ANNUAL REPORT 2025/2026



Barwon Health



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

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

Barwon Health

Be Proud

Barwon Health is committed to LGBTIQA+ inclusion

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

ALTERNATIVE FORMATS

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

Cover: 2026 Aboriginal nursing cadets (L-R) Kelsey, Skye and Megan

VISION

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

MISSION

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

VALUES

RESPECT

We respect the people we connect with.

COMPASSION

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

COMMITMENT

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

ACCOUNTABILITY

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

INNOVATION

We drive innovation for better care.

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MESSAGE FROM THE BOARD CHAIR AND CHIEF EXECUTIVE

The 2025/2026 financial year was one of significant progress for Barwon Health. While demand across acute, community, aged care and mental health services remained high, and the broader Victorian health system continued to navigate workforce and other systemic challenges, Barwon Health responded with focus, resilience and determination.

Guided by our commitment to safe, high-quality and compassionate care, we continued to strengthen services, support our people and plan for the future needs of the communities we serve across the Barwon South West Region.

Throughout the year, consistent with local population growth, Barwon Health continued to respond to sustained high demand, particularly across emergency care, maternity, paediatrics, mental health and services for older people. Careful stewardship, disciplined operational management and strong governance oversight ensured we were able to meet the needs of the community. The Board and Senior Leadership worked closely together to balance immediate service priorities with the long-term sustainability of the organisation and the need to continue improving access to care for our growing region.

Delivering more care for our growing population while maintaining long term sustainability, required close alignment between clinical, operational and financial leadership. The outcome of our financial focus has seen us deliver a net operating surplus of $110k.

Importantly, 2025/2026 was also a year of meaningful progress against our Strategy 'Future Ready'. A major milestone was Barwon Health's successful National Safety and Quality Health Service (NSQHS) accreditation outcome, which reflects the strength of our clinical governance, the maturity of our quality systems and, most importantly, the everyday commitment of our people to safe and person-centred care. This achievement is significant, and we thank our teams across the organisation for the professionalism and collaboration that underpinned this result.

Another important development during the year was the relocation of Barwon Health's palliative care services to Anam Cara House on the Deakin University Waurn Ponds campus. From April 2026, Anam Cara House became home to the inpatient palliative care unit, community palliative care team, Pal@Home and specialist clinics, providing a purpose-built environment that supports high-quality, family-centred care for people with life-limiting illness. The facility reflects the power of partnering with Deakin University, while honouring the extraordinary community legacy that established this facility.

Women's health also remained a strong area of focus for Barwon Health. Alongside continued progress on the Barwon Women's and Children's project, a more than $500 million investment that will enhance maternity, neonatal, paediatric and specialist clinic capacity for the region, we also saw the benefits of broader Victorian Government investment in women's health. Barwon Health was among the first services selected to expand access to a multidisciplinary women's health clinic model, improving access to coordinated specialist care for menopause and gynaecology care. A further commitment to the health and wellbeing of our community has seen the growth in the capacity to provide IVF services, in collaboration with The Royal Women's Hospital.

During the year, we continued to strengthen partnerships with the rural services in the Barwon South West Region as well as with St John of God Hospital Geelong and Epworth Geelong, Aboriginal Community Controlled Health Organisations, community agencies, education partners and government. These relationships are essential to delivering more integrated, equitable and responsive care, and to ensuring people can access the right care, in the right place, at the right time.

The launch of the Barwon Health / Deakin University Clinical Trials Alliance in April 2026 builds on our longstanding partnership, in research and education, and is designed to strengthen regional clinical research capacity, expand local access to clinical trials and innovative therapies, and develop the next generation of clinician-researchers and research nurses.

Barwon Health has established expertise in clinical research governance and delivers around 130 investigator-initiated and industry-sponsored trials involving approximately 2,900 participants; this alliance will help grow that capability even further and ensure the people of our region can access cutting-edge care closer to home.

Across all of this work, our commitment to equity and access remained central. We continued to focus on improving outcomes for First Nations peoples, culturally and linguistically diverse communities, women, children and families, and those experiencing vulnerability or disadvantage. These priorities sit alongside our ongoing commitment to safety, quality, innovation, sustainability and continuous improvement.

Our workforce continues to be our most important asset. Throughout the year, we prioritised workforce availability, wellbeing and capability, with targeted actions to recruit, retain and support staff in critical roles. This included investment in leadership capability, workforce flexibility and initiatives designed to improve staff experience and wellbeing, recognising that sustainable care depends on a supported and engaged workforce. Feeling safe at work is fundamental and the safety of staff is our highest priority. We have continued to work on improving safety and security for everyone, including access to car parking.

None of this progress would be possible without our people. We thank our clinicians, staff, volunteers and consumer partners for their professionalism, compassion and resilience throughout a demanding year.

We also acknowledge the Barwon Health Foundation and the leadership of the Barwon Health Foundation Board. Throughout 2025 – 2026, the Foundation experienced its most successful financial year to date, continuing to strengthen relationships with donors, community organisations and businesses and generating significant philanthropic support for Barwon Health.

Major initiatives during the year included the $12 million Barwon Women's and Children's Appeal, the Critical Care Appeal, supporting urgent and critical care across the health service; and the announcement of a five-year, $1.6 million pledge to support Breast Cancer Clinical Trials.

The work of the Foundation, together with the generosity of its donors and supporters, continues to enhance services, equipment, research and environments of care.

The close of the financial year also marks the departure of Board Director Professor Brendan Crotty AM, who joined the Barwon Health Board in 2017. Over many years, Professor Crotty has made an outstanding contribution to Barwon Health through his thoughtful stewardship as a Board and Committee member, his deep understanding of clinical education and health system leadership, and his enduring commitment to improving care for our community.

His association with Barwon Health extends well beyond his Board service, including his significant collaborative role in strengthening the partnership between Deakin University and Barwon Health since 2006, helping to shape the future health workforce of our region. We sincerely thank Professor Crotty for his wisdom, generosity and dedicated service, and acknowledge the lasting impact he has had on our organisation and our community.

As we look ahead, we are confident in the strength of our people, our partnerships and our shared purpose to deliver as our community grows. Guided by our values and strategic direction, Barwon Health remains committed to delivering safe, high-quality and sustainable care for our community, now and into the future.





The Hon. Lisa Neville
Board Chair

Adjunct Professor
Frances Diver
Chief Executive

BARWON HEALTH AT A GLANCE

85,305
EMERGENCY DEPARTMENT PRESENTATIONS

105,531
INPATIENT ADMISSIONS

27,479
OPERATIONS

281,432
SPECIALIST CLINIC^ APPOINTMENTS

9,759
STAFF (HEAD COUNT)*

5,434
TELEHEALTH CONSULTATIONS

3,039
BABIES BORN

Opposite: (Clockwise from bottom left) Barwon Health / Deakin University Clinical Trials Steering Committee A/Prof Anna Anderson, Deakin University Distinguished Professor Rachel Huxley, Anne Woollett, Prof Peter Vuillermin, Dr Caitlin Murphy, A/Prof Amanda Wade, Erica Grundell

RESPONSIBLE BODY'S DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for Barwon Health for the year ending 30 June 2026.

Lisa Neville, Barwon Health Board Chair
Geelong, 4 September 2026

^ Formerly Outpatient Appointments

**As at 30 June 2026. Staff head count includes staff on unpaid leave, parental leave and other extended leave. It also includes employees who have not accepted shifts in the month of June but remain active in our system.*

All data published in the Annual Report is accurate at the time of publishing. Data may change following audit and data verification, which may not be finalised at the time of publishing.


Health Education &
Research Building (B)
Staffcare

BARWON WOMEN'S AND CHILDREN'S

This year has seen the Barwon Women's and Children's move closer to completion, with major milestones achieved across Geelong's largest-ever health infrastructure investment.

Key achievements included the topping out and façade completion of both the Barwon Women's and Children's Tower on Myers Street and the Bellerine West building on the corner of Myers and Bellerine streets. These milestones mark the completion of the buildings' main structural framework and provide a clear view of the contemporary facilities that will soon support women, children and families across the region.

As construction continues, the vision for the project is becoming increasingly visible. Once complete, the Barwon Women's and Children's will deliver modern, purpose-built facilities that improve the experience of patients and families, while creating a contemporary working environment for staff.

Each milestone brings us closer to opening a landmark facility that will support the growing needs of our community for generations to come.

Opposite: Construction underway for the Barwon Women's and Children's


Women's and Children's



YEAR IN REVIEW
HIGHLIGHTS

ACCREDITATION

A significant organisational achievement this year was the successful National Safety and Quality Health Service (NSQHS) accreditation. This achievement recognises the strength of our safety culture, quality systems, and commitment to person-centred care. Feedback from assessors highlighted our positive culture, compassion, and high standard of care, with particular commendation for the responsiveness of our staff, trialists, and volunteers. All Standards and actions were met, resulting in full accreditation.

Our Clinical Trials program also demonstrated strong progress, achieving a maturity rating of 2.81 out of 3, an improvement from the previous rating of 2.52. This result reflects the collective commitment, professionalism, and dedication of both clinical and non-clinical staff in delivering high-quality care to every patient, every day.

RESEARCH AND INNOVATION

Barwon Health continues to strengthen its role as a leader in research and innovation.

A major milestone in 2026 was the launch of the Barwon Health / Deakin University Clinical Trials Alliance, significantly enhancing the region's capacity to deliver world-class clinical research. Building on an already strong foundation of approximately 130 clinical trials involving nearly 2,900 participants, the Alliance will expand local access to cutting-edge therapies and accelerate the translation of research into clinical practice. It will also support the development of the next generation of clinician-researchers and research nurses, further positioning Barwon Health as a leading research hub and employer of choice.

This growing capability is already delivering tangible benefits for patients. Barwon Health undertook its first CAR T-cell therapy infusion clinical trial, enabling highly specialised, personalised cancer treatment to be delivered closer to home for trial participants.

The organisation also advanced globally significant research through its Buruli ulcer clinical trial, demonstrating shorter, safer treatment approaches with excellent patient outcomes.

Opposite: Professor Michael Berk was awarded an Order of Australia in the King's Birthday Honours

BARWON HEALTH'S PULMONARY EMBOLISM RESPONSE TEAM (PERT) IS TRANSFORMING CARE FOR LIFE-THREATENING LUNG CLOTS AND SETTING A NEW INTERNATIONAL BENCHMARK

The Barwon PERT service is the largest and most mature in Australia and the first Australian hospital to be a member of PERT International. The Barwon Health model is already being adopted across Victoria, interstate and overseas.

Based in Geelong, the multidisciplinary service unites respiratory specialists, intensive care, anaesthetics and interventional radiology to provide rapid, evidence-based care for patients at intermediate and high risk of pulmonary embolism (PE).

At its centre is mechanical thrombectomy, an innovative minimally invasive procedure that removes clots through a small tube in the groin, dramatically reducing risks compared with traditional treatments.

Since its launch in August 2024, Barwon PERT has treated more than 140 patients, including 80 who underwent mechanical thrombectomy.

The representations to the Emergency Department after a PE have decreased almost threefold from 14 per cent to 5 per cent. Mortality rates have dropped to 2.5 per cent, which is significantly lower than the international rate of 15–30 per cent. Average hospital stays have halved from nine days to four and a half days, which is well below the national 11-day average.

Below: The Barwon Health PERT team, led by Associate Professor Anna Dunn (centre)



CLINICAL EXCELLENCE AND LIFE-SAVING CARE

Barwon Health continues to deliver advanced, high-acuity care across multiple specialties.

At University Hospital Geelong, the ECMO (extracorporeal membrane oxygenation) service provides one of the highest levels of life support for patients with severe heart or lung failure, reinforcing Barwon Health's role as a tertiary healthcare provider. This capability enables critically ill patients to receive life-saving treatment close to home, improving outcomes and reducing the need for transfer to other hospitals.

For local resident Glyn Davison, access to ECMO proved lifesaving, stabilising his condition and enabling transfer for a heart transplant. Having this advanced capability available locally ensures timely intervention and allows patients to remain closer to their families during critical stages of care.

Below: Patient Glyn Davison (centre) with ECMO team at the Intensive Care Unit





L-R Cobus Lotheringen, Chief Financial Officer, Frances Diver, Chief Executive, Emma Mole, Director of Aged Care, Roz Nolan, Facility Manager, Aged Care, Ange Erwin, Chief Nurse and Midwifery Officer, Ajai Verma, Chief Medical Officer

EXCELLENCE IN SPECIALISED AND PERSON-CENTRED CARE

The Specialist Dementia Care Program (SDCP) at Blakiston Lodge was recognised at the Premier's Victorian Public Healthcare Awards, winning the category Excellence in Public Sector Residential Aged Care Services. This accolade acknowledges the program's success in enhancing quality of life and preserving dignity for people living with complex dementia.

The award reflects the outstanding work of the SDCP team in delivering innovative, person-centred care for individuals experiencing severe behavioural and psychological symptoms of dementia. The program integrates evidence-based care practices with a highly skilled multidisciplinary team and a purpose-designed, dementia-friendly environment that promotes safety, independence, and dignity.

The program has achieved consistently positive outcomes for residents and their families, including improvements in physical health, functional independence, and overall quality of life. Aligned with contemporary best practice standards, the SDCP is helping to set the benchmark for excellence in dementia care across Victoria.

PURPOSE-BUILT FACILITIES FOR CHILDREN AND THEIR FAMILIES

The children's area of the Emergency Department also marked its first year of operation, transforming care for young patients through a dedicated, child-friendly environment designed to reduce stress and improve outcomes for children and their families.

ADVANCING WOMEN'S HEALTH

Women's health remained a key focus throughout the year.

Alongside continued progress on the Barwon Women's and Children's development, Barwon Health expanded access to a women's health clinic model, delivering coordinated, specialist care for conditions including endometriosis, pelvic pain, menopause, prolapse and incontinence.

This initiative forms part of a broader statewide investment to improve access and health outcomes for women across Victoria. It has been complemented by the expansion of the Public Fertility services, delivered in collaboration with the Royal Women's Hospital, which is providing IVF and fertility services to the local community.

ADVANCING EQUITY AND CULTURALLY SAFE CARE

Improving outcomes for Aboriginal and Torres Strait Islander communities remains a priority for Barwon Health.

In 2025, Barwon Health strengthened its partnership with the Wathaurong Aboriginal Co-operative to deliver culturally safe cancer care, improve access to screening, treatment and support, and embed culturally responsive models of care.

This work has been supported through a Culturally Safe Cancer Care grant, awarded jointly to Barwon Health and the Wathaurong Aboriginal Co-operative to enhance cancer support for First Nations communities in the region.

Funded through a Federal Government initiative delivered by Cancer Australia, the program connects health services with First Nations-led organisations to improve access to culturally safe care. It aims to reduce barriers to screening and treatment while supporting staff to work in partnership with Wathaurong to ensure care is culturally safe, respectful and responsive to the needs of Aboriginal and Torres Strait Islander communities.

EXPANDING INFRASTRUCTURE FOR OUR COMMUNITY



Barwon Health continues to invest in infrastructure to meet the needs of our growing region.

A defining milestone of 2025 was the commencement of main works for the new Barwon Women's and Children's facility, a more than $500 million State Government investment that will enhance maternity, neonatal, paediatric and specialist outpatient care in the region.

The project has also provided an opportunity to recognise those who have shaped care locally, with two tower cranes named in honour of midwife Aunty Athalie Madden and paediatrician Dr Kym Anderson, acknowledging their decades of contribution to maternity and paediatric care.

Additional capacity for clinical services has been created through the transition of more staff to the Barwon Health Staff Hub at the Getjawil Precinct, freeing up space across the University Hospital Geelong and McKellar Centre precincts and reducing the demand from staff for car parking across these sites. By co-locating functions at the Staff Hub teams are finding synergies in how they work and are enjoying a positive and collaborative environment.

In April 2026, Barwon Health relocated its palliative care services to Anam Cara House in Waurn Ponds. This purpose-built facility brings together inpatient, community and specialist palliative care in a single, supportive environment, enhancing care for people with life-limiting illness and their families.

Access to specialist medical services has also been strengthened through the completion of the new Medical Day Hub at University Hospital Geelong. This purpose-built facility integrates four existing services, Hospital in the Home, Early Access Clinic, Medical Day Stay Unit and the Transit Lounge, into one coordinated space. Co-location supports more efficient, collaborative care, improves patient flow and reduces duplication, while providing a modern, flexible environment designed to adapt to evolving models of care.

Looking ahead, new infrastructure will further enhance service delivery, including the 10-bed Youth Prevention and Recovery Care (YPARC) Centre in South Geelong, which is expected to be commissioned in July 2026.





Top: Anam Cara House, Waurn Ponds

Bottom: Medical Day Hub, University Hospital Geelong

Opposite: (Left to right) Frances Diver, CEO, Christine Couzens, Member for Geelong, Paediatrician Dr Kym Anderson, Midwife and Traditional Owner Aunty Athalia Madden, Alison Marchant Member for Bellarine and Paul Ritchie, General Manager, Victoria, Built Construction.



Above: Service Operations Centre morning stand-up huddle

OPERATIONAL EXCELLENCE

A new Service Operations Centre (SOC) was commissioned in late 2025, establishing a 24/7 central hub to coordinate day-to-day operations, including patient access and bed management across Barwon Health. The SOC co-locates key teams to strengthen communication and support more consistent operations, including bed allocation, after-hours coordination, the Prevention and Recovery Team (PART), interpreters, patient transport and the Clinical Resource Unit (CRU).

With the establishment of the SOC, a new daily operating system has been introduced, incorporating structured huddles to proactively plan for demand, capacity and patient flow. This is supported by real-time data dashboards and clear escalation pathways focused on timely problem-solving, helping to optimise patient flow and improve access to care.

STRENGTHENING PARTNERSHIPS AND INTEGRATED CARE

During 2025/2026, Barwon Health refreshed its Strategic Clinical Services Plan, setting a clear direction for the development of clinical services over the next decade. The refreshed plan identifies the priorities and enabling actions needed to respond to population growth, increasing complexity and changing models of care, with a focus on actions that can commence within the next three years.

As a regional tertiary health service, Barwon Health remains focused on strengthening local capability, expanding access to specialised care close to home, and working with partners to ensure our community receives the right care, in the right place, at the right time.

Collaboration remains central to Barwon Health's success.

Throughout the year, we strengthened partnerships with primary care providers, Aboriginal Community Controlled Health Organisations, community agencies, education partners and government. These partnerships are essential to delivering integrated and coordinated care.

A key milestone was the establishment of the Barwon Local Health Service Network (LHSN) on 1 July 2025. The network brings together Barwon Health, Colac Area Health, Great Ocean Road Health and Hesse Rural Health Services to further enhance regional collaboration.

Barwon Health has a long and well-established history of working closely with these partners and other healthcare providers in the Barwon South West Region, and this strong collaboration has continued through joint initiatives designed to improve services and health outcomes for our communities.

Barwon Health has delivered on all of its commitments in the 2025/2026 Statement of Expectations, positioning the Barwon Local Health Service Network well for 2026/2027.

DIGITAL TRANSFORMATION AND FUTURE READINESS

Barwon Health continues to invest in digital systems to support safer, more connected and more efficient care, recognising that a digitally enabled health service is critical to delivering high-quality, contemporary healthcare.

The rollout of the Community Electronic Medical Record (CEMR) will enhance coordination across community and mental health services, enabling clinicians to access more complete and timely information and supporting more integrated care. At the same time, preparation is underway for a future acute Electronic Medical Record (EMR), representing a key step in strengthening digital maturity and transforming how care is delivered across the organisation.

Together, these initiatives will improve information sharing, support clinical decision-making and enhance the patient experience, ensuring Barwon Health is well positioned to meet the evolving needs of its growing community.

Across the organisation, clinicians embraced new technologies to strengthen communication, improve workforce management and create more connected teams through platforms such as Optima, People Plus and CARPS. Their leadership has been instrumental in supporting staff to adopt digital tools and integrate them into everyday practice including the roll out of Modeus HS8 a secure digital platform that replaces paper registers and offers streamlined controlled drug management across hospital departments.

From leveraging workforce management systems such as Optima to increasing collaboration through Microsoft 365 applications, leaders have championed approaches that improve efficiency while supporting staff to remain focused on delivering high-quality patient care.

By embracing innovation and acting as change leaders within their teams, managers continue to build a workforce that is connected, agile and ready to meet the evolving needs of healthcare.

DRIVING INNOVATION THROUGH NURSING AND MIDWIFERY RESEARCH – FRONTLINE IDEAS CREATING BETTER CARE

Innovation is often born from those closest to patient care. Every day, Barwon Health nurses and midwives identify opportunities to improve experiences, strengthen safety and deliver better outcomes for the communities they serve.

Over the year this commitment to innovation was celebrated through Barwon Health's inaugural Nursing and Midwifery Innovation Forum. The event brought together clinicians, leaders and researchers to showcase quality improvement initiatives and innovative projects developed by nurses and midwives across the organisation.

The forum highlighted the breadth of innovation occurring throughout Barwon Health, from rehabilitation nursing documentation that supports more consistent and patient-centred care, to the continued success of the Homebirth Program and new approaches to paediatric emergency care. Attendees also heard from Professor Alison Hutchinson, Chair in Nursing and Midwifery, who shared insights into research career pathways and the growing opportunities for nurses and midwives to contribute to healthcare innovation through research.

This focus on strengthening research leadership was further advanced through the appointment of Professor Cate Nagle to the inaugural Deakin University Chair in Midwifery, established in partnership with Barwon Health and supported by funding from the Barwon Health Foundation. Professor Nagle will work collaboratively with Barwon Health and Deakin University's School of Nursing and Midwifery to implement Barwon Health's midwifery research strategy. Her role will provide leadership in the development and implementation of collaborative research projects, with a focus on building relationships with key stakeholders, mentoring colleagues, clinical midwives and students, and supporting research practice across the organisation.

More than a showcase of projects, the forum demonstrated the powerful connection between innovation, research and professional growth. It reinforced the critical role nurses and midwives play in leading meaningful change and advancing evidence-based care throughout the organisation.



Above: Melissa and Karen from Geelong FoodShare

CARING FOR OUR COMMUNITY

Following a Barwon South West Public Health Unit led forum focused on food security, a simple idea emerged to address a challenge common to large institutions: the unavoidable surplus of freshly prepared meals within a hospital setting. From this, Barwon Health's Daily Excess Meal Rescue Program was established and has quickly become a vital source of nutritious, ready-to-eat meals for people in our community in need of support.

Through the program, surplus meals are safely recovered each day and redistributed via Geelong Foodshare's Social Supermarkets and partner agencies. Meals, ranging from tofu stir-fry to beef bourguignon, are collected by volunteers, repackaged with professionally printed sleeves donated by Pressroom Philanthropy, and delivered directly to those who need them most.

Since commencing in early 2025, the initiative has diverted more than 6,700 kilograms of nutritious food from landfill, providing the equivalent of over 13,000 meals to the community. These meals are distributed through Geelong Foodshare's Social Supermarkets and partner organisations, including The Outpost, which provides dinner to the community every day of the year.

