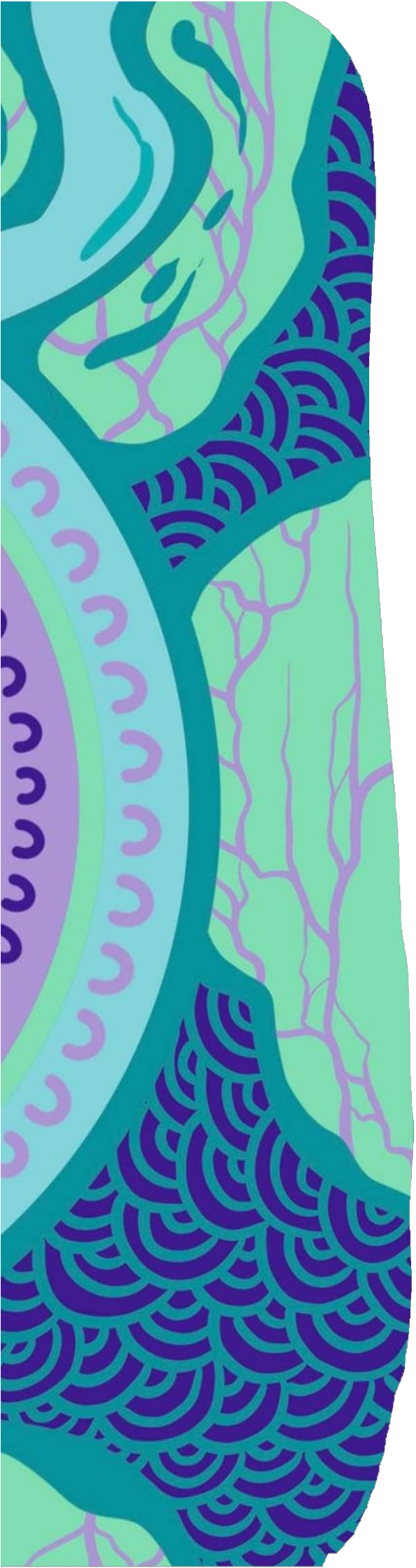


NCN Health | Nathalia Cobram Numurkah

NCN Health Annual Report

2025/2026

Our Values

Accountability

We are honest
We do what we say we will do
We take responsibility for our actions and their impact

Respect

We listen to what matters to you
We treat you with dignity
We honour your experience

Partnership

We work with you
We share knowledge openly
We build trust in all our relationships

Innovation

We look for opportunities to do even better
We are curious, brave & diligent
We confront challenges creatively

Our Vision

To be a trusted leader in rural healthcare — known for exceptional care, deep community connection and commitment to health and wellbeing.

CONTENTS

Introduction 4
About NCN Health 5
Our Strategic Plan 6
Message from the Chief Executive Officer and Board Chair 7-8
Board Directors and Committees 9-10
Executive Team 11-12
Workforce 13
Organisation Chart 14
Statutory Requirements
- Occupational Health and Safety 15
- Occupational Violence 15
- Compliance with the Building Act 1993 16
- National Competition Policy – Competitive Neutrality 16
- Local Jobs First Act 2003 16
- Safe Patient Care Act 2015 16
- Carers Recognition Act 2012 16
- Workforce Inclusion Policy (Gender Equity) 16
- Asset Management Accountability Framework (AMAF) 17
- Public Interest Disclosure Act 2012 17
- Social Procurement Framework 17
- Freedom of Information Act 1982 18
- Environmental Performance 19
- Consultancies 23
- ICT Expenditure 23
- Additional Information 24

Strategic Priorities – 2025/2026 25-28
Performance Priorities – 2025/2026 29
Funding and Activity – 2025/2026 30

Attestations 31
Financial Summary 32
Disclosure Index 33
Financial Report 34

INTRODUCTION

'…NCN Health respectfully acknowledges the Traditional Owners of the land where we gather and work, the people of the Yorta Yorta Nation and Bangarang Tribe and pay our respects to their Elders, past, present and emerging. We recognise the ongoing spiritual link Aboriginal people have to their lands and culture and that these connections build healthier families and communities…'

Annual Reporting

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

The Annual Report fulfills the statutory reporting requirements for governance.

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

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

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

Responsible Ministers

The responsible Ministers during the reporting period were:

- *From 1 July 2025 to 15 April 2026*
  The Hon Mary-Anne Thomas MP, Minister for Health, Minister for Ambulance Services

- *From 15 April 2026 to 30 June 2026*
  Hon Harriet Shing MP, Minister for Health, Minister for Ambulance Services, Minister for Water

- *From 1 July 2025 to 30 June 2026*
  The Hon Melissa Horne MP, Minister for Health Infrastructure

Responsible Body's Declaration

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



Tricia Quibell
Board Chair
NCN Health
26 August 2026

ABOUT NCN HEALTH

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

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







NATHALIA CAMPUS

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

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

COBRAM CAMPUS

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

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

NUMURKAH CAMPUS

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

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

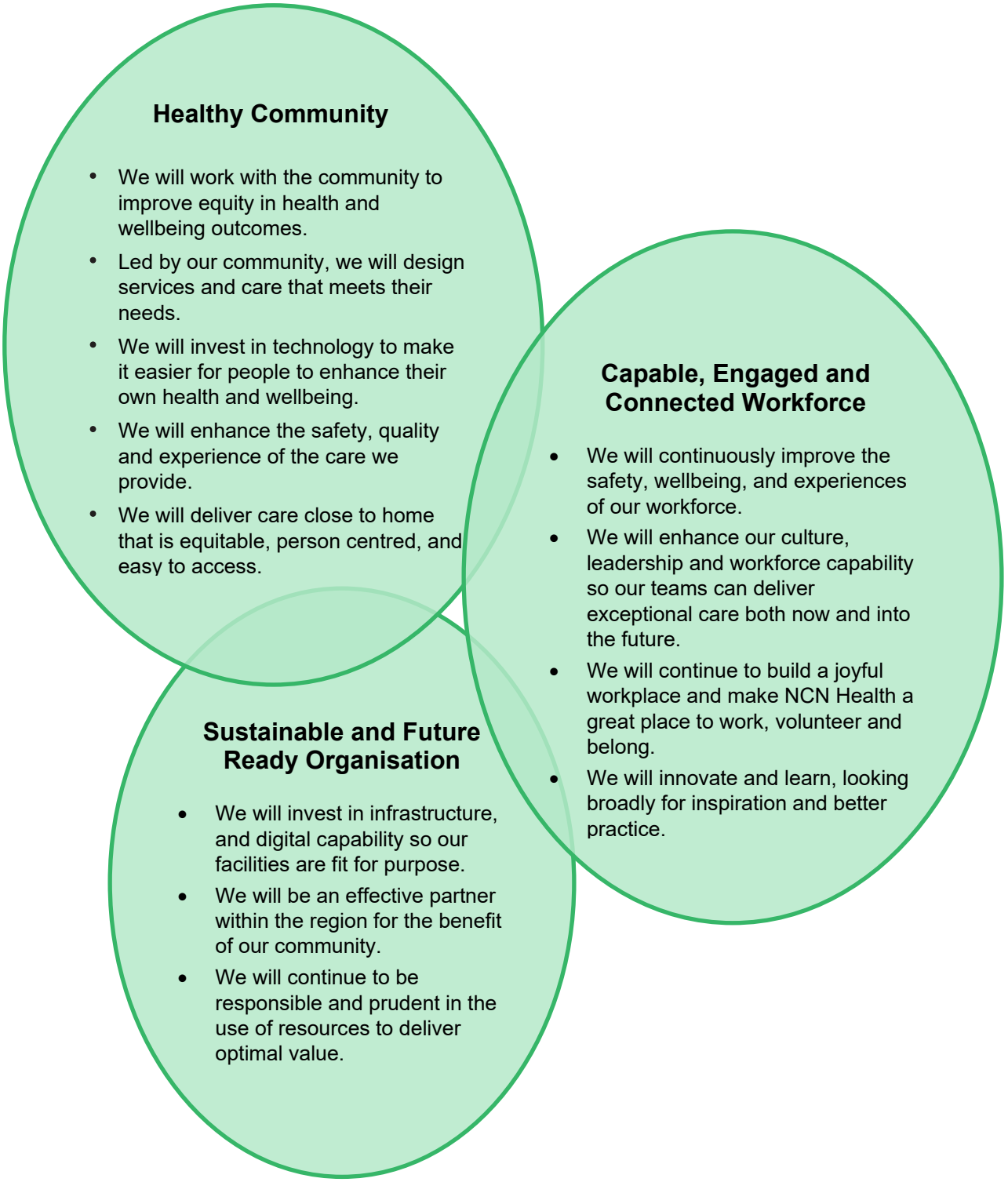
NCN Health also offers a variety of ***community health and wellbeing services***. These services are either provided directly by NCN Health or in partnership with private providers:

