



# NCN Health Annual Report

2023/2024

# OUR VALUES

## RESPECT

*Value the rights, beliefs and choices of every individual*

## ACCOUNTABILITY

*Take responsibility for our decisions and actions*

## PARTNERSHIP

*Work together to create value in health*

## **Our Purpose:**

*Building healthy communities together*

## **Our Promise:**

*We work together to provide safe, high quality care that improves the health and wellbeing of the diverse communities we live in*



# CONTENTS

Introduction	4
About NCN Health	5
Our Strategic Plan	6
Message from the Chief Executive Officer and Board Chair	7-8
Board Directors and Committees	9-10
Executive Team	11-13
Workforce	14
Organisation Chart	15
Statutory Requirements	
Occupational Health and Safety	16
Occupational Violence	16
Compliance with the Building Act 1993	17
National Competition Policy – Competitive Neutrality	17
Local Jobs First Act 2003	17
Safe Patient Care Act 2015	17
Carers Recognition Act 2012	17
Gender Equity	17
Asset Management Accountability Framework (AMAF)	18
Public Interest Disclosure Act 2012	19
Freedom of Information Act 1982	19-20
Social Procurement Framework	20
Environmental Performance	21
Consultancies	22
ICT Expenditure	22
Additional Information	23
Strategic Priorities – 2023/2024	24-29
Performance Priorities – 2023/2024	29
Funding and Activity – 2023/2024	30
Attestations	31
Financial Summary	32
Disclosure Index	33
Financial Report	34

# INTRODUCTION

*‘...NCN Health acknowledges the Traditional Owners of the land we gather and work on and pay respects to their Elders, past and present.*

*We work together with Aboriginal and Torres Strait Islander peoples to build a health system that listens to their hopes and aspirations and responds to them...’*

## Annual Reporting

NCN Health reports on its annual performance in the Annual Report.

The Annual Report fulfills the statutory reporting requirements for governance.

The purpose, functions, powers and duties of NCN Health are described in the By-laws of the organisation.

NCN Health is incorporated as a public hospital under the *Health Services Act 1988* and came into operation on 1 July 2019, following the voluntary amalgamation of three health services – Nathalia District Hospital, Cobram District Health and Numurkah District Health Service.

The Annual Report is presented to the Annual General Meeting and distributed to the community. The report is also available on the NCN Health website ([www.ncnhealth.org.au](http://www.ncnhealth.org.au)).

## Responsible Ministers

The responsible Ministers during the reporting period were:

- *From 1 July 2023 to 30 June 2024*  
The Hon Mary-Anne Thomas MP, Minister for Health
- *From 2 October 2023 to 30 June 2024*  
The Hon Mary-Anne Thomas MP, Minister for Ambulance Services
- *From 1 July 2023 to 2 October 2023*  
The Hon Gabrielle Williams MP, Minister for Ambulance Services

## Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for NCN Health for the year ending 30 June 2024.



Tricia Quibell  
**Board Chair**  
**NCN Health**  
28 August 2024

# ABOUT NCN HEALTH

NCN Health is a rural health service that provides services to the people of Nathalia, Cobram and Numurkah and surrounding communities, located within the Moira Shire. This includes a total catchment of 18,000 people.

NCN Health was created on 1 July 2019, combining the services of three former health organisations – Nathalia District Hospital, Cobram District Health and Numurkah District Health Service.

NCN Health has three campuses, with the following services offered:



## NATHALIA CAMPUS

- Urgent Care Centre
- Acute Care Unit offering general inpatient medical and palliative care
- Pathology
- Medical Clinic
- Residential Aged Care
- Transitional Care

### BEDS

- 6 Acute beds
- 20 Residential Aged Care beds – Banawah

## COBRAM CAMPUS

- Urgent Care Centre
- Acute Ward offering general inpatient medical and palliative care
- Operating Theatre
- X-Ray and Ultrasound
- Medical Clinic
- Dental Clinic providing public and private dentistry
- Residential Aged Care
- Transitional Care
- Pathology Collection

### BEDS

- 12 Acute beds
- 3 Day Procedure beds
- 30 Residential Aged Care beds - Irvin House

## NUMURKAH CAMPUS

- Urgent Care Centre
- Acute Ward offering general inpatient medical and palliative care
- Operating Suite
- X-Ray and Ultrasound
- Pathology collection
- Residential Aged Care
- Transitional Care

### BEDS

- 16 Acute beds
- 6 Day Procedure beds
- Aged Care – Karinya 30 beds, Numurkah Pioneers Memorial Lodge 36 beds
- Gwandalan Court – 11 independent living units

NCN Health also offers a variety of **community health and wellbeing services**. These services are either provided directly by NCN Health or in partnership with private providers:

- Cobram Medical Clinic
- Nathalia Medical Clinic
- Access and Support Program
- Cardiac Rehabilitation
- Cardiology (specialist visiting clinic)
- Care Finder
- Carers Respite Support
- Chronic Disease Support
- Community Midwife
- Dental Clinics (public clinic NCN Health Cobram and a private clinic at NCN Health Numurkah)
- Diabetes Education
- District Nursing Service
- Exercise Physiology
- Foot Care Nurse
- Generalist Counselling
- Geriatrician (specialist visiting clinic)
- Health Promotion and Community Development
- Healthy Habits Group Program
- Home Care Packages
- Intake and Access
- Moira Mental Health Service
- Moira Palliative Care Service
- Moira Community Rehabilitation
- Dietitian
- Obstetrics and Gynaecology (visiting outpatient clinic)
- Occupational Therapy
- Physiotherapy
- Social Support Groups
- Social Work
- Podiatry
- Psychology
- Pulmonary Rehabilitation
- Rural Support
- COVID Positive Pathways Program

# OUR STRATEGIC PLAN

NCN Health developed a five-year Strategic Plan that reflects our purpose and promise and encapsulates our values and details how we will deliver our objectives.

Our Strategic Plan for 2021 to 2025 contains four pillars which each contain key objectives/priorities as follows:

## PILLAR ONE

### WORKING AS ONE

**We work as one team with a shared purpose to build healthy communities together.**

#### Our priorities:

- Cultivate a shared culture of safety and high-quality care.
- Boost two-way communication and engage our people in key decisions.
- Grow and develop our workforce for the future.
- Streamline our processes and systems and strengthen our financial and environmental sustainability.

## PILLAR TWO

### STRENGTHENED BY PARTNERSHIP

**We are a trusted partner in healthcare to our consumers, peers and other organisations.**

#### Our priorities:

- Position NCN Health as a trusted partner for our peer healthcare providers and suppliers.
- Nurture value-based health partnerships based on mutual trust and respect.
- Elevate our voice as an advocate for the health needs of our communities.
- Co-design and collaborate to deliver seamless healthcare and wellbeing pathways for our communities.

## PILLAR THREE

### CLOSE TO HOME

**We provide local, personalised and accessible care close to home.**

#### Our priorities:

- Deepen our engagement with our diverse communities.
- Strengthen evidence-based decision-making about our service design.
- Optimise our service model to promote accessibility, equality and responsiveness.
- Amplify awareness of our services and our reputation as a preferred healthcare provider.
- Modernise our ageing facilities to cater for changing health needs.

## PILLAR FOUR

### INTO OUR COMMUNITIES

**We reach into communities to provide care for all people through all life stages.**

#### Our priorities:

- Drive health promotion, education and disease prevention across our communities.
- Modernise our service delivery models to provide flexible and holistic care options.
- Promote a person's choice in care.
- Strengthen continuity of care in our services.



# CEO AND BOARD CHAIR MESSAGE



We are pleased to present the NCN Health Chief Executive Officer and Board Chair message for the year ended June 2024.

Despite ongoing challenges associated with the COVID-19 pandemic, erratic weather patterns associated with climate change and our complex and adaptive operating environment, NCN Health continues to focus on its service to the community.

In servicing our community, NCN Health has continued to enjoy significant support from its staff base, its volunteers, our clients, residents and their families as well as our service partners and contractors. This support remains integral to our capacity to continue to be able to take up opportunities and confront our challenges with confidence. In confronting our challenges and opportunities, NCN Health remains committed to its organisational values and these have continued to guide our planning and measurement of success, have provided an anchor to our decision making through uncertainty and form the basis of our commitment to maintaining organisational momentum into our future.

## **Our community**

Our community continue to assist NCN Health to respond to the risks of respiratory and other illnesses by ensuring that visitors comply with our internal infection prevention guidelines. We know these measures place an increased burden on people and we thank all attendees to NCN Health over the past year for their patience and consideration.

A number of NCN Health's committees enjoy the benefits of community member participation. These members provide their time and thinking freely and in good faith,

and ensure our committees continue to consider the service quality and service experience preferences of our local community.

For the benefit of our community, NCN Health has commenced work on key projects aimed at enhancing the experience of care for our community and the workplace experience for our workforce. The Urgent Care Centre refurbishment project at our Cobram Campus is nearing practical completion with community members and staff already benefiting from the refreshed working environment. Furthermore, considerable upgrades have occurred across the Cobram campus with improvements to heating and cooling systems, resurfacing of carparks and general refurbishment works including but not limited to painting. In addition, redevelopment of Numurkah Pioneers Memorial Lodge continues to be progressed. Although building works are yet to commence, planning is well advanced and is benefiting from community input through the Project Advisory Group.

Our services to our community continue to be strengthened through our service partner and clinical governance relationships with our regionally based service partners, including our local General Practitioner and Pharmacy support colleagues, and our Hume Health Service Partnership health agencies, who provide critical and much appreciated quality and safety of care support within our clinical program areas. The support we also receive from the Department of Health, the Commonwealth Department of Health and Murray Primary Health Network is critical and necessary to our success and our future. Our 'working in partnership' reach also includes local community health agencies, the local Shire and various other volunteer agencies and local businesses.

## **Our workforce**

In so many ways, our workforce is our community.

Over 100 volunteers continue to enrich the care experience of our residents, patients and clients with their time, their spirit and commitment. Our amazing Volunteer work force continues to provide NCN Health with immeasurable support and we thank them and acknowledge their ongoing efforts. This includes our wonderful Community Advisory Committees, the members of which work closely with NCN Health by representing the 'voice of our community' in contributing to our planning, our publications and our strategic progress.

NCN Health enjoys and relies upon the contribution of our staff team. We have over 600 people engaged at NCN Health and without their contribution, hard work, care and energy, much of what NCN Health sets out to achieve would not be possible. We thank each and every one of our team. Our community can be assured that our staff base talk about their contribution to the care of the community with such pride and dedication. A number of other clinical and key support staff have either joined or departed NCN Health over the past 12 months and their contribution is eagerly anticipated and gratefully acknowledged respectively.

NCN Health continues to be leaders and innovators in health service workforce models of care. Our ongoing leadership in programs such as the VRGP program, M2M program and Rural Hospitalist program continue to inform medical workforce policy and future thinking.

This year NCN Health bid farewell to long servicing CEO, Ms. Jacque Phillips. Jacque's legacy is firmly entrenched within our health service and our service will continue to realise the benefits of her contribution for years to come.

Specifically, The Board of Directors would similarly like to acknowledge Jacque's contribution and that of the Executive team over the past year, particularly during the CEO transition process. In particular, the Board would like to acknowledge Mr Justin Sullivan's leadership as Acting CEO during this process.

As NCN Health transitions to its leadership future, it welcomes to the team, NCN Health's next CEO, Dr Mark Ashcroft. In doing so, the Board also reaffirms its commitment to its community to continue to focus on service delivery, our people, our partnerships and strong performance.

### **Our organisation**

NCN Health has been able to return a responsible budget position again this financial year and in doing so, has built on our performance from previous years. An ongoing commitment to good financial planning and oversight has assisted NCN Health to continue to face the challenges and opportunities in its operating environment related to revenue generation and expenditure containment.

We anticipate that the year ahead will be particularly challenging financially and with respect to the resilience of our staff, but we have confidence in our financial and staff planning processes, systems, structures and in our people, who oversee these on a day by day basis. The current economic environment in Victoria has brought with it challenges of a systemic nature in healthcare, and NCN Health is not immune to those. Indeed, NCN Health recognises its role as a responsible partner in confronting and addressing these challenges. To that end, NCN Health has actively participated in consultation sessions through the Department of Health (Vic) led Expert Advisory Team consultation sessions, the aim of which was to establish a set of recommendations for the future growth and development of the Victorian public health system.

This last year has also seen the relocation of procedural services from Cobram to the Numurkah campus of NCN Health. This has enabled NCN Health to retain such services in our region, as we consider the types of service development that may be possible in the Cobram campus in lieu of procedural services.

NCN Health, with support from the Board of Directors, has maintained ongoing medical imaging services at Cobram and Numurkah campuses with the purchase of ultrasound equipment. This creates certainty for the community who can continue to access local X-Ray and Ultrasound close to home.

NCN Health remains fully accredited under the National Safety and Quality Health Service Standards, the Aged care Standards and the NDIS accreditation standards. This provides a high level of confidence for our community in our services.

From 1<sup>st</sup> July 2024, NCN Health celebrated the appointment of Board Director Ms Sally Bate to our NCN Health Board of Directors and the reappointment of Ms Priyanka Saha and Mrs Sally Squire.

Coming into the 2024-2025 year we also farewelled Board Director, Kate Hodge on 30 June 2024 and in doing so we thank her for her incredible contribution to NCN Health over her tenure. We take this opportunity to thank Kate for her collaborative approach and commitment to strategic leadership of our health service.

NCN extends a message of gratitude and sincere appreciation for the support and commitment of our staff, volunteers and community.



Tricia Quibell  
**Board Chair**



Dr Mark Ashcroft  
**Chief Executive Officer**





# BOARD DIRECTORS AND COMMITTEES

## BOARD OF DIRECTORS

### Role of Board of Directors

The Board of Directors is a group of local people who represent the Numurkah, Cobram, Nathalia and surrounding communities. Directors of the Board volunteer their time to work with the Chief Executive Officer (CEO), Jacque Phillips to guide the strategic direction of NCN Health. They are appointed by the Governor in Council and are responsible for making sure that NCN Health responds to population health needs using available funds.

The Board of Directors is the governance body of NCN Health and accountable to the Minister for Health. This means that they make sure that NCN Health steers the organisation to oversee finances, quality and safe health care and many other duties that are set by government bodies.

The functions of the Board as determined by the *Health Services Act 1988* are:

- To oversee and manage the organisation; and
- To ensure the services provided by the organisation comply with the requirements of the Act and the aims of the organisation.