For Barwon Health, the program demonstrates how sustainability, operational excellence and community wellbeing can work hand in hand. For Geelong Foodshare, it exemplifies effective food security in action, grounded in collaboration, dignity and practical solutions.

Together, Barwon Health and Geelong Foodshare are showing how meaningful partnerships can turn shared challenges into impactful outcomes, where collaboration can lead to lasting change for the community.

INAUGURAL PULSE SURVEY

Over 3,500 staff took part in the recent Pulse Survey - 38 per cent response rate.

This survey enables us to build on the information gathered via the State Government People Matter Survey by providing a more localised view of the issues that matter to our people, proving to be a vital tool in developing programs and initiatives to support our workforce.

RECOGNISING OUR PEOPLE



KING'S BIRTHDAY HONOURS

Professor Michael Berk, Professor of Psychiatry at Barwon Health and Deakin Distinguished Professor of Psychiatry at Deakin University, was awarded an Officer of the Order of Australia (AO) in the King's Birthday Honours. This honour recognises Professor Berks's outstanding contribution to psychiatric research and his leadership in advancing our understanding of mood disorders, novel therapeutics, and the biological underpinnings of mental illness. His work has shaped clinical practice not only here at Barwon Health, but nationally and internationally, influencing how mental health care is delivered and how future treatments are imagined.



NURSE OF THE YEAR

JOANNE KANTIANIS

Joanne Kantianis has transformed organ donation services at Barwon Health through her leadership, innovation and unwavering commitment to patients and families.

As an Organ Donation Specialist Nurse, Joanne has spent the past five years building strong partnerships across intensive care, emergency, theatre and broader clinical services. Her work has strengthened processes, increased awareness and ensured families are supported with compassion and care during some of life's most difficult moments.

Through Joanne's dedication, Barwon Health has become a recognised leader in organ donation performance, achieving some of the strongest referral and donation outcomes in Victoria and ranking among the top-performing hospitals nationally. Her influence extends beyond the hospital, with ongoing community education initiatives helping to increase awareness and understanding of organ donation across the region.

Joanne is also recognised as an innovator within her field. During the course of the year she supported the implementation of a world-first pathway that enabled a voluntary assisted dying patient to become a successful organ donor. The significance of this work attracted international attention, with Joanne presenting the initiative at the International Organ Donation Conference in Japan.

Her commitment to improving outcomes, supporting families and advancing clinical practice has made a profound difference to both Barwon Health and the wider healthcare community.

"WE ARE EXTREMELY LUCKY TO HAVE JO AS A COLLEAGUE, FRIEND AND LEADER AT BARWON HEALTH."



MIDWIFE OF THE YEAR

KATH ANDREWS

For many families across Geelong, and for generations of maternity staff, Kath Andrews is more than a midwife, she is a trusted mentor, leader and advocate whose influence has shaped maternity care for decades.

Kath has earned a reputation for her unwavering dedication to women, babies and the wider maternity team. Her commitment to compassionate, woman-centred care has left a lasting impression on countless families, many of whom continue to remember her long after their maternity journey has ended.

Kath's impact extends well beyond the bedside. Throughout her career she has supported generations of midwives, doctors and healthcare professionals, offering guidance, encouragement and practical wisdom to those entering the profession. Colleagues describe her as approachable, humble and generous with her time, always willing to support others and share her expertise.

Kath's contribution was recognised through multiple nominations for Midwife of the Year. Many reflected on her remarkable ability to foster connection and create a strong sense of community within maternity services. Whether through mentoring, peer support initiatives or social events that bring teams together, Kath has played a vital role in strengthening staff wellbeing and team culture.

"KATH ANDREWS IS FUNDAMENTAL TO THE SPIRIT, MORALE AND FUNCTIONING OF MATERNITY SERVICES. SHE IS, AND ALWAYS WILL BE, OUR MIDWIFE OF THE YEAR."



MENTAL HEALTH NURSE OF THE YEAR

LISA O'KEEFE

Compassion, kindness and respect are the qualities most often used to describe Mental Health Nurse of the Year, Lisa O'Keefe.

A highly experienced and deeply respected mental health nurse, Lisa has devoted her career to supporting consumers, colleagues and future generations of nurses. Her leadership is characterised by warmth, empathy and a genuine commitment to helping others succeed.

Lisa is recognised not only for the exceptional care she provides to consumers, but also for the encouragement and guidance she offers to her colleagues. She is passionate about mentoring early-career nurses, creating supportive environments where staff feel confident to develop their skills and navigate challenges.

Her recovery-focused approach ensures consumers remain active participants in decisions regarding their care. By fostering strong partnerships and advocating for least restrictive care options, Lisa empowers people to work towards their recovery goals with dignity and confidence.

Through her leadership and unwavering commitment to Barwon Health's values, Lisa continues to make a lasting impact on the lives of consumers, families and colleagues alike.

'WITH ENTHUSIASM, LISA MENTORS NEW NURSES, WHILE HER APPROACHABLE LEADERSHIP UPLIFTS THE ENTIRE TEAM."

ALLIED HEALTH EXCELLENCE AND RESEARCH

Barwon Health celebrated the outstanding clinical dedication, research leadership and collaborative practice of its allied health workforce at the annual Allied Health Awards, held in October to coincide with World Allied Health Professions Day.

The awards recognised the teamwork, client-centred care, innovation and clinical excellence that allied health professionals bring to services across the organisation every day. They also provided an opportunity to highlight the important contribution allied health clinicians make to research, education and continuous improvement.

A central feature of the event was the presentation of the Dr Renée Sheedy Scholarship. Established in 2017, the scholarship honours the legacy of pioneering neurological physiotherapist and researcher Dr Renée Sheedy by supporting allied health clinicians to pursue high-impact research, innovation and education. The scholarship provides up to $1,500 to assist recipients in advancing projects that strengthen clinical practice and improve outcomes for consumers.

The 2026 Dr Renée Sheedy Scholarship recipients were:

BRENDAN CUTTS

Allied Health Research and Clinical Innovation

JANE DOW

Allied Health Research and Clinical Innovation

JULIANNE CUTHBERT

Allied Health Research and Clinical Education

Barwon Health's strong allied health research culture was further demonstrated at the Barwon Research Symposium, where Neuropsychologist Dr Sarah Price was awarded the Qualitative Research Prize for her innovative concussion intervention program.

The organisation's commitment to multidisciplinary care was also recognised at the Barwon Best Care Awards, with a new chronic lung disease model of care, led by physiotherapist Alex Cain, highlighted for its contribution to improving patient outcomes and supporting more integrated care.

Together, these achievements reflect the depth of expertise, curiosity and leadership within Barwon Health's allied health workforce, and its ongoing commitment to delivering evidence-based, person-centred care.

CELEBRATING EXCELLENCE ACROSS OUR MEDICAL WORKFORCE

Each year, Barwon Health's Senior Medical Staff Group, in partnership with the Medical Education and Training team, recognises the outstanding achievements and contributions of our clinicians at the final Grand Round of the calendar year.

These awards celebrate excellence in medical education, training, research and clinical practice. They also reflect our commitment to fostering collaboration and communication across the medical workforce and strengthening Barwon Health's reputation as a workplace of choice for doctors.

Congratulations to our 2025 award recipients:

HMO/REGISTRAR RESEARCH AWARD

Awarded to: Dr Ahthavan Narendren
Runner-up: Dr Mitchell Simpson

THE RICHARD HALLOWES PRIZE

Awarded to: Dr Tom Reade

THE HASAN AL-KHAYYAT AWARD

Awarded to: Dr Anna Dunn

BARWON HEALTH INTERN OF THE YEAR AWARD

Awarded to: Dr Linda Sahakian
Runner-up: Dr Ethan McGucken

POSTGRADUATE YEAR 2 DOCTOR OF THE YEAR

Awarded to: Dr Gaju Anand

Dr Solveig Ober and Dr Irini Moutsatsos were also acknowledged for their valued service in Doctors-in-Training leadership roles and for their contribution to supporting and representing Barwon Health's junior medical workforce.

SUPPORTING ABORIGINAL CULTURAL SAFETY

Barwon Health remains strongly committed to advancing Aboriginal cultural safety, strengthening partnerships with local Aboriginal communities, and increasing Aboriginal workforce participation across the organisation.

ABORIGINAL CULTURAL SAFETY GRANT

All Victorian health services receiving Aboriginal Cultural Safety Grants are required to submit an annual Cultural Safety Plan outlining actions across the prescribed domains. These plans support health services to strengthen cultural safety, improve access and experiences for Aboriginal and Torres Strait Islander peoples, and embed culturally safe practice across the organisation.

The 2025–2026 Cultural Safety Plan guidelines introduced an additional requirement for health services to develop an Aboriginal Employment Plan where one was not already in place. Barwon Health's Aboriginal Employment Plan will be launched in late 2026.

Throughout 2025/2026, Barwon Health continued to progress important work through the Cultural Safety Plan, with key outcomes achieved across workforce development, patient identification, culturally safe environments, partnerships, engagement and education.

WORKFORCE

Barwon Health continued to strengthen its Aboriginal workforce and employment pathways during 2025/2026. Cadetship numbers increased from two in 2025 to four in 2026, across Nursing and Midwifery. The Aboriginal Health Unit also increased its full-time equivalent staffing, including the appointment of a Senior Aboriginal Health Liaison Officer.

Barwon Health remained an active participant in the former Geelong Regional Aboriginal Employment Taskforce, now known as the Geelong Aboriginal Employment Collective. As at the end of June 2026, 72 Aboriginal and/or Torres Strait Islander people were employed across Barwon Health.

Aboriginal Health representatives also participated in key employment and education events, including the Geelong Aboriginal Employment Expo and Koorie Aspirations Day for secondary students, supporting pathways into health careers and strengthening relationships with future workforce participants.

IDENTIFICATION OF ABORIGINAL AND TORRES STRAIT ISLANDER PATIENTS AND CONSUMERS

Improving the identification of Aboriginal and Torres Strait Islander patients and consumers remained a key priority. The 'Asking the Question' PROMPT guideline was approved for use, providing staff with clear guidance to support respectful and consistent identification processes.

A number of initiatives and pilot projects commenced to improve identification across systems and processes, including BRADMA, iPMs and referral pathways. A Partners with Consumers Committee subgroup was also established to develop a broader strategy to improve identification of Aboriginal patients.

These initiatives support more accurate data collection, culturally appropriate care planning and improved understanding of Aboriginal and Torres Strait Islander patient access across the health service. During the year, Barwon Health recorded increases in Aboriginal and Torres Strait Islander presentations to the Emergency Department, hospital admissions and babies born.

A report was also developed as part of the Barwon Health Performance Accountability Framework to strengthen monitoring, reporting and accountability in this area.

CREATING A WELCOMING ENVIRONMENT

Barwon Health continued to invest in creating culturally safe and welcoming environments for Aboriginal and Torres Strait Islander patients, families, consumers, staff and visitors.

A key highlight was the completion of the Aboriginal branding scrubs project. The scrubs are available to staff across the organisation in two designs and provide a visible expression of respect, recognition and inclusion across clinical settings.



Aboriginal mural artwork by Nathan Patterson with mosaic Bunjil crafted by artist Katie Van Nooten on the University Hospital Geelong podium

PARTNERSHIPS AND ENGAGEMENT

Barwon Health continued to build and strengthen relationships with external stakeholders, Aboriginal organisations and community partners. These partnerships are essential to ensuring that cultural safety initiatives are informed by Aboriginal voices, community priorities and shared approaches to improving health and wellbeing.

Collaborative projects progressed during the year included initiatives focused on Aboriginal health improvement and improving First Nations cancer outcomes. These projects reflect Barwon Health's ongoing commitment to working in partnership to address health inequities and improve experiences and outcomes for Aboriginal and Torres Strait Islander peoples.

CULTURAL AWARENESS AND EDUCATION

Cultural awareness and education remained a strong focus throughout 2025/2026. Training was delivered to a range of staff groups across the organisation, including Walks on Country, cultural immersion experiences, and training on unconscious bias and privilege delivered by external consultants and Traditional Owners.

The Aboriginal Health Unit continued to provide face-to-face yarns and 'Asking the Question' training across the organisation, supporting staff to build confidence, understanding and capability in delivering culturally safe care.

The GROW Cultural Awareness modules were also reviewed and refreshed, with consideration being given to the introduction of a formal re-certification cycle to support ongoing learning and sustained cultural capability across the workforce.

Smoking ceremony, Community Vaccination Hub, 2021



ABOUT BARWON HEALTH



STRATEGIC PLAN – FUTURE READY

As we close out the final year of our Future Ready Strategic Plan, we reflect on a period of significant achievement, transformation and growth. Over the past five years, we have driven change to strengthen our services, expanding our capacity and laying the foundations for the future of care in our region.

Through Future Ready, we have enhanced the breadth and quality of services we provide, opened new facilities and progressed major developments, including the Barwon Women's and Children's, which is quickly taking shape within the University Hospital Geelong precinct. These milestones are not only markers of progress, but powerful enablers of the care our community will rely on for generations to come.

The decisions we have taken and the investments we have made have positioned us strongly for the future. As we look ahead to our next Strategic Plan, we do so with confidence and ambition, ready to build on this momentum, respond to evolving community needs and continue shaping a health service that is innovative, inclusive and future-focused.

Opposite: Sam van der Linde (Cellular Therapies Project Lead), Maddi Buckwell (Baxter 6 Clinical Nurse Specialist), and patient Shane Johnson.

STRATEGIC PLAN – FUTURE READY SUMMARY

OUR VISION

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

OUR PURPOSE

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

STRATEGIC PRIORITY 1: DELIVER BEST CARE

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

VALUE
We aim always to improve the value of our services.

INTEGRATION
We integrate care without gaps or duplication of effort.

EVIDENCE
We apply evidence to improve care.

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

STRATEGIC PRIORITY 2: INVEST TO IMPROVE

RESEARCH
We embed research in care to create a learning system.

RESILIENCE
We build our capacity to deal with the unexpected.

EXPERIENCE
We improve the experience of our consumers and our people.

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

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

STRATEGIC PRIORITY 3: ENSURE OUR FUTURE

FINANCIAL SUSTAINABILITY
We live within our means and we grow our capacity.

AGILE
We are agile in responding to changing needs and opportunities.

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

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

TOGETHER
We partner for greater impact.

OUR VALUES

RESPECT

We respect the people we connect with.

COMPASSION

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

COMMITMENT

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

ACCOUNTABILITY

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

INNOVATION

We drive innovation for better care.

OUR ENABLERS

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

WE MEASURE OUR SUCCESS BY:

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

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

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

NATURE AND RANGE OF SERVICES

Barwon Health is established under the Health Services Act 1988 as a Schedule 5 Public Health Service. Since its formation in 1998, Barwon Health has grown to become one of Australia's largest and most comprehensive regional tertiary health services, delivering high-quality care across every stage of life.

Barwon Health has a unique role in Victoria's health system, with University Hospital Geelong recognised as the only tertiary hospital in regional Victoria. This capability enables the Barwon community to access more than 90 per cent of required care locally, supporting the delivery of more services closer to home than anywhere else in Victoria.

The Barwon region is one of Australia's fastest-growing regional areas, with the resident population expected to double between 2021 and 2051. As our community grows and health needs become more complex, Barwon Health is committed to strengthening and expanding existing services, while developing new specialist and tertiary services that enable more people to receive the care they need closer to home.

With more than 9,759 staff, Barwon Health is the largest employer in Geelong and one of Australia's largest regional employers. We provide equitable and accessible care regardless of a person's social, financial or geographic circumstances, and deliver tertiary referral services and clinical leadership across the Barwon South West region.

Our immediate community includes the City of Greater Geelong, Colac Otway Shire, Golden Plains Shire, Borough of Queenscliffe and Surf Coast Shire.

Barwon Health provides a comprehensive range of services including hospital, community, home-based services and residential settings.

- Acute care, including medicine, surgery, women's health, paediatrics and emergency care.
- Mental health, alcohol and other drug services.
- Primary and community health including allied health, dental and immunisation.
- Rehabilitation.
- Geriatric medicine.
- Palliative care.
- Community nursing and hospital-in-the-home.
- Cancer treatment and care, including being one of only four public providers of radiotherapy in Victoria.
- Aged care, including residential and specialist psychogeriatric and dementia care, as well as being the lead agency in the Vic West Single Assessment Service partnership.

Services are delivered through a network of sites, including the Tertiary Level University Hospital Geelong, the McKellar Centre in North Geelong, Barwon Health North, community health centres in Anglesea, Belmont, Corio, Newcomb and Torquay, and palliative care from Anam Cara House in Waurn Ponds. Residential aged care is provided at the McKellar Centre, Alan David Lodge and through the Specialist Dementia Care Program at Blakiston Lodge. Mental health services are provided at University Hospital Geelong, the McKellar Centre, the Community Rehabilitation Facility at Belmont, the Central Geelong Mental Health and Wellbeing Hub and at community locations.

Alongside our clinical services, Barwon Health delivers comprehensive education and training to support a skilled and sustainable health workforce. We also have an important and growing role in research and clinical trials, helping ensure our care continues to be informed by evidence, innovation and best practice.

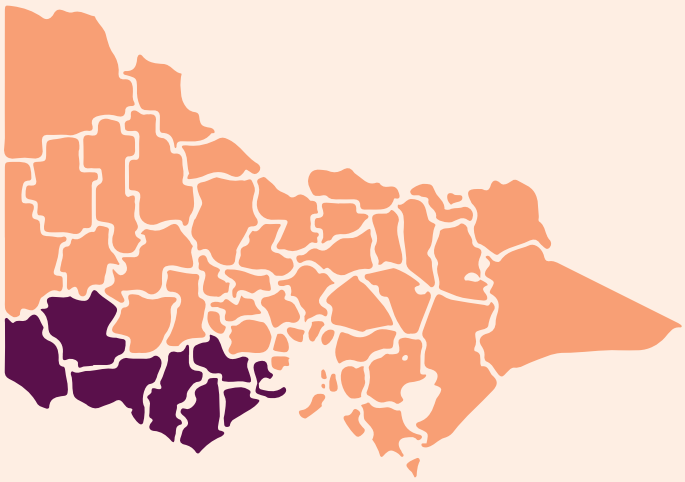
Strategic partnerships continue to strengthen our reach and capability. We work with Epworth Hospital Waurn Ponds to support the delivery of selected surgical services, while our partnership with St John of God Hospital Geelong enables paediatricians and neonatal nurse practitioners to work across both sites, supporting coordinated care and shared clinical expertise.

Our partnership with Deakin University continues to grow through joint research initiatives, including the Barwon Health and Deakin University Clinical Trials Alliance, and innovative training programs designed to build and empower the future health workforce. Collaborations with La Trobe University, The Gordon Institute, the University of Melbourne and Monash University further reinforce our commitment to education, research and professional development, supporting Barwon Health's position as an employer of choice in the health sector.

Our people are dedicated to lifelong learning and continuous improvement, integrating research and evidence-based practice into everyday care to support a learning healthcare system.

The Barwon Health Foundation remains a valued partner, supporting philanthropic efforts that support care to our community.

BARWON HEALTH PROVIDES SERVICES ACROSS THE BARWON SOUTH WEST REGION





MANNER OF ESTABLISHMENT AND RELEVANT MINISTERS

MANNER OF ESTABLISHMENT

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

THE RESPONSIBLE MINISTERS ARE:

MINISTER FOR HEALTH AND MINISTER FOR AMBULANCE SERVICES

THE HON MARY-ANNE THOMAS MP

from 1 July 2025 to 15 April 2026

MINISTER FOR HEALTH, MINISTER FOR AMBULANCE SERVICES AND MINISTER FOR WATER

HON HARRIET SHING MP

from 15 April 2026 to 30 June 2026

MINISTER FOR HEALTH INFRASTRUCTURE

THE HON MELISSA HORNE MP

from 30 June 2025 to 30 June 2026

MINISTER FOR MENTAL HEALTH AND MINISTER FOR AGEING

THE HON INGRID STITT MP

from 1 July 2025 to 30 June 2026

MINISTER FOR DISABILITY AND MINISTER FOR CHILDREN

THE HON LIZZIE BLANDTHORN MP

from 1 July 2025 to 30 June 2026

ADMINISTRATIVE STRUCTURE OF BARWON HEALTH

BOARD OF DIRECTORS STRUCTURE

BOARD OF DIRECTORS

The Hon. Lisa Neville (Chair)

Clare Amies (Deputy Chair)

Ian Broadway

Professor Brendan Crotty

Stephen Elder

Rebecca Leonard

Libby Mears

Dr Susan Sdrinis

Shane Solomon

BOARD DIRECTORS SERVE ON THE FOLLOWING BOARD COMMITTEES

FINANCE COMMITTEE

Ian Broadway (Committee Chair)

Lisa Neville

Professor Brendan Crotty

Shane Solomon

AUDIT AND RISK MANAGEMENT COMMITTEE

Shane Solomon (Committee Chair)

Clare Amies

Ian Broadway

Stephen Elder

PRIMARY CARE & POPULATION HEALTH COMMITTEE

Libby Mears (Committee Chair)

Professor Brendan Crotty

COMMUNITY ADVISORY COMMITTEE

Dr Susan Sdrinis (Committee Chair)

Rebecca Leonard

Libby Mears

QUALITY, SAFETY & CLINICAL GOVERNANCE COMMITTEE

Professor Brendan Crotty (Committee Chair July 2025 to November 2025)

Dr Susan Sdrinis (Committee Chair November 2025 to current)

Rebecca Leonard

PEOPLE, CULTURE, GOVERNANCE AND REMUNERATION COMMITTEE

Lisa Neville (Committee Chair)

Clare Amies

Stephen Elder

Libby Mears

EXECUTIVE TEAM

CHIEF EXECUTIVE

ADJUNCT PROFESSOR FRANCES DIVER

BApplSci, MBA, GAICD

The Chief Executive leads one of Victoria's largest health services, overseeing hospital, community health, mental health, and specialist services that support more than 500,000 people across the Barwon South West region. The role is responsible for the organisation's overall strategic direction, performance, governance, workforce, and delivery of high-quality patient care.

CHIEF OPERATING OFFICER

ADJUNCT PROFESSOR AMANDA CAMERON

RN, BAppSc, Grad Dip Critical Care, MHA

The Chief Operating Officer provides executive leadership and oversight for the five Clinical Directorates - Medicine, Emergency, Subacute and Home (MESH), Surgical and Critical Care, Mental Health, Drugs & Alcohol Services, Women, Children & Families and Service Operations Centre

CHIEF FINANCIAL OFFICER

COBUS LOTHERINGEN

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

The Chief Financial Officer is the organisation's principal financial officer with responsibility for the overall management of financial planning, coding, billing, performance monitoring, facility management, capital works, biomedical engineering, environmental and food services, procurement and supply change services across Barwon Health.

