systems to allow for the identification of other service needs and referral pathways across the teams.

A Health System That Takes Effective Climate Action
(Elective)

Goal: EC1 Reduce clinical and operational practices that are wasteful and environmentally harmful to effectively contribute towards achieving net zero emissions across the health, wellbeing, and care system, including by delivering more energy efficient health services.

Health Service Deliverables

Plan and implement an adaption initiative to enhance the resilience of infrastructure service continuity.

Achievements/Outcome

In February 2024 The Victorian Health Board Association (VHBA) commissioned DETA Consulting PTY Ltd (DETA) to complete energy audits of the facilities owned by Rural Northwest Health as part of the Victorian Department of Health's energy efficiency program. The audit recommended 43 energy management opportunities that RNH will work through, 8 of which have been funded by the VHBA. These 8 initiatives will produce a total of $99,802 in savings with a reduction of 374 (T C02-e) per annum.

Delivery of Urgent Care Service (Local)

Goal: Delivery of Urgent Care service to Hopetoun community

Health Service Deliverables

To investigate models of care delivery including visiting organisations of similar size, reviewing new/ innovative models.

Achievements/Outcome

There have been a series of discussions with health organisations to understand successful models of urgent care for their communities. Some of these have included working innovatively and collaboratively with Ambulance Victoria.

This project remains a work in progress with the next steps including partnering with the Hopetoun community in the development of the service.

Health Service Deliverables

Review and implement appropriate training of RNH staff at Hopetoun.

Achievements/Outcome

A review of presentations to Urgent Care across the organisation was undertaken and plans for training were aligned.

RNH staff were canvassed for training needs in Urgent Care which was also considered.

Key 2023–2024 Health Service Performance Priorities

High Quality and Safe Care

Key Performance Measure	Target	Outcome
Infection Prevention and Control		
Compliance with the Hand Hygiene Australia program[1]	85%	89.2%
Percentage of healthcare workers immunised for influenza	94%	95.53%
Patient Experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	0*
Aboriginal Health		
Percentage of Aboriginal admitted patients who left against medical advice[2]	25% reduction in gap based on prior year's annual rate	0#

* There are no overall results available for adult in-patients as the numbers do not meet the threshold for meaningful data to be generated.

There are no overall results for percentage of Aboriginal admitted patients who left against medical advice as there have been zero cases.

Strong Governance, Leadership and Culture

Key Performance Measure	Target	Outcome
Organisational Culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	65%

Effective Financial Management

Key Performance Measure	Target	Outcome
Operating result ($M)	-$0.93	-$1.79
Average number of days to pay trade creditors	60 days	22 days
Average number of days to receive patient fee debtors	60 days	39 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.08
Variance between forecast and actual Net Result From Transactions (NRFT) for the current financial year ending 30 June.	Variance ≤ $250,000	$861,156
Actual number of days of available cash, measured on the last day of each month	14 days	70 days

2023–2024 Activity and Funding

Rural Northwest Health funding summary for 1 July 2023 – 30 June 2024

Funding Type	Activity Achievement	
Small Rural		
Small Rural Acute	1	NWAU
Small Rural Primary Health & HACC	4529	Service hours
Small Rural Residential Care	58500	Bed days
Small Rural Health Workforce*	0	
Small Rural Other Specified Funding*	0	
Total Funding	**63,030**	

* Rural Northwest Health did not have any activity for Small Rural Health Workforce or Small Rural Other Specified Funding.

Legislative Compliance

Freedom of Information (FOI)

Rural Northwest Health has received six requests for information under the Freedom of Information Act (1982) during the 2023–24 financial year, a decrease of two from the previous financial year.

Of the six requests received, all cases were personal request, with all cases being granted in full with nil instances of no documentation/medical records available.

All applications were received from or on behalf of members of the public.

Members of the public may telephone the service on 03 5396 1200, in the first instance to obtain information on the application process. Applications MUST be in writing on the required FOI form and sent to:

The Freedom of Information Officer
Rural Northwest Health
Po Box 386
Warracknabeal, Victoria 3393

Applications must clearly describe the documents that are being requested. If seeking an exemption of the application fee then evidence must also be provided by the applicant as to the reasons why.

The following fees apply:

- Application fee — $31.80 (non-refundable unless the fee is waived)
- Search fee — $23.85 per hour for the search of documents and/or extraction of information from a database
- Photocopying — 20 cents per black and white A4 page.

It is important that applicants provide photo identification as to their identity at the time of application.

Further information is available at www.foi.vic.gov.au

Building Act 1993

All building works comply with the Building Act 1993.

Public Interest Disclosure Act 2012

Rural Northwest Health facilitates the making of disclosures of improper conduct by employees, provides a system of investigation of such disclosures and protects employees making disclosures from retribution in accordance with the provisions of the Public Interest Disclosure Act 2012.

National Competition Policy

All competitive neutrality requirements were met in accordance with the requirements of the Government policy statement, Competitive Neutrality Policy Victoria and subsequent reforms.

Carers Recognition Act 2012

Rural Northwest Health has taken measures to ensure awareness and understanding of care relationship principles in line with Section 11 of the Carer's Recognition Act 2012.

Local Jobs Act 2003

Rural Northwest Health complies with the requirements of the Local Jobs Act 2003. There were no reportable disclosures during the reporting period.

Gender Equality Act 2020

In line with our steadfast commitment to creating a diverse and equitable workplace, Rural Northwest Health (RNH) wholeheartedly welcomed the Gender Equality Act 2020, which took effect on March 31, 2021. As of June 2022, women constitute 80.7% of our workforce, reflecting a slight decrease from 83.0% in 2018. To enrich our cultural diversity, 64.4% of our staff are Australian residents, while the remaining 35.6% come from a variety of international backgrounds. To further cement our dedication to gender and intersectional equality, RNH has developed a robust Gender Equality Action Plan for the years 2021–2025. This plan was meticulously crafted through inclusive consultations with our team members, ensuring that a multitude of perspectives were considered. In alignment with the Victorian Government's commitment to 'Closing the Gap' by 2031, RNH is also focused on enhancing participation of Aboriginal and Torres Strait Islander individuals in the Victorian public sector workforce.

The Gender Equality Action Plan is more than a static document; it's a dynamic blueprint designed to adapt to the changing needs and emerging challenges we may encounter. Governed by rigorous frameworks, this plan complements our internal goals while harmonizing with larger Victorian Public Sector initiatives, such as "*Safe and Strong — A Victorian Gender Equality Strategy*," "*Free from Violence: Second Action Plan 2022–2025*," the "*State Disability Plan 2022–2026*," and "*Pride in our Future: Victoria's LGBTIQ+ Strategy 2022–2032*."

Our unwavering commitment to diversity and inclusion aims to yield positive outcomes for our staff, clients, and the communities we serve. By doing so, RNH aspires to set industry standards for what equitable healthcare provision should embody, both now and in the future.

Safe Patient Care Act 2015

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

Additional Information Available on Request

Consistent with FRD 22 (Section 5:21) details in respect of the items listed below have been retained by Rural Northwest Health and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

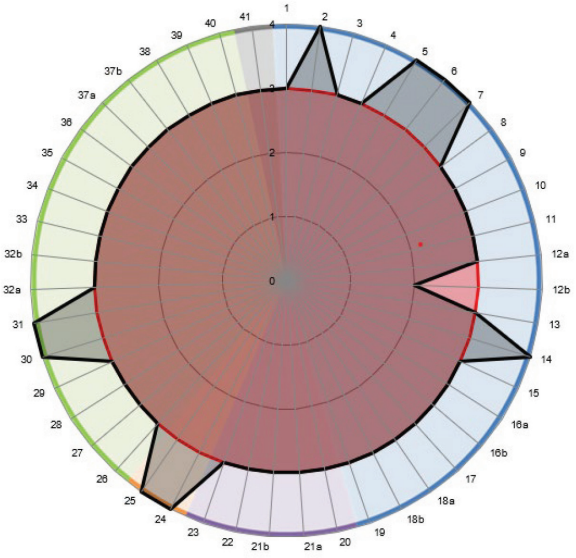
- Declarations of pecuniary interests have been duly completed by all relevant officers;
- Details of shares held by senior officers as nominee or held beneficially;
- Details of publications produced by the entity about itself, and how these can be obtained;
- Details of changes in prices, fees, charges, rates and levies charged by the health service;
- Details of any major external reviews carried out on the health service;
- Details of major research and development activities undertaken by the health service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;
- 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 health service to develop community awareness of the health service 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 health service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;
- A list of major committees sponsored by the health service, the purposes of each committee and the extent to which those purposes have been achieved;
- Details of all consultancies and contractors including consultants/contractors engaged, services provided, and expenditure committed for each engagement.