Below are the 10 Board Directors for 2023/2024:



**QUIBELL, Tricia**  
(Chair)



**CUNNINGHAM, Alicia**  
(Vice Chair)



**BEASLEY, Kade**



**DISSANAYAKE, Mewan**



**HODGE, Kate**



**BOOTE, Kevin**



**SQUIRE, Sally**



**SAHA, Priyanka**



**DOYLE, Brant**



**GUY, Peter**

## BOARD SUB-COMMITTEES

The Board Sub-Committees are:

Committee	Function
<b>Finance</b>	<p>The Board endorses plans and strategies and monitors the performance of NCN Health through appropriate budgetary processes to ensure compliance with Financial Management Framework requirements.</p> <p><i>Members during 2023/24 were Kade Beasley, Mewan Dissanayake, Tricia Quibell and Peter Guy.</i></p>
<b>Audit and Risk</b>	<p>The Audit and Risk Sub-Committee oversees and advises the Board of Directors on matters of accountability, external and internal controls and risk affecting NCN Health's operations.</p> <p><i>Members during 2023/24 were Kevin Boote, Alicia Cunningham, Tricia Quibell, Priyanka Saha, Kade Beasley, Jeff Buzza (independent) and Michelle McCracken (independent).</i></p>
<b>Clinical Governance</b>	<p>The Clinical Governance Sub-Committee is responsible for oversight of the Clinical Governance Framework and the Quality Risk and Improvement Program, meeting on a monthly basis with Board Directors and a range of staff from across the organisation attending.</p> <p>A quality plan informs the agenda and ensures the timely completion and evaluation of clinical performance and improvement.</p> <p><i>Members during 2023/24 were Kevin Boote, Alicia Cunningham, Sally Squire, Brant Doyle and Priyanka Saha.</i></p>
<b>Community Advisory</b>	<p>Members of the community participate in an innovative and creative Community Advisory Sub-Committee. The Committee acts as an advocate to the Board of Directors on behalf of the community, consumers and carers.</p> <p>The Committees play an essential role in representing the community's perspective in the development of priority areas and strengthening effective consumer and community participation at all levels of service planning and delivery.</p> <p><i>Members during 2023/24 were Kade Beasley, Kate Hodge and Brant Doyle.</i></p>
<b>Credentialing and Privileging</b>	<p>Ensuring that medical practitioners are appropriately qualified and experienced is an important role for this sub-committee. Dr. Ka Chun Tse, Director of Medical Services, reviews all medical practitioners' credentials, ensuring NCN Health is compliant with all credentialing requirements.</p> <p>Reaccreditation of current medical practitioners is attended to and recommendations for appointments of new locums or visiting GPs are made to the Board of Directors for approval.</p> <p><i>Members during 2023/24 were Mewan Dissanayake, Tricia Quibell, Brant Doyle and Sally Squire.</i></p>

## CONSUMER COMMITTEES

The NCN Health Consumer Committee is made up of community representatives from Nathalia, Cobram and Numurkah communities. During 2023/24 NCN Health's community representatives were:

### Nathalia

Fay Brown  
Edwina Fieldman  
Ross Smith  
Dawn Bowen  
Laurel Dimond  
Mary Barry

### Cobram

Rodney Dutneall  
Kellie Butler  
Ian Yeaman  
Jenny Tom  
Ameliah Lampard

### Numurkah

Beverley Wain  
Jodi Cunningham  
Karen Van Maanen

# EXECUTIVE TEAM



**CHIEF EXECUTIVE OFFICER**  
(Commenced 17 June 2024)

**Dr Mark Ashcroft**  
*RN, RM, Acute Care Nsg –  
Emergency Major, GdipNsg,  
EcertMgt, GdipMgt, MMgt, McomMgt,  
PhD.*

The Chief Executive Officer (CEO) is responsible to the Board of Directors for the effective operation of the Health Service, ensuring the integration of services and provision of health care to the community. Key responsibilities include the development and implementation of operational and strategic planning, maximizing service efficiency, quality and safety improvement and leadership.



**CHIEF EXECUTIVE OFFICER**  
(Resigned 28 January 2024)

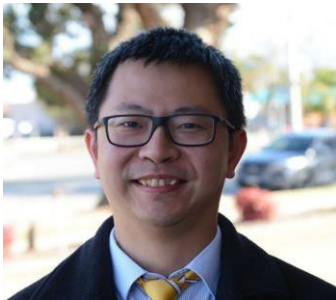
**Jacque Phillips, OAM**  
*RN, RM, Certificate MCH, Grad Cert  
CH, EMPA, MAICD, CHM*

The Chief Executive Officer (CEO) is responsible to the Board of Directors for the effective operation of the Health Service, ensuring the integration of services and provision of health care to the community. Key responsibilities include the development and implementation of operational and strategic planning, maximizing service efficiency, quality and safety improvement and leadership.



**DIRECTOR OPERATIONS**

**Justin Sullivan**  
*RN, Grad Dip Critical Care, Grad  
DipBusiness Man*  
The Director Operations is responsible for many of the non-clinical areas of NCN Health including ICT, catering, environmental services, maintenance, supply, asset management and the delivery of key infrastructure projects. This role also oversees contracts and compliance with Health Share Victoria requirements.



**DIRECTOR MEDICAL SERVICES**

**Dr Ka Chun Tse**  
*MBBS, MHM, MPH, FACHSM,  
GAICD*

The Director Medical Services (DMS) provides leadership and clinical advice to the health service, contributes to quality and safety meetings and supports Visiting Medical Officers. The DMS oversees Medical Credentialing and Medical staff meetings, reviews clinical policies and provides advice to Executive and staff.



**DIRECTOR PEOPLE AND CULTURE**

**Nicole Cason**  
*Dip HR, Grad Cert BusAdmin*

The Director People and Culture role is responsible for all human resources management and reporting requirements including employment and industrial relations, recruitment, planning and performance, assists with strategic management, operational budgeting, training and provides managers with generalist HR advice and support. This role oversees the Occupational Health and Safety, Payroll, Volunteers and Administration Departments.



**DIRECTOR CLINICAL SERVICES – COBRAM CAMPUS**

**Carolyn Hargreaves**  
*RN, Grad Cert in Critical Care*

The Director Clinical Services is responsible for Acute, Aged Care, Theatre and clinical areas such as Infection Control and Education. The role encompasses clinical governance, clinical leadership and standards of practice, service and strategic planning, clinical risk management, quality improvement and resource management.





**DIRECTOR CLINICAL SERVICES – NATHALIA CAMPUS**

**Ali Beatson**  
*RN, RIPRN*

The Director Clinical Services is responsible for the management of all clinical services across the Nathalia Campus. This includes Nursing, Allied Health Services and the Nathalia Medical Clinic.



**DIRECTOR CLINICAL SERVICES – NUMURKAH CAMPUS**

**Sophie Scott**  
*RN, Grad Cert Nursing (Renal)*

The Director Clinical Services is responsible for Acute, Aged Care, Theatre and clinical areas such as Infection Control and Education. The role encompasses clinical governance, clinical leadership and standards of practice, service and strategic planning, clinical risk management, quality improvement and resource management.



**DIRECTOR PRIMARY HEALTH & COMMUNITY AGED CARE**

**Kim Fitzgerald**  
*B. Social Science (Social Welfare), GAICD, Dip Business, Dip Community Services, Cert IV TAE*

The Director Primary Health and Community Aged Care is responsible for the oversight and strategic direction of our Community Aged Care programs (including Home Care, Carer’s Program’s and Social Support programs), Health Promotion and Community Development and our Medical Clinics at Cobram and Nathalia. Key responsibilities include strategic oversight and planning, and supporting the growth and sustainability of services provided to our community to ensure quality care for everyone.



**DIRECTOR INTEGRATED COMMUNITY HEALTH**

**Robyn Sprunt**  
*B Occ Ther, Grad Cert Health Services Mgt*

The Director Integrated Community Health is responsible for a comprehensive range of community-based programs including community nursing, palliative care, community rehabilitation and allied health, chronic disease and mental health.

Key responsibilities include clinical leadership and standards of practice in the Allied Health area, quality improvement, strategic planning and service development to meet local community health and wellbeing needs.



**DIRECTOR QUALITY, RISK AND PERFORMANCE**

*(Commenced 5 February 2024)*

**Adrian Walker**  
*BappSc (MedRadTech), MappSc (MedRadTech)*

The Director Quality, Risk and Performance is responsible for the organisation’s quality and risk management systems. Key responsibilities include oversight of clinical audit, clinical review and accreditation of acute, aged care, radiography and community health services. This role actively pursues opportunities for service development, innovation, research and evaluation.



**DIRECTOR QUALITY, RISK AND PERFORMANCE**

*(Resigned 3 December 2023)*

**Michelle Butler**  
*RN, BappSci (Dental Therapy), Grad Dip Health Administration, Cert IV TAE*

The Director Quality, Risk and Performance is responsible for the organisation’s quality and risk management systems. Key responsibilities include oversight of clinical audit, clinical review and accreditation of acute, aged care, radiography and community health services. This role actively pursues opportunities for service development, innovation, research and evaluation.



**EXECUTIVE MANAGER –  
FINANCE**

**Anne O'Riley**

*Diploma of Accounting, Cert IV in  
Business Administration*

The Executive Manager Finance is responsible for Financial Management and oversight of NCN Health financial position and working within budgetary guidelines.

This role oversees the NCN Health Finance Team and also oversees compliance for external auditing bodies and aged care financial management including the prudential requirements under the *Aged Care Act*.





# WORKFORCE

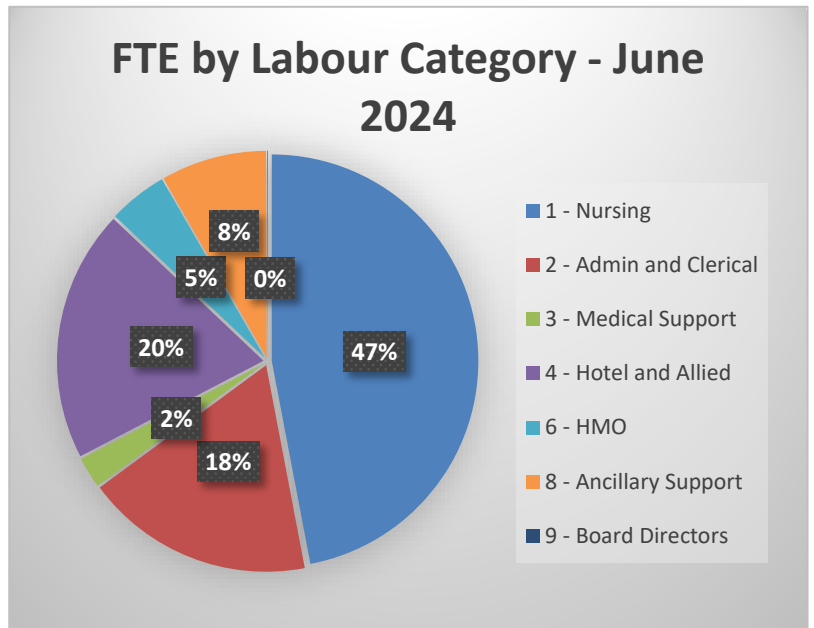
The Full Time Equivalent (FTE) figures in the table below are those excluding overtime. These do not include contracted staff (e.g. Agency nurses or Fee-for-Service Visiting Medical Officers) who are not regarded as employees for this purpose. The data should be consistent with that provided in the Minimum Employee Data Set. Statement of Employment and Conduct Principles.

Labour Category	June current month FTE		Average monthly FTE	
	2024	2023	2024	2023
Nursing	163.89	156.20	162.54	152.91
Administration and Clerical	62.44	62.38	63.52	60.72
Medical Support	8.52	7.73	8.57	7.79
Hotel and Allied Services	68.70	68.84	67.59	65.36
Hospital Medical Officers	16.11	16.36	16.47	15.89
Ancillary Staff (Allied Health)	28.87	25.74	28.24	25.35
	<b>348.53</b>	<b>337.25</b>	<b>346.93</b>	<b>328.02</b>

NCN Health ensures a fair and transparent process for recruitment, selection, transfer and promotion of staff. Employment selection is based on merit and complies with the relevant legislation. Policies and procedures are in place to ensure staff are treated fairly, respected and provided with avenues for grievance and complaint processes. NCN Health is committed to the application of the employment and conduct principles.

## Code of Conduct

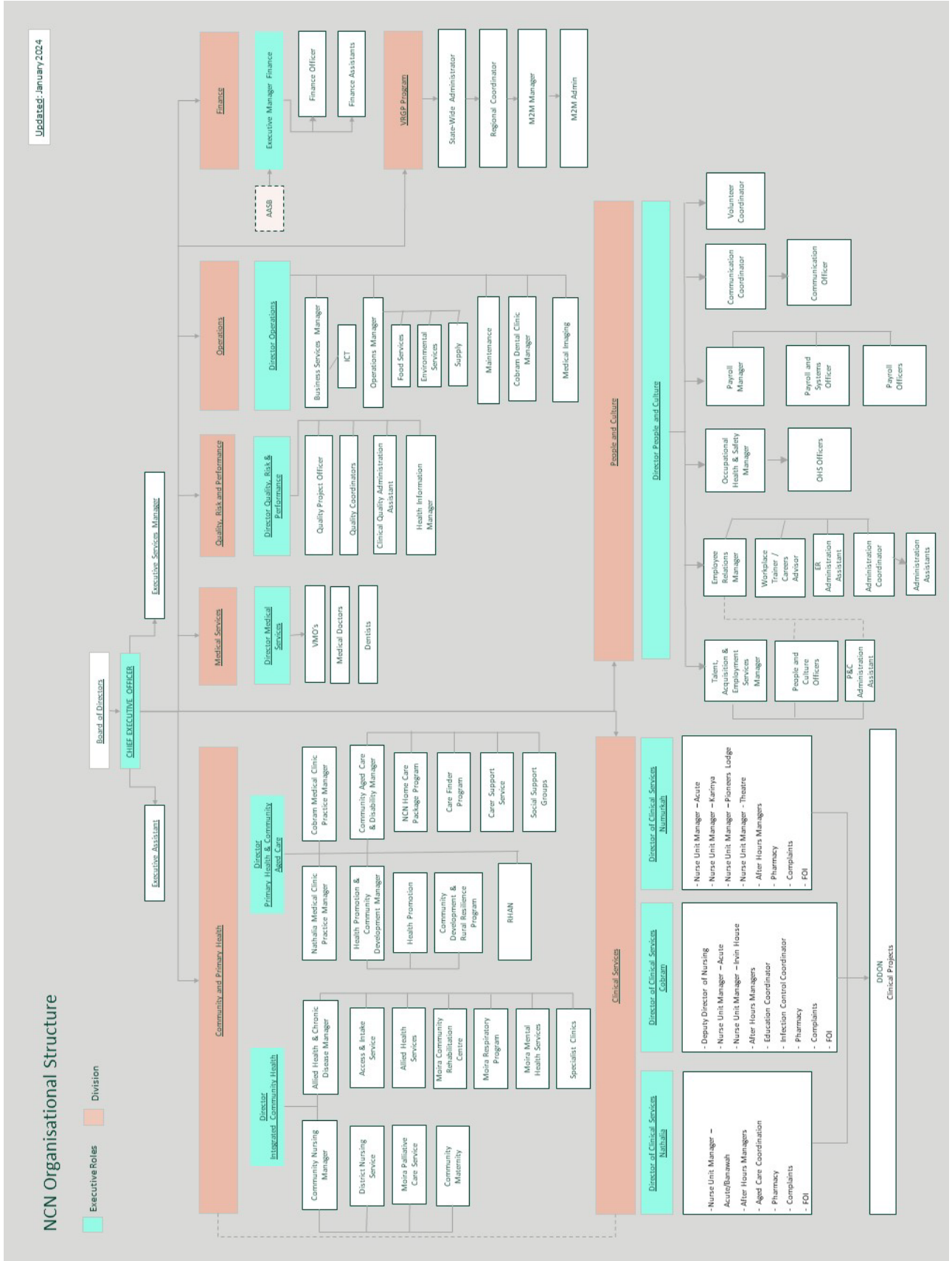
All NCN Health staff are required to abide by the Code of Conduct, which is based on the Code of Conduct for Victorian Public Sector Employees.



**CAPTION:** Numurkah Community Health and Wellbeing

# ORGANISATION CHART

## NCN HEALTH Organisational Structure



# STATUTORY REQUIREMENTS

## Occupational Health and Safety

NCN Health has a strong commitment to Occupational Health and Safety and endeavours to ensure all people – staff, volunteers, contractors and the general public, have the highest level of protection against risks to health and safety.