CHIEF MEDICAL OFFICER

PROFESSOR AJAI VERMA

MBBS, MS, MHM, MPH, MBA, DCH, FRACGP, FRACMA, FRSPH, FAICD, FCHSM, CHE, CHIA

The Chief Medical Officer has professional responsibility for over 1200 doctors, with operational responsibility across clinical governance, medical workforce, research, public health, primary care, correctional health, pathology and pharmacy.

CHIEF NURSING AND MIDWIFERY OFFICER

ASSOCIATE ADJUNCT PROFESSOR ANGE ERWIN

The Chief Nursing and Midwifery Officer provides strategic and professional leadership for Aged Care, Allied Health and First Nations care and the nursing and midwifery workforce, ensuring the delivery of safe, high-quality, person-centred care. The role oversees nursing and midwifery practice, workforce development, education, clinical governance, quality and safety, and professional standards across the organisation.

CHIEF PEOPLE AND CULTURE OFFICER

TRACY GILLIGAN

The Chief People and Culture Officer provides strategic and operational leadership across people, culture and workforce functions. The role provides expert advice and oversight across remuneration, payroll and staff benefits; workforce relations and change management; organisational development; talent acquisition and leadership development; clinical and non-clinical workforce management; public affairs and communications; and occupational health and safety. Through this work, the Chief People and Culture Officer supports a safe, capable and values-led workforce that enables the delivery of high-quality care.

CHIEF INFORMATION OFFICER

ANDREW MACFARLANE

The Chief Information Officer for Barwon Health provides strategic ICT leadership for SWARH (South West Alliance of Rural Health). This role oversees digital and information technology services for SWARH's shared ICT services for member health services across the Barwon South West region of Victoria, including Barwon Health.

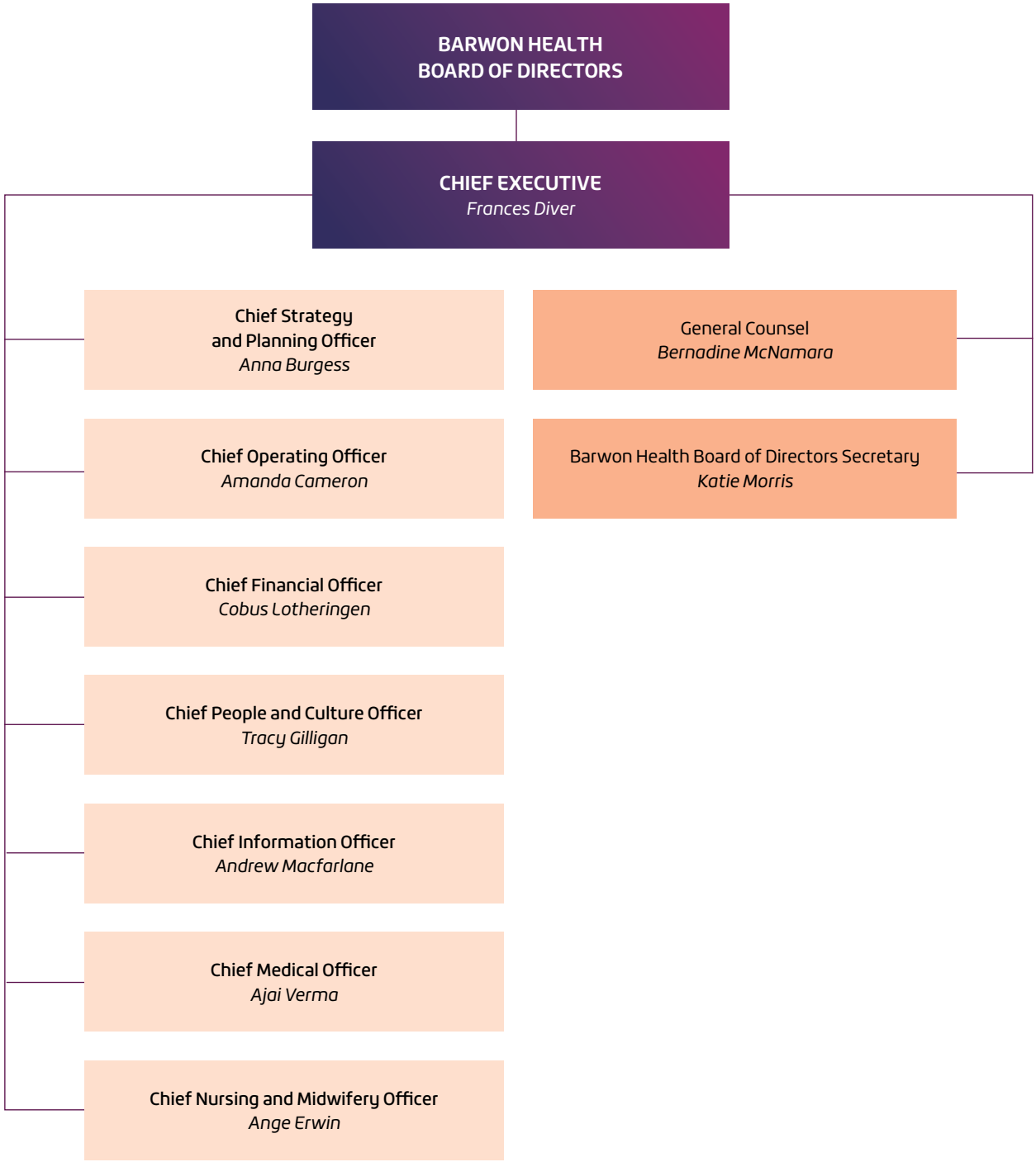
CHIEF STRATEGY AND PLANNING OFFICER

ANNA BURGESS

BSc (Hons), Grad Dip Health Management, Grad Dip Health Economics, FACHSM, CHE FIPPA (VIC)

The Chief Strategy and Planning Officer leads strategic advice; service and capital planning; strategic planning; risk management; annual (corporate) planning; and two regional partnerships, the Barwon Local Health Service Network (BLHSN) and the Barwon South Western Regional Integrated Cancer Service (BSWRICS).

ORGANISATIONAL STRUCTURE



WE EMPLOYED

2,641 NURSES

(FTE) IN 2026 COMPARED TO 2,578 IN 2025



WORKFORCE DATA

HOSPITAL LABOUR CATEGORY	JUNE CURRENT MONTH FTE		AVERAGE MONTHLY FTE	
	2026	2025	2026	2025
Nursing	2,641.86	2,578.17	2,580.76	2,530.35
Administration and Clerical	809.68	807.15	801.87	782.32
Medical Support	486.36	498.73	490.51	478.90
Hotel and Allied Services	688.08	673.00	681.83	666.97
Medical Officers	82.17	83.88	84.52	81.82
Hospital Medical Officers	501.09	469.99	491.72	453.45
Sessional Clinicians	224.31	224.93	220.45	211.56
Ancillary Staff (Allied Health)	578.15	573.95	570.90	558.40

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

EMPLOYMENT AND CONDUCT PRINCIPLES

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

OCCUPATIONAL HEALTH AND SAFETY

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

Key occupational health and safety initiatives during the year focused on strengthening prevention, building workforce capability and improving access to practical safety resources. This included the implementation of a psychosocial health and safety framework, supported by directorate-level action plans, to help identify and manage psychosocial risks across the organisation. Online psychosocial safety training was introduced for managers and employees, supporting greater awareness of shared responsibilities in maintaining a safe and healthy workplace.

Targeted hazardous manual handling training was also delivered for non-patient handling tasks, with a focus on reducing the risk of musculoskeletal injuries. In addition, simulated occupational violence and aggression training was expanded into community-based settings, helping staff build confidence and capability in responding to challenging situations.

To further support safe work practices, a self-service Workforce Health and Safety SharePoint site was launched, providing managers, workers and Health and Safety Representatives with easy access to policies, training materials, injury management information, practical tools and risk control guidance. Together, these initiatives reflect our continued commitment to strengthening a proactive safety culture and supporting the health, safety and wellbeing of our workforce.

Barwon Health continued to strengthen staff safety and security across the University Hospital Geelong precinct through a range of initiatives focused on lighting, surveillance, security presence, parking access and leadership.

OCCUPATIONAL HEALTH AND SAFETY DATA

OCCUPATIONAL HEALTH AND SAFETY STATISTICS	2023/2024	2024/2025	2025/2026
The number of reported hazards/incidents for the year per 100 FTE	47.01	51.49	52.90
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.57	0.82	1.008
The average cost per WorkCover claim for the year	$77.4	$60.94	$55.25

OCCUPATIONAL VIOLENCE

OCCUPATIONAL VIOLENCE STATISTICS

OCCUPATIONAL VIOLENCE STATISTICS	2025/2026
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.273
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	1.7077
Number of occupational violence incidents reported	1,377
Number of occupational violence incidents reported per 100 FTE	23.52
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	43.9%

TRAINING STATISTICS

MOVAIT (OVA)	2023/2024	2024/2025	2025/2026
Online and face-to-face completions	4,822	3,424	4,967

SMSL (PATIENT MANUAL HANDLING)	2023/2024	2024/2025	2025/2026
New staff sessions	881	493	594
Annual updates	2,670	2,666	2,407

DEFINITIONS OF OCCUPATIONAL VIOLENCE

OCCUPATIONAL VIOLENCE

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

INCIDENT

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

ACCEPTED WORKCOVER CLAIMS

Accepted WorkCover Claims that were lodged in the financial year 2025/2026.

INJURY, ILLNESS OR CONDITION

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



FINANCIAL INFORMATION

REPORT FROM THE CHIEF FINANCIAL OFFICER

Barwon Health has delivered a positive result for the 2025/2026 financial year, marked by significant increases in clinical activity, major capital infrastructure developments, and key information technology (IT) project progress. With a continued focus on delivering safe, high-quality care in modern, fit-for-purpose facilities, Barwon Health achieved a net operating surplus of $110k for the financial year ended 30 June 2026.

MAJOR CAPITAL WORKS

Several significant capital works projects were completed during the year, supporting service expansion, patient flow and future growth.

- Constructed and commissioned the Day Medical Hub at University Hospital Geelong, co-locating day medical services including, infusion, Hospital in the Home (HITH) and transit-lounge activities.
- Relocating and consolidating palliative care services to Anam Cara House, located on the Deakin University, Waurn Ponds site.
- Decommissioning of the ageing Cogen facility at University Hospital Geelong. Replacing it with a second High Voltage feeder, reducing the cost of gas required to operate the cooling/heating service throughout the hospital; ensuring end- of-life infrastructure is replaced and renewed.
- Replacement of the end-of-life Radiology Picture Archiving and Communication Systems and improved viewing and storage of diagnostic images.
- Installation of a digital non-clinical task management and communication system, improving efficiencies in task allocation and management of cleaning, catering and portering services across all facilities.
- Construction and commissioning of a Service Operations Centre at University Hospital Geelong, incorporating the relocation of the main switchboard and co-location of key operational support functions, including interpreters, the Clinical Resource Unit, Public Affairs and Communications, and the Prevention and Recovery Team (PART), to enhance operational visibility, coordination and collaboration.
- Progressing with the implementation of a new $8 million Energy Performance Contract. A State-funded interest free loan that allows for investment in energy efficiency achievements, obtained by the installation of solar arrays, LED lighting upgrades, Building Management System digital tuning, steam optimisation to plant and energy efficiency upgrades at facilities to optimise energy efficiencies and sustainability across all Barwon Health facilities.
- The expansion of available options for staff parking around the University Hospital Geelong precinct, including a new car park in Myers Street becoming operational that provides 54 additional car parking spaces.
- Progressing with the major Barwon Women's and Children development, more than $500 million, with construction progressing on-time and in budget.

KEY ENABLING IT PROJECTS

These projects were delivered to strengthen clinical and corporate systems and position Barwon Health for future growth including:

- Ongoing implementation of a community electronic medical records solution with several community programs now gone live and operating successfully on the new platform.
- Ongoing deployment of the People Plus, staff rostering solution, with 95 per cent of employees (~8,500 staff) now using the system.
- The implementation of the People Plus (HRIS) solution with the recruitment and PDR modules now live at Barwon Health and four other rural health services in the Barwon South West.

Opposite: 2026 medical interns

REPORT FROM THE CHIEF FINANCIAL OFFICER (CONTINUED)

FINANCIAL PERFORMANCE

Barwon Health maintained a strong Balance sheet with total asset of $1.625 billion and financial assets of $238 million, whilst debtor and creditor days are well managed and remained within public health service targets.

Operationally, patient service demand once again increased considerably year-on-year, driven by local population growth, resulting in increased patient separations and higher emergency and specialist clinic attendances. Acute and Emergency NWAU activity increased by 2.8 per cent and 2.1per cent respectively while Urgent Care attendances increased 4.5 per cent. Rehabilitation and specialist clinics activity increased by 6.7 per cent and 15.1 per cent respectively.

Operational revenue rose to $1.3 billion, representing a 7.7 per cent year-on-year increase, with a marginal increase in average staffing numbers of 2.7 per cent. Productivity indicators such as acute NWAU per full-time equivalent and acute NWAU per bed day, improved year-on-year, whilst cost per NWAU for consumables was lower (3.9 per cent).

A lower cash balance throughout the year resulted in overall lower returns on cash and investment accounts. Nevertheless, investment returns remained strong at $5.8 million and above the portfolio benchmark.

Barwon Health is the sole beneficiary of the Barwon Health Foundation Trust and for accounting purposes only, are considered a controlled entity. The Barwon Health Annual Financial Statements therefore consolidate and include assets, liabilities and the operating result of the Barwon Health Foundation. The financial results of the Barwon Health Foundation are reported and approved separately by the Barwon Health Foundation Board. We thank the Barwon Health Foundation for their ongoing support.



Cobus Lotheringen
Chief Financial Officer

FINANCIAL INFORMATION

	2022 $'000	2023 $'000	2024 $'000	2025 $'000	2026 $'000
OPERATING RESULT*	**281**	**365**	**61**	**50**	**110**
Total revenue	1,053,122	1,141,399	1,183,923	1,294,271	1,494,655
Total expenses	(1,030,911)	(1,147,894)	(1,216,920)	(1,324,464)	(1,415,148)
Net result from transactions	**22,211**	**(6,495)**	**(32,997)**	**(30,193)**	**79,507**
Total other economic flows	(932)	(5,122)	(11,272)	(3,106)	3,542
Net result	**21,279**	**(11,617)**	**(44,269)**	**(33,299)**	**83,049**
Total assets	1,127,186	1,172,528	1,453,490	1,492,339	1,625,101
Total liabilities	345,584	397,602	388,427	423,663	464,164
Net assets / total equity	**781,602**	**774,926**	**1,065,063**	**1,068,676**	**1,160,937**

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

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

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

	2026 $'000
Operating result	**110**
Capital purpose income	175,793
COVID-19 State Supply Arrangements	332
Expenditure for capital purpose	(13,853)
Depreciation and amortisation	(82,875)
Net result from transactions	**79,507**

CONSULTANCIES INFORMATION

DETAILS OF CONSULTANCIES (UNDER $10,000)

In 2025/2026, there were seven consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2025/2026 in relation to these consultancies is $26,543 (excl. GST).

DETAILS OF CONSULTANCIES (BETWEEN $10,000 AND $100,000)

In 2025/2026 there were four consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2025/2026 in relation to these consultancies is $141,909 (excl. GST). Details of these consultancies are available upon request and are subject to the Freedom of Information Act 1982.

DETAILS OF CONSULTANCIES (VALUED AT $100,000 OR GREATER)

In 2025/2026 there was one consultant where the total fees payable to the consultant were greater than $100,000. The total expenditure incurred during the 2025/2026 financial year is $132,788 or nil.

Details of consultancies can be obtained by submitting a request via the Barwon Health website: www.barwonhealth.org.au/contact
(Note: requests will be subject to Freedom of Information legislation)

CONSULTANCIES OVER $10,000

CONSULTANT	PURPOSE OF CONSULTANCY	TOTAL APPROVED PROJECT FEE (EXCL. GST)	EXPENDITURE 2025/2026 (EXCL. GST)	FUTURE EXPENDITURE (EXCL. GST)
RIDER LEVETT BUCKNALL VICTORIA	Barwon Heart Capital Development cost plan	$11,700	$11,700	
TEKTOLOGY CONSULTING	SOPHIA feasibility assessment	$25,792	$25,792	
Trustee for Armour Finance Trust	Competitive tender process for public in private clinical services i.e. surgical, cancer, renal	$35,000	$35,000	
JB WERE	Investment Portfolio Advice and Management	$69,417	$69,417	

CONSULTANCIES OVER $100,000

CONSULTANT	PURPOSE OF CONSULTANCY	TOTAL APPROVED PROJECT FEE (EXCL. GST)	EXPENDITURE 2025/2026 (EXCL. GST)	FUTURE EXPENDITURE (EXCL. GST)
CAPITAL INSIGHT	UHG Masterplan and mental health business case	$132,788	$132,788	



Above: Day program co-ordinator Sean Kearnes

GOVERNMENT ADVERTISING CAMPAIGN

There was no government advertising expenditure.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2025/2026 is $51.6 million (excluding GST) with the details shown below:

ICT EXPENDITURE

BUSINESS AS USUAL (BAU) ICT EXPENDITURE	NON-BUSINESS AS USUAL (NON BAU) ICT EXPENDITURE		
Total (excluding GST)	Total operational expenditure and capital expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
$38,458,609	$13,115,247	$0.00	$13,115,247



GENERAL INFORMATION, DISCLOSURES AND ATTESTATIONS

DISCLOSURES REQUIRED UNDER LEGISLATION

FREEDOM OF INFORMATION ACT 1982

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

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

The application fee of $33.60 is waived for applicants who demonstrate impecuniousness, hardship or hold a pension/heath care card. The total production cost varies according to the number and types of documents required and method of production.

During 2025/2026, Barwon Health received 1,777 applications. Of these requests, 1,257 were personal requests and 520 were non- personal requests.

There were 1,769 decisions made within the statutory time periods. Of the decisions made outside this time, eight were made within a further 45 days.

Of the 1,777 decisions made, 521 were granted in full, 1,162 were granted access in part and five were denied access in full.

During 2025/2026, 11 requests were subject to complaint/internal review by the Office of the Victorian Information Commissioner. Nil requests progressed to the Victorian Civil and Administrative Tribunal (VCAT).

PUBLIC INTEREST DISCLOSURE ACT 2012

Under the *Public Interest Disclosures Act 2012* Barwon Health cannot accept protected disclosures. Barwon Health has a written procedure informing staff of this and providing contact details for the Independent Broad-based Anti-Corruption Commission (IBAC) and the Victorian Ombudsman. Staff are able to access this procedure online via the Prompt database.

COMPLIANCE WITH THE BUILDING ACT 1993

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

Actions that ensure that Barwon Health complies include:

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

COMPETITIVE NEUTRALITY

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

NATIONAL COMPETITION POLICY

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

CARERS RECOGNITION ACT 2012

The *Carers Recognition Act 2012* recognises, promotes and values the role of people in care relationships. Barwon Health understands the different needs of persons in care relationships and that care relationships bring benefits to the consumer, their supports and the community.

Barwon Health takes all practicable measures to ensure that its employees, agents and carers have an awareness and understanding of care relationship principles and this is reflected in our commitment to a model of care that is consumer centred. It is also reflected in the important role consumers' play in the day-by-day operations of our organisation and with consumers being a key focus of our 2020/2025 Strategic Plan.

SOCIAL PROCUREMENT FRAMEWORK

Our social procurement objectives include the prioritisation of opportunities for Aboriginal enterprises, social enterprises and disadvantage Victorians within our annual procurement opportunities.

Building on the integration of social procurement, we have focused on training procurement practitioners in the scope of opportunity that can be solicited, as accommodated for in our social procurement evaluation methodology, including offers of apprenticeships for Aboriginal, disabled or disadvantaged Victorians.

A total of $11,605,000 was spent across 11 Victorian Social Enterprises, noting that some enterprises meet multiple criteria, including:

- $523,000 across five Aboriginal businesses.
- $1,090,000 across eight enterprises (led by a mission for people with disability) and Australian Disability Enterprises engaged (Group 1).
- $3,295,000 across ten enterprises (led by a mission for people with disability) and Australian Disability Enterprises engaged (Group 2).
- $10,824,000 across 11 enterprises (led by a social mission for one of the five disadvantaged cohorts) engaged (Group 2).

EMERGENCY PROCUREMENT

There were no Emergency Procurements activated by Barwon Health during the 2025/2026 financial year.

PROCUREMENT COMPLAINTS

No material procurement complaints or external complaints relating to procurement processes were received or managed by Barwon Health during the 2025/2026 financial year.

GRANTS AND TRANSFER PAYMENTS (OTHER THAN CONTRIBUTIONS BY OWNERS)

Barwon Health did not administer any grants, transfer payments or Commercial-in-Confidence grants in 2025/2026.

LOCAL JOBS FIRST ACT 2003

Barwon Health complies with the intent of the *Local Jobs First Act 2003* (LJF). The aim of this legislation is to expand market opportunities to Victorian, and Australian organisations and promote employment and business growth.

The Local Jobs First Policy is comprised of the Victorian Industry Participation Policy (VIPP) and the Major Projects Skills Guarantee (MPSG).

The objectives of the Local Jobs First policy are to:

- Promote employment and business growth by expanding market opportunities for local industry.
- Provide contractors with increased access to, and raised awareness of, local industry capability.
- Expose local industry to world's best practice in workplace innovation, e-commerce and use of new technologies and materials.
- Develop local industry's international competitiveness and flexibility in responding to changing global markets by giving local industry a fair opportunity to compete against foreign suppliers.

During 2025/2026 Barwon Health commenced five Local Jobs First standard projects and no Local Jobs First strategic projects.

Of those:

- Total project value - $14,481,358
- Total local hours committed - 71,596 hours, with 0.6 per cent achieved

During 2025/2026 Barwon Health had 11 local jobs first standard projects and one local jobs-first strategic project.

Of those:

- Total project value - $109,267,000
- Total local hours committed - 259,259 hours, with 10 per cent achieved

Opposite: Grand Round Awards: [L-R] Solveig Ober Cardiac Technician, Dr Claire McKie Visiting Medical Specialist, Irini Moutsatsos, Pharmacist



DISCLOSURE OF REVIEW AND STUDY EXPENSES

During the financial year 2025/2026, there were four reviews and studies undertaken to the total cost of $256,473. Details of individual reviews and studies are outlined:

NAME OF THE REVIEW/ STUDY	REASONS FOR REVIEW/STUDY	TERMS OF REFERENCE/SCOPE	TIMELINE	ANTICIPATED OUTCOMES	COST FOR THE YEAR	TOTAL REVIEW/ STUDY COST ESTIMATE
					(EXCL. GST)	
University Hospital Geelong Masterplan and Mental Health Business Case	Provision of project management support for the refresh of masterplans for University Hospital Geelong and the McKellar Centre. Feasibility study, concept design and strategic business case development for a new Acute Mental Health Inpatient Unit (MH IPU) in the University Hospital Geelong precinct.	Project management support for the overall project, working closely with the principal consultant to deliver masterplans, the feasibility study/ concept design for the new MH IPU and development of the strategic business case.	Complete	- Project Management of Masterplans - Business Case Report	94,988	132,788
PET Reconfiguration Design	Design for the reconfiguration and expansion of the University Hospital Geelong PET Service.	Architectural and services design to reconfigure and expand the University Hospital Geelong PET Service.	Complete	Design of service	138,405	150,350
Cost plan for the PET Reconfiguration Design	Cost plan for the reconfiguration and expansion of the University Hospital Geelong PET Service.	Cost plan for the reconfiguration and expansion of the University Hospital Geelong PET Service.	Complete	Cost Plan	4,110	11,720
Youang Surgery Centre Specialist Clinic and Pharmacy Design	Design for the establishment of specialist clinic and pharmacy space in the Youang Surgery Centre	Architectural and services design for the establishment of specialist clinic and pharmacy space in the Youang Surgery Centre	Complete	Design of service	18,970	124,995

Note: table does not include review or studies that may be Commercial-in-Confidence or commercially sensitive, or where the release may be detrimental to Government operations.