Asset Management Accountability Framework — Maturity Assessment

The following sections summarise Rural Northwest Health's assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF). The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (https://www.dtf.vic.gov.au/infrastructure-investment/assetmanagement-accountability-framework).

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

Results



Target Overall

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

Leadership and Accountability (requirements 1–19)

Rural Northwest Health has met or exceeded its target maturity level under most requirements within this category. Rural Northwest Health did not comply with some requirements in the areas of Monitoring asset performance. There is no material non-compliance reported in this category. A plan for improvement is in place to increase our maturity rating in these areas.

Planning (requirements 20–23)

Rural Northwest Health has met or exceeded its target maturity level in this category.

Acquisition (requirements 24 and 25)

Rural Northwest Health has met or exceeded its target maturity level in this category.

Operational (requirements 26–40)

Rural Northwest Health has met or exceeded its target maturity level in this category.

Disposal (requirement 41)

Rural Northwest Health has met its target maturity level in this category.

Consultancy Disclosures

Details of Consultancies (under $10,000)

In 2023–24 RNH engaged 18 consultants where the total fees payable were less than $10,000.

The total expenditure incurred during 2023–2024 in relation to these consultancies is $151,062.50 (excl. GST).

Details of Consultancies (valued at $10,000 or greater)

Consultant	Purpose of Consultancy	Start Date	End Date	Total Approved Project Fee (Ex GST)	Expenditure 2023–24
Health Generation	Compliance Remediation	01-Jul-23	30-Jun-24	$73,889.69	$73,889.69
HR Legal	Professional fees	01-Jul-23	30-Jun-24	$91,102.45	$91,102.45
Sentius Group	Professional fees	01-Jul-23	30-Jun-24	$215,506.00	$215,506.00
Dr Rohan Laging	Professional fees	01-Jul-23	30-Jun-24	$63,432.00	$63,432.00
Price Waterhouse	Professional fees	01-Jul-23	30-Jun-24	$38,419.00	$38,419.00
Connected Medical	Professional fees	01-Jul-23	30-Jun-24	$22,515.00	$22,515.00
AASB (Accounting)	Professional fees	01-Jul-23	30-Jun-24	$22,400.00	$22,400.00
Porter Novelli	Professional fees	01-Jul-23	30-Jun-24	$13,588.00	$13,588.00

The total expenditure incurred during 2023–2024 in relation to these consultancies is $540,852 (excl. GST).

Information and Communication Technology (ICT) Expenditure

The total ICT expenditure incurred during 2023–2024 is $1,263,192 (excluding GST) with the details shown below:

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total=Operational expenditure and Capital Expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
$864,686.99	**$398,505.40**	**$4,579.73**	**$393,925.67**

Social Procurement Activities and Commitments

Overall Social Procurement Activities	2023–24
Number of social benefit suppliers engaged during the reporting period:	3
Total amount spent with social benefit suppliers (direct spend) during the reporting period ($ GST exclusive):	16615
Total number of mainstream suppliers engaged that have made social procurement commitments in their contracts with the Victorian Government:	1
Total number of contracts that include social procurement commitments:	1

Procurement Framework objectives prioritised by Rural Northwest Health's for 2022–24.

Priority Objectives:

2. Opportunities for Victorians with disability

7. Sustainable Victorian regions

8. Environmentally sustainable outputs

Reviews and Studies Expenditure

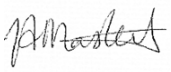
Rural Northwest Health has not engaged in any reviews or studies in relation to its obligations under Recommendation 3 in the PAEC Report 147 for the 2023–2024 year.

Government Advertising Expenditure

Not applicable for the 2023–2024 year.

Data Integrity Declaration

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

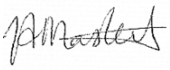


Jenni Masters

Accountable Officer
Warracknabeal
September 2024

Integrity, Fraud and Corruption Declaration

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



Jenni Masters

Accountable Officer
Warracknabeal
September 2024

Conflict of Interest Declaration

I, Jenni Masters, certify that Rural Northwest Health has put in place appropriate internal controls and processes to ensure that it has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. Declaration of private interest forms have been completed by all executive staff within Rural Northwest 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.

Jenni Masters

Accountable Officer
Warracknabeal
September 2024

Financial Management Compliance Attestation

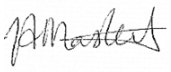
I, Genevieve O'Sullivan, on behalf of the Responsible Body, certify that the Rural Northwest Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

Genevieve O'Sullivan

Responsible Officer
Warracknabeal
September 2024

Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Jenni Masters, certify that Rural Northwest 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.



Jenni Masters

Accountable Officer
Warracknabeal
September 2024

Disclosure Index

The annual report of the Rural Northwest 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.

Financial

Financial Overview

Rural Northwest Health reports a net deficit result of $1.785M and an entity deficit from transactions of $5.034M after capital depreciation for the year ending 30 June 2024. The operating result is the result for which the health service is monitored in its 'Statement of priorities'.

Finance Summary 5 Years 2019–20 to 2023–24	2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Operating Result	(1,785)	20	1,089	253	94
Total Revenue	29,627	27,538	25,952	25,873	25,303
Total Expenses	(34,661)	(31,196)	(29,245)	(29,403)	(28,814)
Net Result from Operations	(5,034)	(3,658)	(3,293)	(3,530)	(3,511)
Total Other Economic Flows	43	15	118	209	320
Net Result	(4,991)	(3,643)	(3,175)	(3,321)	(3,191)
Changes in Property, Plant and Equipment Revaluation Surplus	39,745	—	11,840		
Total Assets	120,380	84,659	91,526	82,628	83,458
Total Liabilities	14,527	13,560	16,784	16,551	14,209
Net Assets	105,853	71,099	74,742	66,077	69,249

Reconciliation of Net Result from Translations and Operating Result	2023–24 $'000
Net Operating Result	(1,785)
Capital Purpose Income	471
Specific Income COVID 19 State Supply Arrangements — Assets received free of charge	75
State Supply Items Consumed up to 30 June 2024	(75)
Assets Provided Free of Charge	0
Assets Received Free of Charge	0
Expenditure for Capital Purpose	(28)
Depreciation	(3,689)
Impairment of Non-Financial Assets	0
Finance Costs	(3)
Net Result from Transactions	(5,034)

*Operational and budgetary objectives and performance against objectives — please refer to SoP KPI results on page 25.

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Rural Northwest Health

Opinion	I have audited the financial report of Rural Northwest Health (the health service) which comprises the: • balance sheet as at 30 June 2024 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2024 and 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 in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
5 December 2024

Dominika Ryan
as delegate for the Auditor-General of Victoria

Financial Statements

Financial Year ended 30 June 2024

Board Director's, Accountable Officer's, and Chief Finance & Accounting Officer's Declaration

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

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

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

We authorise the attached financial statements for issue on 27th November 2024.