NCN Health is proactive in promoting health and safety in the workplace through education, development of policies and procedures and staff training. The health service ensures that consultation, information and ideas about actual risks and potential risks and how to control them is shared and employees are actively encouraged to highlight any actual or potential safety issues through the Health and Safety Representative in each department. Health and Safety Representatives receive annual training and attend monthly meetings. NCN Health acknowledges that improvement of workplace safety standards is best achieved through consultation, participation and training and will continue to improve its performance in compliance with all relevant codes, legislation and standards.

Occupational Health and Safety Statistics	2023-24	2022-23	2021-22
The number of reported hazards/incidents for the year per 100 FTE	78.38	44.57	62.54
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	1.73	2.08	1.48
The average cost per WorkCover claim for the year	\$16,232	\$239,672	\$28,687

## Occupational Violence

The following statistics have been collated for Occupational Violence in the workplace at NCN Health.

Occupational Violence Statistics	2023-24
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.00
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	94
Number of occupational violence incidents reported per 100 FTE	27.09
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	3

### Definitions of occupational violence

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

## Compliance with the Building Act 1993

NCN Health complies with provisions of the *Building Act 1993* which encompasses the Building Code of Australia and Standards for Publicly Owned Buildings November 1994.

### OCCUPANCY PERMITS AND CERTIFICATES OF FINAL INSPECTION

NCN Health Occupancy Permits and Certificates of Final Inspection are all current.

### BUILDING WORKS

Construction of the \$5.6 million new Urgent Care Centre at the Cobram campus has occurred during the 2023/24 year, with construction due for completion in November 2024.

## National Competition Policy

### COMPETITIVE NEUTRALITY

NCN Health is committed to ensuring that our services demonstrate both quality and efficiency.

Competitive neutrality, which supports the Commonwealth Government's National Competition Policy, helps to ensure that net competitive advantages which accrue to a government business are offset.

We understand the requirements of competitive neutrality and act accordingly.

We support the principles of the Partnerships Victoria policy, which relates to responsible expenditure and infrastructure projects and the creation of effective partnerships between private enterprise and the public sector.

## Local Jobs First Act 2003

NCN Health abides by the principles of the Local Jobs Policy. This policy applies to all tenders in regional Victoria over \$1 million. NCN Health commenced works at our Cobram campus with a value over \$1 million and has provided compliance reporting to the Department of Jobs, Skills, Industry and Regions. The redevelopment of the Numurkah Pioneers Memorial Lodge is being led by the Victorian Health Building Authority who will ensure compliance and provide relevant reporting.

## Safe Patient Care Act 2015

The hospital has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.

## Carers Recognition Act 2012

NCN Health complies with the *Carers Recognition Act 2012*, which optimized and values the role of carers and the importance of care relationships in the Victorian community. The Act includes a set of principles about the significance of care relationships and specifies obligations for state government agencies, local councils and other organisations that interact with people in care relationships.

NCN Health has taken all practical measures to comply with its obligations under the *Carers Recognition Act 2012*. These include:

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community.
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act.
- considering the care relationships principles set out in the Act when setting policies and providing services.
- implementing priority actions in Recognising and supporting Victoria's carers: Victorian carer strategy 2018-22.

## Gender Equality

The *Gender Equality Act 2020* requires the Victorian Public Sector, universities and local councils to develop Gender Equality Action Plans (GEAPs) with the aim of improving workplace gender equity.

GEAPs cover a 4-year period e.g. NCN Health's GEAP covers the period 2021-2025. As a first step, regional health services developed a number of gender specific questions for the People Matter Survey 2022, which employees were asked to participate in during October 2022. NCN Health is pleased to have shared these results across all 3 campuses, key points of note were:

- 0% of respondents saw gender as a barrier at NCN Health (comparator groups = 1% and public sector = 4%)
- With negative behaviours:
- *Sexual harassment* (a focus of the GEAP) was experienced by 5% of respondents (down from 7% in the previous year). Of those who experienced sexual harassment 64% was from client/customers/ patients/stakeholders.
- *Discrimination* – was experienced by 2%, down from 5% in 2021.

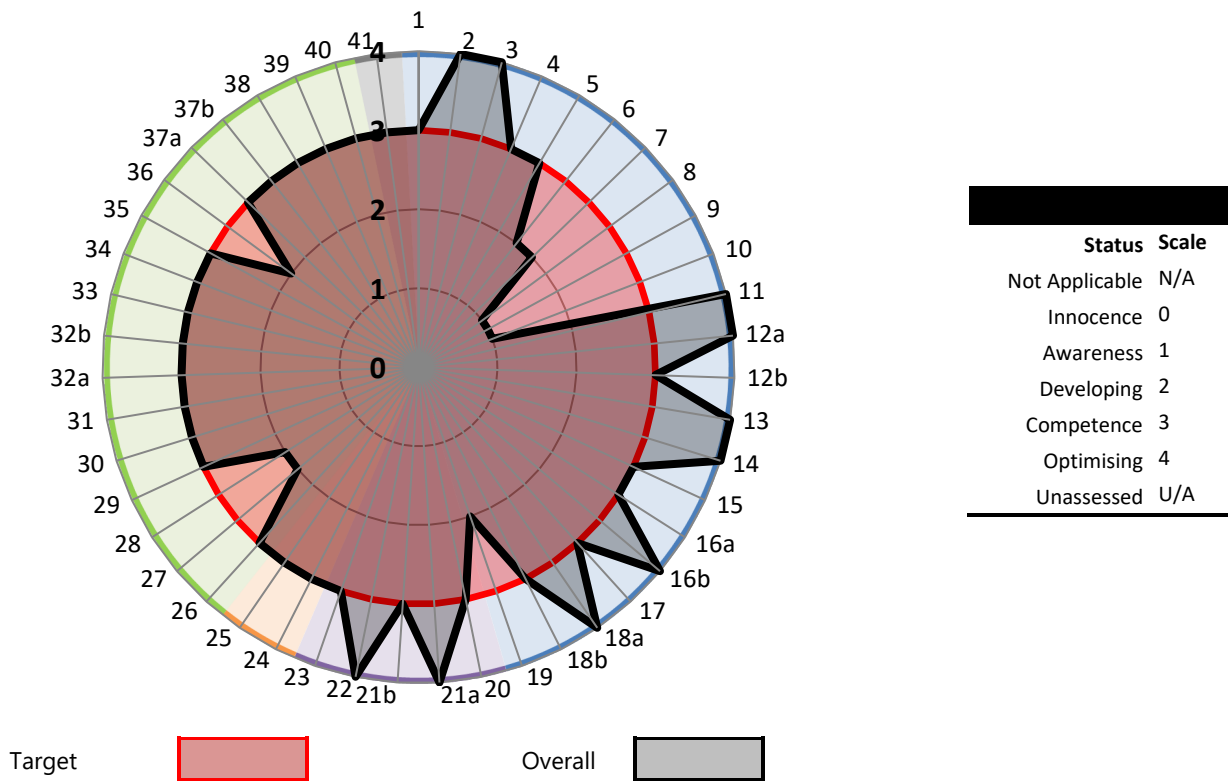
An update on the GEAP was provided to the NCN Health Board in June 2023 and progress reports are required by the Commissioner for Gender Equality in late February 2025. These will be displayed on the Commission's website as well on the service providers websites and we are currently working on the data to support our submission.

# Asset Management Accountability Framework (AMAF)

The following sections summarise NCN 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/asset-management-accountability-framework>).

The NCN 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:



### Leadership and Accountability (requirements 1-19)

The NCN Health has met or exceeded its target maturity level under most requirements within this category. The NCN Health did not comply with some requirements in the areas of allocating asset management responsibility and other requirement. There is no material non-compliance reported in this category. A plan for improvement is in place to improve the NCN Health’s maturity rating in these areas.

### Planning (requirements 20-23)

The NCN Health has met or exceeded its target maturity level in this category.

### Acquisition (requirements 24 and 25)

The NCN Health has met or exceeded its target maturity level in this category.

### Operation (requirements 26-40)

The NCN Health has met or exceeded its target maturity level under most requirements within this category. The NCN Health did not comply with some requirements in the areas of monitoring and preventative action and information management. Monitoring and preventative action is an area of material non-compliance. The NCN Health is developing a plan for improvement to establish processes to proactively identify potential asset performance failures and identify options for preventative action.

### Disposal (requirement 41)

The NCN Health has met its target maturity level in this category.



## Public Interest Disclosure Act 2012

NCN Health is committed to the aims and objectives of the *Public Interest Disclosure Act 2012*. NCN Health does not tolerate improper conduct by its employees, officers, directors, nor the taking of reprisals against those who come forward to disclose such conduct.

NCN Health optimized the value of transparency and accountability in our administrative and management practices and supports the making of disclosures that reveal inappropriate action resulting in the mismanagement of public resources. NCN Health will take reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making such a disclosure.

There were 0 disclosures made in the year ended 30 June 2024 as per the *Public Interest Disclosure Act 2012*.

## Freedom of Information Act 1982

NCN Health complies with the *Freedom of Information Act 1982*. The legislative requirement around the *Freedom of Information Act 1982* ensures NCN Health's ability to maintain the rights of clients.

During 2023-24, NCN Health received 56 applications. Of these requests, 52 were medico legal, and the remainder from the general public. NCN Health made 56 FOI decisions during the 12 months ended 30 June 2024.

All decisions were made within the statutory time periods. A total of 56 FOI access decisions were made where access to documents was granted in full. Of requests finalised, the average number of days over / under the statutory time (including extended timeframes) to decide the request was 8 days.

There were zero requests subject to a complaint/internal review by Office of the Victorian Information Commissioner in 2023-24.

### Access to medical records and disclosure of information

A person's information can only be accessed and/or disclosed by the person's treatment team for the purpose of ongoing care. It cannot be accessed by relatives or friends without consent. Information may be shared with external organisations as a requirement by law. If a person has any concerns about information being shared with other health care providers or services, they are encouraged to speak to a member of the health care team.

People may have access to information held in their medical record through the *Freedom of Information Act*. All applications for information must be processed by the *Freedom of Information Officer*. These incur a request/application fee and may take up to 30 days to process. Enquiries can be made in person or in writing to *The Freedom of Information Officer* at each campus.

### Freedom of Information Officers

Numurkah Campus – Sophie Scott

Cobram Campus – Tania Hill

Nathalia Campus – Ali Beatson

### Fees

\$31.80	Application Fee (non-refundable)
\$22.50	Search Fee if record is off campus
\$0.20	Per page photocopying
\$6.50	Postage and handling (registered post)
\$40.00	Copy of records on a CD

Further information is available on the NCN Health service website: [www.ncnhealth.org.au](http://www.ncnhealth.org.au)

## Requests for information during 2023-24

In 2023-24, there were 56 applications made to NCN Health under these provisions as follows:

	FREEDOM OF INFORMATION DATA			
	NCN Health	Numurkah	Cobram	Nathalia
	2023-24	2023-24	2023-24	2023-24
Requests Received	56	15	37	4
Investigated	0	0	0	0
Resolved	0	0	0	0
Not Processed (no record)	1	1	0	0
Request Withdrawn	1	1	0	0

## Social Procurement Framework

All health services subject to the Standing Directions 2018 under the *Financial Management Act 1994* must report under the Social Procurement Framework (SPF).

Social procurement can be grouped into two broad approaches:

- Direct – Purchasing of goods, services or construction directly from a social benefit supplier which includes a:
  - Victorian social enterprise
  - Victorian Aboriginal business
  - Australian Disability Enterprise
- Indirect – Using the invitation to supply process and clauses in contracts with the private sector to seek social and sustainable outcomes for Victorians.

### 2023 – 2024 Social Procurement Framework Reporting (NCN Health)

#### Social Procurement Activities

Number of social benefit suppliers engaged during the reporting period.	1
Total amount spent with social benefit suppliers (direct spend) during the reporting period (\$GST exclusive).	\$2041.00
Total number of suppliers engaged that have made social procurement commitments in their contracts with NCN Health.	7



# Environmental Performance

NCN Health is committed to environmental sustainability.

Electricity	2023-24	2022-23	2021-22
Peak (MWh)	1,120	1,130	1,155
Off Peak (MWh)	1,130	1,121	1,222

Gas	2023-24	2022-23	2021-22
LPG Usage (Its)	95,780	89,265	92,718
Natural Gas (GJ)	5,948	6,380	5,590

Carbon Emissions (tonnes of CO <sub>2</sub> e)	2023-24	2022-23	2021-22
From Electricity Use	2,417	1,940	2,164
From Gas Use	449	470	432

Water	2023-24	2022-23	2021-22
Water Usage (kL)	27,051	30,067	25,490

Waste	2023-24	2022-23	2021-22
Clinical Waste (kg)	6,725	10,041	10,378
General Waste (kg)	104,530	139,704	133,632
Recycled Waste (kg)	46,001	56,744	56,295

**NOTE:** From the 2023/24 reporting year, the reporting period changed to 1<sup>st</sup> April 2023 – 31<sup>st</sup> March 2024.



**CAPTION:** Numurkah Maintenance

# Consultancies

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

In 2023-24, there were 8 consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2023-24 in relation to these consultancies is \$43,764.

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

In 2023-24, there was 1 consultancy where the total fees payable to the consultant was \$10,000 or greater. The total expenditure incurred during 2023-24 in relation to this consultancy is \$17,728 (excl. GST).

Details of individual consultancy is as follows:

Consultant	Purpose of Consultancy	Start Date	End Date	Total Approved Project Fee (excl GST)	Expenditure 2023-24 (excl GST)	Future Expenditure (excl GST)
Porter Novelli	ICT Strategy	1-Jul-23	30-Sep-23	\$7,100	\$7,028	Nil
Porter Novelli	Stakeholder Engagement	1-Mar-24	31-Mar-24	\$10,700	\$10,700	Nil

# ICT Expenditure

The total ICT expenditure incurred during 2023-24 is \$1,354,000 (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) (a) + (b)	Operational Expenditure (excluding GST) (a)	Capital Expenditure (excluding GST) (b)
\$1,354,000	\$0	\$0	\$0



**CAPTION:** Nathalia Gym



**CAPTION:** Irvin House Residential Aged Care



**CAPTION:** Numurkah Planned Activity Group

## Additional Information

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

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



# STRATEGIC PRIORITIES – 2023/2024

The Statement of Priorities are key accountability agreements between Government and Victorian publicly funded health, mental health and ambulance services. The annual agreements support the delivery of, or substantial progress towards the key shared objectives of quality and safety, good governance and leadership, access and timeliness, and financial sustainability. NCN Health is responsible for ensuring that a wide range of health care services are delivered to our local communities.

The NCN Health Strategic Plan 2021-2025 supports the Statement of Priorities to support the health, wellbeing and safety of all our communities.

The Chief Executive Officer is responsible for monitoring actions in the NCN Health Statement of Priorities and the Board of Directors oversee the plan's implementation.

NCN Health has contributed to the achievement of these priorities.