WORKFORCE INCLUSION - GENDER EQUALITY ACT 2020

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

Consistent with the Gender Equality Act 2020, Barwon Health undertook the following initiatives:

INITIATIVE	OUTCOME
Gender Equality (GE) Audit and New Gender Equality Action Plan (GEAP)	Completed our gender equality audit and assessed as compliant by the commission. Created our new 2026-2029 GEAP.
Completed gender impact assessments (GIA)	GIAs were conducted for the following services: – Barwon Women's and Children's design phase. – Children's Emergency Department. – Paediatric Hospital visit social story. – Gender Affirming Voice service. These are all examples where taking intersectionality into account has improved the experience of inclusion for patients and consumers with diverse needs and explicitly recognised that gender intersects with culture, Aboriginality, language, disability, sexuality, socio economic status and caring roles to shape how people access and experience health services.
Support gender composition through options for part time and flexible working arrangements.	– There is a strong representation of part-time workers across all genders, with just over 66 percent of women, 45 per cent of men and 33 per cent of self-described gender employees working part time in 2025. – Men's part-time representation at Barwon Health is notably higher than other sector norms. – Confidence that flexible work requests would be given due consideration has improved for women (from 60.5 per cent to 69.9 per cent across the 2023 and 2025 reporting periods) and is high among people of self described gender in 2025 (71.4 per cent), with men's confidence remaining relatively stable (65.7 per cent to 65.3 per cent).
Continue to provide senior leadership and Board opportunities for women and those with self-described gender	Women's representation at Barwon Health's senior leadership level increased from 59.2 per cent in 2023 to 61.5 per cent in 2025, demonstrating progress in consolidating women's presence in senior decision making roles. The Executive Leadership Team (ELT) now comprises eight members, with five women, including Chief Executive Officer (CEO), and three men (62.5 per cent women). Barwon Health's Board comprises nine members, with five women (including the Chair) and four men (55.6 per cent women, 44.4 per cent men), reflecting gender balance at the governance level and maintaining the 50 per cent women target achieved in the previous reporting period. This sustained gender parity aligns with Victorian Government expectations that once boards reach at least 50 per cent women, subsequent appointments should preserve this balance, consistent with broader public sector guidance on gender equal governance.
Continue to focus on reducing the gender pay gap (GPG)	While there is still work to be done, the mean total remuneration GPG by occupation group shows narrowing in several areas, e.g. – Technicians and Trades Workers: 17.9 per cent (2023) to 6.5 per cent (2025). – Community and personal Service Workers: three per cent (2023) to 1.5 per cent (2025). – Managers: shift from -13.0 per cent (2023, favouring women) to three per cent (2025, favouring men). – The mean base salary gap for women reduced from 30.9 per cent in 2023 to 28.9 per cent in 2025.
Ensure education is available on respectful behaviours and avenues for reporting sexual harassment	The 'Raise It' platform was launched, providing an additional avenue for employees to raise concerns of inappropriate behaviour anonymously. A 'Respect at work' training session is mandatory for all managers and a mandatory online Respect at work module has been implemented for all staff. A higher proportion of People Matter survey respondents report having made a sexual harassment report (five per cent in 2023 to nine per cent in 2025), which may be indicating some increased confidence or awareness of pathways.

ATTESTATIONS AND DECLARATIONS

FINANCIAL MANAGEMENT COMPLIANCE

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



The Hon. Lisa Neville
Board Chair, Barwon Health
4 September 2026

DATA INTEGRITY DECLARATION

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



Frances Diver
Chief Executive, Barwon Health
4 September 2026

INTEGRITY, FRAUD AND CORRUPTION DECLARATION

I, Frances Diver, certify that Barwon Health has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and addressed at Barwon Health during the year. During the 2025/2026 year, one case of theft was identified and IBAC was notified. The value involved was considered not material. No further systemic action is required.



Frances Diver
Chief Executive, Barwon Health
4 September 2026

CONFLICT OF INTEREST DECLARATION

I, Frances Diver, certify that Barwon Health has put in place appropriate internal controls and processes to ensure that it has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the Victorian Public Sector Commission. Declaration of private interest forms have been completed by all executive staff within Barwon Health and members of the Board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting and its committees.



Frances Diver
Chief Executive, Barwon Health
4 September 2026

COMPLIANCE WITH HEALTHSHARE VICTORIA (HSV) PURCHASING POLICIES DECLARATION

I, Frances Diver, certify that Barwon Health has no material compliance deficiency with respect to the HSV Purchasing Policies as required by the *Health Services Act 1988* (Vic). While instances of non-material non-compliance have been identified during the reporting period, Barwon Health has an agreement in place with HealthShare Victoria to address and rectify these issues. These instances do not constitute material non-compliance and have not had a significant impact on procurement governance or operational integrity. Barwon Health has implemented appropriate internal controls, which have been critically reviewed throughout the year.



Frances Diver
Chief Executive, Barwon Health
4 September 2026

SAFE PATIENT CARE ACT 2015

Barwon Health has no matters to report in relation to its obligations under Section 40 of the *Safe Patient Care Act 2015*.

CAR PARKING FEES

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

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

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

This information is available on request from:

Director, Public Affairs and Communications
Phone: 03 4215 1119
Email: comms@barwonhealth.org.au

ENVIRONMENTAL PERFORMANCE

Barwon Health's environmental sustainability program has continued productively in 2025/2026. The program was overseen by the Environmental Sustainability Executive Subcommittee, which guided and provided governance over environmental activities.

Key highlights for 2025/2026 included:

- Energy Performance Contract (EPC): A major energy efficiency project through the Victorian Government, was approved and fully funded during the reporting period. The contract was awarded, detailed design work was completed, and works are scheduled to commence in July 2026.
- Solar expansion at McKellar Centre: An additional 336 kW of rooftop solar photovoltaic (PV) capacity was commissioned at the McKellar Centre at the end of the reporting period, further increasing Barwon Health's on-site renewable energy generation.
- Cogeneration plant decommissioning: The University Hospital Geelong Cogeneration (CoGen) Plant was decommissioned in June 2025, removing ongoing gas and water demand and reducing associated greenhouse gas emissions.
- Nitrous Oxide Transition Project: Work continued across multiple clinical areas to support the transition away from reticulated nitrous oxide, helping to reduce emissions associated with clinical gases.
- Reusable gowns: Following a successful trial in the Emergency Department, reusable gowns were implemented in that setting. Further opportunities for expansion across other clinical areas are being investigated.
- Medsalv Air Transfer Mattresses Reuse Project: The trial was expanded to 16 permanent collection sites across the hospital, supporting the reuse of single-use air transfer mattresses and reducing waste.
- Food waste and food rescue: Innovative waste management practices enabled significant volumes of food waste from Barwon Health sites to be diverted from landfill and used to create biofuel. In addition, a partnership with Geelong Food Share supported surplus bulk-prepared and unused portion-controlled food to be redirected from waste streams to regional homelessness outreach programs.

Together, these initiatives demonstrate Barwon Health's ongoing commitment to reducing environmental impact, improving resource efficiency and embedding sustainable practices across health service operations.

SUSTAINABLE BUILDINGS AND INFRASTRUCTURE

In 2025/2026, Barwon Health continued the groundwork for a comprehensive Energy Performance Contract, which is expected to reduce annual energy consumption by 16 per cent and deliver associated emissions reductions.

The program received $7.6 million in funding through the Victorian Government's Greener Government Buildings program, which supports improved energy efficiency and decarbonisation of government owned buildings. Works will include mechanical plant optimisation, improved building controls, solar installations and LED lighting replacements. Detailed design work commenced in October 2025, with works expected to begin in July 2026.

The Energy Performance Contract will support long-term reductions in energy consumption, greenhouse gas emissions and operating costs, while improving the performance and resilience of critical health infrastructure.

Barwon Health also commissioned an additional 336 kW of rooftop solar photovoltaic (PV) capacity at the McKellar Centre during the 2025/2026 reporting period, further strengthening its on-site renewable energy generation capability. The project will significantly increase renewable electricity production from 2026/2027 onwards, reducing reliance on grid-supplied electricity and supporting ongoing reductions in operational greenhouse gas emissions. In addition to delivering environmental benefits, the expanded solar capacity enhances energy resilience and helps mitigate future energy cost pressures. This investment represents an important milestone in Barwon Health's decarbonisation journey and demonstrates a continued commitment to sustainable and climate-resilient healthcare operations.

REPORTING PERIOD NOTE

Environmental performance data has been reported for the period 1 April 2025 to 31 March 2026, rather than the financial year. The data for comparison years has been amended to align with these dates accordingly. Lack of available data when reporting on a financial year basis meant more estimations were required. This change allows the data presented to minimise estimations and include more actual data, leading to more meaningful and accurate reporting. This reporting period will be maintained in future years.

DATA NOTES

* denotes missing data, where an incomplete data set limits detailed analysis.

** denotes corrected data, such as data that was previously allocated to an incorrect category and has now been amended.

Barwon Health ED consultant Dr Conor Kelly wearing a reusable gown.



ENVIRONMENTAL PERFORMANCE

GREENHOUSE GAS EMISSIONS

Overall net greenhouse gas emissions decreased significantly compared to the previous year. Carbon dioxide, methane and nitrous oxide all had significant decreases. This reduction was primarily driven by the retirement of the hospital's cogeneration (CoGen) plant, further reductions were achieved through increased surrender of Large-scale Generation Certificates (LGCs), supported by the Mt Gellibrand Power Purchase Agreement (PPA) and Barwon Health's transition to the State Electricity Commission (SEC) 100 per cent renewable electricity contract. Scope 1 and 3 emissions decreased, whilst scope 2 emissions increased - which were offset through surrendering LGCs. At the same time all measures of activity (normalising factors) increased over this period.

*Please note: Due to the reporting period changing from July -June to April -March, the Large-scale Generation Certificates (LGCs) surrendered under the Power Purchase Agreement (PPA) have been reported again in this reporting period, as they were originally surrendered in June 2025. This results in an overlap for this transitional reporting year.

GREENHOUSE GAS EMISSIONS (CONTINUED)

	Apr-23 to Mar-24	Apr-24 to Mar-25	Apr-25 to Mar-26
G1 Total scope one (direct) greenhouse gas emissions [tonnes CO_2e]			
Carbon dioxide	12,397.14	11,654.09	7,765.30
Methane	23.58	22.11	14.93
Nitrous oxide	9.54	9.07	6.28
Total	**12,430.26**	**11,685.27**	**7,786.51**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO_2-e]	11,937.06	11,210.89	7,548.13
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO_2-e]	493.21	474.38	238.38
Medical/refrigerant gases			
Nitrous oxide	1,034.64	1,279.56	1,047.71
Refrigerant - R134A (HFC-134A)	3.87	1.94	1.26
Refrigerant - R22 (HCFC-22)	0.35	35.31	11.73
Refrigerant - R32 (HFC-32)		1.16	1.93
Refrigerant - R404A (HFC-404A)	106.96	61.43	15.03
Refrigerant - R407A (blend HFC-32/HFC-125/HFC-134a)		1.70	0.56
Refrigerant - R410A (HFC-410A)	47.91	23.59	86.79
Sevoflurane			37.05
G1 Total scope one (direct) greenhouse gas emissions [tonnes CO_2e]	**13,623.99**	**13,089.96**	**8,988.57**
G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO_2e]			
Electricity	13,656.64	14,344.52	17,437.62
Electricity for Road Vehicles from Public or Private Chargers	10.03**	19.65**	4.74**
G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO_2e]	**13,666.67**	**14,364.17**	**17,442.36**
G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO_2e)			
Commercial air travel	341.49	185.81	128.07
Waste emissions (WR5)	2,536.48	2,567.57	2,116.38*
Indirect emissions from stationary energy	2,687.89	2,828.58	3,011.03
Indirect emissions from transport energy	125.60	122.09	62.37
Paper emissions		72.57*	161.83
Water emissions	417.83	463.28	310.21
Any other scope 3 emissions	0.00	0.00	0.00
G3 Total scope three greenhouse gas emissions [tonnes CO_2e]	**6,109.28**	**6,239.91**	**5,790.42**
Net greenhouse gas emissions (tonnes CO_2-e)			
Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2-e]	33,399.94	33,694.04	32,221.35*
Total gross reported greenhouse gas emissions per bed-day (t CO_2-e/OBD)	-10,020.94	-10,106.99	-12,709.35
LGCs (separately purchased)	0.00	0.00	-15,974.47
Any reduction measures offsets purchased (EL4-related)	-10,020.94	-10,106.99	-19,829.77
Any offsets purchased	-10,020.94	-10,106.99	-19,829.77
Net greenhouse gas emissions [tonnes CO_2e]	**23,379.00**	**23,587.05**	**12,391.59***

Footnote: Eden Suite uses the market-based method for calculating carbon emissions from electricity for the FRD24 report.

ELECTRICITY PRODUCTION AND CONSUMPTION

The Barwon Regional Energy Partnership (B-REP) continued to support collaboration between Barwon Health and regional partners, including Barwon Water and Geelong Port, to reduce collective Scope 2 greenhouse gas emissions. This was achieved through the surrender of Large-Scale Generation Certificates (LGCs) purchased from the Mount Gellibrand Wind Farm, offsetting electricity consumption and supporting renewable energy generation. (Please refer to note in Greenhouse Gas Emissions section).

ELECTRICITY USE

	Apr-23 to Mar-24	Apr-24 to Mar-25	Apr-25 to Mar-26
EL1 Total electricity consumption segmented by source [MWh]			
Purchased	20,560.76	21,793.71	26,120.58
Self-generated	6,405.94	6,742.15	2,431.89
EL1 Total electricity consumption [MWh]	**26,966.70**	**28,535.87**	**28,552.47**
EL2 On site-electricity generated [MWh] segmented by:			
Solar electricity	480.08	830.04	1,182.38
Cogeneration electricity	5,925.86	5,912.11	1,249.51
Total consumption behind-the-meter [MWh]	**6,405.94**	**6,742.15**	**2,431.89**
Exports			
Solar electricity			28.60
Cogeneration electricity	855.85	695.17	187.03
Total electricity exported [MWh]	**855.85**	**695.17**	**2,261.16**
EL2 Total on site-electricity generated [MWh]	**7,261.79**	**7,437.32**	**2,647.52**
EL3 On-site installed generation capacity [kW converted to MW] segmented by:			
Diesel generator	6.96	6.96	6.96
Solar system	0.77	0.95	1.00
EL3 Total on-site installed generation capacity [MW]	**7.73**	**7.91**	**7.96**
EL4 Total electricity offsets segmented by offset type [MWh]			
LGCs voluntarily retired on the entity's behalf	11,012.02	11,025.46	31,178.07
RPP (Renewable Power Percentage in the grid)	3,860.84	4,031.96	4,582.42
EL4 Total electricity offsets [MWh]	**14,872.86**	**15,057.42**	**26,120.58**

TRANSPORTATION ENERGY

Consumption of unleaded petrol continued to decline in 2025/2026 as the number of petrol vehicles in the fleet was reduced.

Overall, the total number of road vehicles increased by 9 per cent, from 248 to 271. This increase was largely driven by a growth in the number of fleet hybrid passenger vehicles, which rose from 119 in 2024/2025 to 151 in 2025/2026, and two additional fully electric passenger vehicles were also added to the fleet. This transition was accompanied by a small decrease in petrol passenger vehicles.

The continued shift towards hybrid and electric vehicles is supporting reductions in fuel consumption and travel-related emissions, while enabling Barwon Health to modernise its fleet in line with broader sustainability objectives.

Commercial air travel also decreased during the year, with distance travelled declining by 21 per cent, from 929,133 kilometres in 2024/2025 to 733,081 kilometres in 2025/2026.

	Apr-23 to Mar-24	Apr-24 to Mar-25	Apr-25 to Mar-26
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]			
Non-executive fleet - Gasoline	5,427,304.20	5,020,498.50	4,013,882.90
Petrol	**5,427,304.20**	**5,020,498.50**	**4,013,882.90**
Non-executive fleet - E10	0.00	0.00	
Petrol (E10)	**0.00**	**0.00**	
Non-executive fleet - Diesel	1,792,572.60	1,915,887.80	1,874,523.90
Diesel	**1,792,572.60**	**1,915,887.80**	**1,874,523.90**
Electricity for road vehicles from public or private chargers	54,889.20	107,258.40	25,639.20
Electricity for road vehicles from Victorian Government facilities			88,779.90
Electricity (transport energy)	**54,889.20**	**107,258.40**	**114,419.10**
T1 Total energy used in transportation (vehicle fleet) [MJ]	**7,274,766.00**	**7,043,644.70**	**6,002,825.90**
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
See table below			
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]			
Non-executive fleet - Gasoline	366.99	339.49	271.42
Petrol	**366.99**	**339.49**	**271.42**
Non-executive fleet - E10	0.00	0.00	
Petrol (E10)	**0.00**	**0.00**	
Non-executive fleet - Diesel	126.22	134.90	131.99
Diesel	**126.22**	**134.90**	**131.99**
Electricity for road vehicles from public or private chargers	10.03	19.65	4.74
Electricity for road vehicles from Victorian Government facilities	10.03	19.65	16.40
Electricity (transport energy)	**10.03**	**-**	**21.13**
Total Greenhouse gas emissions from transportation (vehicle fleet) (CO2-e(t))	**503.24**	**494.04**	**424.54**
T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)			
Total distance travelled by commercial air travel	1,823,118.66	929,133.39	733,081.33

ENVIRONMENTAL PERFORMANCE

NUMBER AND PROPORTION OF VEHICLES

	2023/2024	%	2024/2025	%	2025/2026	%
Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category						
Number and proportion of vehicles						
Total road vehicles	274		248		271	
Passenger vehicles	**233**	**85%**	**210**	**85%**	**235**	**87%**
Petrol	98		75		**66**	
Diesel	1		0		**0**	
Hybrid	118		119		**151**	
Zero emissions (electric) vehicle	16		16		**18**	
Commercial vehicles including vans and utes	**35**	**13%**	**33**	**13%**	**31**	**11%**
Petrol	20		18		**15**	
Diesel	12		13		**14**	
Hybrid					**0**	
Zero emissions (electric) vehicle	0		2		**2**	
Buses (rental and owned)	**6**	**2%**	**5**	**2%**	**5**	**2%**
Diesel					**3**	
Petrol	6		5		**2**	

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



STATIONARY ENERGY

Natural gas consumption decreased in 2025/2026 following the retirement of the University Hospital Geelong cogeneration plant. The cogeneration system had historically been a significant consumer of natural gas, generating both electricity and thermal energy for support hospital operations. Its decommissioning has resulted in a substantial reduction in gas demand across the organisation, contributing to lower direct (Scope 1) greenhouse gas emissions. This transition supports Barwon Health's broader decarbonisation pathway and reflects the continued shift towards more sustainable and electrified energy systems.

Diesel consumption associated with buildings increased during the reporting period due to greater use of the South Wing storage tank. This increase was linked to works undertaken at the University Hospital Geelong site, where extended power outages were required to support major installations. The South Wing storage tank supplies the Sub A1 and A2 generators, which were used to maintain continuity of essential services during these works.

	Apr-23 to Mar-24	Apr-24 to Mar-25	Apr-25 to Mar-26
F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]			
Natural gas	227,220,245.10	213,293,660.60	141,754,924.60
LPG	3,525,335.80	3,078,019.60	3,126,633.70
Diesel	210,265.90	474,918.90	769,583.70
F1 Total fuels used in buildings [MJ]	**230,955,846.80**	**216,846,599.10**	**145,651,142.00**
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO_2-e]			
Natural gas	11,708.66	10,991.02	7,304.63
LPG	213.64	186.53	189.47
Diesel	14.76	33.34	54.03
F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO_2-e]	**11,937.06**	**11,210.89**	**7,548.13**

TOTAL ENERGY USE

Overall energy use from stationary fuels, transport and electricity decreased during 2025/2026. There was also a notable shift in the energy profile, with renewable energy increasing by 68 per cent as a proportion of total energy use, while non-renewable energy decreased by 42 per cent.

This reflects the continued transition towards cleaner energy sources and supports Barwon Health's broader commitment to reducing emissions and improving the sustainability of its operations.

	Apr-23 to Mar-24	Apr-24 to Mar-25	Apr-25 to Mar-26
E1 Total energy usage from fuels, including stationary fuels and transport fuels [MJ]			
Total energy usage from stationary fuels [MJ]	230,955,846.80	216,846,599.10	145,651,142.00
Total energy usage from transport [MJ]	7,274,766.00	7,043,644.70	6,002,825.90
Total energy usage from fuels, including stationary fuels and transport fuels [MJ]	**238,230,612.80**	**223,890,243.80**	**151,653,967.90**
E2 Total energy usage from electricity [MJ]			
Total energy usage from electricity [MJ]	97,154,276.76	103,655,510.08	101,398,019.70
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]			
Renewable	55,344,747.97	58,121,255.48	96,899,771.40
Non-renewable (E1 + E2 - E3 Renewable)	280,040,141.59	269,424,498.39	156,063,436.30
E4 Units of stationary energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD [MJ/Aged Care OBD]	3,664.81	3,626.86	2,756.57
Energy per unit of LOS [MJ/LOS]	1,202.48	1,144.69	858.68
Energy per unit of bed-day (LOS+Aged Care OBD) [MJ/OBD]	905.40	870.08	654.73
Energy per unit of Separations [MJ/Separations]	3,347.45	3,170.87	2,350.05
Energy per unit of floor space [MJ/m2]	2,407.79	2,351.96	1,792.79

SUSTAINABLE BUILDINGS AND INFRASTRUCTURE

The National Australian Built Environment Scheme (NABERS) energy and water efficiency ratings were not completed for the current reporting period. This is due to the Department of Health advising they no longer require annual NABERS assessments for health services from 1 January 2026.