Board Director

Genevieve O'Sullivan

Board Chair
Rural Northwest Health
27th November 2024

Accountable Officer

Jenni Masters

Chief Executive Officer
Rural Northwest Health
27th November 2024

Chief Finance & Accounting Officer

Hendrik Barnard

Chief Finance & Accounting Officer
Rural Northwest Health
27th November 2024

Rural Northwest Health
Comprehensive Operating Statement
For the Financial Year Ended 30 June 2024

	Note	Total 2024 $'000	Total 2023 $'000
Revenue and income from transactions			
Operating activities		28,911	26,983
Non-operating activities	2.1	716	555
Total revenue and income from transactions	2.1	**29,627**	**27,538**
Expenses from transactions			
Employee expenses	3.1	(24,545)	(21,359)
Supplies and consumables	3.1	(2,164)	(2,090)
Finance costs	3.1	(20)	(61)
Depreciation	3.1	(3,689)	(3,510)
Other administrative expenses	3.1	(3,376)	(2,629)
Other operating expenses	3.1	(866)	(1,524)
Other non-operating expenses	3.1	(1)	(23)
Total expenses from transactions		**(34,661)**	**(31,196)**
Net result from transactions — net operating balance		**(5,034)**	**(3,658)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets	3.2	139	48
Net gain/(loss) on financial instruments	3.2	—	(4)
Other gain/(loss) from other economic flows	3.2	(96)	(29)
Total other economic flows included in net result		**43**	**15**
Net result for the year		**(4,991)**	**(3,643)**
Other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus	4.3	39,745	—
Total other comprehensive income		**39,745**	**—**
Comprehensive result for the year		**34,754**	**(3,643)**

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

Rural Northwest Health
Balance Sheet
As at 30 June 2024

	Note	Total 2024 $'000	Total 2023 $'000
Current assets			
Cash and cash equivalents	6.2	14,405	16,046
Receivables and contract assets	5.1	901	1,378
Inventories	4.5	25	25
Prepaid expenses		130	75
Total current assets		**15,461**	**17,524**
Non-current assets			
Receivables and contract assets	5.1	635	731
Property, plant and equipment	4.1 (a)	103,844	66,056
Right of use assets	4.2 (a)	440	348
Total non-current assets		**104,919**	**67,135**
Total assets		**120,380**	**84,659**
Current liabilities			
Payables and contract liabilities	5.2	1,691	1,757
Borrowings	6.1	183	191
Employee benefits	3.3	5,001	4,587
Other liabilities	5.3	7,224	6,618
Total current liabilities		**14,099**	**13,153**
Non-current liabilities			
Borrowings	6.1	292	226
Employee benefits	3.3	136	181
Total non-current liabilities		**428**	**407**
Total liabilities		**14,527**	**13,560**
Net assets		**105,853**	**71,099**
Equity			
Property, plant and equipment revaluation surplus	4.3	89,861	50,116
Restricted specific purpose reserve	SCE	113	113
Contributed capital	SCE	29,139	29,139
Accumulated surplus/(deficit)	SCE	(13,260)	(8,269)
Total equity		**105,853**	**71,099**

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

Rural Northwest Health
Statement of Changes in Equity
For the Financial Year Ended 30 June 2023

Total	Note	Property, Plant and Equipment Revaluation Surplus $'000	Restricted Specific Purpose Reserve $'000	Contributed Capital $'000	Accumulated Surplus/ (Deficits) $'000	Total $'000
Balance at 30 June 2022		**50,116**	**113**	**29,139**	**(4,626)**	**74,742**
Net result for the year		—	—	—	(3,643)	(3,643)
Balance at 30 June 2023		**50,116**	**113**	**29,139**	**(8,269)**	**71,099**
Net result for the year		—	—	—	(4,991)	(4,991)
Other comprehensive income for the year	4.3	39,745	—	—	—	39,745
Balance at 30 June 2024		**89,861**	**113**	**29,139**	**(13,260)**	**105,853**

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

Rural Northwest Health
Cash Flow Statement
For the Financial Year Ended 30 June 2024

	Note	Total 2024 $'000	Total 2023 $'000
Cash flows from operating activities			
Operating grants from government – State		14,011	15,948
Operating grants from government – Commonwealth		10,491	7,420
Capital grants from government — State		455	260
Patient fees received		2,614	2,345
GST received from / (paid to) ATO		32	(26)
Interest and investment income received		716	555
Commercial income received		190	191
Other receipts		1,079	(131)
Total receipts		**29,588**	**26,562**
Employee expenses paid		(24,288)	(20,922)
Payments for supplies and consumables		(1,648)	(2,272)
Payments for medical indemnity insurance		(103)	(181)
Payments for repairs and maintenance		(330)	(417)
Finance costs		(20)	(61)
Other payments		(3,867)	(3,428)
Total payments		**(30,256)**	**(27,281)**
Net cash flows from operating activities	8.1	**(668)**	**(719)**
Cash flows from investing activities			
Purchase of non-financial assets		(1,824)	(692)
Other capital receipts		16	7
Proceeds from sale of non-financial assets		139	48
Net cash flows used in investing activities		**(1,669)**	**(637)**
Cash flows from financing activities			
Repayment of borrowings		58	(16)
(Repayment) / Receipt of accommodation deposits		638	(3,299)
Net cash flows from/(used in) financing activities		**696**	**(3,315)**
Net increase/(decrease) in cash and cash equivalents held		**(1,641)**	**(4,671)**
Cash and cash equivalents at beginning of year		16,046	20,717
Cash and cash equivalents at end of year	6.2	**14,405**	**16,046**

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

Note 1: Basis of Preparation

Structure

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

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of Preparation of the Financial Statements

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

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

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous 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 8.9 Economic Dependency).

The financial statements are 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 Rural Northwest Health on 27th November 2024.

Note 1.2: Abbreviations and Terminology Used in the Financial Statements

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

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

Note 1.3: Joint Arrangements

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

Rural Northwest Health has the following joint arrangements:

- Grampians Rural Health Alliance — Joint Operation

Details of the joint arrangements are set out in Note 8.7.

Note 1.4: Key Accounting Estimates and Judgements

Management make estimates and judgements when preparing the financial statements.

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

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

The material accounting policies and significant management 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.

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 Rural Northwest 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.	The impact of this standard has not yet been completed.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Rural Northwest 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 or financing activities which are recoverable from, or payable to the ATO, which are disclosed as operating cash flows.

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

Note 1.7: Reporting Entity

The financial statements include all the activities of Rural Northwest Health.

Rural Northwest Health's principal address is:

Dimboola Road
Warracknabeal
Victoria 3393

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

Note 2: Funding Delivery of our Services

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

Structure

Material Judgements and Estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	Rural Northwest 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 criterieon is met, the contract/funding agreement is treated as a contract with a customer, requiring Rural Northwest Health to recognise revenue as or when the health service transfers promised goods or services to customers. If this criterieon is not met, funding is recognised immediately in the net result from operations..
Determining timing of revenue recognition	Rural Northwest 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	Rural Northwest Health applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the health service's progress as this is deemed to be the most accurate reflection of the stage of completion.
Assets and services received free of charge or for nominal consideration	Rural Northwest Health applies material judgement to determine the fair value of assets and services provided free of charge or for nominal value. Where a reliable market value exists it is used to calculate the equivalent value of the service being provided. Where no reliable market value exists, the service is not recognised in the financial statements.

Note 2.1: Revenue and Income From Transactions

	Total 2024 $'000	Total 2023 $'000
Operating activities **Revenue from contracts with customers**		
Government grants (State) — Operating	18	46
Government grants (Commonwealth) — Operating	10,491	7,420
Patient and resident fees	2,644	2,358
Commercial activities[1]	190	191
Total revenue from contracts with customers	**13,343**	**10,015**
Other sources of income		
Government grants (State) — Operating	14,388	15,856
Government grants (State) — Capital	455	260
Other capital purpose income	16	7
Assets received free of charge or for nominal consideration	75	305
Other revenue from operating activities (including non-capital donations)	634	540
Total other sources of income	**15,538**	**16,968**
Total revenue and income from operating activities	**28,911**	**26,983**
Non-operating activities **Income from other sources**		
Other interest	716	555
Total other sources of income	716	555
Total income from non-operating activities	**716**	**555**
Total revenue and income from transactions	**29,627**	**27,538**

[1] Commercial activities represent business activities which Rural Northwest Health enter into to support their operations.

Note 2.1 (a): Timing of Revenue From Contracts With Customers

	Total 2024 $'000	Total 2023 $'000
Rural Northwest Health disaggregates revenue by the timing of revenue recognition		
Goods and services transferred to customers:		
At a point in time	13,153	9,824
Over time	190	191
Total revenue from contracts with customers	**13,343**	**10,015**

How We Recognise Revenue and Income From Transactions

Government Operating Grants

To recognise revenue, Rural Northwest 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.s.