<b>EXCELLENCE IN CLINICAL GOVERNANCE</b>	
<b>We aim for the best patient experience and care outcomes by assuring safe practice, leadership of safety, an engaged and capable workforce, and continuing to improve and innovate care.</b>	
<b>GOAL</b>	
MA4 Identify and develop clinical service models where face to face consultations can be substituted by virtual care wherever possible (using telehealth, remote monitoring), whilst ensuring strong clinical governance, safety surveillance and patient choice.	
<b>Health Service Deliverables</b>	<b>Achievements/Outcome</b>
MA4 Adopt the Department of Health 'Virtual Care Operational Framework' and formulate governance and procedures to align with those outlined within the Framework.	Ongoing Commentary: NCN Health is committed to the ongoing implementation the Virtual care Operational Framework for the purposes of connecting people with care, whenever and wherever that care is not otherwise accessible. NCN Health has developed its internal clinical standards, protocols, policies and procedures, as well as staff training to assist with the ongoing application of virtual care in the NCN Health environment, including in urgent care, acute, primary care and aged care service domains.
<b>GOAL</b>	
MA5 Support people to access the most appropriate care for their chronic disease and/or associated risk factors.	
<b>Health Service Deliverables</b>	<b>Achievements/Outcome</b>
MA5 Provide integrated multidisciplinary care that addresses physical, social, and mental health needs.	Ongoing Commentary: NCN Health is committed to multi-disciplinary care and as such has constricted its service profile to allow for and support that. NCN Health maintains a commitment to allied health, nursing, medical and other specialist care. This also includes appropriate referral pathways to assistive services and partner agencies as needed.
MA5 Provide coordination of collaborative care that is accessible, appropriate and meets the diverse needs of individuals and groups in the community.	Ongoing Commentary: NCN Health is committed to understanding what matters to its clients so that any care is informed by client choice and preference. NCN Health will explore the application of Safer care Victoria's 4M framework of care which is designed to create a focus on key elements of care planning built around what matters to the client.
<b>GOAL</b>	
MA11 Develop strong and effective systems to support early and accurate recognition and management of deterioration of paediatric patients.	
<b>Health Service Deliverables</b>	<b>Achievements/Outcome</b>
MA11 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.	Achieved Commentary: VICTOR charts fully implemented at NCN Health and their application in practice is monitored and managed within NCN Health's clinical governance committee structure.

MA11 Improve paediatric patient outcomes through implementation of the “ViCTOR track and trigger” observation chart and escalation system, whenever children have observations taken.	Ongoing Commentary: VICTOR charts fully implemented at NCN Health and their application in practice is monitored and managed within NCN Health’s clinical governance committee structure.
MA11 Implement staff training on the “ViCTOR track and trigger” tool to enhance identification and prompt response to deteriorating paediatric patient conditions.	Ongoing Commentary: Staff training and development accompanied the implementation of VICTOR charts and this is augmented in a parallel commitment to clinician training for the management of the deteriorating patient.
<b>Working to achieve long term financial sustainability</b>	
<b>Ensure equitable and transparent use of available resources to achieve optimum outcomes.</b>	
<b>GOAL</b>	
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.	
<b>Health Service Deliverables</b>	<b>Achievements/Outcome</b>
MB1 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.	Ongoing Commentary: Review of Community Nursing supplies and ordering process is complete across all sites with unnecessary products removed from supplies. Ordering process streamlined. Continues to focus on process and practice efficiency measures through its relationship with Health Share Victoria (HSV). Over the past 12 months, NCN Health has further strengthened its relationship with HSV in practice. Furthermore, NCN Health continues to work directly with vendors to make improvements to ordering process, manage stock amounts in order to reduce waste and stock held on shelf unnecessarily.
MB1 Data-driven decision-making: Utilise data analytics and performance metrics to identify areas of inefficiency and waste, and make evidence-based decisions to improve financial sustainability and operational performance.	Ongoing Commentary: Implementation of on-line referral pathway for all community-based services is now fully implemented.  Implementation of regional client management system for coordinated community palliative care services supporting patient flow and timely service access s also fully implemented but subject to ongoing monitoring and development.
<b>Improving equitable access to healthcare and wellbeing</b>	
<b>Ensure that Aboriginal people have access to a health, wellbeing and care system that is holistic, culturally safe, accessible, and empowering. Ensure that communities in rural and regional areas have equitable health outcomes irrespective of locality.</b>	
<b>GOAL</b>	
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.	
<b>Health Service Deliverables</b>	<b>Achievements/Outcome</b>
MC1 CEO and executive leadership to drive and be accountable for outcomes in cultural safety and Aboriginal self-determination.	Ongoing Commentary: Many Mobs partnership has been formed. Commenced development of indigenous designed uniform piece in partnership with local Aboriginal artist. NCN Health’s first reconciliation plan, formally endorsed by the Board in July 2023, is being implemented and undergoing further development.
MC1 Effective Aboriginal and Torres Strait Islander client and patient identification, including quality improvement processes to continually improve in this area.	Ongoing Commentary: Admission and intake processes have been and continue to undergo review to ensure that the conditions exist for Aboriginal and Torres Strait Islander clients to identify and for NCN Health to appropriately explore ways in which their connection with NCN Health can be appropriately given effect.
<b>GOAL</b>	
MC2 Strengthen programs that support Aboriginal people to access early intervention and prevention services.	

Health Service Deliverables	Achievements/Outcome
MC2 Identify and prioritise the health, wellbeing and service needs of the Aboriginal catchment population and service users – including improved patient identification, discharge planning and outpatient care.	Ongoing Commentary: Admission and intake processes have been and continue to undergo review to ensure that the conditions exist for Aboriginal and Torres Strait Islander clients to identify and for NCN Health to appropriately explore ways in which their connection with NCN Health can be appropriately given effect.
<b>A stronger workforce</b>	
<b>There is increased supply of critical roles, which supports safe, high-quality care. Victoria is a world leader in employee experience, with a focus on future roles, capabilities and professional development. The workforce is regenerative and sustainable, bringing a diversity of skills and experience that reflect the people and communities it serves. As a result of a stronger workforce, Victorians receive the right care at the right time closer to home.</b>	
<b>GOAL</b>	
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	Achievements/Outcome
MD1 Deliver programs to improve employee experience across four initial focus areas: leadership, safety and wellbeing, flexibility, and career development and agility.	Ongoing Commentary: NCN Health has delivered two Middle Leaders program for clinical and non-clinical leaders in 2023-2024 incorporating a focus on each of leadership, safety and wellbeing, flexibility, and career development and agility.
MD1 Implement and/or evaluate a new/expanded wellbeing and safety program and its improvement on workforce wellbeing.	Ongoing Commentary: NCN Health has strengthened its employee assistance program, has implemented a health and wellbeing focused committee (SWELL) and promotes social activities for staff via its active NCN Health Social Club.
<b>GOAL</b>	
MD2 Explore new and contemporary models of care and practice, including future roles and capabilities.	
Health Service Deliverables	Achievements/Outcome
MD2 Pilot, implement or evaluate new and contemporary models of care and practice, including future roles and building capability for multidisciplinary practice.	Ongoing Commentary: NCN Health has assumed a lead / early adopter organisation role for the trial and implementation of a rural hospitalist program. This program aims to create the opportunities for junior medical doctors to spend time working in a rural healthcare setting such as NCN Health, with the associated benefit of supervision support from larger regional health centres.
<b>Moving from competition to collaboration</b>	
<b>Share knowledge, information and resources with partner health and wellbeing services and care providers. This will allow patients to experience one health, wellbeing and care system through connected digital health information, evidence and data flows, enabled by advanced interoperable platforms.</b>	
<b>GOAL</b>	
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	Achievements/Outcome
ME1 Work with the relevant PHN and community health providers to develop integrated service models that will provide earlier care to patients and support patients following hospital discharge.	Ongoing Commentary: NCN Health remains an active member and participant in each of the Hume Health Service Partnership. NCN continues to work, in a leadership capacity, with local partner agencies and the tertiary sector, in the development of innovative models of care.
<b>GOAL</b>	
ME2 Engage in integrated planning and service design approaches, whilst assuring consistent and strong clinical governance, with partners to join up the system to deliver seamless and sustainable care pathways and build sector collaboration.	

Health Service Deliverables	Achievements/Outcome
ME2 Regional, sub-regional or local regional health needs assessment to develop a population health plan.	Ongoing Commentary: NCN Health has developed a collaborative partnership with Yarrawonga Health to implement Palliative Care Rural Generalist Medical Clinic. Furthermore, NCN Health has developed partnership with GV Hospice Service to support continued specialist Nursing workforce across Moira LGA. Both programs are subject to ongoing review and development.
ME2 Undertake joint clinical service plans with an agreed approach to coordinating the delivery of health services at a regional level as opposed to individual health service planning.	Ongoing Commentary: NCN Health remains an active member and participant in each of the Hume Health Service Partnership, Central Hume Health Service Partnership and the Upper Hume Health Service Partnership for the purposes of conjoined service planning in the region. NCN Health partners with multiple agencies in service planning and service delivery with a key example being conjoint procedural work at the Numurkah campus of NCN Health with Goulburn Valley Health.
<b>Empowering people to keep healthy and safe in the community</b>	
<b>Support individual health and mental wellbeing by giving people the tools and information they need to stay healthy and well. Work with the local government to respond to health threats and empower the community to proactively respond to health risks.</b>	
<b>GOAL</b>	
EA1 Collaborate with local organisations and communities to better understand local health priorities and 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	Achievements/Outcome
EA1 Collaboration with primary care and community care services to improve access and delivery of high quality, safe and culturally appropriate health services to improve the health outcomes of Victorians.	Ongoing Commentary: NCN Health maintains a direct and contractual relationship with local general practice clinics. These clinics work closely with other aspects of NCN Health's service profile to promote access to and to conjointly address health needs of our local community.
EA1 Facilitate and deliver preventative health strategies to improve the wellbeing of people in the community.	Ongoing Commentary: NCN Health continues to promote prevention of respiratory and gastrointestinal illness transmission in its business for the protection of patients, clients, residents, staff and visitors. Health promotion, education and disease prevention remain hallmarks of NCN Health's Primary Health & Community Aged Care, Integrated Community Health and communication planning strategies.
<b>GOAL</b>	
EA2 Improve the health and wellbeing of our communities, families and individuals by focussing on areas of healthy eating, climate change impacts, increased physical activity, and reduced rates of harmful drug, alcohol and substance behaviours including vaping.	
Health Service Deliverables	Achievements/Outcome
EA2 Embed smoking and vaping identification and cessation pathways into routine care.	Ongoing Commentary: NCN Health has codified a commitment to smoking and vaping cessation in policy within which there is an undertaking to work with patients, clients and residents to quit, reduce and minimise associated harm to themselves and prevent harm to others by exposure to second hand smoke/vape.

<b>Care close to home</b>	
<b>Primary and community care is accessible and reduces avoidable escalation in acuity of health conditions. When appropriate, hospital care is delivered in the home, including through digital care and connection, to deliver virtual care, telehealth, and other advanced models of care.</b>	
<b>GOAL</b>	
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	Achievements/Outcome
EB1 Implement new models of care that improve coordination across health services and with primary and community care so that patients can more easily receive care closer to, or in their homes.	Ongoing Commentary: NCN Health continues to foster and grow programs aimed at retaining and building medical workforce in rural areas. Such programs include the VRGP, M2M and Rural Hospitalist programs. Maintaining a medical workforce locally aims to enable care closer to home.
<b>GOAL</b>	
EB4 Improve health and wellbeing outcomes for people living in rural and regional areas by increasing access to care delivered remotely, closer to, or in their homes.	
Health Service Deliverables	Achievements/Outcome
EB4 Establish or further develop relationships between health services so that patients can be easily referred for care closer to, or in their homes.	Ongoing Commentary: NCN Health has implemented NCN Health HITH programs enabling provision of acute admitted services in the home environment via NCN Health Community Nursing team and in partnership with local GPs. Chronic disease management plans between GP and local allied health. Care planning provided by specialist care plans occur with the assistance of nurse leadership in GP clinics.
EB4 Implement or expand models that facilitate virtual and/or shared remote care delivery between health services so that people can receive care closer to their homes.	Ongoing Commentary: Better@Home – non-admitted services implemented, including in-home falls and balance clinic and this initiative is subject to ongoing review and development.

## PERFORMANCE PRIORITIES – 2023/2024

The Victorian Health Services Performance Monitoring Framework outlines the government’s approach to overseeing the performance of Victorian health services.

<b>HIGH QUALITY AND SAFE CARE</b>		
Key performance measure	Target	Outcome
<b>Infection prevention and control</b>		
Compliance with the Hand Hygiene Australia Program	85%	90.1%
Percentage of health care workers immunised for influenza	94%	99%
<b>Aboriginal Health</b>		
Percentage of Aboriginal admitted patients who left against medical advice	25% reduction in gap based on prior years annual rate	N/A

Key performance indicator	Target	Outcome
<b>Patient experience</b>		
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	100%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	98.5%



**STRONG GOVERNANCE, LEADERSHIP AND CULTURE**

Key performance measure	Target	Outcome
<b>Organisational culture</b>		
People Matter Survey – percentage of staff with an overall positive response to safety culture survey questions	62%	77%

**EFFECTIVE FINANCIAL MANAGEMENT**

Key performance measure	Target	Outcome
Operating Result (\$M)	0.00	1.29
Average number of days to pay trade creditors	60 days	70
Average number of days to receive patient fee debtors	60 days	15
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.62
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June 2024	Variance <\$250,000	\$808,000
Actual number of days of available case, measured on the last day of each month.	14 days	161 days

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

## ACTIVITY AND FUNDING – 2023/2024

FUNDING TYPE	2023 / 2024 ACTIVITY TARGET	2023 / 2024 ACTIVITY ACTUAL
Small Rural Acute	17	80
Small Rural Primary Health & HACC	4,737	17,927
Small Rural Residential Care	41,222	37,607
Small Rural Health Workforce		
Small Rural Health Independence Program		3,989
Small Rural Other Specified Funding		
<b>TOTAL FUNDING</b>		<b>\$29,789,000</b>

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

# ATTESTATIONS

## Financial Management Compliance Attestation – SD 5.1.4

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



**Tricia Quibell**  
**Board Chair**  
**NCN Health**  
28 August 2024

## Data Integrity Declaration

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



**Mark Ashcroft**  
**Chief Executive Officer**  
**NCN Health**  
28 August 2024

## Integrity, Fraud and Corruption Declaration

I, Mark Ashcroft certify that NCN Health has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at NCN Health during the year.



**Mark Ashcroft**  
**Chief Executive Officer**  
**NCN Health**  
28 August 2024

## Conflict of Interest Declaration

I, Mark Ashcroft, certify that NCN 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 NCN 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.



**Mark Ashcroft**  
**Chief Executive Officer**  
**NCN Health**  
28 August 2024

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

I, Mark Ashcroft certify that NCN 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.



**Mark Ashcroft**  
**Chief Executive Officer**  
**NCN Health**  
28 August 2024

# FINANCIAL SUMMARY

For the year ended 30 June 2024

NCN Health	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
<b>Operating Result*</b>	1,297	193	304	882	1,223
<b>Total revenue</b>	67,776	63,552	60,614	54,561	49,935
<b>Total expenses</b>	68,489	63,412	60,217	56,040	51,346
<b>Net result from transactions</b>	(713)	140	397	(1,479)	(1,411)
<b>Total other economic flows</b>	285	(17)	127	269	(122)
<b>Net result</b>	(428)	123	524	(1,210)	(1,533)
<b>Total assets</b>	169,395	146,933	143,137	125,901	126,417
<b>Total liabilities</b>	33,713	32,345	28,672	28,168	28,136
<b>Net assets/Total equity</b>	135,682	114,588	114,465	97,733	98,281

## Reconciliation of Net Result from Transactions and Operating Result

	2023/24 (\$'000)
<b>Operating result *</b>	1,297
Capital purpose income	1,950
Specific Income	0
COVID-19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply Arrangements	97
State supply items consumed up to 30 June 2024	(97)
Assets provided free of charge	0
Assets received free of charge	266
Expenditure for capital purpose	8
Depreciation and amortisation	(4,233)
Impairment of non-financial assets	0
Finance costs (other)	(1)
<b>Net result from transactions</b>	(713)

\* The Operating result is the result for which the health service is monitored in its Statement of Priorities.