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



ENVIRONMENTAL PERFORMANCE

WATER USAGE

Water consumption decreased by 24.08 per cent in 2025/2026 compared with the previous reporting period. This reduction was primarily driven by the retirement of the University Hospital Geelong cogeneration plant, which had historically required large volumes of water to operate.

	Apr-23 to Mar-24	Apr-24 to Mar-25	Apr-25 to Mar-26
W1 Total units of metered water consumed by water source (kl)			
Potable water [kL]	248,399.00	280,984.00	213,332.00
W1 Total units of water consumed [kl]	**248,399.00**	**280,984.00**	**213,332.00**
W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD [kL/Aged Care OBD]	2.77	3.18	2.38
Water per unit of LOS [kL/LOS]	0.91	1.00	0.74
Water per unit of bed-day (LOS+Aged Care OBD) [kL/OBD]	0.69	0.76	0.57
Water per unit of separations [kL/Separations]	2.53	2.78	2.03
Water per unit of floor space [kL/m2]	1.82	2.06	1.55

WASTE AND RECYCLING

Waste reporting for 2025/2026 was impacted by gaps in available data for several major waste streams, including general waste and clinical waste categories such as treated clinical waste, untreated clinical waste and sharps. As a result, the waste data set for this reporting period is incomplete and does not support reliable comparison with previous years.

Barwon Health will continue to work with relevant stakeholders to improve data completeness, consistency and availability for future reporting periods.

WASTE AVOIDANCE AND DIVERSION INITIATIVES

Barwon Health continued to progress a range of waste avoidance and diversion initiatives over the financial year 2025/2026.

- Food waste diverted to biogas: The Meiko BioMaster closed-loop macerator and liquid waste system at the McKellar Centre continued to divert food waste from landfill. The system liquefies and stores food waste from kitchen production and returned patient meal plates, which is then collected and converted into biogas. In 2025/2026, 288,000 litres of liquid food waste was diverted from landfill through this innovative system, reducing landfill volumes and associated emissions, including methane.
- Diversion of unused portion-controlled foods to homeless outreach programs: Barwon Health's Food Rescue Program partnership with Geelong Food Share continued to divert surplus prepared food from landfill for use in meals supporting vulnerable community members. In February 2026, the program expanded to include unused portion-controlled items returned from breakfast service, such as tea, coffee, long-life milk and juice. In just a few months, more than 700 kilograms of food and related items were diverted from landfill for use in homelessness outreach programs across the region. This initiative is expected to divert approximately two tonnes from landfill each year.
- Donation of clinical stock: Unwanted or expired clinical stock was pre-sorted and donated to Rotary for redistribution through Papua New Guinea Health Networks. In 2025/2026, approximately five tonnes of stock was donated, diverting materials from landfill while supporting health services overseas.
- Reusable gowns project: Following a successful trial, reusable barrier gowns were introduced in the Emergency Department. Further opportunities to expand the use of reusable gowns in surgical settings are being investigated, with a project working group being established to support planning in 2026/2027.
- Medsalv Air Transfer Mattresses Collection Project: Following a successful trial involving four collection sites, the project expanded to 16 collection sites across the hospital. Single-use air transfer mattresses are collected by local Geelong company Medsalv for remanufacture and reuse. This initiative reduces landfill, keeps products in circulation for longer and supports employment opportunities for people facing barriers to work.
- Single-Use Metal Instrument Recycling Project: In 2025, Surgical Services commenced, recycling of metal single-use metal forceps, tweezers, needle holders and scissors. These are collected by GDP Industries for recycling.

WASTE AND RECYCLING (CONTINUED)

	Apr-23 to Mar-24		Apr-24 to Mar-25		Apr-25 to Mar-26	
WR1 Total units of waste disposed of by waste stream and disposal method (kg)						
	(kg)	%	(kg)	%	(kg)	%
Landfill (total)						
General waste - bins	1,069,640.53	59.41%	1,131,896.74	60.81%	1,190,912.02*	58.74%
General waste - skips	616,510.00		590,564.07		159,748.38*	
Offsite treatment						
Clinical waste - incinerated	23,433.77	0.83%	19,423.86	0.69%	20,724.86*	0.90%
Clinical waste - sharps	19,921.87	0.70%	19,903.07	0.70%	21,305.33*	0.93%
Clinical waste - treated	229,211.39	8.08%	219,555.10	7.75%	242,006.20*	10.52%
Recycling/recovery (disposal)						
Batteries	784.43	0.03%	1,819.41	0.06%	1,597.36	0.07%
Cardboard	366,943.94	12.93%	365,399.80	12.90%	391,510.00	17.03%
Commingled	298,846.88	10.53%	272,888.75	9.63%	176,906.00*	7.69%
E-waste	72,095.66	2.54%	89,914.08	3.17%	42,120.59*	1.83%
Fluorescent tubes	897.95	0.03%	995.32	0.04%	540.77*	0.02%
Mattresses	2,954.23	0.10%	895.08	0.03%	*	
Metals	5,484.97	0.19%	7,280.05	0.26%	1,815.03*	0.08%
Mobile phones	75.14	0.00%	24.86	0.00%	*	
Organics (food)	37,268.59	1.31%	29,269.38	1.03%	3,890.25*	0.17%
Organics (garden)					3,763.00	0.16%
Packaging plastics/films	19,484.14	0.69%	49.97	0.00%	9,025.62	0.39%
Paper (confidential)	60,733.49	2.14%	78,810.24	2.78%	25,708.00*	1.12%
Paper (recycling)	4,256.47	0.15%				
Polystyrene foam	1,308.90	0.05%	87.53	0.00%	12.47*	0.00%
PVC	783.00	0.03%	1,808.00	0.06%	7,770.00	0.34%
Toner & print cartridges	187.84	0.01%	62.16	0.00%	*	
Wood	7,558.05	0.27%	2,088.52	0.07%	*	
Total units of waste disposed [kg]	**2,838,381.24**		**2,832,736.02**		**2,299,355.88***	

	Apr-23 to Mar-24	Apr-24 to Mar-25	Apr-25 to Mar-26
WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per patient treated [(kg general waste)/PPT]	3.13	3.14	2.38
Total waste to offsite treatment per patient treated [(kg offsite treatment)/PPT]	0.51	0.47	0.50
Total waste recycled and reused per patient treated [(kg recycled and reused)/PPT]	1.63	1.55	1.17
WR4 Recycling rate [%]			
Weight of recyclable and organic materials [kg]	879,663.69	851,393.17	664,659.08
Weight of total waste [kg]	2,838,381.24	2,832,736.02	2,299,355.88
Recycling rate [%]	**30.99%**	**30.06%**	**28.91%**
Greenhouse gas emissions associated with waste disposal [tonnes CO_2-e]			
tonnes CO2-e	**2,536.48**	**2,567.57**	**2,116.38**

**Missing data, therefore for this item there is an incomplete data set to enable adequate analysis.*

Normalisation factors	Apr-23 to Mar-24	Apr-24 to Mar-25	Apr-25 to Mar-26
Aged Care OBD	89,530.00	88,369.00	89,622.00
ED departures	78,525.00	79,970.00	85,491.00
FTE	5,949.00	6,160.00	6,333.00
LOS	272,861.00	279,991.00	287,707.00
OBD	362,391.00	368,360.00	377,329.00
PPT	538,934.00	549,407.00	567,945.00
Separations	98,018.00	101,077.00	105,125.00
TotalAreaM2	136,270.00	136,270.00	137,801.64

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



REPORTING OUTCOMES FROM STATEMENT OF PRIORITIES 2025/2026

STATEMENT OF PRIORITIES PART A: STRATEGIC PRIORITIES

Barwon Health contributed to the Victorian Department of Health Strategic Plan 2023-2027 by agreeing to the following priorities:

INNOVATE AND IMPROVE ACCESS AND CARE

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

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care.	Demonstrate high-quality care in which consumer engagement and input is actively sought, facilitated and used to drive system change to improve consumer experience and outcomes.	Achieved	All actions in Standard 2 met with no recommendations at recent National Safety and Quality Health Service Standards (NSQHSS) accreditation. Ongoing quality improvement initiatives underway as part of business-as-usual processes.
	Ensure that health service reporting, reviews and decision-making are underpinned by a safety culture and systems that are transparent, accurate and fair for staff and consumers.	Achieved	All actions in Standard 1 met with no recommendations at recent National Safety and Quality Health Service Standards (NSQHSS) accreditation. Clinical governance reporting requirements to and from Board fully discharged.
	Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	Achieved	Mandatory training and professional development review levels above required rates. Ongoing review of training programs forms part of organisation's continuous quality improvement initiatives.

Opposite: Claudia Schneider, Physiotherapist

INNOVATE AND IMPROVE ACCESS TO CARE (CONTINUED)

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
Improve access to timely emergency care by implementing system-wide patient flow strategies that reduce emergency department wait times and improve ambulance-to-hospital transfer times.	Implement all relevant standards outlined in the Standards for Safe and Timely Ambulance and Emergency Care (STAEC) for Victorians and the accompanying Implementation Guide.	Achieved and ongoing	Substantial STAEC-aligned access and flow systems and initiatives have been implemented through the Access Improvement Program. This includes: • Organisation awareness and focus on the Standards for Safe and Timely Ambulance and Emergency Care. • New Service Operations Centre (SOC). • New Daily Operating System with tiered huddles supported by real time data visibility. • Refined ED-to-acute admission Standard Operating Procedure (SOP). • Organisation-wide Journey Board with Expected Date of Discharge (EDD) and 'Waiting for What' tracking. • Local and organisational access escalation in progress. Ambulance offload sustained improvement. Full achievement is not yet demonstrated because the two primary outcome measures, ED length of stay and acute bed length of stay, have not improved. The next phase is therefore ongoing, with a 12-month focus on sustaining improvements and embedding changes, commencing General Medicine redesign, Access Escalation implementation and a new focus on Ways Out mapping.
Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint.	Implement and scale theatre optimisation initiatives in planned surgery, for example same- day surgery and same-day surgery by default models of care, criteria-led discharge, monitoring of theatre measures, and high-throughput approaches such as high-intensity theatre lists.	Achieved	Optimisation of surgical inpatient length of stay (LOS), including through the use of same-day surgery by default, criteria-led discharge and other pre and post operative model of care improvements , with an improvement from the previous year. Achieved the planned surgery target.
	Proactively manage planned surgery and specialist clinics (or outpatients) waitlists, for example validating and supporting patients into optimal care pathways such as evidence- based alternatives to surgery and optimisation pathways. A particular focus should be applied to long-waiting patients and priority population groups (for example, Aboriginal and Torres Strait Islander patients and under-18 patients).	Achieved and ongoing	Barwon Health continues to strengthen the management of patients waiting for a first specialist clinics appointment and patients waiting for a planned surgery procedure. Barwon Health has been increasing the number of patients offered alternative pathways that have included non-surgical pathways, nurse-led (General Surgery) and allied health-led (e.g. Orthopaedic and Ear, Nose & Throat) pathways.

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
Support the implementation of the "Next Phase of Reform" to deliver inclusive, personalised, compassionate, integrated mental health and wellbeing care in the community.	Progress mental health reform: Implement mental health services per department guidelines and engage in reform related initiatives to improve access to community mental health services, crisis reforms, headspace integration, youth and adolescent inpatient care, catchment removal as well as infant, child and youth age streaming.	Achieved and ongoing	Successfully implemented infant, child and youth age-streaming with dedicated 0-11 and 12-25 service pathways. Established a clinical model of care and escalation pathway between GGQ Local and tertiary mental health services, improving access to specialist care and supporting seamless transitions for consumers with complex needs. Progressing establishment of GGQ Local outpost on the Bellarine Peninsula to provide care closer to home. Progressing development and commissioning of YPARC (16-25)
	Partner with Safer Care Victoria in one or more mental health improvement programs: elimination of restrictive intervention, improving sexual safety, implementation of the zero suicide framework and reducing compulsory treatment.	Ongoing	Significant reduction in use of restrictive practices, including seclusion, in designated mental health and non-mental health areas with regular reports to the governing body and staff in accordance with NSQHSS requirements
	Progress partnerships, whether through a formal partnership, MoU or exchange of letters, with local community based mental health services (including Mental Health and Wellbeing Locals, Headspace and other local NGO providers) and deliver initiatives that align with the objectives of the Mental Health and Wellbeing Act 2022, and in accordance with the priorities outlined in Victoria's next phase of reform for Mental Health and Wellbeing.	Achieved and ongoing	Established a partnership with headspace, including direct psychiatric-clinician consultation and liaison pathways, improving access to specialist advice and supports. Strengthened partnerships with the GGQ Local and headspace Colac consortium, supporting coordinated delivery of peer support, wellbeing, First Nations and clinical services. Progressing partnership arrangement with Wathaurong to establish a specialist psychiatric clinic within Wathaurong Progressing partnership discussions with Mind Lived Experience Residential Services (LERS) establishing in region to improve service connections to support referral pathways and escalation in care pathways. Pilot GP primary consultation and case conference clinics at GGQ Local aimed at improving access for primary care providers to specialist psychiatric services.

STATEMENT OF PRIORITIES PART A

PRUDENT, SUSTAINABLE AND EFFECTIVE USE OF RESOURCES

We are innovative and resourceful in balancing improved patient care, operational performance, and system management to ensure a financially secure health system. We invest in a skilled and future-ready workforce, maintaining a modern, safe, and resilient healthcare system for all Victorians.

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
Develop and implement initiatives to strengthen financial sustainability. By delivering sustainable, responsible budgets, we can ensure a well-managed, viable, and sustainable health system for the future.	Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	Achieved	Full Year financial result of $0.11m surplus.
	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.	Achieved and ongoing	Barwon Health have robust data analytics platforms to help measure performance accountability and efficiencies. Barwon Health has a financial sustainability plan including a three-year capital investment plan.
	Use funding efficiently and effectively to optimise patient facing services. Undertake programs to reduce the cost-of-service delivery, improve safety, capacity and reduce unnecessary waiting.	Achieved and ongoing	Barwon Health have robust processes and governance to help measure performance accountability and improve efficiencies. Ongoing work continues to maximise the utilisation of funding, with efficiencies in non-patient services being actively prosecuted and identified.

Below: Ana Hourihan, Karen Primmer, Chris Sicat at Alan David Lodge



A STRONGER WORKFORCE

We strive to foster an equitable, skilled and supported workforce that builds professional capabilities to meet current and future roles.

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
Position Victoria as a leader in employee experience, capability, and capacity by focusing on future roles and professional development in line with the Victorian Health Workforce Strategy to ensure a regenerative and sustainable workforce.	Implement processes to sustain workforce supply and fulfil obligations, including those under the Gender Equality Act 2020 by improving employee experience in leadership, health and safety, flexibility, career development, and agility to ensure safe, high-quality care.	Achieved and ongoing	Barwon Health continues working towards creating an inclusive environment where equal opportunity and diversity are valued and that reflects the communities we serve. Completed our gender equality audit and assessed as compliant by the commission. Created our new 2026-2029 Gender Equality Action Plan (GEAP). Gender Impact Assessments (GIA) were conducted for the following services: • Barwon Women's and Children's design phase. • Children's Emergency Department. • Paediatric Hospital visit social story. • Gender Affirming Voice service. These are examples where taking intersectionality into account has improved the experience of inclusion for patients and consumers with diverse needs and explicitly recognised that gender intersects with culture, Aboriginality, language, disability, sexuality, socio economic status and caring roles to shape how people access and experience health services. Barwon Health is implementing a new Human Resources Information System (HRIS). Through this implementation, we will adopt best practice people and culture processes to deliver an exceptional candidate experience. A dedicated Nursing and Midwifery Workforce Unit along with an expanded Medical Workforce Unit in place delivering co-ordinated recruitment and retention processes. Expanded post graduate programs in specialty areas for nurses/midwives to fill vacant FTE. Invested in Allied Health educators across all disciplines.
	Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	Achieved and ongoing	Barwon Health workforce data and analytics are managed within the Business Analytics team ensuring alignment to organisation planning and providing the insights and data required for decision making. New digital workforce systems will allow enhanced data capture and analytics.

STATEMENT OF PRIORITIES PART A

IMPROVING ABORIGINAL HEALTH AND WELLBEING

Strengthen cultural safety in Victoria's health service system by fostering strong connections to Aboriginal culture, creating a holistic, accessible, and empowering health system.

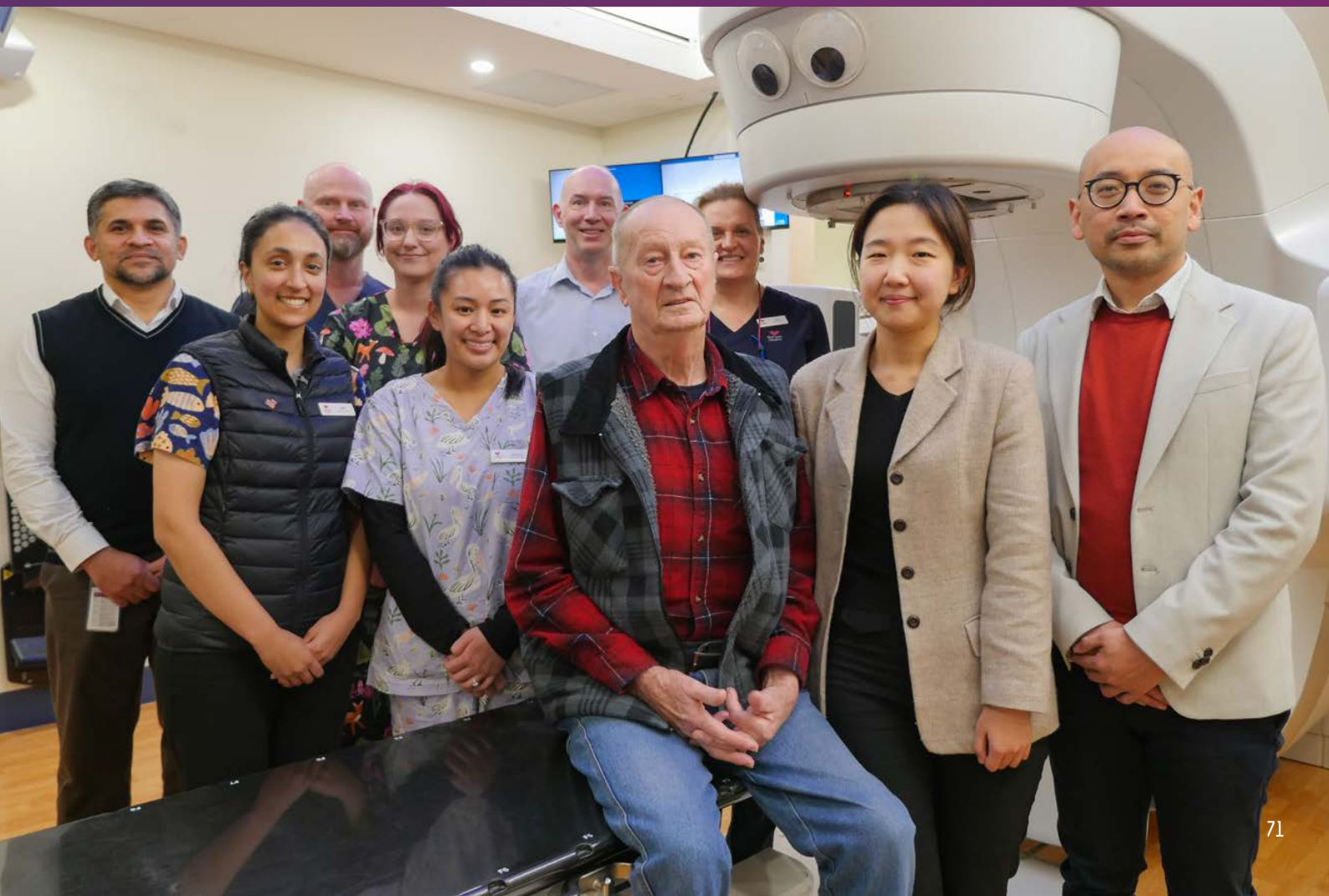
SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
Enhance Delivery and Access to Culturally Safe Services, fostering strong connections to culture. Address racism and provide Aboriginal people with culturally safe healthcare and referral pathways between mainstream and community-controlled health services.	Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	Achieved	All executives and Board Directors have attended cultural training facilitated by a Traditional Owner. A cultural safety training plan was endorsed and review of cultural safety training by independent expert will be undertaken.
	Health service executives and senior leaders establish and maintain strong, ongoing partnerships with Aboriginal community-controlled organisations and/or recognised Aboriginal leaders within their local catchments. These partnerships must be based on regular, proactive engagement that prioritises the voices, self-determined priorities, and cultural knowledge of Aboriginal communities in the design, delivery, and evaluation of health and wellbeing services.	Achieved and ongoing	Barwon Health and Wathaurong Aboriginal Cooperative have an enduring partnership which continues to evolve. Barwon Health and the Wathaurong Aboriginal Co-operative received a Partnerships for Culturally Safe Cancer Care grant to strengthen cancer support for First Nations communities in the region in 2025/2026.
	Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander (ATSI) patients and implement responsive discharge plans and referral pathways.	Achieved and ongoing	Barwon Health has a well established Aboriginal Health Unit. The service provides support and advocacy to Aboriginal patients and their families. The team work to identify ATSI clients proactively and work closely with patients and families to ensure culturally appropriate care and pathways.

MOVING FROM COMPETITION TO COLLABORATION

We are committed to transforming Victoria's health system by partnering with care providers and health services to share knowledge, information, and resources.

SUB GOALS	KEY DELIVERABLES	RESULT/ STATUS	
Collaborate within the Local Health Service Network to build a more integrated health system, with better access and experience for patients, strengthened workforce, consistently high- quality care, and more sustainable healthcare delivery.	Meet all objectives agreed to in the Local Health Service Network Statement of Expectations across priority areas (access, equity and flow, workforce, safety and quality, and shared services).	Achieved	On track to deliver all the Statement of Expectations (SOE) requirements as identified for the Barwon Local Health Service Network.

Below: Raymond Roper (centred) with his treatment team at the Andrew Love Cancer Centre



STATEMENT OF PRIORITIES PART B

HIGH QUALITY AND SAFE CARE

KEY PERFORMANCE MEASURE	TARGET	RESULT
Infection prevention and control		
Percentage of healthcare workers immunised for influenza	94%	94%
Continuing care		
Average change in the functional independence measure (FIM) score per day of care for rehabilitation separations	≥ 0.645	0.933
Adverse events		
Percentage of reported sentinel events for which a root cause analysis (RCA) report was submitted within 30 business days from notification of the event	All RCA submitted within 30 business days	Met
Aged Care		
Public sector residential aged care services overall star rating	Minimum of 3 stars	Met
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	92%
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non- Aboriginal patients who left against medical advice	0%	1%
Difference between the percentage of Aboriginal patients and non- Aboriginal patients presenting to the Emergency Department who did not wait to be treated	0%	7%
Mental Health		
Mental Health patient experience		
Percentage of consumers who rated their overall experience with a service in the last three months as positive	80%	66%
Percentage of families/carers reporting a 'very good' or 'excellent' overall experience of the service	80%	34%
Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected	90%	67%
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%	78%
Mental Health follow-ups, readmissions, and seclusions[1]		
Percentage of consumers followed up within 7 days of separation – Inpatient	88%	89%
Percentage of consumers re-admitted within 28 days of separation - inpatient	< 14%	14%
Rate of seclusion episodes per 1,000 occupied bed days - inpatient	≤ 6	10[2]

1. The result for this measure was impacted by the Mental Health Services Enterprise Agreement protected action.

2. This result is based on Swanston Centre only and excludes The McKellar inpatient unit.

STRONG GOVERNANCE, LEADERSHIP AND CULTURE

KEY PERFORMANCE MEASURE	TARGET	RESULT
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions[3]	80%	68%

3. Changes to the 2025/2026 Health Sector People Matter Survey has affected the 'Percentage of staff with an overall positive response to safety culture survey questions' measure. Historical results are not directly comparable and should be interpreted with consideration of a break in the time series.