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

OUR STRATEGIC PLAN

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

Our Strategic Plan for 2026 to 2030 contains three pillars which each contain key objectives/priorities as follows:



CEO AND BOARD CHAIR MESSAGE

We are pleased to present the NCN Health Board Chair and Chief Executive Officer message for the year ended June 2026.

NCN Health continues to enjoy the benefits derived from the meaningful engagement we have with our community, our staff, our volunteers including but not limited to our consumer committee representatives and Consumer Advisory Group(s), our service partners including our Hume Local Health Service Network partners, our contractors as well as our funding bodies.

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

We again anticipate that the year ahead will again be particularly challenging.

Consistent with Victorian Health Services Plan (2024) and other key state and federal health policy directions, NCN Health is focused on providing excellent quality and safety of care in the services we provide, and to an experience of that care that enshrines trust, capability, confidence, honesty, cultural and gender safety, and partnership with the customer/owners of our service. We are also committed to the establishment, maintenance and review of meaningful, impactful and mutually beneficial partnerships with other agencies in the pursuit of the aforementioned.

Furthermore, we are committed to the recruitment, retention, training and growth of our workforce including but not limited to our direct employees, volunteers, service partnerships and contractors. Finally, we aim for a sustainable service that incorporates responsible financial performance as well as responsible environmental performance.

At our core, NCN Health is committed to being a local partner in building a healthy community through best possible population health outcomes and by being a good corporate citizen, a responsible local socio-economic and education contributor and a forceful advocate for issues that matter for our future.

In holding these aspirational aims, NCN Health acknowledges the challenges that impact our progress. With these challenges come inevitable risks and opportunities. We know that we will need to maintain an appetite for being innovative in expectation that NCN Health confronts future challenges with confidence, care and a cadence that advances our small rural health service (SRHS) leadership profile.

Key considerations for NCN Health over the past year that will continue to demand our attention into our future, include issues that impact our community at a broader level as well as those that are closer to home and in our service itself.

These include the impact of a volatile global geopolitical environment, ongoing challenges associated with cost of living, access to local housing, access to volunteers and carers in our community, the recruitment and retention of staff, access to reliable data upon which to base decision making, the growing threat of cybersecurity, increased compliance assurance reporting, the effects of climate change on industry, crops and utility costs, and preferences for care closer to home, aged care reforms.

With the above in mind, our new strategic plan (Strategic Plan 2026-2030) has provided NCN Health with a lens through which to continue to direct and prioritise our efforts.

The three key pillars of our Strategic Plan 2026-2030, namely 1. Healthy Community, 2. Capable, Engaged & Connected Workforce, and 3. Sustainable & Future Ready Organisation, have already enabled NCN Health to realise a number of outcomes including but not limited to the following;

- Ongoing and ever-growing physical evidence of redevelopment of Numurkah Pioneers Memorial Lodge, which continues to be progressed under the watchful eye of the Project Advisory Group
- The establishment of a volunteer led, assisted transport service for local people requiring chair-based haemodialysis services outside our local communities
- A revised and refreshed Reconciliation Action Plan
- A revised and refreshed gender equality action plan

- The establishment of the first phase of NCN Health's planned surgery access to waitlist management model to drive compliance with the Department of Health's Planned Surgery Access Policy (2024)
- Ongoing growth of NCN Health's commitment to Services at Home and Commonwealth Home Support Program initiatives
- Embedded a Hospital Medical Officer role at the Cobram campus
- Implementation of a new rostering and payroll system for staff – Optima

NCN Health would also like to acknowledge the contribution of the following Board Directors.

- Peter Guy (2023 – 2026)
- Priyanka Saha (2021 – 2026)
- Alicia Cunningham (2020 – 2026)

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

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



Tricia Quibell
Board Chair



Mark Ashcroft
Chief Executive Officer

BOARD DIRECTORS AND COMMITTEES

BOARD OF DIRECTORS

Role of Board of Directors

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

The Board of Directors is the governance body of NCN Health and accountable to the Minister for Health. This means that they make sure that NCN Health steers the organisation to oversee finances, quality and safe health care and many other duties that are set by government bodies.
The functions of the Board as determined by the *Health Services Act 1988* are:

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

Below are the Board Directors for 2025/2026:



Tricia Quibell (Chair)



Alicia Cunningham (Deputy Chair)



Kade Beasley



Mewan Dissanayake



Sally Bate



Peter Guy



Sally Squire



Priyanka Saha
(Resigned – February 2026)



Brant Doyle
(Resigned – August 2025)

BOARD SUB-COMMITTEES

The Board Sub-Committees are:

Committee	Function
Finance	The Board endorses plans and strategies and monitors the performance of NCN Health through appropriate budgetary processes to ensure compliance with Financial Management Framework requirements. *Members during 2025/26 were Kade Beasley, Mewan Dissanayake, Tricia Quibell and Peter Guy.*
Audit and Risk	The Audit and Risk Sub-Committee oversees and advises the Board of Directors on matters of accountability, external and internal controls and risk affecting NCN Health's operations. *Members during 2025/26 were Alicia Cunningham, Priyanka Saha, Kade Beasley, Peter Guy, Mewan Dissanayake, Jeff Buzza (independent) and Michelle McCracken (independent).*
Clinical Governance	The Clinical Governance Sub-Committee is responsible for oversight of the Clinical Governance Framework and the Quality Risk and Improvement Program, meeting on a monthly basis with Board Directors and a range of staff from across the organisation attending. A quality plan informs the agenda and ensures the timely completion and evaluation of clinical performance and improvement. *Members during 2025/26 were Sally Squire, Tricia Quibell, Peter Guy and Alicia Cunningham.*
Community Advisory	Members of the community participate in an innovative and creative Community Advisory Sub-Committee. The Committee acts as an advocate to the Board of Directors on behalf of the community, consumers and carers. The Committees play an essential role in representing the community's perspective in the development of priority areas and strengthening effective consumer and community participation at all levels of service planning and delivery. *Members during 2025/26 were Kade Beasley and Sally Bate.*
Credentialing and Scope of Practice	Ensuring that medical practitioners are appropriately qualified and experienced is an important role for this sub-committee. Dr. Ka Chun Tse, Director of Medical Services, reviews all medical practitioners' credentials, ensuring NCN Health is compliant with all credentialing requirements. Reaccreditation of current medical practitioners is attended to and recommendations for appointments of new locums or visiting GPs are made to the Board of Directors for approval. *Members during 2025/26 were Sally Bate, Sally Squire and Mewan Dissan*