## Subsequent Events

There were no subsequent events requiring disclosure for 2023/24.

# DISCLOSURE INDEX

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

Legislation	Requirement	Page
<b>Ministerial Directions</b>		
<b>Report of Operations</b>		
<b>Charter and purpose</b>		
FRD 22	Manner of establishment and the relevant Ministers	4
FRD 22	Purpose, functions, powers and duties	3, 6
FRD 22	Nature and range of services provided	5
FRD 22	Activities, programs and achievements for the reporting period	7-8
FRD 22	Significant changes in key initiatives and expectations for the future	7-8
<b>Management and structure</b>		
FRD 22	Organisational structure	15
FRD 22	Workforce data/employment and conduct principles	14
FRD 22	Occupational Health and Safety	16
<b>Financial information</b>		
FRD 22	Summary of the financial results for the year	31
FRD 22	Significant changes in financial position during the year	7-8,31
FRD 22	Operational and budgetary objectives and performance against objectives	28-29
FRD 22	Subsequent events	32
FRD 22	Details of consultancies under \$10,000	22
FRD 22	Details of consultancies over \$10,000	22
FRD 22	Disclosure of ICT expenditure	22
FRD 22	Asset Management Accountability Framework	18
<b>Legislation</b>		
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	19-20
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	17
FRD 22	Application and operation of <i>Public Interest Disclosure Act 2012</i>	19
FRD 22	Statement on National Competition Policy	17
FRD 22	Application and operation of <i>Carers Recognition Act 2012</i>	17
FRD 22	Additional information available on request	23
FRD 24	Environmental data reporting	21
FRD 25	<i>Local Jobs First Act 2003</i> disclosures	17
SD 5.1.4	Financial Management Compliance attestation	31
SD 5.2.3	Declaration of Report in Operations	4
<b>Attestations</b>		
	Attestation on Data Integrity	31
	Attestation on managing Conflicts of Interest	31
	Attestation on Integrity, Fraud and Corruption	31
	Compliance with Health Share Victoria (HSV) Purchasing Policies	31
<b>Other reporting requirements</b>		
	Reporting of outcomes from Statement of Priorities 2023-24	24-29
	Occupational Violence reporting	16
	<i>Gender Equality Act 2020</i>	17
	Reporting obligations under the <i>Safe Patient Care Act 2015</i>	17
	Social Procurement Framework Reporting	20



# FINANCIAL REPORT

# Independent Auditor's Report

## To the Board of NCN Health

<b>Opinion</b>	<p>I have audited the financial report of NCN Health (the health service) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2024</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including material accounting policies</li> <li>• Board member's, accountable officer's and chief finance &amp; accounting officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Other information</b>	<p>The Board of the health service are responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2024, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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**Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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MELBOURNE  
20 September 2024

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

# Financial Statements

## Financial Year ended 30 June 2024

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

The attached financial statements for NCN 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 NCN 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 28<sup>th</sup> August, 2024.

#### **Board member**



Ms Tricia Quibell

Chair

NCN Health  
28<sup>th</sup> August 2024

#### **Accountable Officer**



Dr Mark Ashcroft

Chief Executive Officer

NCN Health  
28<sup>th</sup> August 2024

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



Mr Steven Jackel

Chief Finance and Accounting Officer

NCN Health  
28<sup>th</sup> August 2024

**NCN Health**  
**Comprehensive Operating Statement**  
**For the Financial Year Ended 30 June 2024**

		<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
<b>Revenue and income from transactions</b>			
Operating activities	2.1	65,938	62,300
Non-operating activities	2.1	1,838	1,252
<b>Total revenue and income from transactions</b>		<b>67,776</b>	<b>63,552</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1	(47,917)	(44,998)
Supplies and consumables	3.1	(5,507)	(5,270)
Finance costs	3.1	(46)	(41)
Depreciation and amortisation	3.1	(4,233)	(4,281)
Other administrative expenses	3.1	(7,634)	(6,162)
Other operating expenses	3.1	(3,152)	(2,610)
Other non-operating expenses	3.1	-	(50)
<b>Total Expenses from transactions</b>		<b>(68,489)</b>	<b>(63,412)</b>
<b>Net result from transactions - net operating balance</b>		<b>(713)</b>	<b>140</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on sale of non-financial assets	3.2	114	20
Net gain/(loss) on financial instruments	3.2	27	14
Other gain/(loss) from other economic flows	3.2	144	(51)
<b>Total other economic flows included in net result</b>		<b>285</b>	<b>(17)</b>
<b>Net result for the year</b>		<b>(428)</b>	<b>123</b>
<b>Other economic flows - other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in property, plant and equipment revaluation surplus	4.3	21,522	-
<b>Total other comprehensive income</b>		<b>21,522</b>	<b>-</b>
<b>Comprehensive result for the year</b>		<b>21,094</b>	<b>123</b>

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



**NCN Health**  
**Balance Sheet**  
**As at 30 June 2024**

		<b>Total</b>	<b>Total</b>
		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current assets</b>			
Cash and cash equivalents	6.2	45,147	43,845
Receivables	5.1	1,797	1,805
Contract assets	5.2	413	1,713
Inventories		60	51
Prepaid expenses		508	464
<b>Total current assets</b>		<b>47,925</b>	<b>47,878</b>
<b>Non-current assets</b>			
Receivables	5.1	1,765	1,564
Property, plant and equipment	4.1 (a)	119,094	97,100
Right of use assets	4.2 (a)	591	368
Intangible assets	4.4	20	23
<b>Total non-current assets</b>		<b>121,470</b>	<b>99,055</b>
<b>Total assets</b>		<b>169,395</b>	<b>146,933</b>
<b>Current liabilities</b>			
Payables	5.3	3,890	4,670
Contract liabilities	5.4	1,854	2,491
Borrowings	6.1	593	356
Employee benefits	3.3	9,489	8,454
Other liabilities	5.5	17,072	15,313
<b>Total current liabilities</b>		<b>32,898</b>	<b>31,284</b>
<b>Non-current liabilities</b>			
Borrowings	6.1	18	56
Employee benefits	3.3	797	1,005
<b>Total non-current liabilities</b>		<b>815</b>	<b>1,061</b>
<b>Total liabilities</b>		<b>33,713</b>	<b>32,345</b>
<b>Net assets</b>		<b>135,682</b>	<b>114,588</b>
<b>Equity</b>			
Property, plant and equipment revaluation surplus	4.3	38,392	16,870
Restricted specific purpose reserve	SCE	13,469	13,469
Contributed capital	SCE	102,210	102,210
Accumulated deficit	SCE	(18,389)	(17,961)
<b>Total equity</b>		<b>135,682</b>	<b>114,588</b>

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

**NCN Health**  
**Cash Flow Statement**  
**For the Financial Year Ended 30 June 2024**

	Total 2024 \$'000	Total 2023 \$'000
<b>Cash Flows from operating activities</b>		
Operating grants from State Government	32,982	30,737
Operating grants from Commonwealth Government	15,323	11,691
Capital grants from government - State	571	2,300
Patient fees received	5,607	6,083
Private practice fees received	1,408	835
Donations and bequests received	266	102
GST received from ATO	1,454	1,389
Interest and investment income received	1,838	1,252
Commercial income received	5,451	4,525
Other receipts	4,064	3,362
<b>Total receipts</b>	<b>68,964</b>	<b>62,276</b>
Payments to employees	(45,268)	(43,184)
Payments to contractors and consultants	(1,528)	(1,072)
Payments for supplies and consumables	(6,340)	(2,984)
Payments for medical indemnity insurance	(177)	(165)
Payments for repairs and maintenance	(2,072)	(1,399)
Finance costs	(46)	(41)
GST paid to ATO	(1,604)	(1,382)
Cash outflow for short term and low value leases	(77)	(54)
Other payments	(8,514)	(7,354)
<b>Total payments</b>	<b>(65,626)</b>	<b>(57,635)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>3,338</b>	<b>4,641</b>
	8.1	
<b>Cash Flows from investing activities</b>		
Purchase of non-financial assets	(4,698)	(2,085)
Capital donations and bequests received	-	25
Other capital receipts	621	17
Purchase of Intangible assets	-	4
Proceeds from sale of non-financial assets	231	20
<b>Net cash flows from/(used in) investing activities</b>	<b>(3,846)</b>	<b>(2,019)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(27)	(32)
Repayment of principal portion of lease liabilities	(120)	(44)
Receipt of accommodation deposits	5,588	5,260
Repayment of accommodation deposits	(3,631)	(3,899)
<b>Net cash flows from /(used in) financing activities</b>	<b>1,810</b>	<b>1,285</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>1,302</b>	<b>3,907</b>
Cash and cash equivalents at beginning of year	43,845	39,938
<b>Cash and cash equivalents at end of year</b>	<b>45,147</b>	<b>43,845</b>
	6.2	

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

**NCN Health**  
**Statement of Changes in Equity**  
**For the Financial Year Ended 30 June 2024**

	Property, Plant and Equipment	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Deficit	Total
	Revaluation Surplus \$'000	\$'000	\$'000	\$'000	\$'000
<b>Total</b>					
<b>Balance at 1 July 2022</b>	<b>16,870</b>	<b>13,469</b>	<b>102,210</b>	<b>(18,084)</b>	<b>114,465</b>
Net result for the year	-	-	-	123	123
<b>Balance at 30 June 2023</b>	<b>16,870</b>	<b>13,469</b>	<b>102,210</b>	<b>(17,961)</b>	<b>114,588</b>
Net result for the year	-	-	-	(428)	(428)
Other comprehensive income for the year	21,522	-	-	-	21,522
<b>Balance at 30 June 2024</b>	<b>38,392</b>	<b>13,469</b>	<b>102,210</b>	<b>(18,389)</b>	<b>135,682</b>

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

## **Note 1: Basis of preparation**

### **Structure**

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

## **Note 1: Basis of preparation**

These financial statements represent the audited general purpose financial statements for NCN Health for the year ended 30 June 2024. The report provides users with information about NCN 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.

NCN 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 presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of NCN Health on 28th August 2024.



**NCN Health**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2024**

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

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

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

**NCN Health**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2024**

**Note 1.3 Joint arrangements**

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

NCN Health has the following joint arrangements:

- Hume Region Health Alliance - Joint Operation

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

**Note 1.4 Material accounting estimates and judgements**

Management make estimates and judgements when preparing the financial statements.

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

Revisions to 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 relate to the following disclosures:

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.1: Property, plant and equipment
- Note 4.2: Right-of-use assets
- Note 4.4: Intangible assets
- Note 4.5: Depreciation and amortisation
- Note 4.6: Impairment of assets
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 5.5: Other liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

**NCN Health**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2024**

**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 NCN Health and their potential impact when adopted in future periods is outlined below:

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

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

**NCN Health**  
**Notes to the Financial Statements**  
**For the Financial Year Ended 30 June 2024**

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

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

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

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

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

**Note 1.7 Reporting Entity**

The financial statements include all the controlled activities of NCN Health.

NCN Health's principal address is:

2 Katamatite Road  
Numurkah, Victoria 3636

A description of the nature of NCN 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

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

### Structure

**2.1 Revenue and income from transactions**

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

### Material judgements and estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	<p>NCN Health applies material judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criterion is met, the contract/funding agreement is treated as a contract with a customer, requiring NCN Health to recognise revenue as or when the health service transfers promised goods or services to customers.</p> <p>If this criterion is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>NCN 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.</p>
Determining time of capital grant income recognition	<p>NCN 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.</p>
Assets and services received free of charge or for nominal consideration	<p>NCN 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.</p>



**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 2.1 Revenue and income from transactions**

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
<b>Operating activities</b>		
<b>Revenue from contracts with customers</b>		
Government grants (State) - Operating	3,744	4,193
Government grants (Commonwealth) - Operating	14,120	9,771
Patient and resident fees	5,610	5,357
Private practice fees	1,408	835
Commercial activities <sup>1</sup>	5,451	4,525
<b>Total revenue from contracts with customers</b>	<b>30,333</b>	<b>24,681</b>
	2.1 (a)	
<b>Other sources of income</b>		
Government grants (State) - Operating	28,051	28,044
Government grants (Commonwealth) - Operating	1,928	1,920
Government grants (State) - Capital	571	2,456
Other capital purpose income	621	619
Capital donations	-	25
Assets received free of charge or for nominal consideration	363	389
Other revenue from operating activities (including non-capital donations)	4,071	4,166
<b>Total other sources of income</b>	<b>35,605</b>	<b>37,619</b>
	2.2	
<b>Total revenue and income from operating activities</b>	<b>65,938</b>	<b>62,300</b>
<b>Non-operating activities</b>		
<b>Income from other sources</b>		
Other interest	1,838	1,252
<b>Total other sources of income</b>	<b>1,838</b>	<b>1,252</b>
<b>Total income from non-operating activities</b>	<b>1,838</b>	<b>1,252</b>
<b>Total revenue and income from transactions</b>	<b>67,776</b>	<b>63,552</b>

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
NCN Health disaggregates revenue by the timing of revenue recognition.		
<b>Goods and services transferred to customers:</b>		
Over time	24,882	20,156
At a point in time	5,451	4,525
<b>Total revenue from contracts with customers</b>	<b>30,333</b>	<b>24,681</b>

NCN Health disaggregates revenue by the timing of revenue recognition.

**Goods and services transferred to customers:**

Over time

At a point in time

**Total revenue from contracts with customers**

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

**Government operating grants**

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

When both these conditions are satisfied, the health service:

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

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

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

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

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for NCN Health's goods or services. NCN Health's funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large. In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**How we recognise revenue and income from transactions**

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

<b>Government grant</b>	<b>Performance obligation</b>
Primary Health Network funding (PHN)	The integrated Primary Health Network program supports delivery of an effective primary health system. NCN Health is required to meet performance benchmarks of service delivery. Revenue is recognised over time when the expenditure has been incurred.
Victorian Rural Generalists Program (VRGP)	The performance obligations for VRGP are measured by training outcomes and accreditation achieved by GP's. Revenue is recognised over time as training objectives are met.
Murray to the Mountains Program (M2M)	The M2M internship program provides the opportunity for career progression from undergraduate to GP. NCN Health has an obligation to meet performance and training objectives. Revenue is recognised over time as these objectives are met.
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 over time, which is when targets are met during the year.
Commonwealth Residential Aged Care Grants	Funding is provided for the provision of care for aged care residents within facilities The performance obligations include provision of residential accommodations and care from nursing staff and personal care workers. Revenue is recognised over time when the service is provided within the residential aged care facility.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Capital grants**

Where NCN 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 NCN Health's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

**Patient and resident fees**

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

**Private practice fees**

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

**Commercial activities**

Revenue from commercial activities includes items such as meal sales and provision of accommodation. Commercial activity revenue is recognised at a point in time, as goods or services are provided to the customer.

**How we recognise revenue and income from non-operating activities**

**Interest Income**

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

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

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
Cash donations and gifts	266	102
Personal protective equipment	97	287
<b>Total fair value of assets and services received free of charge or for nominal consideration</b>	<b>363</b>	<b>389</b>

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

**Donations and bequests**

Donations and bequests are generally recognised as income upon receipt (which is when NCN 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 NCN Health for nil consideration.

**Contributions of resources**

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

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

**Volunteer Services**

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

- delivery of meals on wheels

NCN 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.