TIMELY ACCESS TO CARE

KEY PERFORMANCE MEASURE	TARGET	RESULT
Planned surgery		
Percentage of urgency category 1 planned surgery patients admitted within 30 days.	100%	100%
Percentage of all planned surgery patients admitted within the clinically recommended time	94%	91%
Number of patients admitted from the planned surgery waiting list	11,669	11,840
Percentage of patients on the waiting list who have waited longer than the clinically recommended time for their respective triage category	25% proportional improvement from prior year	7.6%
Optimisation of surgical inpatient length of stay (LOS), including through the use of virtual and home-based pre- and post-operative models of care	Reduction in average LOS for surgical patients by 2% from prior year	1.48
Emergency care		
Percentage of patients transferred from ambulance to Emergency Department within 40 minutes	8% improvement from the same time last year	67%
Number of emergency patients with a length of stay (LOS) in the Emergency Department greater than 24 hours	Zero	Zero
Average Emergency Department length of stay (LOS) for admitted patients, in minutes[4]	Avg LOS <414 minutes or, if not met, a 5% improvement from the same time last year	612
Average Emergency Department length of stay (LOS) for non-admitted patients, in minutes	Avg LOS <240 minutes or, if not met, a 3% improvement from the same time last year	272

4. Differential targets have been set for health services to encourage and recognise incremental improvement towards the overall statewide target. The overall statewide target remains 80 per cent or a three per cent improvement from the same time last year with progress expected towards 90 per cent.

TIMELY ACCESS TO CARE (CONTINUED)

KEY PERFORMANCE MEASURE	TARGET	RESULT
Mental Health		
Percentage of mental health-related emergency department presentations with a length of stay of less than four hours	65%	40%
Percentage of departures from emergency departments to a mental health bed within eight hours	80%	72%
Number of admitted mental health occupied bed days	18,580	19,154
Number of community mental health service hours[5]	109,650	97,014
Specialist Clinics		
Percentage of patients referred by a GP or external specialist who attended a first appointment within the recommended timeframe[6]	95%	81%
Home based care		
Percentage of admitted bed days delivered at home	10.5%	10.1%

5. The result for this measure was impacted by the Mental Health Services Enterprise Agreement protected action.
6. 30 days for urgent patients, 365 days for routine patients

EFFECTIVE FINANCIAL MANAGEMENT

KEY PERFORMANCE MEASURE	TARGET	RESULT
Operating result ($million)	0.00	0.11
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.63
Variance between the forecast and actual operating result (OR) as a percentage of the forecast OR for the current financial year ending 30 June 2026	5% movement in forecast revenue and expenditure forecasts	Achieved

STATEMENT OF PRIORITIES PART C: ACTIVITY AND FUNDING

FUNDING TYPE	2025/2026
Consolidated activity funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	138,548
Community mental health NWAU	9,617
Acute admitted	
Acute admitted DVA	536
Acute admitted TAC	518
Acute non-admitted	
Radiotherapy WAUs DVA	180
Radiotherapy WAUs Public	45,905
Subacute / non-acute, admitted and non-admitted	
Subacute – DVA	68
Transition Care - Bed days	8,651
Transition Care - Home days	6,389
Aged care	
Residential Aged Care	93,048
HACC	14,199
Mental health and drug services	
Mental Health Ambulatory	
Mental Health Residential	16,146
Mental Health Subacute	3,252
Mental Health Other	48,611
Drug Services	1,576
Primary health	
Community Health / Primary care programs	32,763
Small rural	
Small rural mental health	

Note: Numbers are subject to change as a result of the 2025/2026 consolidation of data and review by the Department of Health.

Definitions:

TAC: Transport Accident Commission
NWAU: A National Weighted Activity Unit (NWAU) is a measure of health service activity expressed as a common unit, against which the National Efficient Price (NEP) is paid.
DVA: Department of Veteran Affairs
WAU: Weighted Activity Unit
HACC: Home and Community Care program



FINANCIAL REPORT

BOARD MEMBERS, ACCOUNTABLE OFFICER AND CHIEF FINANCIAL OFFICER DECLARATION

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

We further state that, in our opinion, the information set out in the consolidated comprehensive operating statement, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and the financial position of the consolidated entity at 30 June 2026.

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

We authorise the attached consolidated financial statements for issue on 4 September 2026.



Lisa Neville
Board Chair



Frances Diver
Chief Executive



Cobus Lotheringen
Chief Financial Officer

Geelong
4 September 2026

Barwon Health
Financial report
30 June 2026

Barwon Health presents its audited general purpose financial statements for the financial year ended 30 June 2026 in the following structure to provide users with the information about Barwon Health's stewardship of the resources entrusted to it.

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Barwon Health
Consolidated Comprehensive Operating Statement
For the year ended 30 June 2026

	Notes	Consolidated 2026 $'000	Consolidated 2025 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1(a)	1,276,594	1,188,156
Government grants	2.1(b)	163,857	51,400
Other sources of income	2.1(c)	37,632	37,124
Share of revenue from joint operation	8.8	16,572	17,591
Total revenue and income from transactions		**1,494,655**	**1,294,271**
Expenses from transactions			
Employee expenses	3.1(a)	(979,956)	(925,584)
Supplies and consumables	3.1(d)	(212,130)	(196,792)
Depreciation and amortisation	4.3	(82,875)	(82,453)
Other operating expenses	3.1(e)	(116,541)	(97,356)
Share of expenditure from joint operation	8.8	(23,646)	(22,279)
Total expenses from transactions		**(1,415,148)**	**(1,324,464)**
Net result from transactions - net operating balance		**79,507**	**(30,193)**
Other economic flows included in net result			
Net gain/(loss) on non-financial assets		2,034	(2,122)
Net (loss)/gain on financial instruments		(1,387)	258
Net gain/(loss) from other economic flows		2,790	(1,487)
Share of other economic flows from joint operation		105	245
Total other economic flows included in net result		**3,542**	**(3,106)**
Net result for year		**83,049**	**(33,299)**
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus		-	150
Changes in the fair value of equity investments at fair value through other comprehensive income		1,042	171
Items that may be reclassified subsequently to net result			
Changes in the fair value of available-for-sale financial assets through other comprehensive income		-	(96)
Total other comprehensive income		**1,042**	**225**
Comprehensive result		**84,091**	**(33,074)**

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

Barwon Health
Consolidated Balance Sheet
As at 30 June 2026

	Notes	Consolidated 2026 $'000	Consolidated 2025 $'000
Financial assets			
Cash and cash equivalents	6.2	68,333	58,440
Receivables	5.1	104,397	105,074
Contract assets	5.2	26,358	19,996
Investments and other financial assets	5.3	38,418	36,143
Total financial assets		**237,506**	**219,653**
Non-financial assets			
Prepayments		6,873	3,339
Inventories	5.4	6,894	6,533
Property, plant and equipment	4.1	1,349,015	1,234,617
Intangible assets	4.2	1,823	2,097
Share of assets in joint operation	8.8	21,405	24,515
Investment Properties		1,585	1,585
Total non-financial assets		**1,387,595**	**1,272,686**
Total assets		**1,625,101**	**1,492,339**
Liabilities			
Contract liabilities	5.6	7,491	7,767
Share of liabilities in joint operation	8.8	16,944	19,789
Other liabilities	5.7	31,809	27,566
Payables	5.5	89,543	73,585
Employee Benefits	3.1(b)	265,939	254,881
Borrowings	6.1	52,438	40,075
Total liabilities		**464,164**	**423,663**
Net assets		**1,160,937**	**1,068,676**
Equity			
Land revaluation surplus		241,704	241,704
Buildings revaluation surplus		662,358	662,358
Financial assets at fair value through other comprehensive income		1,813	771
Restricted specific purpose reserve		11,348	12,532
Contributed capital		298,571	290,401
Accumulated deficit		(77,406)	(157,538)
Permanent Endowment		22,549	18,448
Total equity		**1,160,937**	**1,068,676**

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

Barwon Health
Consolidated Cash Flow Statement
For the year ended 30 June 2026

	Notes	Consolidated 2026 $'000	Consolidated 2025 $'000
Cash flows from operating activities			
Receipts from Government		1,170,109	1,057,112
Commercial activities, patient and hospital fees received		123,376	117,445
Donation and bequests received		8,608	2,458
GST received from ATO		27,016	31,283
Other receipts		28,274	54,308
Total receipts		**1,357,383**	**1,262,606**
Payments to employees		(970,974)	(895,570)
Payments for supplies, consumables and purchased services		(216,525)	(230,394)
Other payments		(132,566)	(108,765)
Total payments		**(1,320,065)**	**(1,234,729)**
Net cash inflow from operating activities	8.1	**37,318**	**27,877**
Cash flows from investing activities			
Purchase financial assets		(6,764)	(5,704)
Purchase of non-financial assets		(31,605)	(56,409)
Proceeds from sale of non-financial assets		135	950
Proceeds from sale of investment properties		-	1,937
Proceeds from sale of financial assets		5,489	-
Net cash outflow used in investing activities		**(32,745)**	**(59,226)**
Cash flows from financing activities			
Repayment of borrowings		(7,572)	(5,260)
Receipt of borrowings		8,368	-
Receipt of accommodation deposits		11,830	12,689
Repayment of accommodation deposits		(7,306)	(11,233)
Net cash inflow from financing activities		**5,320**	**(3,804)**
Net increase/(decrease) in cash and cash equivalents		**9,893**	**(35,153)**
Cash and cash equivalents at the beginning of the financial year		58,440	93,593
Cash and cash equivalents at end of year	6.2	**68,333**	**58,440**

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

Barwon Health
Consolidated Statement of Changes in Equity
For the year ended 30 June 2026

	Land Revaluation Reserve $'000	Building Revaluation Reserve $'000	Financial Assets through OCI Revaluation Surplus $'000	Permanent Endowment $'000	Restricted Special Purpose Reserve $'000	Contributed Capital $'000	Accumulated deficit $'000	Total $'000
Balance at 1 July 2024	241,554	662,358	1,551	17,663	12,383	251,898	(122,344)	1,065,063
Net result for the year	-	-	-	-	-	-	(33,299)	(33,299)
Other comprehensive income for the year	150	-	75	-	-	-	-	225
Transfer to reserves	-	-	-	2,245	2,500	-	(4,745)	-
Movement in reserves	-	-	-	(567)	567	-	-	-
Contribution from Victorian Government	-	-	-	-	-	38,503	-	38,503
Prior year corrections	-	-	(855)	(893)	(2,918)	-	2,850	(1,816)
Balance at 30 June 2025	**241,704**	**662,358**	**771**	**18,448**	**12,532**	**290,401**	**(157,538)**	**1,068,676**

	Land Revaluation Reserve $'000	Building Revaluation Reserve $'000	Financial Assets through OCI Revaluation Surplus $'000	Permanent Endowment $'000	Restricted Special Purpose Reserve $'000	Contributed Capital $'000	Accumulated deficit $'000	Total $'000
Balance at 1 July 2025	241,704	662,358	771	18,448	12,532	290,401	(157,538)	1,068,676
Net result for the year	-	-	-	-	-	-	83,049	83,049
Other comprehensive income for the year	-	-	1,042	-	-	-	-	1,042
Transfer to reserves	-	-	-	4,101	(1,184)	-	(2,917)	-
Movement in reserves	-	-	-	-	-	-	-	-
Contribution from Victorian Government	-	-	-	-	-	8,170	-	8,170
Balance at 30 June 2026	**241,704**	**662,358**	**1,813**	**22,549**	**11,348**	**298,571**	**(77,406)**	**1,160,937**

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

Note 1 About this report

Structure

1.1 Basis of preparation
1.2 Principles of consolidation
1.3 Joint arrangements
1.4 Material accounting estimates and judgements
1.5 Accounting standards issued but not yet effective
1.6 Reporting entity
1.7 Economic dependency

These financial statements represent the consolidated financial statements for Barwon Health and its controlled entities for the year ended 30 June 2026.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation

These general purpose consolidated financial statements which have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAAs), which include interpretations, issued by the Australian Accounting Standards Board (AASB).

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

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

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

The financial statements have been prepared on a going concern basis (refer to Note 1.7 Economic Dependency).

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of Barwon Health on 4 September 2026.

Note 1.2 Principles of consolidation

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

Barwon Health controls the following entities:

- Barwon Health Foundation
- Barwon Health Foundation Limited

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

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

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

The entities are considered to be controlled entities as Barwon Health is the sole beneficiary of the Trust and has the power to influence the organisation so as to obtain benefits from its activities.

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

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

Note 1.3 Joint arrangements

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

Note 1 About this report (continued)

Note 1.3 Joint arrangements (continued)

Barwon Health has the following joint arrangement:

• South West Alliance of Rural Health - joint operation

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

Note 1.4 Material accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

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

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

The material accounting 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 3.1: Expenses incurred in the delivery of service
Note 4.1: Property, plant and equipment
Note 4.2: Intangible assets
Note 4.3: Depreciation and amortisation
Note 5.1: Receivables
Note 5.2: Contract assets
Note 5.5: Payables
Note 5.6: Contract liabilities
Note 5.7: Other liabilities
Note 6.1(a): Lease liabilities
Note 7.4: Fair value determination

Note 1.5 Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to Barwon Health and are not expected to have material impact on the financial statements.

- AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*
- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*
- AASB 18 *Presentation and Disclosure of Financial Statements*

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

Note 1.6 Reporting Entity

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

Barwon Health's principal address is:

272-322 Ryrie Street
Geelong Victoria 3220

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

Note 1.7 Economic dependency

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

Note 2 Funding delivery of our service

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

Structure

2.1 Revenue and income from transactions

Material judgements and estimates

This section contains the following material judgements and estimates:

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

Note 2.1 Revenue and income from transactions

		Consolidated	
	Notes	2026 $'000	2025 $'000
Revenue from contracts with customers	2.1(a)	1,276,594	1,188,156
Government grants	2.1(b)	163,857	51,400
Other sources of income	2.1(c)	37,632	37,124
Total revenue and income from transactions		**1,478,083**	**1,276,680**

Note 2.1(a) Funding delivery of our service (continued)

Note 2.1 Revenue and income from transactions (continued)

Note 2.1(a) Revenue from contracts with customers

	Consolidated 2026 $'000	Consolidated 2025 $'000
Government grants (State) - operating	1,052,795	964,431
Government grants (Commonwealth) - operating	105,574	102,491
Patient and resident fees	64,257	68,763
Commercial activities[1]	51,789	50,334
Private practice fees	2,179	2,137
Total income from operating activities	**1,276,594**	**1,188,156**

Barwon Health disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:		
At a point in time	1,267,140	1,178,995
Over time	9,454	9,161
Total revenue from contracts with customers	**1,276,594**	**1,188,156**

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

How we recognise revenue from contracts with customers

Government operating grants

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

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

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

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

Patient and resident fees

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

Private practice fees

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

Commercial activities

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

Note 2.1(a) Funding delivery of our service (continued)

Note 2.1 Revenue and income from transactions (continued)

Note 2.1(b) Government Grants

	Consolidated 2026 $'000	Consolidated 2025 $'000
Operating activities		
Government grants (State) - capital	160,181	49,496
Government grants (Commonwealth) - capital	3,676	1,904
Total Government grants	**163,857**	**51,400**

How we recognise Government grants

Government operating grants

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

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

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

Capital grants

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

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

Non-cash contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Barwon Health which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Victorian Infrastructure Delivery Authority	The Department of Health made payments to the Victorian Infrastructure Delivery Authority to fund capital works projects during the year ended 30 June 2026, on behalf of Barwon Health.
Department of Health	Long Service Leave 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 2.1(a) Funding delivery of our service (continued)

Note 2.1 Revenue and income from transactions (continued)

Note 2.1(c) Other Income

	Consolidated	
	2026 $'000	**2025 $'000**
Operating activities		
Other revenue from operating activities (including non-capital donations)	30,649	26,866
Assets received free of charge under state supply arrangements	332	925
Total income from operating activities	**30,981**	**27,791**
Non-operating activities		
Other interest	6,278	8,541
Dividends	373	792
Total income from non-operating activities	**6,651**	**9,333**
Total other income	**37,632**	**37,124**

Note 3 The cost of delivering our services

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

Structure

3.1 Expenses incurred in the delivery of services

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	Barwon Health applies material judgement when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Barwon Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Barwon Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	Barwon Health applies material judgement when measuring its employee benefit liabilities. The health service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate: - an inflation rate of 4.150%, reflecting the future wage and salary levels - durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 28.07% and 88.07% - discounting at the rate of 4.736%, as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3 The cost of delivering our services (continued)

Note 3.1 Expenses incurred in the delivery of services

	Notes	Consolidated 2026 $'000	Consolidated 2025 $'000
Employee benefits	3.1(a)	979,956	925,584
Supplies and consumables	3.1(d)	212,130	196,792
Other operating expenses	3.1(e)	116,541	97,356
Total expenses from transactions		**1,308,627**	**1,219,732**

Note 3.1(a) Employee expenses

	Notes	Consolidated 2026 $'000	Consolidated 2025 $'000
Salaries and wages		745,985	701,256
On-costs and leave		202,984	189,541
Workcover premium		8,916	7,861
Agency expenses		12,266	17,486
Fee for service		9,805	9,440
Total employee expenses		**979,956**	**925,584**

How we recognise employee expenses

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

Note 3 The cost of delivering our services (continued)

Note 3.1 Expenses incurred in the delivery of services (continued)

Note 3.1(b) Employee benefits in the balance sheet

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current employee benefits and related on-costs		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months [i]	2,269	2,189
	2,269	**2,189**
Annual leave		
Unconditional and expected to be settled wholly within 12 months [i]	78,060	72,473
Unconditional and expected to be settled wholly after 12 months [ii]	12,150	11,525
	90,210	**83,998**
Long service leave		
Unconditional and expected to be settled wholly within 12 months [i]	18,524	16,969
Unconditional and expected to be settled wholly after 12 months [ii]	99,383	98,651
	117,907	**115,620**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled within 12 months [i]	12,933	11,862
Unconditional and expected to be settled after 12 months [ii]	15,294	14,797
	28,227	**26,659**
Total current employee benefits and related on-costs	**238,613**	**228,466**
Non-current employee benefits and related on-costs		
Conditional long service leave	24,026	23,287
Provisions related to employee benefit on-costs	3,300	3,128
Total non-current employee benefits and related on-costs	**27,326**	**26,415**
Total employee benefits and related on-costs	**265,939**	**254,881**

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

Provision for related on-costs movement schedule

	Consolidated 2026 $'000	Consolidated 2025 $'000
Carrying amount at start of year	29,787	26,629
Additional provisions recognised	16,002	15,056
Amounts utilised during the year	(13,880)	(12,074)
Net gain/(loss) on revaluation of long service leave	(382)	176
Carrying amount at end of year	**31,527**	**29,787**

How we recognise employee benefits

Employee benefit recognition

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

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

Note 3 The cost of delivering our services (continued)

Note 3.1 Expenses incurred in the delivery of services (continued)

Note 3.1(b) Employee benefits in the balance sheet (continued)

Annual leave and accrued days off

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

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

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

Long service leave

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

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

The components of this current LSL liability are measured at:

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

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

Termination benefits

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

Provisions

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

Note 3 The cost of delivering our services (continued)

Note 3.1 Expenses incurred in the delivery of services (continued)

Note 3.1(c) Superannuation

	Paid Contribution for the year Consolidated		Contribution Outstanding at Year End Consolidated	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Defined benefit plans:[i]				
Aware Super	-	14	-	-
ESS Super	70	93	-	-
Defined contribution plans:				
Aware Super	35,788	33,911	-	-
Hesta	37,251	34,451	-	-
Other compliant superannuation funds as selected by employee	20,367	16,330	-	-
Total	**93,476**	**84,799**	**-**	**-**

[i] *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 Barwon Health are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans

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

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

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

Defined contribution superannuation plans

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

Note 3.1(d) Supplies and consumables

	Consolidated	
	2026 $'000	2025 $'000
Drug supplies	84,641	74,272
Medical and surgical supplies (including prostheses)	59,011	56,518
Diagnostic and radiology supplies	11,703	10,930
Other supplies and consumables	56,775	55,072
Total supplies and consumables	**212,130**	**196,792**

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.

Note 3 The cost of delivering our services (continued)

Note 3.1 Expenses incurred in the delivery of services (continued)

Note 3.1(e) Other operating expenses

	Consolidated	
	2026 $'000	**2025 $'000**
Finance costs	2,148	1,576
Fuel, light, power and water	8,407	6,767
Repairs and maintenance	12,015	8,278
Maintenance contracts	9,063	8,820
Medical indemnity insurance	18,912	14,593
Other administrative expenses	65,996	57,322
Total other operating expenses	**116,541**	**97,356**

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.

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

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

Note 4 Key assets to support service delivery

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

Structure

4.1 Property, plant and equipment
4.2 Intangible assets
4.3 Depreciation and amortisation

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating useful life and residual value of property, plant and equipment	Barwon Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. The health service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease, in which case the useful life reverts to the estimated useful life of the underlying asset. Barwon Health applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating the useful life of intangible assets	Barwon Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.