CONSUMER COMMITTEES

The NCN Health Consumer Committee is made up of community representatives from Nathalia, Cobram and Numurkah communities. During 2025/26 NCN Health's community representatives were:

Nathalia

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

Cobram

Rodney Dutneall
Kellie Butler
Ian Yeaman
Jenny Tom

Numurkah

Beverley Wain *(resigned Dec 2025)*
Jodi Cunningham
Karen Van Maanen
Graham Henderson

EXECUTIVE TEAM



CHIEF EXECUTIVE OFFICER

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

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



DIRECTOR MEDICAL SERVICES

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

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



DIRECTOR OPERATIONS

Justin Sullivan
RN, Grad Dip Critical Care, Grad Dip Business Man

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



DIRECTOR CLINICAL SERVICES – COBRAM CAMPUS

Carolyn Hargreaves
RN, Grad Cert in Critical Care

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



DIRECTOR CLINICAL SERVICES – NATHALIA CAMPUS

Ali Beatson
RN, RIPRN

The Director Clinical Services is responsible for the management of all clinical services across the Nathalia Campus. The role encompasses clinical governance, clinical leadership and standards of practice, service and strategic planning, clinical risk management, quality improvement and resource management.



DIRECTOR CLINICAL SERVICES – NUMURKAH CAMPUS

Sophie Scott
RN, Grad Cert Nursing (Renal)

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



DIRECTOR PEOPLE, SAFETY AND ENGAGEMENT

Heather Flynn
MBA, PGCertBus, MHRM (Org Dev) (cand.), PRINCE2 Practitioner, DIP T&A, Cert IV TAE

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



DIRECTOR PRIMARY & COMMUNITY SERVICES

Robyn Sprunt
B Occ Ther, Grad Cert Health Services Mgt

The Director Primary & Community Services is responsible for a comprehensive range of community-based programs including community nursing, palliative care, community rehabilitation and allied health, chronic disease, mental health, and management of Cobram and Nathalia Medical Clinics. Key responsibilities include clinical leadership and standards of practice in Allied Health, quality improvement, strategic planning and service development to meet local community health and wellbeing needs.



DIRECTOR QUALITY, RISK AND PERFORMANCE

Adrian Walker
BappSc (MedRadTech), MappSc (MedRadTech)

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



DEPUTY DIRECTOR OF NURSING

Melissa Neal
RN, Cert IV TAE, Ba Nursing Practice

The Deputy Director of Nursing provides overall support to the clinical operations of NCN Health and supports the Directors of Clinical Services in the day to day management of all clinical areas. The role manages specific functions and works in conjunction with all Nurse Unit Managers to implement quality and safety requirements. The position also relieves Directors of Clinical Services.



EXECUTIVE SERVICES & ADMINISTRATION MANAGER

Tania Hill
Diploma of Bus Man & Administration, Cert IV in Governance & Risk Mgt

The Executive Services & Administration Manager is responsible for leading executive support functions across NCN Health, including governance services for the Board of Directors and Board Subcommittees, Freedom of Information, and statutory compliance reporting. The role also provides leadership and oversight of the organisation's Administration Team and contributes to service development and delivery to support the achievement of organisational Strategic objectives.



EXECUTIVE MANAGER – FINANCE

Anne O'Riley
Diploma of Accounting, Cert IV in Business Administration

The Executive Manager Finance is responsible for Financial Management and oversight of NCN Health financial position and working within budgetary guidelines. This role oversees the NCN Health Finance Team and also oversees compliance for external auditing bodies and aged care financial management including the prudential requirements under the *Aged Care Act.*

WORKFORCE

NCN Health's people are at the heart of everything we do. The care, compassion and professionalism demonstrated by our workforce each day are fundamental to delivering safe, high-quality healthcare to our communities.

The Full Time Equivalent (FTE) figures presented below exclude overtime and do not include contracted staff (such as agency nurses or fee-for-service Visiting Medical Officers), as these individuals are not regarded as employees for reporting purposes. The data is consistent with the Minimum Employee Data Set and the Statement of Employment and Conduct Principles.

Hospitals Labour Category	June current month FTE		Average monthly FTE	
	2025	2026	2025	2026
Nursing	175.91	176.59	169.74	176.31
Administration and Clerical	61.31	60.83	63.50	60.81
Medical Support	7.62	7.23	7.06	7.21
Hotel and Allied Services	73.80	72.49	70.77	71.86
Medical Officers	14.02	16.83	15.85	15.07
Hospital Medical Officers				
Sessional Clinicians				
Ancillary Staff (Allied Health)	27.60	28.70	26.59	28.07
	360.26	**362.86**	**353.51**	**359.33**

NCN Health remains committed to the retention of our great team and we offer fair, transparent and merit-based recruitment, selection, transfer and promotion processes. We are dedicated to attracting and retaining a capable, diverse and engaged workforce through equitable employment practices that comply with all relevant legislation. Our policies and procedures promote respect, inclusion and procedural fairness, ensuring employees have access to appropriate support, grievance and complaint mechanisms. Through these principles, NCN Health continues to foster a workplace where our people are valued, supported and empowered to provide exceptional care to our patients, residents and communities.

Code of Conduct

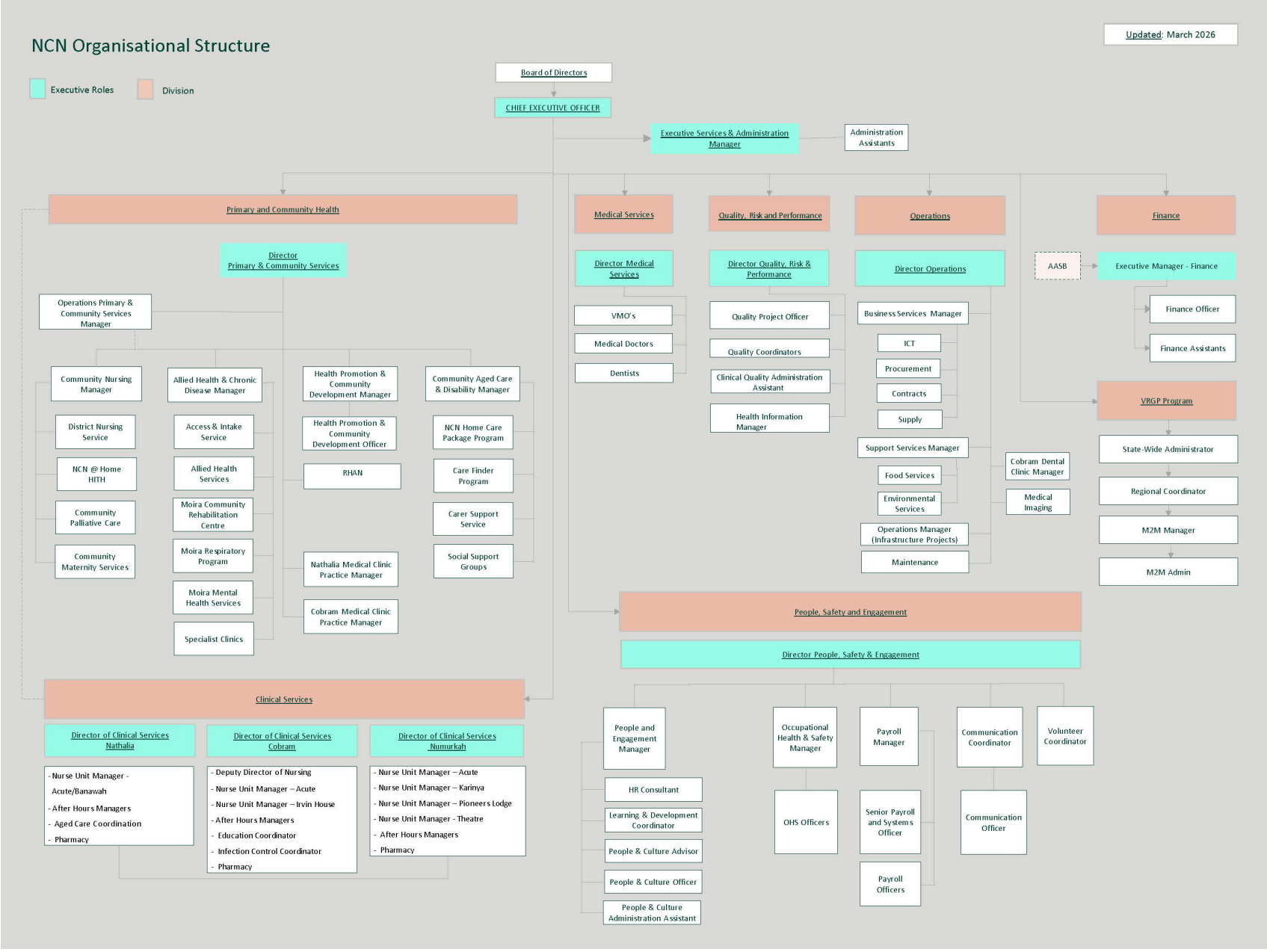
All NCN Health staff are required to abide by the Code of Conduct, which is based on the Code of Conduct for Victorian Public Sector Employees.