NCN 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 NCN Health as follows:

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

## Note 3: The cost of delivering our services

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

### Structure

#### 3.1 Expenses from transactions

#### 3.2 Other economic flows included in net result

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

#### 3.4 Superannuation

### Material judgements and estimates

This section contains the following key judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	<p>NCN Health applies material judgement when measuring and classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if NCN Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if NCN Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
Measuring employee benefit liabilities	<p>NCN Health applies material judgement when measuring its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees.</p> <p>Expected future payments incorporate:</p> <ul style="list-style-type: none"> <li>• an inflation rate of 4.45%, reflecting the future wage and salary levels</li> <li>• durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 22% and 86%</li> <li>• discounting at the rate of 4.348%, as determined with reference to market yields on government bonds at the end of the reporting period.</li> </ul> <p>All other entitlements are measured at their nominal value.</p>



**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 3.1 Expenses from transactions**

Note	Total 2024 \$'000	Total 2023 \$'000
Salaries and wages	37,206	35,889
On-costs	3,848	3,510
Agency expenses	1,528	1,072
Fee for service medical officer expenses	4,520	3,818
Workcover premium	815	709
<b>Total employee expenses</b>	<b>47,917</b>	<b>44,998</b>
Drug supplies	293	290
Medical and surgical supplies (including Prostheses)	2,925	2,947
Diagnostic and radiology supplies	191	186
Other supplies and consumables	2,098	1,847
<b>Total supplies and consumables</b>	<b>5,507</b>	<b>5,270</b>
Finance costs	46	41
<b>Total finance costs</b>	<b>46</b>	<b>41</b>
Other administrative expenses	7,634	6,162
<b>Total other administrative expenses</b>	<b>7,634</b>	<b>6,162</b>
Fuel, light, power and water	832	768
Repairs and maintenance	1,779	1,008
Maintenance contracts	293	391
Medical indemnity insurance	177	165
Expenses related to short term leases	77	54
Expenditure for capital purposes	(6)	224
<b>Total other operating expenses</b>	<b>3,152</b>	<b>2,610</b>
<b>Total operating expense</b>	<b>64,256</b>	<b>59,081</b>
Depreciation and amortisation	4,233	4,281
<b>Total depreciation and amortisation</b>	<b>4,233</b>	<b>4,281</b>
Bad and doubtful debt expense	-	50
<b>Total other non-operating expenses</b>	<b>-</b>	<b>50</b>
<b>Total non-operating expense</b>	<b>4,233</b>	<b>4,331</b>
<b>Total expenses from transactions</b>	<b>68,489</b>	<b>63,412</b>

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**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:

- amortisation of discounts or premiums relating to borrowings
- finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases* .

**Other operating expenses**

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

- Fuel, light and power
- Repairs and maintenance
- Other administrative expenses
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of \$2,500).

The Department of Health also makes certain payments on behalf of NCN 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.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
Net gain/(loss) on disposal of property plant and equipment	114	20
<b>Total net gain/(loss) on non-financial assets</b>	<b>114</b>	<b>20</b>
Allowance for impairment losses of contractual receivables	29	15
Other gains/(losses) from other economic flows	(2)	(1)
<b>Total net gain/(loss) on financial instruments</b>	<b>27</b>	<b>14</b>
Net gain/(loss) arising from revaluation of long service liability	144	(51)
<b>Total other gains/(losses) from other economic flows</b>	<b>144</b>	<b>(51)</b>
<b>Total gains/(losses) from other economic flows</b>	<b>285</b>	<b>(17)</b>

**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, 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; and
- impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 7.1 Investments and other financial assets).

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
<b>Current employee benefits and related on-costs</b>		
<i>Accrued days off</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	61	51
	<b>61</b>	<b>51</b>
<i>Annual leave</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	2,820	2,658
Unconditional and expected to be settled wholly after 12 months <sup>ii</sup>	395	400
	<b>3,215</b>	<b>3,058</b>
<i>Long service leave</i>		
Unconditional and expected to be settled wholly within 12 months <sup>i</sup>	811	683
Unconditional and expected to be settled wholly after 12 months <sup>ii</sup>	3,740	3,190
	<b>4,551</b>	<b>3,873</b>
<i>Provisions related to employee benefit on-costs</i>		
Unconditional and expected to be settled within 12 months <sup>i</sup>	1,114	1,018
Unconditional and expected to be settled after 12 months <sup>ii</sup>	548	454
	<b>1,662</b>	<b>1,472</b>
	<b>9,489</b>	<b>8,454</b>
<b>Total current employee benefits and related on-costs</b>		
<b>Non-current provisions and related on-costs</b>		
Conditional long service leave	695	879
Provisions related to employee benefit on-costs	102	126
<b>Total non-current employee benefits and related on-costs</b>	<b>797</b>	<b>1,005</b>
	<b>10,286</b>	<b>9,459</b>
<b>Total employee benefits and related on-costs</b>	<b>10,286</b>	<b>9,459</b>

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

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
<b>Current employee benefits and related on-costs</b>		
Unconditional accrued days off	68	58
Unconditional annual leave entitlements	4,207	3,978
Unconditional long service leave entitlements	5,214	4,418
<b>Total current employee benefits and related on-costs</b>	<b>9,489</b>	<b>8,454</b>
<b>Non-current employee benefits and related on-costs</b>		
Conditional long service leave entitlements	797	1,005
<b>Total non-current employee benefits and related on-costs</b>	<b>797</b>	<b>1,005</b>
<b>Total employee benefits and related on-costs</b>	<b>10,286</b>	<b>9,459</b>
<b>Attributable to:</b>		
Employee benefits	8,522	7,861
Provision for related on-costs	1,764	1,598
<b>Total employee benefits and related on-costs</b>	<b>10,286</b>	<b>9,459</b>

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

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
<b>Carrying amount at start of year</b>	1,598	1,443
Additional provisions recognised	680	647
Net gain/(loss) arising from revaluation of long service liability	(16)	6
Amounts incurred during the year	(498)	(498)
<b>Carrying amount at end of year</b>	<b>1,764</b>	<b>1,598</b>

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**How we recognise employee benefits**

**Employee benefit recognition**

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

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

**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 NCN 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 NCN Health expects to wholly settle within 12 months or
- Present value – if NCN 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 NCN 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 NCN Health expects to wholly settle within 12 months or
- Present value – if NCN 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.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 3.4 Superannuation**

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total	Total	Total	Total
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<b>Defined benefit plans:<sup>i</sup></b>				
Aware Super	45	42	-	-
<b>Defined contribution plans:</b>				
Aware Super	1,714	1,645	-	-
Hesta	1,101	959	-	-
Rest Superannuation	116	110		
Australian Retirement Trust	50	45		
Australian Super	257	250		
Hostplus	188	180		
Other	377	279	-	-
<b>Total</b>	<b>3,848</b>	<b>3,510</b>	<b>-</b>	<b>-</b>

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

**How we recognise superannuation**

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

**Defined benefit superannuation plans**

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

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

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

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

**Defined contribution superannuation plans**

Defined contribution (i.e. accumulation) superannuation plans 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 NCN Health are disclosed above.



## Note 4: Key assets to support service delivery

NCN 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 NCN Health to be utilised for delivery of those outputs.

### Structure

*4.1 Property, plant & equipment*

*4.2 Right-of-use assets*

*4.3 Revaluation surplus*

*4.4 Intangible assets*

*4.5 Depreciation and amortisation*

*4.6 Impairment of assets*

### Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating useful life of property, plant and equipment	NCN 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.  NCN Health applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

Material judgements and estimates	Description
Estimating the useful life of intangible assets	NCN Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	<p>At the end of each year, NCN 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.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> <li>• If an asset’s value has declined more than expected based on normal use</li> <li>• If a significant change in technological, market, economic or legal environment which adversely impacts the way the health service uses an asset</li> <li>• If an asset is obsolete or damaged</li> <li>• If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life</li> <li>• If the performance of the asset is or will be worse than initially expected.</li> </ul> <p>Where an impairment trigger exists, the health services applies material judgement and estimate to determine the recoverable amount of the asset.</p>

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 4.1 Property, plant and equipment**

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

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
Land at fair value - Freehold	4,572	4,623
<b>Total land at fair value</b>	<b>4,572</b>	<b>4,623</b>
Buildings at fair value	106,070	91,270
Less accumulated depreciation	-	(3,402)
<b>Total buildings at fair value</b>	<b>106,070</b>	<b>87,868</b>
Works in progress at fair value	5,491	1,437
<b>Total land and buildings</b>	<b>116,133</b>	<b>93,928</b>
Plant and equipment at fair value	2,735	2,670
Less accumulated depreciation	(1,673)	(1,583)
<b>Total plant and equipment at fair value</b>	<b>1,062</b>	<b>1,087</b>
Motor vehicles at fair value	481	724
Less accumulated depreciation	(271)	(513)
<b>Total motor vehicles at fair value</b>	<b>210</b>	<b>211</b>
Medical equipment at fair value	3,758	3,872
Less accumulated depreciation	(2,719)	(2,859)
<b>Total medical equipment at fair value</b>	<b>1,039</b>	<b>1,013</b>
Computer equipment at fair value	1,014	1,010
Less accumulated depreciation	(780)	(628)
<b>Total computer equipment at fair value</b>	<b>234</b>	<b>382</b>
Furniture and fittings at fair value	1,071	1,044
Less accumulated depreciation	(655)	(565)
<b>Total furniture and fittings at fair value</b>	<b>416</b>	<b>479</b>
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>	<b>2,961</b>	<b>3,172</b>
<b>Total property, plant and equipment</b>	<b>119,094</b>	<b>97,100</b>

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

	Land	Buildings	Building works in progress	Plant & equipment	Motor vehicles	Medical Equipment
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2022</b>	<b>4,623</b>	<b>90,784</b>	<b>363</b>	<b>1,108</b>	<b>224</b>	<b>1,185</b>
Additions	-	-	1,560	208	61	68
Net transfers between classes	-	486	(486)	-	-	-
Depreciation	4.5	(3,402)	-	(229)	(74)	(240)
<b>Balance at 30 June 2023</b>	<b>4,623</b>	<b>87,868</b>	<b>1,437</b>	<b>1,087</b>	<b>211</b>	<b>1,013</b>
4.1 (a)						
Additions	-	-	4,054	199	157	253
Disposals	-	-	-	(1)	(95)	-
Revaluation increments/(decrements)	(51)	21,573	-	-	-	-
Depreciation	4.5	(3,371)	-	(223)	(63)	(227)
<b>Balance at 30 June 2024</b>	<b>4,572</b>	<b>106,070</b>	<b>5,491</b>	<b>1,062</b>	<b>210</b>	<b>1,039</b>
4.1 (a)						

	Computer Equipment	Furniture & Fittings	Other Assets under Construction	Total
Note	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2022</b>	<b>353</b>	<b>551</b>	<b>56</b>	<b>99,247</b>
Additions	165	23	-	2,085
Net transfers between classes	56	-	(56)	-
Depreciation	4.5	(95)	-	(4,232)
<b>Balance at 30 June 2023</b>	<b>382</b>	<b>479</b>	<b>-</b>	<b>97,100</b>
4.1 (a)				
Additions	6	31	-	4,700
Disposals	-	-	-	(96)
Revaluation increments/(decrements)	-	-	-	21,522
Depreciation	4.5	(94)	-	(4,132)
<b>Balance at 30 June 2024</b>	<b>234</b>	<b>416</b>	<b>-</b>	<b>119,094</b>
4.1 (a)				

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Land and Buildings Carried at Valuation**

The Valuer-General Victoria undertook to re-value all of NCN Healths land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The 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 NCN Health in the supply of goods or services, for rental to others, or for administration purposes, and are expected to be used during more than one financial year.

**Initial recognition**

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

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

**Subsequent measurement**

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

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

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**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, NCN 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%, NCN Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of NCN Health's property, plant and equipment was performed by the VGV 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.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

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

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
Right of use vehicles at fair value	793	485
Less accumulated depreciation	(202)	(117)
<b>Total right of use vehicles at fair value</b>	<b>591</b>	<b>368</b>
<b>Total right of use vehicles at fair value</b>	<b>591</b>	<b>368</b>



**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

	Note	Right-of-use Vehicles \$'000	Total \$'000
<b>Balance at 1 July 2022</b>		<b>181</b>	<b>181</b>
Additions		246	246
Disposals		(12)	(12)
Depreciation	4.5	(47)	(47)
<b>Balance at 30 June 2023</b>	<b>4.2 (a)</b>	<b>368</b>	<b>368</b>
Additions		344	344
Disposals		(23)	(23)
Depreciation	4.5	(98)	(98)
<b>Balance at 30 June 2024</b>	<b>4.2 (a)</b>	<b>591</b>	<b>591</b>

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

**Initial recognition**

When a contract is entered into, NCN 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.

NCN 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 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.

NCN Health  
Notes to the Financial Statements  
for the financial year ended 30 June 2024

**Note 4.3 Revaluation Surplus**

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
Balance at the beginning of the reporting period	16,870	16,870
<b>Revaluation increment</b>		
- Land	4.1 (b) (51)	-
- Buildings	4.1 (b) 21,573	-
<b>Balance at the end of the Reporting Period*</b>	<b>38,392</b>	<b>16,870</b>
<b>* Represented by:</b>		
- Land	1,650	1,701
- Buildings	36,742	15,169
	<b>38,392</b>	<b>16,870</b>

**Note 4.4 Intangible assets**

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

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
Intangible assets - software	23	31
Less accumulated amortisation	(3)	(8)
<b>Total intangible produced assets - software</b>	<b>20</b>	<b>23</b>
<b>Total intangible assets</b>	<b>20</b>	<b>23</b>

**Note 4.4 (b) Reconciliations of the carrying amount by class of asset**

	<b>Note</b>	<b>Software \$'000</b>	<b>Total \$'000</b>
<b>Balance at 1 July 2022</b>		<b>29</b>	<b>29</b>
Disposals		(4)	(4)
Amortisation	4.5	(2)	(2)
<b>Balance at 30 June 2023</b>	<b>4.4 (a)</b>	<b>23</b>	<b>23</b>
Amortisation	4.5	(3)	(3)
<b>Balance at 30 June 2024</b>	<b>4.4 (a)</b>	<b>20</b>	<b>20</b>

**How we recognise intangible assets**

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

**Initial recognition**

Purchased intangible assets are initially recognised at cost.

**Subsequent measurement**

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

**Impairment**

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are testing for impairment whenever an indication of impairment is identified.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 4.5 Depreciation and amortisation**

**Depreciation**

Buildings
Plant and equipment
Motor vehicles
Medical equipment
Computer equipment
Furniture and fittings

**Total depreciation**

**Right-of-use assets**

Right of use - plant, equipment, furniture, fittings and motor vehicles

**Total depreciation - right-of-use assets**

**Amortisation**

Software

**Total amortisation**

**Total depreciation and amortisation**

	Total 2024 \$'000	Total 2023 \$'000
	3,371	3,402
	223	229
	63	74
	227	240
	154	192
	94	95
	<b>4,132</b>	<b>4,232</b>
	98	47
	<b>98</b>	<b>47</b>
	3	2
	<b>3</b>	<b>2</b>
	<b>4,233</b>	<b>4,281</b>

**How we recognise depreciation**

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

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

**How we recognise amortisation**

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

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

Buildings

- Structure shell building fabric
- Site engineering services and central plant

Central Plant

- Fit Out
- Trunk reticulated building system

Plant and equipment

Medical equipment

Computer equipment

Furniture and fitting

Motor Vehicles

Right of use - plant, equipment, furniture, fittings and motor vehicles

Intangible Assets

	2024	2023
	7 to 50 years	7 to 50 years
	26 to 40 years	26 to 40 years
	7 to 26 years	7 to 26 years
	7 to 26 years	7 to 26 years
	3 to 33 years	3 to 20 years
	3 to 20 years	7 to 10 years
	3 to 9 years	3 to 9 years
	5 to 20 years	10 to 13 years
	5 to 10 years	5 to 10 years
	3 to 5 years	3 to 5 years
	10 years	10 years

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 4.6 Impairment of assets**

**How we recognise impairment**

At the end of each reporting period, NCN 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 NCN 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, NCN 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, NCN Health estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NCN 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 NCN Health's operations.