Note 4 Key assets to support service delivery (continued)

Note 4.1 Property, plant and equipment

	Gross Carrying Amount		Accumulated Depreciation		Net carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Land at fair value - Crown	108,358	108,358	-	-	108,358	108,358
Land at cost - Crown	1,755	-	(1,755)	-	-	-
Land at fair value - Freehold	135,348	155,873	-	(14,119)	135,348	141,754
Land at cost - Freehold	9,954	-	(3,143)	-	6,811	-
Buildings at fair value	848,114	853,151	(112,827)	(65,346)	735,287	787,805
Building at cost	41,493	-	(8,415)	-	33,078	-
Leasehold improvements at fair value	20,244	17,844	(7,119)	(5,093)	13,125	12,751
Works in progress at cost	242,048	103,394	-	-	242,048	103,394
Plant, equipment & vehicles at fair value	227,626	248,330	(153,623)	(167,775)	74,003	80,555
Plant, equipment & vehicles at cost	4,923	-	(3,966)	-	957	-
Total property, plant and equipment	**1,639,863**	**1,486,950**	**(290,848)**	**(252,333)**	**1,349,015**	**1,234,617**

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

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

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

Note 4 Key assets to support service delivery (continued)

Note 4.1 Property, plant and equipment (continued)

(a)

2025 Consolidated	Note	Land $'000	Land at cost $'000	Buildings $'000	Buildings at cost $'000	Leasehold improvements $'000	Works in progress $'000	Plant, equipment & vehicles $'000	Plant, equipment & vehicles at cost $'000	Total $'000
Balance at 1 July 2024		252,674	-	779,360	-	1,728	74,362	78,231	-	1,186,355
Additions		-	-	45,124	-	1,405	79,322	8,465	-	134,316
Revaluation surplus		150	-	-	-	-	-	-	-	150
Transfers		-	-	24,950	-	11,275	(50,290)	14,065	-	-
Disposals		(1,811)	-	(2,498)	-	-	-	(438)	-	(4,747)
Depreciation charge	4.3	(901)	-	(59,131)	-	(1,657)	-	(19,768)	-	(81,457)
Balance at 30 June 2025	**4.1**	**250,112**	**-**	**787,805**	**-**	**12,751**	**103,394**	**80,555**	**-**	**1,234,617**

2026 Consolidated	Note	Land $'000	Land at cost $'000	Buildings $'000	Buildings at cost $'000	Leasehold improvements $'000	Works in progress $'000	Plant, equipment & vehicles $'000	Plant, equipment & vehicles at cost $'000	Total $'000
Balance at 1 July 2025		250,112	-	787,805	-	12,751	103,394	80,555	-	1,234,617
Adjustment for change in FRD 104 *Leases*		(6,406)	6,406	(30,512)	30,512	-	-	(497)	497	-
Adjusted opening balance		**243,706**	**6,406**	**757,293**	**30,512**	**12,751**	**103,394**	**80,058**	**497**	**1,234,617**
Additions		-	1,091	16,371	8,213	626	164,431	5,373	2,441	198,546
Revaluation surplus		-	-	-	-	-	-	-	-	-
Transfers		-	-	16,808	-	1,773	(25,777)	7,195	-	(1)
Disposals		-	-	-	(1,529)	-	-	(363)	-	(1,892)
Depreciation charge	4.3	-	(686)	(55,185)	(4,118)	(2,025)	-	(18,260)	(1,981)	(82,255)
Balance at 30 June 2026	**4.1**	**243,706**	**6,811**	**735,287**	**33,078**	**13,125**	**242,048**	**74,003**	**957**	**1,349,015**

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

Note 4 Key assets to support service delivery (continued)

Note 4.1 Property, plant and equipment (continued)

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

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

	Gross Carrying Amount		Accumulated Depreciation		Net carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Land - Freehold	9,954	20,525	(3,143)	(14,119)	6,811	6,406
Land - Crown	1,755	-	(1,755)	-	-	-
Buildings	41,493	38,125	(8,415)	(7,613)	33,078	30,512
Plant, equipment and vehicles	4,923	2,482	(3,967)	(1,986)	957	497
Total right-of-use assets [(1)]	**58,125**	**61,132**	**(17,280)**	**(23,718)**	**40,846**	**37,415**

	Land	Buildings	Plant, equipment and vehicles	Total $'000
Balance at 1 July 2024	9,118	15,208	836	25,162
Additions	-	18,505	-	18,505
Disposals	(1,811)	-	-	(1,811)
Depreciation charge	(901)	(3,201)	(339)	(4,441)
Balance at 30 June 2025	**6,406**	**30,512**	**497**	**37,415**
Balance at 1 July 2025	6,406	30,512	497	37,415
Additions	1,091	8,213	2,441	11,745
Disposals	-	(1,529)	-	(1,529)
Depreciation charge	(686)	(4,118)	(1,981)	(6,785)
Balance at 30 June 2026	**6,811**	**33,078**	**957**	**40,846**

(1) As a result of a change in FRD 104 Leases effective for the reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting periods 2026. The comparative information for reporting period 2025 is not restated and is reported at the previously determined fair value. For further information, refer to Note 7.4.

How we recognise right-of-use assets

Initial recognition

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

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1(a) for further information) the contract gives rise to a right-of-use asset and corresponding lease liability, which is recognised at the lease commencement date.
The right-of-use asset is initially measured at cost and comprises the initial measurement of the corresponding lease liability, adjusted for:

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

Subsequent measurement

Right-of-use assets are subsequently measured at cost less accumulated depreciation, impairment and any adjustments for remeasurement of the lease liability.

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

Note 4 Key assets to support service delivery (continued)

Note 4.2 Intangible assets

	Gross Carrying Amount		Accumulated Depreciation		Net carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Software	22,282	22,112	(20,739)	(20,120)	1,542	1,992
Large scale green certificates	281	105	-	-	281	105
	22,563	**22,217**	**(20,739)**	**(20,120)**	**1,823**	**2,097**
Total intangibles	**22,563**	**22,217**	**(20,739)**	**(20,120)**	**1,823**	**2,097**

Note 4.2(a) Reconciliation of the carrying amount by class of asset

	Note	Software	Large-scale Generation Certificates	Total $'000
Balance at 1 July 2024		1,901	68	1,969
Additions		1,087	155	1,242
Disposals		-	(118)	(118)
Amortisation	4.3	(996)	-	(996)
Balance at 30 June 2025	**4.2**	**1,992**	**105**	**2,097**
Balance at 1 July 2025		1,992	105	2,097
Additions		170	176	346
Disposals		-	-	-
Amortisation	4.3	(620)	-	(620)
Balance at 30 June 2026		**1,542**	**281**	**1,823**

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.

Note 4 Key assets to support service delivery (continued)

Note 4.3 Depreciation and amortisation

	2026 $'000	2025 $'000
Depreciation		
Land	686	901
Buildings	59,303	59,131
Leasehold improvements	2,025	1,657
Plant, equipment and vehicles	20,241	19,768
Total depreciation - property, plant and equipment	**82,255**	**81,457**
Amortisation		
Intangible assets - software	620	996
Total amortisation	**620**	**996**
Total depreciation and amortisation	**82,875**	**82,453**

How we recognise depreciation

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

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

How we recognise amortisation

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

Useful lives of non-current assets

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

	2026	2025
Buildings (including right-of-use assets)	1 - 62 years	1 - 50 years
Leasehold improvements	1 - 25 years	1 - 50 years
Land (including right-of-use assets)	3 - 50 years	15 - 50 years
Plant, equipment and vehicles (including right-of-use assets)	1 - 25 years	1 - 10 years
Intangible assets	1 - 13 years	4 - 5 years

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

Note 4.4 Impairment of assets

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

Impairment of intangible assets
Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

Barwon Health did not record any impairment losses for the year ended 30 June 2026 (2025: nil).

Note 5 Other assets and liabilities

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

Structure

5.1 Receivables
5.2 Contract assets
5.3 Investments and other financial assets
5.4 Inventories
5.5 Payables
5.6 Contract liabilities
5.7 Other liabilities

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Measuring deferred capital grant income	Where Barwon Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Barwon Health applies material judgement when measuring the deferred capital grant income balance, which references the estimated stage of completion at the end of each financial year.
Measuring contract liabilities	Barwon Health applies material judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the health service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Note 5 Other assets and liabilities (continued)

Note 5.1 Receivables

	Notes	Consolidated 2026 $'000	Consolidated 2025 $'000
Current receivables			
Contractual			
Patient fees		5,912	8,288
Sundry debtors		9,280	12,953
Less: Allowance for impairment losses of contractual receivables	5.1(a)	(526)	(113)
Accrued investment income		498	466
Total contractual receivables		**15,164**	**21,594**
Statutory			
GST receivable		2,850	2,398
Total current receivables		**18,014**	**23,992**
Non-current receivables			
Contractual			
Long service leave - Department of Health		86,383	81,082
Total non-current receivables		**86,383**	**81,082**
Total receivables		**104,397**	**105,074**

(i) Financial assets classified as receivables (Note 7.1)

Total receivables		104,397	105,074
GST receivable		(2,850)	(2,398)
Total financial assets	**7.1**	**101,547**	**102,676**

How we recognise receivables

Receivables consist of:

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

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

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Balance at beginning of year	(113)	(369)
Amounts written off during year	2,142	747
Increase in allowance	(2,555)	(491)
Balance at end of the year	**(526)**	**(113)**

Impairment losses of contractual receivables

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

Note 5 Other assets and liabilities (continued)

Note 5.2 Contract assets

Contract assets

	Consolidated	
	2026 $'000	**2025 $'000**
Current		
Contract assets	26,358	19,996
Total current contract assets	**26,358**	**19,996**

Note 5.2(a) Movement in contract assets

	Consolidated	
	2026 $'000	**2025 $'000**
Balance at the beginning of the year	19,996	8,152
Add: Additional costs incurred that are recoverable from the customer	26,358	19,978
Less: Transfer to trade receivable or cash at bank	(19,996)	(8,134)
Balance at end of the year	**26,358**	**19,996**

How we recognise contract assets

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

Note 5 Other assets and liabilities (continued)

Note 5.3 Investments and other financial assets

	Specific Purpose Fund		Capital Fund		Consolidated	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Current						
Financial assets at amortised cost						
Australian dollar term deposits > 3 months	-	-	34	155	34	155
Financial assets at fair value through OCI						
Fixed bonds and floating rate notes	-	83	3,539	2,199	3,539	2,282
Total current financial assets	**-**	**83**	**3,573**	**2,354**	**3,573**	**2,437**
Non-current						
Financial assets at fair value through net result						
Equities at fair value	185	1,576	393	5,092	578	6,668
Fixed bonds and floating rate notes	243	-	476	-	719	-
Derivative financial instrument	-	-	492	492	492	492
Financial assets at fair value through OCI						
Equities at fair value	2,231	1,454	9,414	4,492	11,645	5,946
Fixed bonds and floating rate notes	3,408	2,438	18,003	18,162	21,411	20,600
Total non-current financial assets	**6,067**	**5,468**	**28,778**	**28,238**	**34,845**	**33,706**
Total investments and other financial assets	**6,067**	**5,551**	**32,351**	**30,592**	**38,418**	**36,143**
Represented by:						
Barwon Health investments (including monies held in trust)	-	-	18,066	17,999	18,066	17,999
Barwon Health Foundation investments	6,067	5,551	14,285	12,593	20,352	18,144
Total other financial assets	**6,067**	**5,551**	**32,351**	**30,592**	**38,418**	**36,143**

How we recognise investments and other financial assets

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

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

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

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

Barwon Health classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset. Term deposits with original maturity dates of three to twelve months are classified as current, whilst term deposits with original maturity dates in excess of 12 months are classified as non-current.

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

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement are subject to annual review for impairment. Further information regarding impairment is disclosed in Note 7.2(a).

Derivative financial instrument

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

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

Refer to Note 7.4(a) for more information about the judgements and assumptions used in measuring fair value determination of derivative financial instruments.

Note 5 Other assets and liabilities (continued)

Note 5.4 Inventories

	Consolidated 2026 $'000	Consolidated 2025 $'000
Stores - Bulk Store	622	563
Stores - Pharmacy	3,495	3,861
Theatre Imprest Stores	2,478	2,039
Bulk Stores Cafe	299	70
Total inventories	**6,894**	**6,533**

How we recognise inventories

Inventories include goods held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets.

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value.

Note 5.5 Payables

	Notes	Consolidated 2026 $'000	Consolidated 2025 $'000
Current payables			
Contractual			
Trade Creditors		9,024	3,587
Accrued Expenses		25,276	22,198
Accrued Salaries and Wages		40,845	29,237
Salary Packaging		1,213	1,283
Other		1,734	1,573
Deferred capital grant income	5.5(a)	11,418	9,850
Total contractual payables		**89,510**	**67,728**
Statutory			
Taxes payable		33	5,857
Total statutory payables		**33**	**5,857**
Total payables		**89,543**	**73,585**
(i) Financial liabilities classified as payables			
Total payables		89,543	73,585
Deferred capital grant income		(11,418)	(9,850)
Superannuation		(56)	23
Taxes payable		(33)	(5,857)
Total financial liabilities classified as payables	**7.1**	**78,036**	**57,901**

Payables consist of:

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

The normal credit terms for accounts payable are usually 30 days.

Maturity analysis of payables

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

Note 5 Other assets and liabilities (continued)

Note 5.5 Payables (continued)

Note 5.5(a) Movement in deferred capital grant income

	Consolidated	
	2026 $'000	**2025 $'000**
Opening balance of deferred grant income	9,850	13,143
Grant consideration for capital works/purchases of assets received during the year	9,192	14,412
Grant revenue for capital works recognised consistent with the capital works undertaken/assets acquired during the year	(7,624)	(17,705)
Closing balance of deferred grant income	**11,418**	**9,850**

How we recognise deferred capital grant income

Grant consideration was received from the Department of Health to support the construction of capital projects and the purchase of plant & equipment.

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

Barwon Health expects to recognise all of the remaining deferred capital grant revenue for capital works by 30 June 2026.

Note 5 Other assets and liabilities (continued)

Note 5.6 Contract liabilities

	Consolidated	
	2026 $'000	**2025 $'000**
Opening balance of contract liabilities	7,767	1,519
Add: Payments received for performance obligations yet to be completed during the period	25,415	8,308
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(25,691)	(2,060)
Total contract liabilities	**7,491**	**7,767**
Represented by:		
Current contract liabilities	7,491	7,767
Total contract liabilities	**7,491**	**7,767**

How we recognise contract liabilities

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

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

Maturity analysis of payables

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

Note 5 Other assets and liabilities (continued)

Note 5.7 Other liabilities

		Consolidated	
		2026 $'000	2025 $'000
Current other liabilities			
Refundable accommodation deposits		31,008	26,699
Residential patient monies held in trust		664	729
Derivative financial instrument		137	138
Total current other liabilities		**31,809**	**27,566**
Represented by the following assets:			
Cash held - monies held in trust	6.2	14,132	10,076
Investments and other financial assets		17,539	17,352
		31,671	**27,428**

How we recognise other liabilities

Derivative financial instrument

On 16 June 2022, Barwon Health entered into a ten year power purchasing agreement with a wind farm energy generator.The agreement contains a contract for difference payment mechanism in respect of the electricity generated by the facility. Refer to Note 7.4(a) for more information about the judgements and assumptions used in measuring fair value determination of derivative financial instruments.

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

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

RAD/accommodation bond liabilities are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD/accommodation bond in accordance with the *Aged Care Act 1997* (prior to 1 November 2025) and *Aged Care Act 2024* (from 1 November 2025).

Note 6 How we finance our operations

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

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

Structure

6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure
6.4 Non-cash financing and investing activities

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	Barwon Health applies material judgement to determine if a contract is or contains a lease by considering if the health service: - has the right-to-use an identified asset - has the right to obtain substantially all economic benefits from the use of the leased asset and - can decide how and for what purpose the asset is used throughout the lease.
Discount rate applied to future lease payments	Barwon Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Barwon Health uses its incremental borrowing rate, which is the amount the health service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. For leased land and buildings, Barwon Health estimates the incremental borrowing rate to be between 4.38% and 5.91%. For leased plant, equipment and vehicles, the implicit interest rate is between 4.93% and 5.35%.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Barwon Health is reasonably certain to exercise such options. Barwon Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: - If there are significant penalties to terminate (or not extend), the health service is typically reasonably certain to extend (or not terminate) the lease. - If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. - The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6 How we finance our operations (continued)

Note 6.1 Borrowings

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current borrowings		
Lease liabilities[1]	10,336	5,806
Total current borrowings	**10,336**	**5,806**
Non-current borrowings		
Lease liabilities[1]	34,881	34,269
Government loan	7,221	-
Total non-current borrowings	**42,102**	**34,269**
Total borrowings	**52,438**	**40,075**

[i] *Secured by the assets leased.*

How we recognise borrowings

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

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

Maturity analysis

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

Interest expense

	Consolidated 2026 $'000	Consolidated 2025 $'000
Interest on lease liabilities	2,148	1,576
Total interest expense	**2,148**	**1,576**

Interest expense includes costs incurred in connection with the borrowing of funds and includes interest on bank overdrafts and short term and long-term borrowings, interest component of lease repayments and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest expense is recognised in the period in which it is incurred.

Defaults and breaches

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

Note 6 How we finance our operations (continued)

Note 6.1 Borrowings (continued)

Note 6.1(a) Lease liabilities

Barwon Health's lease liabilities are summarised above. The following table sets out the maturity analysis of lease liabilities, showing the undiscounted lease payments to be made after the reporting date.

	Consolidated	
	2026 $'000	**2025 $'000**
Not later than one year	12,342	7,662
Later than one year and not later than five years	24,237	22,097
Later than five years	17,495	19,757
Minimum future lease liability	**54,074**	**49,516**
Less unexpired finance expenses	(8,858)	(9,441)
Present value of lease liability	**45,216**	**40,075**

How we recognise lease liabilities

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

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

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

Barwon Health’s lease arrangements consist of the following:

Type of asset leased	Lease term (including options)
Leased land	1 - 50 years
Leased buildings	1 - 15 years
Leased equipment	1 - 10 years

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

Initial measurement
The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Barwon Health incremental borrowing rate. Our lease liability has been discounted by rates of between 4.38% to 5.91%.

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

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

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

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

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

Note 6 How we finance our operations (continued)

Note 6.1 Borrowings (continued)

Note 6.1(a) Lease liabilities (continued)

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

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

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

Subsequent measurement

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

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

Leases with significantly below market terms and conditions

Barwon Health holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. These are commonly referred to as a peppercorn or concessionary lease arrangements.

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

Description of leased asset	Nature and terms of lease
Barwon Health North (Land)	Lease payments of $104 are required per annum. The lease commenced in 2019 and has a lease term of 50 years.
Outpatient Annexe (Land)	Lease payments of $12 are required per annum. The lease commenced in 2009 and has a lease term of 50 years.
Corio Community Health Centre (Land)	Lease payments of $104 are required per annum. The lease commenced in 2024 and has a lease term of 15 years.
Belmont Community Health Centre (Land)	Lease payments of $12 are required per annum. The lease commenced in 2009 and has a lease term of 50 years.
Belmont Community Rehabilitation Facility (Land)	Lease payments of $104 are required per annum. The lease commenced in 2009 and has a lease term of 15 years.
Newcomb Community Health Centre (Land)	Lease payments of $104 are required per annum. The lease commenced in 2024 and has a lease term of 15 years.
Torquay Community Health Centre (Land)	Lease payments of $104 are required per annum. The lease commenced in 2024 and has a lease term of 10 years.

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

Note 6 How we finance our operations (continued)

Note 6.2 Cash and cash equivalents

	Notes	Consolidated 2026 $'000	Consolidated 2025 $'000
Cash on hand (excluding monies held in trust)		25	29
Cash at bank (excluding monies held in trust)		3,441	1,719
Cash at bank - CBS (excluding monies held in trust)		50,735	46,616
Total cash held for operations		**54,201**	**48,364**
Cash at bank - CBS (monies held in trust)		14,132	10,076
Total cash held as monies in trust		**14,132**	**10,076**
Total cash and cash equivalents		**68,333**	**58,440**

Note 6.3 Commitments for expenditure

30 June 2026	Less than 1 year $'000	1-5 years $'000	Over 5 years $'000	Total $'000
Capital expenditure commitments	104	26	-	**130**
Operating expenditure commitments	25,291	33,780	444	**59,515**
Non-cancellable short term and low value lease commitments	458	1,285	2	**1,745**
Total commitments (inclusive of GST)	**25,853**	**35,091**	**446**	**61,390**
Less GST recoverable				(5,580)
Total commitments (exclusive of GST)				**55,810**

30 June 2025	Less than 1 year $'000	1-5 years $'000	Over 5 years $'000	Total $'000
Capital expenditure commitments	9,017	2,378	-	**11,395**
Operating expenditure commitments	24,155	31,679	11,348	**67,182**
Non-cancellable short term and low value lease commitments	163	227	-	**390**
Total commitments (inclusive of GST)	**33,335**	**34,284**	**11,348**	**78,967**
Less GST recoverable				(7,179)
Total commitments (exclusive of GST)				**71,788**

How we disclose our commitments

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

Expenditure commitments

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

Short term and low value leases

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

Note 6 How we finance our operations (continued)

Note 6.4 Non-cash financing and investing activities

	Consolidated	
	2026 $'000	**2025 $'000**
Acquisition of plant and equipment by means of leases	11,745	18,505
Capital contribution	8,170	38,503
Assets aquired via non-cash capital grant	148,043	19,610
Total non-cash financing and investing activities	**167,958**	**76,618**

Note 7 Risk, contingencies and valuation uncertainties

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

Structure

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use. In determining the highest and best use, Barwon Health has assumed the current use is its highest and best use. Barwon Health uses a range of valuation techniques to estimate fair value. The health service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, the health service applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes: - Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Barwon Health does not categorise any fair values within this level. - Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Barwon Health categorises non-specialised land and right-of-use land in this level. - Level 3, where inputs are unobservable. Barwon Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Note 7 Risk, contingencies and valuation uncertainties (continued)

Note 7.1 Financial instruments

Financial instruments

Financial instruments arise out of the contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Due to the nature of Barwon 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.*

Financial instruments: Categorisation

Consolidated 2026	Notes	Financial assets at amortised cost $'000	Financial assets at fair value through net result $'000	Financial assets at fair value through other comprehensive income $'000	Financial liabilities at amortised cost $'000	Total $'000
Contractual financial assets						
Cash and cash equivalents	6.2	68,333	-	-	-	68,333
Receivables	5.1	101,547	-	-	-	101,547
Investments and other financial assets	5.3	34	1,788	36,596	-	38,418
Total financial assets [i]		**169,914**	**1,788**	**36,596**	**-**	**208,298**
Financial liabilities						
Payables	5.5	-	-	-	78,036	78,036
Refundable accommodation deposits	5.7	-	-	-	31,008	31,008
Residential patient monies held in trust	5.7	-	-	-	664	664
Borrowings	6.1	-	-	-	52,438	52,438
Derivative financial instruments	5.7	-	138	-	-	138
Total financial liabilities [i]		**-**	**138**	**-**	**162,146**	**162,284**

Consolidated 2025	Notes	Financial assets at amortised cost $'000	Financial assets at fair value through net result $'000	Financial assets at fair value through other comprehensive income $'000	Financial liabilities at amortised cost $'000	Total $'000
Contractual financial assets						
Cash and cash equivalents	6.2	58,440	-	-	-	58,440
Receivables	5.1	102,676	-	-	-	102,676
Investments and other financial assets	5.3	155	7,160	28,828	-	36,143
Total financial assets [i]		**161,271**	**7,160**	**28,828**	**-**	**197,259**
Financial liabilities						
Payables	5.5	-	-	-	57,901	57,901
Refundable accommodation deposits	5.7	-	-	-	26,699	26,699
Residential patient monies held in trust	5.7	-	-	-	729	729
Borrowings	6.1	-	-	-	40,075	40,075
Derivative financial instruments	5.7	-	138	-	-	138
Total financial liabilities [i]		**-**	**138**	**-**	**125,404**	**125,542**

[i] *The carrying amount excludes statutory receivables (i.e. GST receivable) and statutory payables (i.e. GST payable and revenue in advance).*

How we categorise financial instruments

Categories of financial assets

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

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

Note 7 Risk, contingencies and valuation uncertainties (continued)

Note 7.1 Financial instruments (continued)

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

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

Financial assets at amortised cost

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

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

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

Barwon Health recognises the following assets in this category:

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

Financial assets at fair value through other comprehensive income

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

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

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

Barwon Health recognises the investments in equity and fixed interest instruments in this category.