NCN HEALTH

Organisational Structure



STATUTORY REQUIREMENTS

Occupational Health and Safety

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

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

Occupational Health and Safety Statistics	2023-24	2024-25	2025-26
The number of reported hazards/incidents for the year per 100 FTE	78.38	80.83	79.28
The number of 'lost time' standard Workcover claims for the year per 100 FTE	1.73	3.32	2.21
The average cost per Workcover claim for the year	$16,232.10	$47,234.58	$57,887.58

Occupational Violence

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

Occupational Violence Statistics	2025-26
Workcover accepted claims with an occupational violence cause per 100 FTE	0
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0
Number of occupational violence incidents reported	72
Number of occupational violence incidents reported per 100 FTE	19.89
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	1.38%

Definitions of occupational violence

- *Occupational violence* – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- *Incident* – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included.
- *Accepted Workcover claims* – Accepted Workcover claims that were lodged in 2025-26.
- *Lost time* – is defined as greater than one day.
- *Injury, illness or condition* – This includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

Compliance with the Building Act 1993

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

OCCUPANCY PERMITS AND CERTIFICATES OF FINAL INSPECTION

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

BUILDING WORKS

In 2026 NCN Health commenced the $55 million rebuild of the 36 bed Numurkah Pioneers Memorial Lodge.

National Competition Policy

COMPETITIVE NEUTRALITY

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

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

We understand the requirements of competitive neutrality and act accordingly.

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

Local Jobs First Act 2003

NCN Health abides by the principles of the Local Jobs Policy. This policy applies to all tenders in regional Victoria over $1 million. NCN Health has not had any reporting requirements during 2025/2026. The redevelopment of the Numurkah Pioneers Memorial Lodge is being led by the Victorian Health Building Authority who will ensure compliance and provide relevant reporting related to the Local Jobs Policy.

Safe Patient Care Act 2015

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

Carers Recognition Act 2012

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

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

- promoting the principles of the Act to people in care relationships who receive our services and to the wider community.
- ensuring our staff have an awareness and understanding of the care relationship principles set out in the Act.
- considering the care relationships principles set out in the Act when setting policies and providing services.
- implementing priority actions in the ***Victorian Carer Strategy 2025-2035.***

Workforce Inclusion Policy

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

GEAPs cover a 4-year period e.g. NCN Health's GEAP covers the period 2022 - 2026. The People Matters Survey 2025 and 2026 employees were asked specific questions relating to sexual harassment, discrimination, inclusion and barriers to succeed. NCN Health is pleased to have shared these results across all 3 campuses, key points of note were:

- 90% of respondents said they can use their skills and knowledge in their job.
- 6% of respondents responded that caring responsibilities were a barrier to success at NCN Health (comparator group = 5% and public sector = 6%).
- 82% of respondents responded favourably to flexible working not being a barrier at NCN Health (comparator group = 78% and public sector = 81%).
- *Sexual harassment* (a focus of the GEAP) was experienced by 7% of respondents. Of those who experienced sexual harassment 76% was from client/customers/ patients/stakeholders.
- *Discrimination* – was experienced by 8%.
- *Inclusion – I can be myself at work* was experienced by 82%.

Asset Management Accountability Framework (AMAF)

The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the DTF website (https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework).

NCN Health conducted an assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF) in the 2024 / 2025 financial year.

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

The next mandatory Asset Management Maturity Assessment disclosure will be required in 2026 / 2027.

Public Interest Disclosure Act 2012

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

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

There were 0 disclosures made in the year ended 30 June 2026 as per the *Public Interest Disclosure Act 2012*.

Social Procurement Framework

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

Social procurement can be grouped into two broad approaches:

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

2025 – 2026 Social Procurement Framework Reporting (NCN Health)	
Social Procurement Activities	
Number of social benefit suppliers engaged during the reporting period.	4
Total amount spent with social benefit suppliers (direct spend) during the reporting period ($GST exclusive).	$59,646.00
Total number of suppliers engaged that have made social procurement commitments in their contracts with NCN Health.	4

NCN Health had 'nil reports' of emergency procurement being activated, resulting in nil spending for emergency procurements.

NCN Health had 'nil reports' of procurement complaints received in 2025 – 2026.

Freedom of Information Act 1982

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

During 2025-26, NCN Health (including two owned and operated medical clinics) received 108 applications. Of these requests, 69 were medico legal, 24 from government agencies, and the remainder from the general public. NCN Health made 108 FOI decisions during the 12 months ended 30 June 2026.

All decisions were made within the statutory time periods. A total of 108 FOI access decisions were made where access to documents was granted in full. Of requests finalised, the average number of days over / under the statutory time (including extended timeframes) to decide the request was 11 days.

There were zero requests subject to a complaint/internal review by Office of the Victorian Information Commissioner in 2025-26.

Access to medical records and disclosure of information

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

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

Freedom of Information Officer

Tania Hill *(Executive Services & Administration Manager)*
Email: ncnhealth@ncnhealth.org.au
Phone: (03) 5866 9444

Fees

$33.60	Application Fee (non-refundable)
$23.85	Search Fee per hour or part hour charged in 15 minute increments
$0.20	Per page photocopying (black & White)
$6.50	Postage and handling (registered post)

Further information is available on the NCN Health website: www.ncnhealth.org.au, and also on the Office of the Victorian Information Commissioner website: www.OVIC.vic.gov.au.

Requests for information during 2025-26

In 2025-26, there were 56 applications made to NCN Health under these provisions as follows:

FREEDOM OF INFORMATION DATA				
	NCN Health	**Nathalia**	**Cobram**	**Numurkah**
	2025-26	**2025-26**	**2025-26**	**2025-26**
Requests Received	56	2	46	8
Investigated	0	0	0	0
Resolved	0	0	0	0
Not Processed (no record)	2	0	1	1
Request Withdrawn	0	0	0	0

Environmental Performance

NCN Health is committed to environmental sustainability.