### Structure

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

### Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating the provision for expected credit losses	NCN 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 NCN 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.  NCN 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	NCN 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.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 5.1 Receivables**

Notes	Total 2024 \$'000	Total 2023 \$'000
<b>Current receivables</b>		
<b>Contractual</b>		
Trade receivables	353	301
Patient fees	440	437
Allowance for impairment losses - Patient Fees	(20)	(50)
Accrued revenue	710	947
Amounts receivable from governments and agencies	-	6
<b>Total contractual receivables</b>	<b>1,483</b>	<b>1,641</b>
<b>Statutory</b>		
Net GST receivable	314	164
<b>Total statutory receivables</b>	<b>314</b>	<b>164</b>
<b>Total current receivables</b>	<b>1,797</b>	<b>1,805</b>
<b>Non-current receivables</b>		
<b>Contractual</b>		
Long service leave - Department of Health	1,765	1,564
<b>Total contractual receivables</b>	<b>1,765</b>	<b>1,564</b>
<b>Total non-current receivables</b>	<b>1,765</b>	<b>1,564</b>
<b>Total receivables</b>	<b>3,562</b>	<b>3,369</b>
<i>(i) Financial assets classified as receivables (Note 7.1(a))</i>		
Total receivables	3,562	3,369
GST receivable	(314)	(164)
<b>Total financial assets classified as receivables</b>	<b>7.1(a) 3,248</b>	<b>3,205</b>



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

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
<b>Balance at the beginning of the year</b>	50	65
Increase in allowance	19	34
Amounts written off during the year	(49)	(49)
<b>Balance at the end of the year</b>	<b>20</b>	<b>50</b>

**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*.

**Impairment losses of contractual receivables**

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

NCN Health  
Notes to the Financial Statements  
for the financial year ended 30 June 2024

**Note 5.2 Contract assets**

	Total 2024 \$'000	Total 2023 \$'000
<b>Current</b>		
Contract assets	413	1713
<b>Total contract assets</b>	<b>413</b>	<b>1713</b>

**Note 5.2(a) Movement in contract assets**

	Total 2024 \$'000	Total 2023 \$'000
<b>Balance at the beginning of the year</b>	1,713	458
Add: Additional costs incurred that are recoverable from the customer	413	1,255
Less: Transfer to trade receivable or cash at bank	(1,713)	-
<b>Total contract assets</b>	<b>413</b>	<b>1,713</b>
<b>* Represented by:</b>		
- Current assets	413	1,713
	<b>413</b>	<b>1,713</b>

**How we recognise contract assets**

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 5.3 Payables**

Note	Total 2024 \$'000	Total 2023 \$'000
<b>Current payables</b>		
<b>Contractual</b>		
Trade creditors	2,409	1,151
Accrued salaries and wages	482	332
Accrued expenses	848	844
Inter hospital creditors	135	2,337
Amounts payable to governments and agencies	16	6
<b>Total contractual payables</b>	<b>3,890</b>	<b>4,670</b>
<b>Total current payables</b>	<b>3,890</b>	<b>4,670</b>
<b>Total payables</b>	<b>3,890</b>	<b>4,670</b>
<i>(i) Financial liabilities classified as payables (Note 7.1(a))</i>		
Total payables	3,890	4,670
<b>Total financial liabilities classified as payables</b>	<b>3,890</b>	<b>4,670</b>

**How we recognise payables**

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the NCN Health prior to the end of the financial year that are unpaid.
- **Statutory payables**, including Goods and Services Tax (GST) payable (if any). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

**Note 5.3 (a) Deferred capital grant income**

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
<b>Opening balance of deferred grant income</b>	-	156
Grant consideration for capital works received during the year	-	-
Deferred grant revenue recognised as revenue due to completion of capital works	-	(156)
<b>Closing balance of deferred grant income</b>	<b>-</b>	<b>-</b>

**How we recognise deferred capital grant revenue**

Capital grant income is recognised progressively as the asset is constructed, since this is the time when NCN Health satisfies its obligations. The progressive percentage of costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. There were no unspent capital grants held at June 2024.

**Note 5.4 Contract liabilities**

**Current**

Contract liabilities

**Total current contract liabilities**

<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
1,854	2,491
<b>1,854</b>	<b>2,491</b>

**Note 5.4(a) Movement in contract liabilities**

**Opening balance of contract liabilities**

Grant consideration for sufficiently specific performance obligations received during the year

Revenue recognised for the completion of a performance obligation

**Total contract liabilities**

<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
2,491	2,556
3,107	4,128
(3,744)	(4,193)
<b>1,854</b>	<b>2,491</b>

**How we recognise contract liabilities**

Contract liabilities include consideration received in advance from customers in respect of the Primary Health Network program, Rural Generalists program, M2M program and the elective surgery blitz.

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

**Maturity analysis of payables**

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 5.5 Other liabilities**

Note	Total 2024 \$'000	Total 2023 \$'000
<b>Current monies held in trust</b>		
Patient monies	17	19
Refundable accommodation deposits	16,754	14,797
Other monies held in Trust	301	497
<b>Total current monies held in trust</b>	<b>17,072</b>	<b>15,313</b>
<b>Total other liabilities</b>	<b>17,072</b>	<b>15,313</b>
<b>* Represented by:</b>		
- Cash assets	6.2 17,072	15,313
	<b>17,072</b>	<b>15,313</b>

**How we recognise other liabilities**

**Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities**

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to NCN 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 in trust include funds held by the Hume Rural Health Alliance in relation to a Patient Administration System to be utilised by Health Services in the Hume Region and client funds held under the Home Care Packages provisions for expenditure on their behalf.

## Note 6: How we finance our operations

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

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

### Structure

#### 6.1 Borrowings

#### 6.2 Cash and cash equivalents

#### 6.3 Commitments for expenditure

### Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	<p>NCN Health applies material judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none"> <li>• has the right-to-use an identified asset</li> <li>• has the right to obtain substantially all economic benefits from the use of the leased asset and</li> <li>• can decide how and for what purpose the asset is used throughout the lease.</li> </ul>
Determining if a lease meets the short-term or low value asset lease exemption	<p>NCN Health applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>The health service estimates the fair value of leased assets when new. Where the estimated fair value is less than \$10,000, the health service applies the low-value lease exemption.</p> <p>The health service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the health service applies the short-term lease exemption.</p>
Discount rate applied to future lease payments	<p>NCN 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, NCN 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.</p> <p>For leased plant, equipment, furniture, fittings and vehicles, the implicit interest rate is between 1.25% and 5.25%.</p>

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

<b>Material judgements and estimates</b>	<b>Description</b>
Assessing the lease term	<p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if NCN Health is reasonably certain to exercise such options.</p> <p>NCN Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> <li>• If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>• If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease.</li> <li>• The health service considers historical lease durations and the costs and business disruption to replace such leased assets.</li> </ul>



**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 6.1 Borrowings**

Note	Total 2024 \$'000	Total 2023 \$'000
<b>Current borrowings</b>		
Lease liability <sup>(i)</sup>	565	339
Advances from government <sup>(ii)</sup>	28	17
<b>Total current borrowings</b>	<b>593</b>	<b>356</b>
<b>Non-current borrowings</b>		
Lease liability <sup>(i)</sup>	18	20
Advances from government <sup>(ii)</sup>	-	36
<b>Total non-current borrowings</b>	<b>18</b>	<b>56</b>
<b>Total borrowings</b>	<b>611</b>	<b>412</b>

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

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

**How we recognise borrowings**

Borrowings refer to funds raised through lease liabilities and other non interest-bearing arrangements.

**Initial recognition**

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

**Subsequent measurement**

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

**Maturity analysis**

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

**Defaults and breaches**

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 6.1 (a) Lease liabilities**

NCN Health's lease liabilities are summarised below:

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
Total undiscounted lease liabilities	600	369
Less unexpired finance expenses	(17)	(10)
<b>Net lease liabilities</b>	<b>583</b>	<b>359</b>

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

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
Not longer than one year	180	126
Longer than one year but not longer than five years	420	243
<b>Minimum future lease liability</b>	<b>600</b>	<b>369</b>
Less unexpired finance expenses	(17)	(10)
<b>Present value of lease liability</b>	<b>583</b>	<b>359</b>
<b>* Represented by:</b>		
- Current liabilities	565	339
- Non-current liabilities	18	20
	<b>583</b>	<b>359</b>

**How we recognise lease liabilities**

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

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

NCN Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased vehicles	2 to 3 years

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

Type of payment	Description of payment	Type of leases captured
Short-term lease payments	Leases with a term less than 12 months	Residential Houses

**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 NCN 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.

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

**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 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.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 6.2 Cash and Cash Equivalents**

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
Cash on hand (excluding monies held in trust)	2	2
Cash at bank (excluding monies held in trust)	963	1,505
Cash at bank - CBS (excluding monies held in trust)	27,204	27,025
<b>Total cash held for operations</b>	<b>28,169</b>	<b>28,532</b>
Cash at bank (monies held in trust)	216	649
Cash at bank - CBS (monies held in trust)	16,762	14,664
<b>Total cash held as monies in trust</b>	<b>16,978</b>	<b>15,313</b>
<b>Total cash and cash equivalents</b>	<b>45,147</b>	<b>43,845</b>

**How we recognise cash and cash equivalents**

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

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

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

### Note 6.3 Commitments for expenditure

	Total 2024 \$'000	Total 2023 \$'000
<b>Capital expenditure commitments</b>		
Less than one year	774	3,566
<b>Total capital expenditure commitments</b>	<b>774</b>	<b>3,566</b>
<b>Total commitments for expenditure (inclusive of GST)</b>	<b>774</b>	<b>3,566</b>
Less GST recoverable from Australian Tax Office	(70)	(324)
<b>Total commitments for expenditure (exclusive of GST)</b>	<b>704</b>	<b>3,242</b>

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

#### How we disclose our commitments

Our commitments relate to operating and capital expenditure.

#### Expenditure commitments

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

#### Short term and low value leases

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

## Note 7: Risks, contingencies and valuation uncertainties

NCN 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

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

### Material judgements and estimates

This section contains the following material judgements and estimates:

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**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 NCN 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**

<b>Total</b>		<b>Financial Assets at</b>	<b>Financial Liabilities</b>	
<b>30 June 2024</b>		<b>Amortised Cost</b>	<b>at Amortised Cost</b>	<b>Total</b>
	<b>Note</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Contractual Financial Assets</b>				
Cash and Cash Equivalents	6.2	45,147	-	45,147
Receivables	5.1	3,248	-	3,248
<b>Total Financial Assets<sup>i</sup></b>		<b>48,395</b>	<b>-</b>	<b>48,395</b>
<b>Financial Liabilities</b>				
Payables	5.3	-	3,890	3,890
Borrowings	6.1	-	611	611
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	16,754	16,754
Other Financial Liabilities - Other Deposits	5.5	-	301	301
Other Financial Liabilities - Patient monies held in trust	5.5	-	17	17
<b>Total Financial Liabilities<sup>i</sup></b>		<b>-</b>	<b>21,573</b>	<b>21,573</b>



**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

<b>Total</b>		<b>Financial Assets at</b>	<b>Financial Liabilities</b>	<b>Total</b>
<b>30 June 2023</b>	<b>Note</b>	<b>Amortised Cost</b>	<b>at Amortised Cost</b>	<b>Total</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Contractual Financial Assets</b>				
Cash and cash equivalents	6.2	43,845	-	43,845
Receivables	5.1	3,205	-	3,205
<b>Total Financial Assets</b> <sup>i</sup>		<b>47,050</b>	<b>-</b>	<b>47,050</b>
<b>Financial Liabilities</b>				
Payables	5.3	-	4,670	4,670
Borrowings	6.1	-	412	412
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	-	14,797	14,797
Other Financial Liabilities - Patient monies held in trust	5.5	-	19	19
Other Financial Liabilities - Other monies held in trust	5.5	-	497	497
<b>Total Financial Liabilities</b> <sup>i</sup>		<b>-</b>	<b>20,395</b>	<b>20,395</b>

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**How we categorise financial instruments**

**Categories of financial assets**

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

NCN Health recognises the following assets in this category:

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Categories of financial liabilities**

Financial liabilities are recognised when NCN 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.

NCN 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 consolidated balance sheet when, and only when, NCN 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 NCN 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.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**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
- NCN 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
- NCN 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 NCN Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of NCN 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, NCN 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.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 7.2 Financial risk management objectives and policies**

As a whole, NCN 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.

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

Credit risk associated with NCN 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, NCN 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, NCN 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 NCN 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 NCN Health's maximum exposure to credit risk without taking account of the value of any collateral obtained.

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Impairment of financial assets under AASB 9**

NCN 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**

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

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

		Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>30 June 2024</b>							
<b>Expected loss rate</b>		0.0%	0.0%	0.0%	30.0%	60.0%	
Gross carrying amount of contractual receivables	5.1	877	22	23	31	18	971
<b>Loss allowance</b>		-	-	-	(9)	(11)	(20)
<b>30 June 2023</b>							
<b>Expected loss rate</b>		0.0%	0.0%	10.0%	73.0%	0.0%	
Gross carrying amount of contractual receivables	5.1	1,521	87	17	66	0	1,691
<b>Loss allowance</b>		-	-	(2)	(48)	-	(50)

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Statutory receivables and debt investments at amortised cost**

NCN 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.

NCN 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.

NCN 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.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

		Maturity Dates						
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total</b>								
<b>30 June 2024</b>	<b>Note</b>							
<b>Financial Liabilities at amortised cost</b>								
Payables	5.3	3,890	3,890	3,890	-	-	-	-
Borrowings	6.1	611	611	-	-	-	611	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	16,754	16,754	16,754	-	-	-	-
Other Financial Liabilities - Patient monies held in trust	5.5	17	17	-	-	17	-	-
Other Financial Liabilities - Other monies held in trust	5.5	301	301	-	-	301	-	-
<b>Total Financial Liabilities</b>		<b>21,573</b>	<b>21,573</b>	<b>20,644</b>	-	<b>318</b>	<b>611</b>	-

		Maturity Dates						
		Carrying Amount	Nominal Amount	Less than 1 Month	1-3 Months	3 months - 1 Year	1-5 Years	Over 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Total</b>								
<b>30 June 2023</b>	<b>Note</b>							
<b>Financial Liabilities at amortised cost</b>								
Payables	5.3	4,670	4,670	4,670	-	-	-	-
Borrowings	6.1	412	412	-	-	-	412	-
Other Financial Liabilities - Refundable Accommodation Deposits	5.5	14,797	14,797	14,797	-	-	-	-
Other Financial Liabilities - Patient monies held in trust	5.5	19	19	-	-	19	-	-
Other Financial Liabilities - Other monies held in trust	5.5	497	497	-	-	497	-	-
<b>Total Financial Liabilities</b>		<b>20,395</b>	<b>20,395</b>	<b>19,467</b>	-	<b>516</b>	<b>412</b>	-

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



**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 7.2 (c) Market risk**

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

**Sensitivity disclosure analysis and assumptions**

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

- a change in interest rates of 1.0% up or down

**Interest rate risk**

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

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

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

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

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

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

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

#### **Contingent assets**

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

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

#### **Contingent liabilities**

Contingent liabilities are:

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

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**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:

- Property, plant and equipment
- Right-of-use assets
- Lease liabilities

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.