When both these conditions are satisfied, the health service:

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

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

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

The types of government grants recognised under AASB 15: *Revenue from Contracts with Customers* include:

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

Capital Grants

Where Rural Northwest 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 Rural Northwest 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.

Commercial Activities

Revenue from commercial activities includes items such as Yarriambiack Medical Clinic, meals on wheels and provision of accommodation. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

Note 2.2: Fair Value of Assets and Services Received Free of Charge or For Nominal Consideration

	Total 2024 $'000	Total 2023 $'000
Personal protective equipment	75	305
Total fair value of assets and services received free of charge or for nominal consideration	**75**	**305**

How We Recognise the Fair Value of Assets and Services Received Free of Charge or For Nominal Consideration

Donations and Bequests

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

Personal Protective Equipment

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

Contribution of Resources

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

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

Voluntary Services

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

- The RNH auxiliary provides fundraising and promotional opportunities. Residential aged care volunteers assist with transportation to appointments, social interaction and lifestyle activities.

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

Rural Northwest Health greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health

The Department of Health makes some payments on behalf of Rural Northwest Health as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Rural Northwest Health which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health Hospital Circular.
Victorian Health Building Authority	The Department of Health made payments to the Victorian Health Building Authority to fund capital works projects during the year ended 30 June 2024, on behalf of Rural Northwest Health.

Note 2.3: Other Income

	Total 2024 $'000	Total 2023 $'000
Interest	716	555
Total other income	**716**	**555**

How We Recognise Other Income

Interest Income

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

Note 3: The Cost of Delivering Our Services

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

Structure

Material Judgements and Estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	Rural Northwest Health applies material judgment when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Rural Northwest Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Rural Northwest Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	Rural Northwest 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 22% and 86% • Discounting at the rate of 4.348%, 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	Total 2024 $'000	Total 2023 $'000
Salaries and wages		16,594	16,236
On-costs		1,702	1,611
Agency expenses		5,495	2,786
Fee for service medical officer expenses		222	328
Workcover premium		532	398
Total employee expenses		**24,545**	**21,359**
Drug supplies		178	178
Medical and surgical supplies		540	633
Diagnostic and radiology supplies		309	236
Other supplies and consumables		1,137	1,043
Total supplies and consumables		**2,164**	**2,090**
Finance costs		20	61
Total finance costs		**20**	**61**
Other administrative expenses		3,376	2,629
Total other administrative expenses		**3,376**	**2,629**
Fuel, light, power and water		405	397
Repairs and maintenance		247	299
Maintenance contracts		83	118
Medical indemnity insurance		108	181
Expenditure for capital purposes		28	529
Total other operating expenses		**866**	**1,524**
Total operating expense		**30,971**	**27,663**
Depreciation	4.4	3,689	3,510
Total depreciation and amortisation		**3,689**	**3,510**
Bad and doubtful debt expense		1	23
Total other non-operating expenses		**1**	**23**
Total non-operating expense		**3,690**	**3,533**
Total expenses from transactions		**34,661**	**31,196**

How We Recognise Expenses From Transactions

Expense Recognition

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

Employee Expenses

Employee expenses include:

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

Supplies and Consumables

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

Finance Costs

Finance costs include:

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

Other Operating Expenses

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

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

The Department of Health also makes certain payments on behalf of Rural Northwest 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 the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

Note 3.2: Other Economic Flows Included in Net Result

	Total 2024 $'000	Total 2023 $'000
Net gain/(loss) on disposal of property plant and equipment	139	48
Total net gain/(loss) on non-financial assets	**139**	**48**
Allowance for impairment losses of contractual receivables	—	(4)
Total net gain/(loss) on financial instruments	**—**	(4)
Net gain/(loss) arising from revaluation of long service liability	(96)	(29)
Total other gains/(losses) from other economic flows	**(96)**	**(29)**
Total gains/(losses) from other economic flows	**43**	**15**

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

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

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:

- Net gain/(loss) on disposal of non-financial assets
- 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 7.1 Investments and other financial assets) and
- Disposals of financial assets and derecognition of financial liabilities.

Note 3.3: Employee Benefits in the Balance Sheet

	Total 2024 $'000	Total 2023 $'000
Current employee benefits and related on-costs		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [i]	99	60
	99	**60**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	1,298	1,286
Unconditional and expected to be settled wholly after 12 months [ii]	539	256
	1,837	**1,542**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	385	378
Unconditional and expected to be settled wholly after 12 months [ii]	2,086	2,064
	2,471	**2,442**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	234	222
Unconditional and expected to be settled after 12 months [ii]	360	321
	594	**543**
Total current employee benefits and related on-costs	**5,001**	**4,587**
Non-current provisions and related on-costs		
Conditional long service leave [i]	119	158
Provisions related to employee benefit on-costs [ii]	17	23
Total non-current employee benefits and related on-costs	136	181
Total employee benefits and related on-costs	**5,137**	**4,768**

[i] The amounts disclosed are nominal amounts.

[ii] The amounts disclosed are discounted to present values.

Note 3.3 (a): Employee Benefits and Related On-Costs

	Total 2024 $'000	Total 2023 $'000
Current employee benefits and related on-costs		
Unconditional accrued days off	111	68
Unconditional annual leave entitlements	2,067	1,735
Unconditional long service leave entitlements	2,823	2,784
Total current employee benefits and related on-costs	**5,001**	**4,587**
Conditional long service leave entitlements	136	181
Total non-current employee benefits and related on-costs	**136**	**181**
Total employee benefits and related on-costs	**5,137**	**4,768**
Carrying amount at start of year	**4,768**	**4,465**
Additional provisions recognised	1,943	1,907
Amounts incurred during the year	(1,574)	(1,604)
Carrying amount at end of year	**5,137**	**4,768**

How We Recognise Employee Benefits

Employee Benefit Recognition

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

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

Annual Leave and Accrued Days Off

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

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

- Nominal value — if Rural Northwest Health expects to wholly settle within 12 months or
- Present value — if Rural Northwest Health does not expect to wholly settle within 12 months.

Long Service Leave

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

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

The components of this current LSL liability are measured at:

- Nominal value — if Rural Northwest Health expects to wholly settle within 12 months or
- Present value — if Rural Northwest Health does not expect to wholly settle within 12 months.

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

Provision for On-Costs Related to Employee Benefits

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

Note 3.4: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
Defined contribution plans	**Total 2024 $'000**	**Total 2023 $'000**	**Total 2024 $'000**	**Total 2023 $'000**
First State Super	1,030	1,013	—	—
Hesta	297	310	—	—
Other Funds	375	288	—	—
Total	**1,702**	**1,611**	**—**	**—**

How We Recognise Superannuation

Employees of Rural Northwest Health are entitled to receive superannuation benefits and it contributes to defined contribution plans. There are no contributions made to defined benefit plans.

Defined Contribution Superannuation Plans

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

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

Note 4: Key Assets to Support Service Delivery

Rural Northwest 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 Rural Northwest Health to be utilised for delivery of those outputs.