GREENHOUSE GAS EMISSIONS	2025 to 2026	2024 to 2025	2023 to 2024
G1 Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)			
Carbon Dioxide	516.04	559.55	557.44
Methane	1.00	1.13	1.11
Nitrous Oxide	1.00	1.06	1.11
Total	**518.05**	**561.74**	**559.67**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) (t CO2-e)	**419.07**	**466.40**	**455.67**
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) (t CO2-e)	**98.98**	**95.35**	**104.00**
Medical/Refrigerant gases			
Total Scope 1 (direct) greenhouse gas emissions (t CO2-e)	**518.05**	**561.74**	**559.67**
G2 Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)			
Electricity	1,554.27	1,498.08	1,527.84
Total Scope 2 (indirect electricity) greenhouse gas emissions (t CO2-e)	**1,554.27**	**1,498.08**	**1,527.84**
G3 Total Scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (t CO2-e)			
Commercial air travel			
Waste emissions (WR5)	209.30	209.69	144.79
Indirect emissions from Stationary Energy	274.25	273.19	264.32
Indirect emissions from Transport Energy	24.88	24.05	26.18
Paper emissions			
Water emissions	36.96	42.88	64.37
Any other Scope 3 emissions	0.00	0.00	0.00
Total Scope 3 greenhouse gas emissions (t CO2-e)	**545.39**	**549.81**	**499.66**
G(Opt) Net greenhouse gas emissions (t CO2-e)			
Gross greenhouse gas emissions (G1 + G2 + G3) (t CO2-e)	**2,617.71**	**2,609.63**	**2,587.16**
Total gross reported greenhouse gas emissions per bed-day (t CO2-e/OBD)	0.05	0.05	0.05
Carbon Neutral Electricity	0.00	0.00	0.00
Green Power Electricity	0.00	0.00	0.00
Purchased LGCs	-1,482.75	0.00	0.00
Any Reduction Measures Offsets purchased (EL4-related)	**-1,482.75**		
Any Offsets purchased	**-1,482.75**		
Net greenhouse gas emissions (t CO2-e)	**1,134.96**	**2,609.63**	**2,587.16**

ELECTRICITY USE	2025 to 2026	2024 to 2025	2023 to 2024
EL1 Total electricity consumption segmented by source (MWh)			
Purchased	2,329.39	2,275.02	2,296.68
Self-generated	-17.95		
EL1 Total electricity consumption (MWh)	**2,311.44**	**2,275.02**	**2,296.68**
EL2 On site-electricity generated (MWh) segmented by:			
Consumption behind-the-meter			
Solar Electricity	-17.95		
Total Consumption behind-the-meter (MWh)	**-17.95**		
Exports			
Solar Electricity	17.95		
Total Electricity exported (MWh)	**17.95**		
EL2 Total On site-electricity generated (MWh)	**0.00**		
EL3 On-site installed generation capacity (kW converted to MW) segmented by:			
Diesel Generator	1.52	1.52	1.52
Solar System	0.35	0.35	0.35
EL3 Total On-site installed generation capacity (MW)	**1.87**	**1.87**	**1.87**
EL4 Total electricity offsets segmented by offset type (MWh)			
LGCs voluntarily retired on the entity's behalf	1,611.69		
RPP (Renewable Power Percentage in the grid)	409.39	420.91	431.30
EL4 Total electricity offsets (MWh)	**2,021.08**	**420.91**	**431.30**

STATIONARY ENERGY	2025 to 2026	2024 to 2025	2023 to 2024
F1 Total fuels used in buildings and machinery segmented by fuel type (MJ)			
Natural gas	5,806,888.00	6,155,458.40	5,948,053.90
LPG	1,977,615.00	2,462,137.10	2,461,546.00
F1 Total fuels used in buildings (MJ)	**7,784,503.00**	**8,617,595.50**	**8,409,599.90**
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type (t CO2-e)			
Natural gas	299.23	317.19	306.50
LPG	119.84	149.21	149.17
F2 Greenhouse gas emissions from stationary fuel consumption (t CO2-e)	**419.07**	**466.40**	**455.67**

TRANSPORTATION ENERGY	2025 to 2026	2024 to 2025	2023 to 2024
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type (MJ)			
Non-executive fleet - Gasoline	956,375.60	1,056,359.30	1,065,832.60
Petrol	**956,375.60**	**1,056,359.30**	**1,065,832.60**
Non-executive fleet - Diesel	487,224.60	339,672.40	453,399.70
Diesel	**487,224.60**	**339,672.40**	**453,399.70**
Total energy used in transportation (vehicle fleet) (MJ)	**1,443,600.20**	**1,396,031.70**	**1,519,232.30**
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type (t CO2-e)			
Non-executive fleet - Gasoline	64.67	71.43	72.07
Petrol	**64.67**	**71.43**	**72.07**
Non-executive fleet - Diesel	34.31	23.92	31.92
Diesel	**34.31**	**23.92**	**31.92**
Total Greenhouse gas emissions from transportation (vehicle fleet) (t CO2-e)	**98.98**	**95.35**	**104.00**
T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)			
Total distance travelled by commercial air travel			
T(opt1) Total vehicle travel associated with entity operations (1,000 km)			
Total vehicle travel associated with entity operations (1,000 km)			
T(opt2) Greenhouse gas emissions from vehicle fleet (t CO2-e per 1,000 km)			
t CO2-e per 1,000 km			

TOTAL ENERGY USE	2025 to 2026	2024 to 2025	2023 to 2024
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)			
Total energy usage from stationary fuels (F1) (MJ)	7,784,503.00	8,617,595.50	8,409,599.90
Total energy usage from transport (T1) (MJ)	1,443,600.20	1,396,031.70	1,519,232.30
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) (MJ)	**9,228,103.20**	**10,013,627.20**	**9,928,832.20**
E2 Total energy usage from electricity (MJ)			
Total energy usage from electricity (MJ)	8,321,185.71	8,190,069.98	8,268,031.38
E3 Total energy usage segmented by renewable and non-renewable sources (MJ)			
Renewable	7,211,245.24	1,515,278.82	1,552,683.72
Non-renewable (E1 + E2 - E3 Renewable)	10,338,043.66	16,688,418.36	16,644,179.85
E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser			
Energy per unit of Aged Care OBD (MJ/Aged Care OBD)	391.70	407.13	405.94
Energy per unit of LOS (MJ/LOS)	1,845.08	1,913.44	2,173.55
Energy per unit of bed-day (LOS+Aged Care OBD) (MJ/OBD)	323.11	335.70	342.06
Energy per unit of Separations (MJ/Separations)	11,586.83	11,108.83	11,125.84
Energy per unit of floor space (MJ/m2)	858.97	896.41	889.47

SUSTAINABLE BUILDINGS AND INFRASTRUCTURE	2025 to 2026	2024 to 2025	2023 to 2024
B1 Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings			
B2 Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule			
B3 NABERS Energy (National Australian Built Environment Rating system) ratings of newly completed/occupied Entity-owned office buildings and substantial tenancy fit-outs (itemised)			
B4 Environmental performance ratings (eg. NABERS, Green Star, or ISCAIS rating scheme) of newly completed Entity-owned non-office building or infrastructure projects or upgrades with a value over $1 million			
NABERS Energy			
B5 Environmental performance ratings achieved for Entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted			
Rating scheme			
SUSTAINABLE PROCUREMENT	**2025 to 2026**	**2024 to 2025**	**2023 to 2024**