Financial assets at fair value through net result

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

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

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

Barwon Health recognises listed equity securities as mandatory measured at fair value through net result and has designated all managed investment schemes as measured at fair value through net result.

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

Barwon Health recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities)
- borrowings and
- other liabilities (including monies held in trust).

Note 7 Risk, contingencies and valuation uncertainties (continued)

Note 7.1 Financial instruments (continued)

Derivative financial instruments

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

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

A financial asset is required to be reclassified between amortised cost, fair value through net result and fair value through other comprehensive income when, and only when, Barwon Health's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Note 7.2 Financial risk management objectives and policies

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

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

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

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

(a) Credit risk

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

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

Note 7 Risk, contingencies and valuation uncertainties (continued)

Note 7.2 Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

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

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

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

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

There has been no material change to Barwon Health's credit risk profile in the year ending 30 June 2026.

Impairment of financial assets under AASB 9

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

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

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

Contractual receivables at amortised cost

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

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

Consolidated	Note	Current	Less than 1 month $'000	1 - 3 months $'000	3 months - 1 year $'000	1 - 5 years $'000	Total $'000
30 June 2026							
Expected loss rate		1.4%	1.4%	4.0%	5.3%	57.7%	3.4%
Gross carrying amount of contractual receivables	5.1	9,145	2,660	1,494	1,521	372	15,192
Loss Allowance	**5.1(a)**	**131**	**38**	**60**	**81**	**216**	**526**
30 June 2025 2025							
Expected loss rate		0.1%	0.2%	0.2%	0.6%	5.5%	1.3%
Gross carrying amount of contractual receivables	5.1	12,540	3,822	2,924	494	1,461	21,240
Loss Allowance	**5.1(a)**	16	**8**	**6**	**3**	**80**	**113**

Statutory receivables and debt investments at amortised cost

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

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

Note 7 Risk, contingencies and valuation uncertainties (continued)

Note 7.2 Financial risk management objectives and policies (continued)

(b) Liquidity risk

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

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

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

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

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

Note 7 Risk, contingencies and valuation uncertainties (continued)

Note 7.2 Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Consolidated	Note	Carrying Amount $'000	Nominal amount $'000	Maturity Dates: Less than 1 month $'000	1-3 months $'000	3 months - 1 year $'000	1-5 years $'000	Over 5 years $'000
2026								
Financial liabilities at amortised cost:								
Payables	5.5	78,036	78,036	64,319	12,908	809	-	-
Refundable Accommodation Deposits	5.7	31,008	31,008	1,292	2,584	11,628	15,504	-
Residential Patient Monies held in Trust	5.7	664	664	664	-	-	-	-
Borrowings	6.1	52,438	62,443	1,028	2,057	9,256	31,084	19,017
Total financial liabilities		**162,146**	**172,151**	**67,303**	**17,549**	**21,693**	**46,588**	**19,017**
2025								
Financial Liabilities								
Payables	5.5	57,901	57,901	45,672	11,374	855	-	-
Refundable Accommodation Deposits	5.7	26,699	26,699	1,112	2,224	10,012	13,351	-
Residential Patient Monies held in Trust	5.7	729	729	729	-	-	-	-
Borrowings	6.1	40,075	49,516	639	1,277	5,747	22,097	19,757
Total financial liabilities		**125,404**	**134,845**	**48,152**	**14,875**	**16,614**	**35,448**	**19,757**

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

Note 7 Risk, contingencies and valuation uncertainties (continued)

Note 7.2 Financial risk management objectives and policies (continued)

Note 7.2(c) Market risk

Barwon Health's exposures to market risk are primarily through interest rate risk and equity price risk. Objectives, policies and processes used to manage the risk is disclosed below.

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 1% up or down.
- a change in the top ASX 200 index of 10% up or down.

Interest rate risk

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

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

Equity risk

Barwon Health is exposed to equity price risk through its investments in listed shares and managed investment funds. Such investments are allocated and traded to match Barwon Health's investment objectives.

Barwon Health's sensitivity to equity price risk is set out below.

		-10%	+10%
	Carrying Amount $'000	Net Result $'000	Net result $'000
2026			
Equities at fair value through net result	578	(58)	58
Equities at fair value through OCI	11,645	-	-
2025			
Equities at fair value through net result	6,668	(667)	667
Equities at fair value through OCI	5,946	-	-

Note 7.3 Contingent assets and contingent liabilities

At balance date, Barwon Health holds five bank guarantees for leased assets totalling $1.3m.

How we measure contingent assets and contingent liabilities

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

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

Note 7 Risk, contingencies and valuation uncertainties (continued)

Note 7.3 Contingent assets and contingent liabilities (continued)

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

Note 7.4 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

• Financial assets and liabilities at fair value through net result
• Financial assets and liabilities at fair value through other comprehensive income
• Property, plant and equipment, with the exception of right-of-use assets arising under AASB 16, which are measured using the cost model
• Right-of-use assets.

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

Valuation hierarchy

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

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

Barwon Health determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. There have been no transfers between levels during the period.

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

Identifying unobservable inputs (level 3) fair value measurements

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

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

Note 7.4(a) Fair value determination of investments and other financial assets

	Consolidated carrying amount as at	Fair value measurement at end of reporting period using:		
	30 June 2026 $'000	Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Investments and other financial assets	36,595	11,645	24,950	-
Total financial assets through other comprehensive income	**36,595**	**11,645**	**24,950**	**-**
Investments and other financial assets	1,789	577	720	492
Total investments through net result	**1,789**	**577**	**720**	**492**
Total investments and other financial assets at fair value	**38,384**	**12,222**	**25,670**	**492**

Note 7 Risk, contingencies and valuation uncertainties (continued)

Note 7.4 Fair value determination (continued)

Note 7.4(a) Fair value determination of investments and other financial assets (continued)

	Consolidated carrying amount	Fair value measurement at end of reporting period using:		
	30 June 2025 $'000	Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Investments and other financial assets	28,828	5,946	22,882	-
Total financial assets through other comprehensive income	**28,828**	**5,946**	**22,882**	**-**
Investments and other financial assets	7,160	6,668	-	492
Total financial assets through net result	**7,160**	**6,668**	**-**	**492**
Total investments and other financial assets at fair value	**35,988**	**12,614**	**22,882**	**492**

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

How we measure fair value of investments and other financial assets

Fixed bonds and floating rate securities

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

Barwon Health classifies these debt securities as Level 2.

Equities

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

Barwon Health classifies these instruments as Level 1.

Derivative Financial Instrument

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

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

Note 7 Risk, contingencies and valuation uncertainties (continued)

Note 7.4 Fair value determination (continued)

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

	Notes	Consolidated carrying amount as at 30 June 2026 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Non-specialised land		34,885	-	34,885	-
Specialised land		208,821	-	-	208,821
Total land at fair value	**4.1**	**243,706**	**-**	**34,885**	**208,821**
Non-specialised buildings		19,196	-	19,196	-
Specialised buildings		729,217	-	-	729,217
Total buildings at fair value	**4.1**	**748,413**	**-**	**19,196**	**729,217**
Plant, equipment and vehicles at fair value					
Plant, equipment and vehicles	4.1	74,003	-	-	74,003
		1,066,122	**-**	**54,081**	**1,012,041**

	Notes	Consolidated carrying amount as at 30 June 2025 $'000	Fair value measurement at end of reporting period using: Level 1 [i] $'000	Level 2 [i] $'000	Level 3 [i] $'000
Non-specialised land		35,031	-	35,031	-
Specialised land		215,081	-	-	215,081
Total land at fair value	**4.1**	**250,112**	**-**	**35,031**	**215,081**
Non-specialised buildings		45,119	-	-	45,119
Specialised buildings		755,437	-	-	755,437
Total buildings at fair value	**4.1**	**800,556**	**-**	**-**	**800,556**
Plant, equipment and vehicles at fair value					
Plant, equipment and vehicles	4.1	80,555	-	-	80,555
		1,131,223	**-**	**35,031**	**1,096,192**

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

Note 7 Risk, contingencies and valuation uncertainties (continued)

Note 7.4 Fair value determination (continued)

Note 7.4(b) Fair value determination of non-financial physical assets (continued)

How we measure fair value of non-financial physical assets

The fair value of non-financial physical assets reflects their highest and best use, considering whether market participants would use the asset similarly or sell it for that purpose. This assessment takes into account the asset's characteristics and any physical, legal, or contractual restrictions.

Barwon Health assumes the current use reflects highest and best use unless market or other factors indicate otherwise. Potential alternative uses are only considered when it is virtually certain that restrictions will no longer apply.

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

Where an independent valuation has not been undertaken at balance date, Barwon Health perform a fair value assessment to estimate possible changes in value 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 non-financial physical assets has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or fair value assessment). 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 since the last independent valuation, being equal to or in excess of 40%, Barwon Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities* amended AASB 13 by adding Appendix F *Australian implementation guidance for not-for-profit public sector entities*. Appendix F explains and illustrates the application of the principles in AASB 13 on developing unobservable inputs and the application of the cost approach. These clarifications are mandatorily applicable annual reporting periods beginning on or after 1 January 2024. FRD 103 permits Victorian public sector entities to apply Appendix F of AASB 13 in their next scheduled formal asset revaluation or interim revaluation (whichever is earlier).

An independent valuation of Barwon Health's non-financial physical assets was performed by the VGV on 30 June 2024. Fair value assessments have therefore been performed for all classes of assets in this purpose group at 30 June 2026 and the decision was made that the movements were not material (less than or equal to 10%). As such, an independent revaluation was not required per FRD 103. In accordance with FRD 103, the Barwon Health will apply Appendix F of AASB 13 prospectively in its next scheduled formal revaluation in 2029 or interim revaluation process (whichever is earlier). Barwon Health does not expect the impact to be material to the financial statements.

There were no changes in valuation techniques throughout the period to 30 June 2026.

Non-specialised land and non-specialised buildings

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

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

Specialised land and specialised buildings

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

During the reporting period, Barwon Health held Crown Land. The nature of this asset means that there are certain limitations and restrictions imposed on its use and/or disposal that may impact their fair value.

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

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

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

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

Note 7 Risk, contingencies and valuation uncertainties (continued)

Note 7.4 Fair value determination (continued)

Note 7.4(b) Fair value determination of non-financial physical assets (continued)

Reconciliation of Level 3 fair value measurement

2025 Consolidated	Note	Specialised Land $'000	Specialised Buildings $'000	Non-Specialised Buildings $'000	Plant and equipment $'000
Opening Balance		**215,473**	**750,965**	**30,123**	**78,231**
Additions and disposals		-	25,445	18,616	7,997
Net transfers between asset classes		-	36,225	-	14,065
Gains or losses recognised in net result					
Depreciation		(542)	(57,198)	(3,620)	(19,738)
Subtotal		**214,931**	**755,437**	**45,119**	**80,555**
Items recognised in other comprehensive income					
Revaluation		150	-	-	-
Closing Balance		**215,081**	**755,437**	**45,119**	**80,555**

2026 Consolidated	Note	Specialised Land $'000	Specialised Buildings $'000	Non-Specialised Buildings $'000	Plant and equipment $'000
Opening Balance		**215,081**	**755,437**	**45,119**	**80,555**
Adjustment for change in FRD 104 Leases		(5,585)	-	-	(497)
Additions and disposals		-	15,789	-	5,010
Net transfers between asset classes		(675)	14,602	(45,119)	7,195
Gains or losses recognised in net result					
Depreciation		-	(56,611)	-	(18,260)
Subtotal		**208,821**	**729,217**	**-**	**74,003**
Items recognised in other comprehensive income					
Revaluation		-	-	-	-
Closing Balance		**208,821**	**729,217**	**-**	**74,003**

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 Obligation adjustments [(i)]
Specialised buildings and non-specialised buildings	Current replacement cost approach	Direct cost per square metre & useful life
Plant, equipment and vehicles at fair value	Current replacement cost approach	Cost per unit & useful life

[(i)] *A community service obligation (CSO) range of 0% to 40% was applied to Barwon 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 to net cash flows from operating activities
8.2 Responsible persons disclosures
8.3 Remuneration of executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Events occurring after balance sheet date
8.7 Controlled entities
8.8 Joint arrangements
8.9 Equity

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

	Note	2026 $'000	2025 $'000
Net result for the year		83,049	(33,299)
Non-cash movements:			
Depreciation and amortisation	4.3	82,874	82,453
Allowance for impairment losses of contractual receivables	5.1(a)	413	747
Share of net results in associates		266	-
Interest expense on borrowings		2,284	-
Loss/(gain) on non-financial assets		(2,034)	2,121
Non-cash capital assets acquired		(148,043)	(19,610)
Loss/(gain) on financial instruments		974	(1,005)
Movements in assets and liabilities:			
Increase in employee benefits		11,059	22,610
Increase/(decrease) in payables and contract liabilities		15,970	(351)
Increase in receivables and contract assets		(5,319)	(27,842)
Increase in inventories		(361)	(304)
Decrease in other liabilities		(280)	(1,589)
(Increase)/decrease in prepayments and other assets		(3,534)	3,946
Net cash inflow from operating activities		**37,318**	**27,877**

Note 8 Other disclosures (continued)

Note 8.2 Responsible persons disclosures

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

Responsible Ministers	**Period**	
The Honourable Mary-Anne Thomas MP:		
Minister for Health	27 Jun 2022	14 Apr 2026
Minister for Ambulance Services	2 Oct 2023	14 Apr 2026
The Honourable Harriet Shing MP:		
Minister for Health	15 Apr 2026	30 Jun 2026
Minister for Ambulance Services	15 Apr 2026	30 Jun 2026
The Honourable Melissa Horne MP:		
Minister for Health Infrastructure	19 Dec 2024	30 Jun 2026
Minister for Prevention of Family Violence	15 Apr 2026	30 Jun 2026
The Honourable Ingrid Stitt MP:		
Minister for Mental Health	2 Oct 2023	30 Jun 2026
Minister for Ageing	2 Oct 2023	30 Jun 2026
Minister for Multicultural Affairs	2 Oct 2023	30 Jun 2026
The Honourable Lizzy Blandthorn MP:		
Minister for Children	2 Oct 2023	30 Jun 2026
Minister for Disability	2 Oct 2023	30 Jun 2026
Governing Board		
Lisa Neville (Chair of the Board)	1 Jul 2025	30 Jun 2026
Shane Solomon	1 Jul 2025	30 Jun 2026
Rebecca Leonard	1 Jul 2025	30 Jun 2026
Libby Mears	1 Jul 2025	30 Jun 2026
Brendan Crotty	1 Jul 2025	30 Jun 2026
Stephen Elder	1 Jul 2025	30 Jun 2026
Clare Amies	1 Jul 2025	30 Jun 2026
Susan Sdrinis	1 Jul 2025	30 Jun 2026
Ian Broadway	1 Jul 2025	30 Jun 2026
Accountable Officer		
Frances Diver (Chief Executive)	1 Jul 2025	30 Jun 2026

Note 8 Other disclosures (continued)

Note 8.2 Responsible persons disclosures (continued)

Remuneration of Responsible Persons

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

	Consolidated 2026 No.	Consolidated 2025 No.
$40,000 - $49,999	8	8
$90,000 - $99,999	1	1
$640,000 - $649,999	-	1
$660,000 - $669,999	1	-
Total number of responsible persons	**10**	**10**

	Consolidated 2026 $'000	Consolidated 2025 $'000
Total remuneration received or due and receivable by Responsible Persons from Barwon Health amounted to:	**1,136**	**1,123**

The remuneration of responsible persons includes the associated impact of leave accruals and entitlements.

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

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.

	Consolidated 2026 $'000	Consolidated 2025 $'000
Short-term employee benefits	2,460	2,194
Long-term benefits	69	113
Post-employment benefits	209	207
Total remuneration [i]	**2,738**	**2,514**
Total number of executives	7	7
Total annualised employee equivalent[ii]	7.0	7.0

[i] *The total number of executive officers include persons who meet the definition of Key Management Personnel (KMP) of Barwon Health under AASB 124 Related Party Disclosures and are also reported within Note 8.4 Related Parties.*
[ii] *Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.*

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

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

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

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

Termination benefits
Termination of employment payments, such as severance packages.

Note 8 Other disclosures (continued)

Note 8.4 Related parties

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

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

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

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

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

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

Compensation - KMPs	**2026 $'000**	**2025 $'000**
Short-term employee benefits	3,498	3,197
Long-term benefits	86	153
Post-employment benefits	290	286
Total [i]	**3,874**	**3,636**

[i] *KMPs are also reported in Note 8.2 Responsible Persons and Note 8.3 Remuneration of Executives*

Significant transactions with government related entities

Barwon Health received funding from the Department of Health of $1,064.2m (2025: $952.7m) and indirect contributions of $4.7m (2025: $0.1m). Balances outstanding as at 30 June 2026 are $87.8m (2025: $84.0m).

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

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

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with the Barwon Health, there were no related party transactions that involved key management personnel, their close family members or their personal business interests, except for the transactions detailed below:

- Revenue for services provided to Colac Area Health, of which the Accountable Officer's partner is Director - Capital Projects & Compliance - $15.6m (2025: $6.7m),

Note 8 Other disclosures (continued)

Note 8.4 Related parties (continued)

- Services have been provided by Colac Area Health, of which the Accountable Officer's partner is Director - Capital Projects & Compliance - $4.2m (2025: $1.6m),
- Services have been provided by Health Round Table, of which the Accountable Officer is a Director - $0.2m (2025: $0.1m),
- Services have been received by Alfred Health, of which Ajai Verma's brother is a Director - $0.3m (2025: $nil),
- Services have been provided by GenU, of which Clare Amies is Chief Executive Officer - $nil (2025: $0.9m).

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 2026 (2025: none).

Except for the transactions listed below, there were no other related party transactions required to be disclosed for the Barwon Health Foundation Board of Directors in 2026 (2025: none).

Controlled entities related party transactions

Barwon Health Foundation

Clare Amies and Ian Broadway are directors of Barwon Health and directors of Barwon Health Foundation.

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

	Consolidated	
	2026 $'000	**2025 $'000**
Services provided to Barwon Health Foundation	470	575
Distributions/grants received from Barwon Health Foundation	1,958	1,497

Note 8.5 Remuneration of auditors

	Consolidated	
	2026 $'000	**2025 $'000**
Victorian Auditor-General's Office		
Audit of the financial statements	163	158
Total remuneration of auditors	**163**	**158**

Note 8.6 Events occurring after balance sheet date

There were no events occurring after the balance sheet date.

Note 8 Other disclosures (continued)

Note 8.7 Controlled entities

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

Name of entity	Country of incorporation	Ownership Interest %	Equity Holding
Barwon Health Foundation	Australia	100%	n/a
Barwon Health Foundation Limited	Australia	100%	n/a

Controlled entity contribution to the consolidated net result for the year (excluding distributions)	Consolidated 2026 $'000	Consolidated 2025 $'000
Barwon Health Foundation	6,515	4,207
Barwon Health Foundation Limited	-	-
	6,515	**4,207**

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

Note 8 Other disclosures (continued)

Note 8.8 Joint arrangements

	Principal activity	Ownership Interest 2026 %	Ownership Interest 2025 %
South West Alliance of Rural Health (Vic)	Information Systems	64	64

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

	2026 $'000	2025 $'000
Financial assets		
Cash and cash equivalents	8,274	8,933
Receivables	3,734	5,146
Contract assets	1,552	1,638
Total financial assets	**13,560**	**15,717**
Non-financial assets		
Prepayments	1,574	779
Inventories	6	2
Plant and equipment	6,265	8,017
Total non-financial assets	**7,845**	**8,798**
Total assets	**21,405**	**24,515**
Liabilities		
Payables	6,537	6,604
Contract liabilities	4,474	6,449
Borrowings	3,180	4,369
Employee benefits	2,753	2,367
Total liabilities	**16,944**	**19,789**
Net assets	**4,461**	**4,726**
Equity		
Accumulated Surplus	4,461	4,726
Total equity	**4,461**	**4,726**

Note 8 Other disclosures (continued)

Note 8.8 Joint arrangements (continued)

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

	2026 $'000	2025 $'000
Revenue and income from transactions		
Operating activities	15,535	17,166
Non-operating activities	1,037	425
Total revenue and income from transactions	**16,572**	**17,591**
Expenses from transactions		
Operating Expenses	(23,646)	(22,279)
Total expenses from transactions	**(23,646)**	**(22,279)**
Net Result from transactions - Net Operating Balances	**(7,074)**	**(4,688)**
Other economic flows included in the Net result		
Revaluation of Long Service Leave	60	214
Total Other Economic Flows included in Net Result	**60**	**214**
Comprehensive result for the year	**(7,014)**	**(4,474)**

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

Contingent Liabilities and Capital Commitments

There are no known contingent liabilities held by the jointly controlled operations at balance date. There are no capital commitments as at balance date (100% share) (2025: nil).

Note 8.9 Equity

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

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

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

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

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

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

Permanent Endowment
The permanent endowment reserve is a growing, permanent corpus of funds that is invested to generate an ongoing stream of income to further support Barwon Healths objectives.

DISCLOSURE INDEX

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

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Notes:
(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.
(b) Refer to the Model financial statements section (Part two) for further details.

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Barwon Health

Opinion	I have audited the consolidated financial report of Barwon Health (the health service) and its controlled entities (together the consolidated entity), which comprises the: • consolidated entity and health service balance sheets as at 30 June 2026 • consolidated entity and health service comprehensive operating statements for the year then ended • consolidated entity and health service statements of changes in equity for the year then ended • consolidated entity and health service cash flow statements for the year then ended • notes to the financial statements, including material accounting policy information • board members, accountable officer's and chief financial officer declaration. In my opinion, the financial report presents fairly, in all material respects, the financial positions of the consolidated entity and the health service as at 30 June 2026 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service and the consolidated entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board's responsibilities for the financial report	The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the health service and the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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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 and the consolidated entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the health service and the consolidated entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the health service and the consolidated entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the health service and consolidated entity to express an opinion on the financial report. I remain responsible for the direction, supervision and performance of the audit of the health service and the consolidated entity. I remain solely responsible for my audit opinion.

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



Simone Bohan
as delegate for the Auditor-General of Victoria

MELBOURNE
7 September 2026



Barwon Health

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