Structure

Material Judgements and Estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	Rural Northwest Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. Rural Northwest Health applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Identifying indicators of impairment	At the end of each year, Rural Northwest Health assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The health service considers a range of information when performing its assessment, including considering: • If an asset's value has declined more than expected based on normal use • If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset • If an asset is obsolete or damaged • If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life • If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the health service applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1 (a): Gross Carrying Amount and Accumulated Depreciation

	Total 2024 $'000	Total 2023 $'000
Land at fair value — Freehold	3,125	1,242
Total land at fair value	**3,125**	**1,242**
Buildings at fair value	95,985	63,805
Less accumulated depreciation	—	(2,947)
Buildings at cost	—	432
Less accumulated depreciation	—	(106)
Total buildings at fair value	**95,985**	**61,184**
Property improvements at fair value	1,278	1,278
Less accumulated depreciation	—	—
Total property improvements at fair value	**1,278**	**1,278**
Works in progress at cost	**951**	**42**
Total land and buildings	**101,339**	**63,746**
Plant and equipment at fair value	1,904	1,754
Less accumulated depreciation	(1,235)	(1,111)
Total plant and equipment at fair value	**669**	**643**
Motor vehicles at fair value	225	225
Less accumulated depreciation	(227)	(222)
Total motor vehicles at fair value	**(2)**	**3**
Medical equipment at fair value	2,143	2,051
Less accumulated depreciation	(1,159)	(964)
Total medical equipment at fair value	**984**	**1,087**
Computer equipment at fair value	1,324	930
Less accumulated depreciation	(877)	(726)
Total computer equipment at fair value	**447**	**204**
Furniture and fittings at fair value	864	758
Less accumulated depreciation	(457)	(385)
Total furniture and fittings at fair value	**407**	**373**
Total plant, equipment, furniture, fittings and vehicles at fair value	**2,505**	**2,310**
Total property, plant and equipment	**103,844**	**66,056**

Note 4.1 (b): Reconciliations of the Carrying Amounts of Each Class of Asset

Total	Note	Land $'000	Buildings $'000	Plant and equipment $'000	Motor vehicles $'000	Medical equipment $'000	Computer equipment $'000	Furniture & fittings $'000	Total $'000
Balance at 1 July 2022		**1,242**	**65,605**	**678**	**9**	**820**	**248**	**293**	**68,895**
Additions		—	169	68	—	404	35	132	808
Revaluation increments/ (decrements)		—	(216)	—	—	—	—	—	(216)
Depreciation	4.2	—	(3,054)	(103)	(6)	(137)	(79)	(52)	(3,431)
Balance at 30 June 2023	4.1 (a)	**1,242**	**62,504**	**643**	**3**	**1,087**	**204**	**373**	**66,056**
Additions		—	909	150	—	92	394	106	1,651
Revaluation increments/ (decrements)		2,058	37,687	—	—	—	—	—	39,745
Net transfers between classes		(175)	175	—	—	—	—	—	—
Depreciation	4.2	—	(3,061)	(124)	(5)	(195)	(151)	(72)	(3,608)
Balance at 30 June 2024	4.1 (a)	**3,125**	**98,214**	**669**	**(2)**	**984**	**447**	**407**	**103,844**

Land and Buildings Carried at Valuation

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

How We Recognise Property, Plant and Equipment

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

Initial Recognition

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

Subsequent Measurement

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

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

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

Revaluation

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

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

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% 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%, Rural Northwest Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

A valuation of Rural Northwest Health's property, plant and equipment was performed on 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.

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

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

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

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

Note 4.2: Right-Of-Use Assets

Note 4.2 (a): Gross Carrying Amount and Accumulated Depreciation

	Total 2024 $'000	Total 2023 $'000
Right of use plant, equipment, furniture, fittings and vehicles at fair value	627	514
Less accumulated depreciation	(187)	1
Total right of use plant, equipment, furniture, fittings and vehicles at fair value	**440**	**348**
Total right of use plant, equipment, furniture, fittings and vehicles at fair value	**440**	**348**
Total right of use assets	**440**	**348**

Note 4.2 (b): Reconciliations of the Carrying Amounts of Each Class of Asset

	Note	Right-of-use: PE, FF&V $'000	Total $'000
Balance at 1 July 2022		**327**	**327**
Additions / (Disposals)		100	100
Depreciation	4.4	(79)	(79)
Balance at 30 June 2023	4.2 (a)	**348**	**348**
Additions / (Disposals)		173	173
Depreciation	4.4	(81)	(81)
Balance at 30 June 2024	4.2 (a)	**440**	**440**

How We Recognise Right-Of-Use Assets

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

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

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

Class of right-of-use asset	Lease term
Leased plant, equipment, furniture, fittings and vehicles	3 years

Initial Recognition

When a contract is entered into, Rural Northwest 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 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.

Rural Northwest 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 remeasurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

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

Note 4.3: Revaluation Surplus

	Note	Total 2024 $'000	Total 2023 $'000
Balance at the beginning of the reporting period		50,116	50,116
Revaluation increment			
– Land	4.1 (b)	2,058	—
– Buildings	4.2 (b)	37,687	—
Balance at the end of the Reporting Period*		**89,861**	**50,116**
*** Represented by:**			
– Land		3,115	1,057
– Buildings		86,746	49,059
		89,861	**50,116**

Note 4.4: Depreciation

	Total 2024 $'000	Total 2023 $'000
Depreciation		
Buildings	3,061	2,947
Land Improvements	—	107
Plant and equipment	124	103
Motor vehicles	5	6
Medical equipment	195	137
Computer equipment	151	79
Furniture and fittings	72	52
Total depreciation — property, plant and equipment	**3,608**	**3,431**
Right-of-use assets		
Right of use — motor vehicles	81	79
Total depreciation — right-of-use assets	**81**	**79**
Total depreciation	**3,689**	**3,510**

How We Recognise Depreciation

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

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

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	10 to 47 years	10 to 47 years
– Site engineering services and central plant	5 to 37 years	5 to 37 years
Central Plant		
– Fit Out	5 to 22 years	5 to 22 years
– Trunk reticulated building system	5 to 27 years	5 to 27 years
Plant and equipment	1 to 20 years	1 to 20 years
Medical equipment	3 to 20 years	3 to 20 years
Computers and communication	1 to 10 years	1 to 10 years
Furniture and fittings	1 to 20 years	1 to 20 years
Motor Vehicles	6 to 8 years	6 to 8 years
Land Improvements	6 years	6 years

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

Note 4.5: Inventories

	Total 2024 $'000	Total 2023 $'000
General stores at cost	25	25
Total inventories	**25**	**25**

How We Recognise Inventories

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

Note 4.6: Impairment of Assets

How We Recognise Impairment

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

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

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

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

When performing an impairment test, Rural Northwest 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, Rural Northwest Health estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Rural Northwest Health did not record any impairment losses against Property, Plant and Equipment for the year ended 30 June 2024 (30 June 2023: Nil).

Note 5: Other Assets and Liabilities

This section sets out those assets and liabilities that arose from Rural Northwest Health's operations.

Structure

5.1 Receivables and contract assets

5.2 Payables and contract liabilities

5.3 Other liabilities

Material Judgements and Estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Rural Northwest Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	Where Rural Northwest 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. Rural Northwest 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	Rural Northwest Health applies material judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Note 5.1: Receivables and Contract Assets

	Note	Total 2024 $'000	Total 2023 $'000
Current receivables and contract assets			
Contractual			
Trade receivables		325	1,045
Patient fees		196	166
Allowance for impairment losses — Patient fees		(33)	(35)
Accrued revenue		108	119
Amounts receivable from governments and agencies		256	2
Total contractual receivables and contract assets		**852**	**1,297**
Statutory			
GST receivable		49	81
Total statutory receivables		**49**	**81**
Total current receivables and contract assets		**901**	**1,378**
Non-current receivables and contract assets			
Contractual			
Long service leave — Department of Health		635	731
Total contractual receivables and contract assets		**635**	**731**
Total non-current receivables and contract assets		**635**	**731**
Total receivables and contract assets		**1,536**	**2,109**

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

Total receivables and contract assets		1,536	2,109
Provision for impairment		33	35
GST receivable		(49)	(81)
Total financial assets	7.1 (a)	**1,520**	**2,063**

Note 5.1 (a): Movement in the Allowance for Impairment Losses of Contractual Receivables

	Total 2024	Total 2023
Balance at the beginning of the year	(35)	(13)
Increase in allowance	—	(45)
Amounts written off during the year	1	23
Balance at the end of the year	**(33)**	**(35)**

How We Recognise Receivables

Receivables consist of:

- **Contractual Receivables**, including debtors that relates to goods and services and accrued revenue from Government agencies. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.
- **Statutory Receivables**, including Goods and Services Tax (GST) input tax credits that are recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. The health service applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

Rural Northwest 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 7.1 (a) for Rural Northwest Health's contractual impairment losses.