NCN 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.

NCN 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 NCN 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 material 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.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

	Note	Total carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2024	Level 1 <sup>i</sup>	Level 2 <sup>i</sup>	Level 3 <sup>i</sup>
		\$'000	\$'000	\$'000	\$'000
Non-specialised land		960	-	960	-
Specialised land		3,612	-	-	3,612
<b>Total land at fair value</b>	4.1 (a)	<b>4,572</b>	-	<b>960</b>	<b>3,612</b>
Non-specialised buildings		477	-	477	-
Specialised buildings		105,593	-	-	105,593
<b>Total buildings at fair value</b>	4.1 (a)	<b>106,070</b>	-	<b>477</b>	<b>105,593</b>
Plant and equipment	4.1 (a)	1,062	-	-	1,062
Motor vehicles	4.1 (a)	210	-	-	210
Medical equipment	4.1 (a)	1,039	-	-	1,039
Computer equipment	4.1 (a)	234	-	-	234
Furniture and fittings	4.1 (a)	416	-	-	416
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>		<b>2,961</b>	-	-	<b>2,961</b>
Right of use equipment and vehicles	4.2 (a)	591	-	-	591
<b>Total right-of-use assets at fair value</b>		<b>591</b>	-	-	<b>591</b>
<b>Total non-financial physical assets at fair value</b>		<b>114,194</b>	-	<b>1,437</b>	<b>112,757</b>
		Total carrying amount	Fair value measurement at end of reporting period using:		
		30 June 2023	Level 1 <sup>i</sup>	Level 2 <sup>i</sup>	Level 3 <sup>i</sup>
		\$'000	\$'000	\$'000	\$'000
Non-specialised land		526	-	526	-
Specialised land		4,097	-	-	4,097
<b>Total land at fair value</b>	4.1 (a)	<b>4,623</b>	-	<b>526</b>	<b>4,097</b>
Non-specialised buildings		601	-	601	-
Specialised buildings		87,267	-	-	87,267
<b>Total buildings at fair value</b>	4.1 (a)	<b>87,868</b>	-	<b>601</b>	<b>87,267</b>
Plant and equipment	4.1 (a)	1,087	-	-	1,087
Motor vehicles	4.1 (a)	211	-	-	211
Medical equipment	4.1 (a)	1,013	-	-	1,013
Computer equipment	4.1 (a)	382	-	-	382
Furniture and fittings	4.1 (a)	479	-	-	479
<b>Total plant, equipment, furniture, fittings and vehicles at fair value</b>		<b>3,172</b>	-	-	<b>3,172</b>
Right of use equipment and vehicles	4.2 (a)	368	-	-	368
<b>Total right-of-use assets at fair value</b>		<b>368</b>	-	-	<b>368</b>
<b>Total non-financial physical assets at fair value</b>		<b>96,031</b>	-	<b>1,127</b>	<b>94,904</b>

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

## **NCN Health**

### **Notes to the Financial Statements for the financial year ended 30 June 2024**

#### **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.

NCN 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.

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

#### **Specialised land and specialised buildings**

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

During the reporting period, NCN 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 NCN 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 of NCN Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of the valuation is 30 June 2024.

**NCN Health****Notes to the Financial Statements  
for the financial year ended 30 June 2024****Vehicles**

NCN 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 (current replacement cost).

**Furniture, fittings, plant and equipment**

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

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**7.4 (b) Reconciliation of level 3 fair value measurement**

	Note	Land \$'000	Buildings \$'000	Plant, equipment, vehicles, furniture & fittings \$'000	Right of Use Equipment & Vehicles \$'000
<b>Total</b>					
<b>Balance at 1 July 2022</b>		<b>4,097</b>	<b>90,183</b>	<b>3,421</b>	<b>181</b>
Additions/(Disposals)		-	486	525	234
Net Transfers between classes		-	-	56	-
Gains/(Losses) recognised in net result					
- Depreciation and amortisation		-	(3,402)	(830)	(47)
<b>Balance at 30 June 2023</b>	7.4 (a)	<b>4,097</b>	<b>87,267</b>	<b>3,172</b>	<b>368</b>
Additions/(Disposals)		-	-	550	321
- Depreciation and Amortisation		-	(3,371)	(761)	(98)
Items recognised in other comprehensive income					
- Revaluation		(485)	21,697	-	-
<b>Balance at 30 June 2024</b>	7.4 (a)	<b>3,612</b>	<b>105,593</b>	<b>2,961</b>	<b>591</b>

<sup>i</sup> 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)
Specialised land (Crown/freehold)	Market approach	Community Service Obligations Adjustments <sup>(i)</sup>
Specialised buildings	Current replacement cost approach	- Cost per square metre - Useful life
Dwellings	Current replacement cost approach	- Cost per square metre - Useful life
Vehicles	Current replacement cost approach	- Cost per unit - Useful life
Plant and equipment, vehicles, furniture & fittings	Current replacement cost approach	- Cost per unit - Useful life

(i) A community service obligation (CSO) of between 10 - 20% was applied to NCN Health's specialised land.

## Note 8: Other disclosures

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

### Structure

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

*8.2 Responsible persons disclosures*

*8.3 Remuneration of executives*

*8.4 Related parties*

*8.5 Remuneration of auditors*

*8.6 Events occurring after the balance sheet date*

*8.7 Joint arrangements*

*8.8 Equity*

*8.9 Economic dependency*



**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

		<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
	<b>Note</b>		
<b>Net result for the year</b>		(428)	123
<b>Non-cash movements:</b>			
(Gain)/Loss on sale or disposal of non-financial assets	3.2	(114)	(20)
Depreciation and amortisation of non-current assets	4.5	4,233	4,281
Bad and doubtful debt expense	3.2	(30)	(15)
Discount (interest) / expense on loan		2	1
Other non-cash movements		(621)	(42)
<b>Movements in Assets and Liabilities:</b>			
(Increase)/Decrease in receivables and contract assets		1,137	(1,690)
(Increase)/Decrease in inventories		(9)	16
(Increase)/Decrease in prepaid expenses		(44)	(166)
Increase/(Decrease) in payables and contract liabilities		(1,417)	1,799
Increase/(Decrease) in employee benefits		827	772
Increase/(Decrease) in other liabilities		(198)	(418)
<b>Net cash inflow from operating activities</b>		<b>3,338</b>	<b>4,641</b>

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 8.2 Responsible person disclosures**

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

	<b>Period</b>
The Honourable Mary-Anne Thomas MP	
Minister for Health	1 Jul 2023 - 30 Jun 2024
Minister for Health Infrastructure	1 Jul 2023 - 30 Jun 2024
Minister for Ambulance Services	3 Oct 2023 - 30 Jun 2024
The Honourable Gabrielle Williams MP	
Former Minister for Mental Health	1 Jul 2023 - 2 Oct 2023
Former Minister for Ambulance Services	5 Dec 2022 - 2 Oct 2023
The Honourable Ingrid Stitt MP	
Minister for Mental Health	2 Oct 2023 - 30 Jun 2024
Minister for Ageing	2 Oct 2023 - 30 Jun 2024
Minister for Multicultural Affairs	2 Oct 2023 - 30 Jun 2024
The Honourable Lizzy Blandthorn MP	
Minister for Children	2 Oct 2023 - 30 Jun 2024
Minister for Disability	2 Oct 2023 - 30 Jun 2024
<b>Governing Boards</b>	
Ms Tricia Quibell (Chair of the Board)	1 Jul 2023 - 30 Jun 2024
Mr Kade Beasley	1 Jul 2023 - 30 Jun 2024
Mr Mewan Dissanayake	1 Jul 2023 - 30 Jun 2024
Ms Alicia Cunningham	1 Jul 2023 - 30 Jun 2024
Ms Kate Hodge	1 Jul 2023 - 30 Jun 2024
Ms Sally Squire	1 Jul 2023 - 30 Jun 2024
Ms Priyanka Saha	1 Jul 2023 - 30 Jun 2024
Mr Kevin Boote	1 Jul 2023 - 30 Jun 2024
Mr Brant Doyle	1 Jul 2023 - 30 Jun 2024
Mr Peter Guy	1 Jul 2023 - 30 Jun 2024
<b>Accountable Officers</b>	
Dr Mark Ashcroft	17 Jun 2024 - 30 Jun 2024
Mr Justin Sullivan	13 Jan 2024 - 16 Jun 2024
Ms Jacque Phillips	1 Jul 2023 - 12 Jan 2024

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Remuneration of Responsible Persons**

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

<b>Income Band</b>	<b>Total 2024 No</b>	<b>Total 2023 No</b>
\$10 - \$19,999	11	8
\$80,000 - \$89,999	1	-
\$230,000 - \$239,999	1	-
\$360,000 - \$369,999	-	1
<b>Total Numbers</b>	<b>13</b>	<b>9</b>

<b>Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:</b>	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
	<b>\$370</b>	<b>\$416</b>

Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 8.3 Remuneration of executives**

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

**Remuneration of executive officers**  
**(including Key Management Personnel disclosed in Note 8.4)**

Short-term benefits  
 Post-employment benefits  
 Other long-term benefits  
**Total remuneration<sup>i</sup>**

	<b>Total Remuneration</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
	1,282	909
	137	84
	39	26
	<b>1,458</b>	<b>1,019</b>
Total number of executives	10	7
Total annualised employee equivalent <sup>ii</sup>	9.0	6.0

<sup>i</sup> The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of NCN Healths under AASB 124 *Related Party Disclosures* and are also reported within Note 8.4 Related Parties.

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

Total remuneration payable to executives during the year increased due to the recognition of three positions that are now considered key management roles.

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

**Short-term employee benefits**

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

**Post-employment benefits**

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

**Other long-term benefits**

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

**Termination benefits**

Termination of employment payments, such as severance packages.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 8.4 Related Parties**

The Board of Directors, Chief Executive Officer and the Executive Directors of NCN Healths are deemed to be KMPs.

<b>Entity</b>	<b>KMPs</b>	<b>Position Title</b>
NCN Health	Ms Tricia Quibell	Board Chair
NCN Health	Mr Kade Beasley	Board Member
NCN Health	Mr Mewan Dissanayake	Board Member
NCN Health	Ms Alicia Cunningham	Board Member
NCN Health	Ms Kate Hodge	Board Member
NCN Health	Ms Sally Squire	Board Member
NCN Health	Ms Priyanka Saha	Board Member
NCN Health	Mr Kevin Boote	Board Member
NCN Health	Mr Brant Doyle	Board Member
NCN Health	Mr Peter Guy	Board Member
NCN Health	Dr Mark Ashcroft	Chief Executive Officer
NCN Health	Mr Justin Sullivan	Interim Chief Executive Officer
NCN Health	Ms Jacque Phillips	Chief Executive Officer
NCN Health	Ms Nicole Cason	Director People and Culture
NCN Health	Ms Ali Beatson	Director Clinical Services (Nathalia)
NCN Health	Ms Carolyn Hargreaves	Director Clinical Services (Cobram)
NCN Health	Ms Sophie Scott	Director Clinical Services (Numurkah)
NCN Health	Mr Justin Sullivan	Director of Operations
NCN Health	Ms Michelle Butler	Director Quality, Risk & Performance (resigned)
NCN Health	Mr Adrian Walker	Director Quality, Risk & Performance (appointed)
NCN Health	Ms Kim Fitzgerald	Director Primary Health and Community Aged Care
NCN Health	Ms Robyn Sprunt	Director Integrated Community Health
NCN Health	Ms Anne O'Riley	Executive Manager Finance

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 States' Annual Financial Report.

	<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
<b>Compensation - KMPs</b>		
Short-term Employee Benefits <sup>i</sup>	1,602	1,285
Post-employment Benefits	176	113
Other Long-term Benefits	50	37
<b>Total</b> <sup>ii</sup>	<b>1,828</b>	<b>1,435</b>

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

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 8.4 Related Parties**

**Significant transactions with government related entities**

NCN Health received funding from the Department of Health of \$31.66 m (2023: \$34.28 m) and indirect contributions of \$0.692 m (2023: \$0.414 m). Balances recallable as at 30 June 2024 are \$0.864 m (2023 \$2.27 m).

Expenses incurred by the NCN 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 NCN 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 NCN 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 NCN Health Board of Directors, Chief Executive Officer and Executive Directors in 2024 (2023: none).

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 8.5 Remuneration of Auditors**

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

<b>Total 2024 \$'000</b>	<b>Total 2023 \$'000</b>
36	35
<b>36</b>	<b>35</b>

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

There are no events occurring after the Balance Sheet date.

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**Note 8.7 Joint arrangements**

	Principal Activity	Ownership Interest	
		2024	2023
		%	%
Hume Region Health Alliance	Information Technology Services	8.06	7.64

NCN Healths interest in the above joint arrangements are detailed below. The amounts are included in the consolidated financial statements under their respective categories:

	2024 \$'000	2023 \$'000
<b>Current assets</b>		
Cash and cash equivalents	923	953
Receivables	188	109
Prepaid expenses	25	24
<b>Total current assets</b>	<b>1,136</b>	<b>1,086</b>
<b>Non-current assets</b>		
Property, plant and equipment	22	10
Leased Assets	22	25
Intangible Assets	1	3
<b>Total non-current assets</b>	<b>45</b>	<b>38</b>
<b>Total assets</b>	<b>1,181</b>	<b>1,124</b>
<b>Current liabilities</b>		
Payables	488	407
Monies in Trust	156	237
Lease Liability	5	5
<b>Total current liabilities</b>	<b>649</b>	<b>649</b>
<b>Non-current liabilities</b>		
Lease Liability	17	20
<b>Total non-current liabilities</b>	<b>17</b>	<b>20</b>
<b>Total liabilities</b>	<b>666</b>	<b>669</b>
<b>Net assets</b>	<b>515</b>	<b>455</b>
<b>Equity</b>		
Accumulated surplus	515	455
<b>Total equity</b>	<b>515</b>	<b>455</b>



**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

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

	<b>2024</b>	<b>2023</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>		
Operating Activities	556	507
Non Operating Activities	41	25
Capital Purpose Income	63	17
<b>Total revenue</b>	<b>660</b>	<b>549</b>
<b>Expenses</b>		
Employee Benefits	231	197
Other Expenses from Continuing Operations	359	305
Finance Lease Charges	1	-
Depreciation & Amortisation	15	18
Capital Purpose Expenditure	34	45
<b>Total expenses</b>	<b>640</b>	<b>565</b>
<b>Net result</b>	<b>20</b>	<b>(16)</b>

**Contingent liabilities and capital commitments**

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

**NCN Health**  
**Notes to the Financial Statements**  
**for the financial year ended 30 June 2024**

**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 NCN 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.

**Restricted specific purpose reserves**

The specific restricted purpose reserve is established where NCN 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. These funds were set aside under arrangements in place at the time of the NCN Health merger of three health services in order to support specific projects previously committed to by each community involved in the merger.

**Property, plant and equipment revaluation surplus**

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

**Note 8.9 Economic dependency**

NCN Health is dependent on the Department of Health for the majority of its revenue used to operate the health service. At the date of this report, the Board of Directors has no reason to believe the Department of Health will not continue to support NCN Health.



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