WATER USE	2025 to 2026	2024 to 2025	2023 to 2024
W1 Total units of metered water consumed by water source (kL)			
Potable water (kL)	25,310.91	26,039.21	38,262.09
Total units of water consumed (kL)	**25,310.91**	**26,039.21**	**38,262.09**
W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of Aged Care OBD (kL/Aged Care OBD)	0.62	0.63	0.93
Water per unit of LOS (kL/LOS)	2.90	2.96	4.99
Water per unit of bed-day (LOS+Aged Care OBD) (kL/OBD)	0.51	0.52	0.78
Water per unit of Separations (kL/Separations)	18.21	17.21	25.53
Water per unit of floor space (kL/m2)	1.35	1.39	2.04

WASTE AND RECYCLING	2025 to 2026	2024 to 2025	2023 to 2024
WR1 Total units of waste disposed of by waste stream and disposal method (kg)			
Landfill (total)			
General waste - bins	38.42	231.32	172.89
General waste - skips	154,642.50	154,642.50	104,530.50
Offsite treatment			
Clinical waste - incinerated		123.19	169.79
Clinical waste - sharps	774.85	796.82	864.67
Clinical waste - treated	5,545.77	5,545.77	5,690.98
Recycling/recovery (disposal)			
Cardboard		20,955.00	14,025.00
Commingled	41,580.00	37,290.00	31,845.00
Grease traps	3,491.25	4,061.25	
Paper (confidential)			131.33
Total units of waste disposed (kg)	**206,072.79**	**223,645.85**	**157,430.16**
WR1 Total units of waste disposed of by waste stream and disposal method (%)			
Landfill (total)			
General waste	75.06%	69.25%	66.51%
Offsite treatment			
Clinical waste - incinerated		0.06%	0.11%
Clinical waste - sharps	0.38%	0.36%	0.55%
Clinical waste - treated	2.69%	2.48%	3.61%
Recycling/recovery (disposal)			
Cardboard		9.37%	8.91%
Commingled	20.18%	16.67%	20.23%
Grease traps	1.69%	1.82%	
Paper (confidential)			0.08%

WR2 Percentage of office sites covered by dedicated collection services for each waste stream			
Printer cartridges			
Batteries			
e-waste			
Soft plastics			
WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per patient treated ((kg general waste)/PPT)	3.02	3.00	2.08
Total waste to offsite treatment per patient treated ((kg offsite treatment)/PPT)	0.12	0.13	0.13
Total waste recycled and reused per patient treated ((kg recycled and reused)/PPT)	0.88	1.21	0.92
WR4 Recycling rate (%)			
Weight of recyclable and organic materials (kg)	45,071.25	62,306.25	46,001.33
Weight of total waste (kg)	206,072.79	223,645.85	157,430.16
Recycling rate (%)	**21.87%**	**27.86%**	**29.22%**
WR5 Greenhouse gas emissions associated with waste disposal (t CO2-e)			
t CO2-e	209.30	209.69	144.79

NORMALISATION FACTORS	2025 to 2026	2024 to 2025	2023 to 2024
1000km (Corporate)			
1000km (Non-emergency)			
Aged Care OBD	41,117.00	41,283.00	41,084.00
ED Departures	0.00	0.00	0.00
FTE	393.00	365.00	352.00
LOS	8,729.00	8,784.00	7,673.00
OBD	49,846.00	50,067.00	48,757.00
PPT	51,236.00	51,580.00	50,256.00
Separations	1,390.00	1,513.00	1,499.00
TotalAreaM2	18,750.00	18,750.00	18,750.00

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

Consultancies

Details of consultancies (under $10,000)
In 2025-26, there were 2 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2025-26 in relation to these consultancies is $12,660

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

In 2025-26, there were 2 consultancies where the total fees payable to the consultant was $10,000 or greater. The total expenditure incurred during 2025-26 in relation to this consultancy is $105,530 (excl. GST).

Details of individual consultancy is as follows:

Consultant	Purpose of Consultancy	Start Date	End Date	Total Approved Project Fee (excl GST)	Expenditure 2025-26 (excl GST)	Future Expenditure (excl GST)
The Trustee for the Pitcher Family Trust	Development of Strategic Plan	31-Aug-25	16-Jan-26	$63,250	$63,250	Nil
Canvass Consulting	Precinct Development Plan	12-Nov-25	12-Nov-25	$42,280	$42,280	Nil

ICT Expenditure

For the 2025-26 reporting period, NCN Health had a total ICT expenditure of $4,276,953 (excluding GST) with the details shown below:

Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure		
Total (excluding GST)	Total=Operational Expenditure and Capital Expenditure (excluding GST) (a) + (b)	Operational Expenditure (excluding GST) (a)	Capital Expenditure (excluding GST) (b)
$3,922,061	$354,892	$315,255	$39,637

Additional Information Available on Request

In compliance with the requirements of the Standing Directions 2018 under the Financial Management Act 1994, details in respect of the items listed below have been retained by the health service and are available on request to the relevant Ministers, Members of Parliament and the public, subject to the provisions of the *Freedom of Information Act 1982*.

The following information must be retained and made available upon request:

a. a statement that declarations of pecuniary interests have been duly completed by all relevant officers;

b. details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;

c. details of publications produced by the entity about itself, and how these can be obtained;

d. details of changes in prices, fees, charges, rates, and levies charged by the entity;

e. details of any major external reviews carried out on the entity;

f. details of major research and development activities undertaken by the entity;

g. details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;

h. details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;

i. details of assessments and measures undertaken to improve the occupational health and safety of employees;

j. a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;

k. a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and

l. details of all consultancies and contractors including:

   (i) consultants/contractors engaged;
   (ii) services provided; and
   (iii) expenditure committed to for each engagement

This information is available on request from:

Chief Executive Officer
NCN Health
Phone: (03) 5862 0555
Email: ncnhealth@ncnhealth.org.au

STRATEGIC PRIORITIES – 2025/2026

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

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

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

NCN Health has contributed to the achievement of these priorities.

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.	
GOAL	
Align with the Victorian Clinical Governance Framework to strengthen clinical governance systems, ensuring safe, high-quality care.	
Health Service Deliverables	Achievements/Outcome
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.	NCN Health commenced its new strategic planning round in early 2026. This involved direct engagement of community through a combination of surveys, focus groups and a combined 'town hall' meeting, the latter of which involved a combination of Board Directors, community members, NCN Health staff and NCN Health services partners. Taken together, these processes contributed to the new NCN Health Strategic Plan (Strategic Plan 2026-2030). In this process, our community encouraged NCN Health to adopt a fourth value, that being innovation and this has been taken up formally. A key undertaking in Strategic Plan 2026-2030 is for NCN Health to create conditions for listening to our community and our consumers, which has led to the commencement of the development of a formal consumer committee on-boarding program plus a revised communications and marketing plan.
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.	NCN Health has commenced a revision of its entire clinical governance committee structure, and therefore, functions. Informed by a review of the Safer Care Victoria Clinical Governance Framework (2024) and the National Model for Clinical Governance (2026), as well as consultation with subject matter experts. This work aims to further enhance NCN Health's commitment to quality, safety and experience of care improvement across all of its clinical service delivery areas and in the reporting, analysis and decision-making associated with such service delivery.
Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement	NCN Health has a comprehensive internal staff training and induction program. This also extends to induction processes for our contractors. NCN Health has undertaken a review of its current staff annual performance review process, consulted the available literature on the topic of annual performance reviews and considered alternative models in practice. Furthermore, NCN Health has reflected on its People Matter Survey results to inform performance feedback and management effectiveness. The aforementioned has resulted in NCN Health commencing a restructure of its one-on-one annual performance review process. This review will introduce digital mechanisms for performance review so that key elements of feedback can be themed and taken into commitments for staff development and will provide scope to conduct performance reviews as part of a team, a key unit of performance contribution at NCN Health.