Note 5.2: Payables and Contract Liabilities

	Note	Total 2024 $'000	Total 2023 $'000
Current payables and contract liabilities			
Contractual			
Trade creditors		261	255
Accrued salaries and wages		330	299
Accrued expenses		1,069	624
Deferred grant income	5.2 (a)	6	194
Inter hospital creditors		3	11
Amounts payable to governments and agencies		18	321
Total contractual payables and contract liabilities		**1,687**	**1,704**
Statutory			
Australian Taxation Office		4	53
Total statutory payables		**4**	**53**
Total current payables and contract liabilities		**1,691**	**1,757**
Total payables and contract liabilities		**1,691**	**1,757**

(i) Financial liabilities classified as payables and contract liabilities (Note 7.1 (a))

Total payables and contract liabilities		1,691	1,757
Deferred grant income		(6)	(194)
Contract liabilities		—	—
Total financial liabilities	7.1 (a)	**1,685**	**1,563**

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 the Rural Northwest Health prior to the end of the financial year that are unpaid.
- **Statutory Payables** including Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

Note 5.2 (a): Deferred Grant Income

	Total 2024 $'000	Total 2023 $'000
Opening balance of deferred grant income	194	—
Grant consideration for capital works received during the year	150	**194**
Deferred grant revenue recognised as revenue due to completion of capital works	(338)	—
Closing balance of deferred grant income	**6**	**194**

How We Recognise Deferred Capital Grant Revenue

Grant consideration was received from the Department of Health as part of the Regional Health Infrastructure Funding (RHIF) program. Grant revenue is recognised progressively as the asset is constructed, since this is the time when Rural Northwest Health satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion, as costs are incurred as the works are done (see note 2.1). As a result, Rural Northwest Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

Note 5.3: Other Liabilities

	Note	Total 2024 $'000	Total 2023 $'000
Current monies held it trust			
Refundable accommodation deposits		7,164	6,526
Patient monies held in trust		42	53
Other		18	39
Total current monies held in trust		**7,224**	**6,618**
Total other liabilities		**7,224**	**6,618**
*** Represented by:**			
– Cash assets	6.2	7,224	6,618
		7,224	**6,618**

How We Recognise Other Liabilities

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

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

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

Other monies are funds held by Rural Northwest Health for the use in local fundraising activities & scholarship opportunities for staff members for further professional development. Amounts are recorded at an amount equal to the proceeds when they are received.

Note 6: How We Finance Our Operations

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

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

Structure

Material Judgements and Estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Rural Northwest Health applies material judgement to determine if a contract is or contains a lease by considering if the health service: • Has the right-to-use an identified asset • Has the right to obtain substantially all economic benefits from the use of the leased asset and • Can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	Rural Northwest Health applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria. The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the health service applies the low-value lease exemption. The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.
Discount rate applied to future lease payments	Rural Northwest Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Rural Northwest Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 1.27% and 2.28%.
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 Rural Northwest Health is reasonably certain to exercise such options. Rural Northwest 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), the health service is typically reasonably certain to extend (or not terminate) the lease • If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease • The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Note	Total 2024 $'000	Total 2023 $'000
Current borrowings			
Lease liability [i]	6.1 (a)	146	155
Advances from Government [ii]		37	36
Total current borrowings		**183**	**191**
Non-current borrowings			
Lease liability [i]	6.1 (a)	292	192
Advances from Government [ii]		—	34
Total non-current borrowings		**292**	**226**
Total borrowings		**475**	**417**

[i] Secured by the assets leased.

[ii] These are unsecured loans which bear no interest.

How We Recognise Borrowings

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

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 Rural Northwest 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 and breaches of any of the loans.

Note 6.1 (a): Lease Liabilities

Rural Northwest Health's lease liabilities are summarised below:

	Total 2024 $'000	Total 2023 $'000
Total undiscounted lease liabilities	455	353
Less unexpired finance expenses	(17)	(6)
Net lease liabilities	**438**	**347**

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

	Total 2024 $'000	Total 2023 $'000
Not longer than one year	146	155
Longer than one year but not longer than five years	309	198
Minimum future lease liability	**455**	**353**
Less unexpired finance expenses	(17)	(6)
Present value of lease liability	**438**	**347**

*** Represented by:**		
– Current liabilities	146	155
– Non-current liabilities	292	192
	438	**347**

How We Recognise Lease Liabilities

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

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

Rural Northwest Health’s lease arrangements consist of the following:

Type of asset leased	Lease term
Leased motor vehicles	3 years

Separation of Lease and Non-Lease Components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

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 Rural Northwest Health's incremental borrowing rate. Our lease liability has been discounted by rates of between 3% to 5%.

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

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

Subsequent Measurement

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

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

Note 6.2: Cash and Cash Equivalents

	Note	Total 2024 $'000	Total 2023 $'000
Cash on hand (excluding monies held in trust)		2	2
Cash at bank (excluding monies held in trust)		331	397
Cash at bank — CBS (excluding monies held in trust)		6,809	9,029
Total cash held for operations		**7,142**	**9,428**
Cash at bank (monies held in trust)		197	193
Cash at bank — CBS (monies held in trust)		7,066	6,425
Total cash held as monies in trust		**7,263**	**6,618**
Total cash and cash equivalents	7.1 (a)	**14,405**	**16,046**

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 7: Risks, Contingencies and Valuation Uncertainties

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

Structure

Key Judgements and Estimates

This section contains the following key judgements and estimates:

Key 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, Rural Northwest Health has assumed the current use is its highest and best use. Accordingly, characteristics of the health service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets. Rural Northwest 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 Rural Northwest 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 Rural Northwest Health's (specialised buildings, furniture, fittings, plant, equipment and vehicles) are measured using this approach. • Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. Rural Northwest Health does not this use approach to measure fair value. The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, the health service 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 the health service can access at measurement date. Rural Northwest 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. Rural Northwest Health categorises non-specialised land and right-of-use concessionary land in this level. • Level 3, where inputs are unobservable. Rural Northwest Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Note 7.1: Financial Instruments

Financial instruments 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 Rural Northwest Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Note 7.1 (a): Categorisation of Financial Instruments

Total 30 June 2024	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	14,405	—	14,405
Receivables and contract assets	5.1	1,520	—	1,520
Total Financial Assets [i]		**15,925**	—	**15,925**
Financial Liabilities				
Payables	5.2	—	1,685	1,685
Borrowings	6.1	—	475	475
Other Financial Liabilities — Refundable accommodation deposits	5.3	—	7,164	7,164
Other Financial Liabilities — Patient monies held in trust	5.3	—	42	42
Other Financial Liabilities — Other	5.3	—	18	18
Total Financial Liabilities [i]		—	**9,384**	**9,384**

Total 30 June 2023	Note	Financial Assets at Amortised Cost $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets				
Cash and cash equivalents	6.2	16,046	—	16,046
Receivables and contract assets	5.1	2,063	—	2,063
Total Financial Assets [i]		**18,109**	—	**18,109**
Financial Liabilities				
Payables	5.2	—	1,563	1,563
Borrowings	6.1	—	417	417
Other Financial Liabilities — Refundable accommodation deposits	5.3	—	6,526	6,526
Other Financial Liabilities — Patient monies held in trust	5.3	—	53	53
Other Financial Liabilities — Other	5.3	—	39	39
Total Financial Liabilities [i]		—	**8,598**	**8,598**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable and DH receivable) and statutory payables (i.e. Revenue in Advance and DH payable).

How We Categorise Financial Instruments

Categories of Financial Assets

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

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

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

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

Financial Assets at Amortised Cost

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

- The assets are held by Rural Northwest 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.

Rural Northwest Health recognises the following assets in this category:

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

Categories of Financial Liabilities

Financial liabilities are recognised when Rural Northwest 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.

Rural Northwest Health recognises the following liabilities in this category:

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

Offsetting Financial Instruments

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

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

Derecognition of Financial Assets

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

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

Derecognition of Financial Liabilities

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

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

Reclassification of Financial Instruments

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

Rural Northwest Health's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. Rural Northwest 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. Rural Northwest Health's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Rural Northwest Health. Credit risk is measured at fair value and is monitored on a regular basis.

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

In addition, Rural Northwest 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, Rural Northwest 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 Rural Northwest Health will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 60 days overdue, and changes in debtor credit ratings.

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

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

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

Impairment of Financial Assets Under AASB 9

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

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

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

Contractual Receivables at Amortised Cost

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

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

Note 7.2 (a): Contractual Receivables at Amortised Cost

30 June 2024	Note	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate		2.3%	0.0%	0.0%	0.0%	100.0%	
Gross carrying amount of contractual receivables $'000	5.1	872	0	0	635	13	1,520
Loss allowance		**(20)**	**—**	**—**	**—**	**(13)**	**(33)**

30 June 2023	Note	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate		1.7%	0.0%	0.0%	0.0%	100.0%	
Gross carrying amount of contractual receivables $'000	5.1	1,319	0	0	731	13	2,063
Loss allowance		**(22)**	**—**	**—**	**—**	**(13)**	**(35)**

Note 7.2 (a): Credit Risk

Statutory Receivables and Debt Investments at Amortised Cost

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

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

Note 7.2 (b): Liquidity Risk

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

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

- Close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements
- Maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- Holding 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.

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

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

				Maturity Dates				
Total 30 June 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**
Financial Liabilities at amortised cost								
Payables	5.2	1,685	1,685	1,685	—	—	—	—
Borrowings	6.1	475	475	—	—	183	292	—
Other Financial Liabilities — Refundable Accommodation Deposits	5.3	7,164	7,164	—	—	7,164	—	—
Other Financial Liabilities — Patient monies held in trust	5.3	42	42	—	—	42	—	—
Other Financial Liabilities — Other	5.3	18	18	—	—	18	—	—
Total Financial Liabilities		**9,384**	**9,384**	**1,685**	—	**7,407**	**292**	—

				Maturity Dates				
Total 30 June 2023	**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**
Financial Liabilities at amortised cost								
Payables	5.2	1,563	1,563	1,563	—	—	—	—
Borrowings	6.1	417	417	—	—	191	226	—
Other Financial Liabilities — Refundable Accommodation Deposits	5.3	6,526	6,526	—	—	6,526	—	—
Other Financial Liabilities — Patient monies held in trust	5.3	53	53	—	—	53	—	—
Other Financial Liabilities — Other	5.3	39	39	—	—	39	—	—
Total Financial Liabilities		**8,598**	**8,598**	**1,563**	—	**6,809**	**226**	—

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

Note 7.3: Contingent Assets and Contingent Liabilities

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

Note 7.4: Fair Value Determination

How We Measure Fair Value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation Hierarchy

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

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

Rural Northwest 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.

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

Identifying Unobservable Inputs (Level 3) Fair Value Measurements

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

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

Note 7.4 (a): Fair Value Determination of Investments and Other Financial Assets

	Note	Total carrying amount 30 June 2024 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Non-specialised land		475	—	475	—
Specialised land		2,650	—	—	2,650
Total land at fair value	4.1 (a)	**3,125**	—	**475**	**2,650**
Non-specialised buildings		2,157	—	2,157	—
Specialised buildings		93,828	—	—	93,828
Land improvements at fair value		1,278	—	—	1,278
Total buildings at fair value	4.1 (a)	**97,263**	—	**2,157**	**95,106**
Plant and equipment at fair value	4.1 (a)	669	—	—	669
Motor vehicles at fair value	4.1 (a)	(2)	—	—	(2)
Medical equipment at fair value	4.1 (a)	984	—	—	984
Computer equipment at fair value	4.1 (a)	447	—	—	447
Furniture and fittings at fair value	4.1 (a)	407	—	—	407
Total plant, equipment, furniture, fittings and vehicles at fair value		**2,505**	—	**—**	**2,505**
Right of use Motor vehicles	4.2 (a)	440	—	—	440
Total right-of-use assets at fair value		**440**	—	**—**	**440**
Total non-financial physical assets at fair value		**103,333**	—	**2,632**	**100,701**

	Note	Total carrying amount 30 June 2023 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Non-specialised land		475	—	475	—
Specialised land		767	—	—	767
Total land at fair value	4.1 (a)	**1,242**	—	**475**	**767**
Non-specialised buildings		1,385	—	1,385	—
Specialised buildings		59,799	—	—	59,799
Land improvements at fair value		1,278	—	—	1,278
Total buildings at fair value	4.1 (a)	**62,462**	—	**1,385**	**61,077**
Plant and equipment at fair value	4.1 (a)	643	—	—	643
Motor vehicles at fair value	4.1 (a)	3	—	—	3
Medical equipment at fair value	4.1 (a)	1,087	—	—	1,087
Computer equipment at fair value	4.1 (a)	204	—	—	204
Furniture and fittings at fair value	4.1 (a)	373	—	—	373
Total plant, equipment, furniture, fittings and vehicles at fair value		**2,310**	—	**—**	**2,310**
Right of use Motor vehicles	4.2 (a)	348	—	—	348
Total right-of-use assets at fair value		**348**	—	**—**	**348**
Total non-financial physical assets at fair value		**66,362**	—	**1,860**	**64,502**

[i] Classified in accordance with the fair value hierarchy.

How We Measure Fair Value of Non-Financial Physical Assets

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

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

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

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

Note 7.4(b): Fair Value Determination of Non-Financial Physical Assets

Non-Specialised Land & Non-Specialised Buildings

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

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

Specialised Land and Specialised Buildings

Specialised land includes Crown Land which is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the assets are not taken into account until it is virtually certain that any restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non-financial physical assets will be their highest and best use.

During the reporting period, Rural Northwest 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 Rural Northwest Health, 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 and managerial assessment of Rural Northwest Health's specialised land and specialised buildings was performed. The effective date of the valuation is 30 June 2024.

Vehicles

The Rural Northwest Health acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the health service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Furniture, Fittings, Plant and Equipment

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

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

Note 7.4 (b): Reconciliation of Level 3 Fair Value Measurement

Total	Note	Land $'000	Buildings $'000	Plant and equipment $'000	Medical equipment $'000	Motor vehicles $'000	Computer equipment $'000	Furniture & fittings $'000	ROU motor vehicles $'000
Balance at 30 June 2022	7.4 (a)	**767**	**63,640**	**678**	**820**	**9**	**248**	**293**	**327**
Additions/(Disposals)		—	491	68	404	—	35	132	100
Gains/(Losses) recognised in net result – Depreciation		—	(3,054)	(103)	(137)	(6)	(79)	(52)	(79)
Balance at 30 June 2023	7.4 (a)	**767**	**61,077**	**643**	**1,087**	**3**	**204**	**373**	**348**
Additions/(Disposals)		—	909	150	92	—	394	106	173
Net Transfers between classes		(175)	175	—	—	—	—	—	—
Gains/(Losses) recognised in net result – Depreciation		—	(3,061)	(124)	(195)	(5)	(151)	(72)	(81)
Items recognised in other comprehensive income – Revaluation		2,058	36,006	—	—	—	—	—	—
Balance at 30 June 2024	7.4 (a)	**2,650**	**95,106**	**669**	**984**	**(2)**	**447**	**407**	**440**

[i] Classified in accordance with the fair value hierarchy, refer Note 7.4

Fair Value Determination of Level 3 Fair Value Measurement

Asset class	Likely valuation approach	Significant inputs (Level 3 only)
Non-specialised land	Market approach	N/A
Specialised land (Crown/freehold)	Market approach	Community Service Obligations Adjustments [(i)]
Specialised buildings	Depreciated replacement cost approach	– Cost per square metre – Useful life
Vehicles	Depreciated replacement cost approach	– Cost per unit – Useful life
Plant and equipment	Depreciated replacement cost approach	– Cost per unit – Useful life

[(i)] A community service obligation (CSO) of 20 – 30% was applied to Rural Northwest Health's specialised land.