GOAL	
Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint.	
Health Service Deliverables	Achievements/Outcome
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	NCN Health has revised its processes for the management and oversight of theatre services access, utilization and flow, most specifically with a focus on access to care timelines for people scheduled for surgical services (endoscopy and minor surgical procedures). This has included a review of operational management practices associated with booking to provision of care and follow-up post care. It also included a revision and reaffirmation of oversight of critical theatre services performance measures, inclusion but not limited to Colonoscopy Clinical Care Standard (2025), water testing and patient post-operative procedure feedback.
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).	NCN Health has established a disciplined project management approach to the achievement of its compliance obligations under the Planned Surgery Access Policy (2024). Through this project NCN Health has implemented its first version of a waitlist management model of care. This work has occurred in partnership with other regional health services in NCN Health's sub-region and includes a focus on priority population groups, such as local cohorts that require care as close to home as possible.
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.	
GOAL	
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.	
Health Service Deliverables	Achievements/Outcome
Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	NCN Health identified several key initiatives outlined in the Budget Action Plan within Government parameters. These were monitored regularly across the past financial year with update reports communicated throughout NCN Health committee structure. NCN Health was able to return a responsible financial result against its operating budget for the 2025-2026 financial year.
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.	NCN Health has worked towards delivering a range of initiatives through the Budget Action Plan, achieving meaningful efficiencies while maintaining a strong focus on quality, sustainability and service delivery. These initiatives included reviewing and focusing on fees for Agency and Locum costs, supplies and consumables and repairs and maintenance.
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.	NCN Health's Nathalia and Cobram Medical Clinics have successfully transitioned to a bulk billing model, improving patient access and affordability, reducing out of pocket costs and strengthening billing processes. The change also supports consistent service delivery and improved administrative efficiency across both sites. The Finance Team has reviewed and streamlined its processes and efficiencies across key activities. These improvements have increased productivity and enabled the Team to absorb additional workload within existing reduced FTE capacity. NCN Health's Finance Team have transitioned to an automated invoice processing solution, streamlining the capture and processing of supplier invoices. Invoices are scanned and key information is automatically extracted from the invoices and purchase orders. The data is validated before being imported into the finance system. This process eliminates manual data entry, reduces processing time and errors, improves accuracy and efficiency, and allows the Finance team to focus on higher-value and financial oversight. An AN-ACC funding review has been undertaken to assess the current processes and ensure funding opportunities are fully captured. The review aims to identify potential funding uplifts and maximise AN-ACC Funding across the organisation for the next financial year.

A STRONGER WORKFORCE	
We strive to foster an equitable, skilled and supported workforce that builds professional capabilities to meet current and future roles.	
GOAL	
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.	
Health Service Deliverables	Achievements/Outcome
Implement processes to sustain workforce supply and fulfill 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.	NCN Health has satisfied its obligations under the Gender Equality Act 2020 in terms of completing off and successfully submitting our annual review of our Gender Equality Action Plan (GEAP). This plan uses workplace gender audits to map out targeted strategies that aim to eliminate pay gaps, prevent sexual harassment, and promote diverse leadership.
Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	NCN Health has provided requested workforce related data to the Department of Health via the Hume Local Health Service Network (HLHSN). NCN Health provides Chair support to the HLHSN Workforce Committee, and NCN Health is represented by appropriate senior management membership in addition to Chair support.
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.	
GOAL	
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	
Health Service Deliverables	Achievements/Outcome
Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	Aboriginal Cultural Safety & Engagement Training sessions for appropriate staff, has been booked and will be delivered by Wanyaari Aboriginal Consultancy Services in the second half of 2026. This will include a focus on the following: • Cultural safety and its practical application • Aboriginal identity, culture and community connections • Intergenerational trauma, racism and unconscious bias • Respectful engagement and cultural protocols • Creating culturally inclusive workplaces
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.	NCN Health has renewed its association with Goulburn Valley Health's Aboriginal Liaison Officer access through contract, we have introduced an Aboriginal and Torres Strait Islander inspired version of our uniform and have engaged Aboriginal and Torres Strait Islander persons in our capital planning initiatives This uniform was introduced in conjunction with the artist and local Aboriginal and Torres Strait Islander persons and accompanied by a smoking ceremony. Most recently and prominently, the new Numurkah Pioneer Memorial Lodge build project.
Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways	NCN Health through its Reconciliation Plan commitments maintains a focus on creating the conditions for Aboriginal and Torres Strait Islander people to identify as such whilst in our care. NCN Health has experienced no incidences of unplanned readmissions with 28 days during the 2024-2025 reporting period for people who had identified as Aboriginal and/or Torres Strait Islander.

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.	
GOAL	
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.	
Health Service Deliverables	Achievements/Outcome
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).	The Hume Local Health Service Network has successfully met all objectives outlined in its Statement of Expectations, demonstrating strong performance across access, equity and flow; workforce; safety and quality; and shared services. Overall, targets have been achieved, supported by the successful recruitment of key Network staff. Where delays have occurred, these have been appropriately communicated to, and endorsed by, the Department of Health. The Hume Network has established robust collaboration and governance arrangements through a comprehensive foundation process, shaped by active contributions from all member health service Chief Executive Officers and Board Chairs. Broad Health Service representation across committees supports collective, system-focused decision-making, strengthening the Network's ability to respond to challenges and improve health outcomes across Hume. This work has positioned the Network to enable genuine, sustained collaboration. The Network finalised its Strategy 2026–2028 following extensive consultation with members. The Strategy provides a clear three-year roadmap to strengthen collaboration, improve equitable access, and enhance the quality and sustainability of health services across the Network. Bringing together twelve public health services, the Network is focused on improving system effectiveness and efficiency through coordinated planning, shared expertise, and reduced duplication.

PERFORMANCE PRIORITIES – 2025/2026

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

HIGH QUALITY AND SAFE CARE Key Performance Measure	Target	Outcome
Infection prevention and control		
Percentage of health care workers immunised for influenza	94%	98%
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 reports submitted within 30 business days	Nil
Aged Care		
Public sector residential aged care services overall star rating	Minimum rating of 3 stars	Achieved
Patient Experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	100%
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice	0%	7%

STRONG GOVERNANCE, LEADERSHIP AND CULTURE Key performance measure	Target	Outcome
Organisational culture		
People Matter Survey – percentage of staff with an overall positive response to safety culture survey questions	80%	70%

* Changes to the 2025-26 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.

EFFECTIVE FINANCIAL MANAGEMENT Key performance measure	Target	Outcome
Operating Result ($M)	0.00	(0.14)
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	1.69
Variance between forecast and actual operating result (OR) as a percentage of the forecast OR for the current financial year ending 30 June	5% movement in forecast revenue and expenditure forecasts	<5%

* *All data published in annual reports 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.*

ACTIVITY AND FUNDING – 2025/2026

FUNDING TYPE	2025 / 2026 ACTIVITY ACHIEVEMENT
Small Rural Acute	43.04
Small Rural Primary Health & HACC	14184
Small Rural Residential Care	40,508
Small Rural Health Independence Program	4137
Small Rural Other Specified Funding	1911
TOTAL FUNDING	

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

ATTESTATIONS

Financial Management Compliance Attestation – SD 5.1.4

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



Tricia Quibell
Board Chair
NCN Health
26 August 2026

Data Integrity Declaration

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



Mark Ashcroft
Chief Executive Officer
NCN Health
26 August 2026

Integrity, Fraud and Corruption Declaration

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



Mark Ashcroft
Chief Executive Officer
NCN Health
26 August 2026

Conflict of Interest Declaration

I, Mark Ashcroft, certify that NCN Health has put in place appropriate internal controls and processes to ensure that it has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC.