Note 8: Other Disclosures

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

Structure

Note 8.1: Reconciliation of Net Result for the Year to Net Cash Flows From Operating Activities

	Note	Total 2024 $'000	Total 2023 $'000
Net result for the year		(4,991)	(3,643)
Non-cash movements:			
(Gain)/Loss on sale or disposal of non-financial assets	3.2	(139)	(48)
Depreciation and amortisation of non-current assets	4.4	3,689	3,510
Bad and doubtful debt expense	3.1	1	23
Other capital receipts		(16)	(7)
Movements in Assets and Liabilities:			
(Increase)/Decrease in receivables and contract assets		574	(779)
(Increase)/Decrease in inventories		—	(4)
(Increase)/Decrease in prepaid expenses		(55)	136
Increase/(Decrease) in payables and contract liabilities		(176)	(98)
Increase/(Decrease) in employee benefits		369	303
Increase/(Decrease) in other liabilities		76	(112)
Net cash inflow/(outflow) from operating activities		**(668)**	**(719)**

Note 8.2: Responsible Persons

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

	Period
The Honourable Mary-Anne Thomas MP	
Minister for Health	1 Jul 2023 – 30 Jun 2024
Minister for Health Infrastructure	1 Jul 2023 – 30 Jun 2024
Minister for Medical Research	1 Jul 2023 – 2 Oct 2023
Former Minister for Ambulance Services	2 Oct 2023 – 30 Jun 2024
The Honourable Gabrielle Williams MP	
Minister for Mental Health	1 Jul 2023 – 2 Oct 2023
Minister for Ambulance Services	1 Jul 2023 – 2 Oct 2023
The Honourable Lizzy Blandthorn MP	
Minister for Disability, Ageing and Carers	1 Jul 2023 – 2 Oct 2023
Minister for Children	2 Oct 2023 – 30 Jun 2024
Minister for Disability, Ageing and Carers	2 Oct 2023 – 30 Jun 2024
The Honourable Ingrid Stitt MP	
Minister for Mental Health	2 Oct 2023 – 30 Jun 2024
Minister for Ageing	2 Oct 2023 – 30 Jun 2024
Governing Boards	
Genevieve O'Sullivan	1 Jul 2023 – 30 Jun 2024
John Aitken	1 Jul 2023 – 30 Jun 2024
Katherine Burton	1 Nov 2023 – 30 Jun 2024
Chris Downes	1 Jul 2023 – 30 Jun 2024
Zivit Inbar	1 Jul 2023 – 30 Jun 2024
Amanda Kenny	1 Jul 2023 – 30 Jun 2024
La Vergne Lehmann	1 Jul 2023 – 30 Jun 2024
Veena Mishra	1 Jul 2023 – 30 Jun 2024
Katharine Terkuile	1 Jul 2023 – 30 Jun 2024
Namita Warrior	1 Nov 2023 – 30 Jun 2024
Accountable Officers	
Jenni Masters (Chief Executive Officer)	1 Jul 2023 – 30 Jun 2024

Remuneration of Responsible Persons

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

Income Band	Total 2024 No	Total 2023 No
$0 – $9,999	10	9
$70,000 – $79,999	—	1
$260,000 – $269,999	1	—
Total Numbers	**11**	**10**

	Total 2024 $'000	Total 2023 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**$194**	**$116**

Amounts relating to Responsible Ministers are reported within the States Annual Financial Report. Fees paid to Grampians Health for the contracted CEO role in 2022–23 was $102,144.

Note 8.3: Remuneration of Executives

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

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.4)	**Total 2024 $'000**	**Total 2023 $'000**
Short-term benefits	970	654
Post-employment benefits	107	69
Other long-term benefits	24	17
Total remuneration [i]	**1,101**	**740**
Total number of executives	6	4
Total annualised employee equivalent [ii]	6.0	3.8

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

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

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

Short-Term Employee Benefits

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

Post-Employment Benefits

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

Other Long-Term Benefits

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

Note 8.4: Related Parties

The Rural Northwest Health is a wholly owned and controlled entity of the State of Victoria. Related parties of the health service include:

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

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

Key Management Personnel

The Board of Directors and the Executive Directors of Rural Northwest Health are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
Rural Northwest Health	Genevieve O'Sullivan	Board Chair
Rural Northwest Health	John Aitken	Board Member
Rural Northwest Health	Katherine Burton	Board Member
Rural Northwest Health	Chris Downes	Board Member
Rural Northwest Health	Zivit Inbar	Board Member
Rural Northwest Health	Amanda Kenny	Board Member
Rural Northwest Health	La Vergne Lehmann	Board Member
Rural Northwest Health	Veena Mishra	Board Member
Rural Northwest Health	Katharine Terkuile	Board Member
Rural Northwest Health	Namita Warrior	Board Member
Rural Northwest Health	Jenni Masters	Chief Executive Officer
Rural Northwest Health	Hendrik Barnard	Executive Manager Finance & Administration
Rural Northwest Health	Paula Noble	Executive Manager Community Health
Rural Northwest Health	Joseph Bermudo	Executive Manager Clinical Services
Rural Northwest Health	Glenn Hynes	Executive Manager People & Culture
Rural Northwest Health	David Siddall	Executive Manager Environmental Services

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

Compensation — KMPs	Total 2024 $'000	Total 2023 $'000
Short-term Employee Benefits [i]	759	759
Post-employment Benefits	76	76
Other Long-term Benefits	21	21
Total [ii]	**856**	**856**

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

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

Significant Transactions With Government Related Entities

Rural Northwest Health received funding from the Department of Health of $14.41m (2023: $15.90m) and indirect contributions of ($0.096m) (2023: $0.095m). Balances outstanding as at 30 June 2024 are $0.00m (2023 $0.00m). Balances recallable as at 30 June 2024 are $0.00m (2023 $0.32m).

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

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

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

Transactions With KMPs and Other Related Parties

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

Outside of normal citizen type transactions with Rural Northwest Health, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2024 (2023: none).

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

Note 8.5: Remuneration of Auditors

	Total 2024 $'000	Total 2023 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	27	26
Total remuneration of auditors	**27**	**26**

Note 8.6: Events Occurring After the Balance Sheet Date

There are no events occurring after the Balance Sheet date.

Note 8.7: Joint Arrangements

Principal Activity		Ownership Interest	
		2024 %	2023 %
Grampians Rural Health Alliance	Information Technology Services	2.43	2.73

Rural Northwest Health's interest in assets and liabilities of the above joint arrangements are detailed below. The amounts are included in the financial statements under their respective categories:

	2024 $'000	2023 $'000
Current assets		
Cash and cash equivalents	139	131
Receivables	98	71
Prepaid expenses	53	11
Total current assets	**290**	**213**
Non-current assets		
Property, plant and equipment	21	24
Total non-current assets	**21**	**24**
Total assets	**311**	**237**
Current liabilities		
Payables	200	108
Total current liabilities	**200**	**108**
Total liabilities	**200**	**108**
Net assets	**111**	**129**
Equity		
Accumulated surplus	111	129
Total equity	**111**	**129**

Rural Northwest Health's interest in revenues and expenses resulting from joint arrangements are detailed below:

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

	2024 $'000	2023 $'000
Revenue		
Operating Activities	225	301
Capital Purpose Income	15	3
Total revenue	**240**	**304**
Expenses		
Other Expenses from Continuing Operations	226	277
Capital Purpose Expenditure	18	25
Total expenses	**244**	**302**
Net result	**(4)**	**2**

* Figures obtained from the unaudited Grampians Rural Health Alliance Joint Venture annual report.

Contingent Liabilities and Capital Commitments

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

Note 8.8: Equity

Contributed Capital

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

Specific Restricted Purpose Reserves

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

Note 8.9: Economic Dependency

Rural Northwest 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. Rural Northwest Health provides essential services and is predominately dependent on the continued financial support of the State Government, particularly the Department of Health, and the Commonwealth funding via the National Health Reform Agreement (NHRA). The State of Victoria plans to continue Rural Northwest Health's operations and on that basis, the financial statements have been prepared on a going concern basis.

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Rural Northwest Health acknowledges the traditional owners of the lands of the Wotjobaluk, Jaadwa, Jadawadjali, Wergaia and Japagulk people. We also welcome all people to work, volunteer and access services from us, regardless of their age, ethnicity, culture, gender, sexuality, ability or religion.