Declaration of private interest forms have been completed by all executive staff within NCN Health and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Mark Ashcroft
Chief Executive Officer
NCN Health
26 August 2026

Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Mark Ashcroft, on behalf of NCN Health, certify that NCN Health is fully compliant with respect to the HSV Purchasing Policies as required by the Health Services Act 1988 (Vic). NCN Health has implemented appropriate internal controls, which have been critically reviewed throughout the year.



Mark Ashcroft
Chief Executive Officer
NCN Health
26 August 2026

FINANCIAL SUMMARY

For the year ended 30 June 2026

NCN Health	2026 $'000	2025 $'000	2024 $'000	2023 $'000	2022 $'000
Operating Result*	(143)	837	1,297	193	304
Total revenue	79,001	72,393	67,776	63,552	60,614
Total expenses	77,732	72,419	68,489	63,412	60,217
Net result from transactions	1,269	(26)	(713)	140	397
Total other economic flows	252	42	285	(17)	127
Net result	1,521	16	(428)	123	524
Total assets	177,264	171,921	169,395	146,933	143,137
Total liabilities	40,045	36,223	33,713	32,345	28,672
Net assets/Total equity	137,219	135,698	135,682	114,588	114,465

Reconciliation of Net Result from Transactions and Operating Result

	2025/26 ($'000)
Net operating result *	(143)
Capital purpose income	8,050
Specific Income	0
COVID-19 State Supply Arrangements - Assets received free of charge or for nil consideration under the State Supply Arrangements	0
State supply items consumed up to 30 June 2025	0
Assets provided free of charge	0
Assets received free of charge	0
Expenditure for capital purpose	(317)
Depreciation and amortisation	(6,321)
Impairment of non-financial assets	0
Finance costs (other)	0
Net result from transactions	1269

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

Subsequent Events

There were no subsequent events requiring disclosure for 2025/26.

DISCLOSURE INDEX

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

Legislation	Requirement	Page
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	4
FRD 22	Purpose, functions, powers and duties	4
FRD 22	Nature and range of services provided	5
FRD 22	Activities, programs and achievements for the reporting period	7-8
FRD 22	Significant changes in key initiatives and expectations for the future	7-8
Management and structure		
FRD 22	Organisational structure	14
FRD 22	Workforce data/employment and conduct principles	13
FRD 22	Workforce inclusion policy	16
FRD 22	Occupational Health and Safety	15
Financial and other information		
FRD 22	Summary of the financial results for the year	32
FRD 22	Significant changes in financial position during the year	7-8,32
FRD 22	Operational and budgetary objectives and performance against objectives	32
FRD 22	Subsequent events	32
FRD 22	Details of consultancies under $10,000	23
FRD 22	Details of consultancies over $10,000	23
FRD 22	Disclosure of ICT expenditure	22
FRD 22	Asset Management Accountability Framework	17
FRD 22	Disclosure of social procurement activities under the Social Procurement Framework	17
FRD 22	Disclosure of Emergency Procurement and Procurement Complaints	17
FRD 22	Application and operation of *Freedom of Information Act 1982*	18
FRD 22	Compliance with building and maintenance provisions of *Building Act 1993*	16
FRD 22	Application and operation of *Public Interest Disclosure Act 2012*	17
FRD 22	Statement on National Competition Policy	16
FRD 22	Application and operation of *Carers Recognition Act 2012*	16
FRD 22	Additional information available on request	24
FRD 24	Environmental data reporting	19
FRD 25	*Local Jobs First Act 2003* disclosures	16
Compliance attestation and declaration		
SD 5.1.4	Financial Management Compliance attestation	31
SD 5.2.3	Declaration of Report in Operations	4
	Attestation on Data Integrity	31
	Attestation on managing Conflicts of Interest	31
	Attestation on Integrity, Fraud, and Corruption	31
	Compliance with Health Share Victoria (HSV) Purchasing Policies	31
Other reporting requirements		
Reporting of outcomes from Statement of Priorities 2025-26		25-30
Occupational Violence reporting		15
Reporting obligations under the *Safe Patient Care Act 2015*		16

Legislation

Freedom of Information Act 1982 (Vic) (FOI Act)
Building Act 1993
Public Interest Disclosures Act 2012
Carers Recognition Act 2012
Local Jobs Act 2003
Financial Management Act 1994

FINANCIAL REPORT

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of NCN Health

Opinion	I have audited the financial report of NCN Health (the health service) which comprises the: • balance sheet as at 30 June 2026 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including material accounting policy information • board member's, accountable officer's and chief finance & accounting officer's declaration. In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 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 – Simplified Disclosures.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 – Simplified Disclosures 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'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.

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Simone Bohan
as delegate for the Auditor-General of Victoria

MELBOURNE
28 August 2026

Financial Statements
Financial Year ended 30 June 2026

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

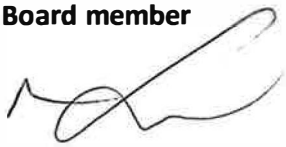
The attached financial statements for NCN Health have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994* , applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations,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

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

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

We authorise the attached financial statements for issue on 26th August, 2026.

Board member



Ms Tricia Quibell

Chair

NCN Health
26th August, 2026

Accountable Officer



Dr Mark Ashcroft

Chief Executive Officer

NCN Health
26th August, 2026

Chief Finance & Accounting Officer



Mr Steven Jackel

Chief Finance & Accounting Officer

NCN Health
26th August, 2026

Comprehensive Operating Statement
NCN Health
For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1 (a)	32,409	30,885
Government Grants	2.1 (b)	38,417	33,193
Other sources of income	2.1 (c)	8,175	8,315
Total revenue and income from transactions		**79,001**	**72,393**
Expenses from transactions			
Employee expenses	3.1 (a)	(53,322)	(49,954)
Supplies and consumables	3.1 (c)	(5,389)	(5,172)
Depreciation and amortisation	4.1(a), 4.2	(6,321)	(6,163)
Other operating expenses	3.1 (d)	(12,700)	(11,130)
Total expenses from transactions		**(77,732)**	**(72,419)**
Net result from transactions - net operating balance		**1,269**	**(26)**
Other economic flows included in net result			
Net gain/(loss) on sale of non-financial assets		99	40
Net gain/(loss) on financial instruments		-	(10)
Other gain/(loss) from other economic flows		153	12
Total other economic flows included in net result		**252**	**42**
Net result		**1,521**	**16**
Comprehensive result		**1,521**	**16**

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

Balance Sheet
NCN Health
As at 30 June 2026

	Note	2026 $'000	2025 $'000
Financial assets			
Cash and cash equivalents	6.2	56,255	50,988
Receivables	5.1	4,451	3,743
Contract assets		216	156
Total financial assets		**60,922**	**54,887**
Non-financial assets			
Prepayments		523	627
Inventories		44	56
Property, plant and equipment	4.1	115,756	116,332
Intangible assets		19	19
Total non-financial assets		**116,342**	**117,034**
Total assets		**177,264**	**171,921**
Liabilities			
Payables	5.2	4,312	4,229
Contract liabilities		1,394	1,392
Borrowings	6.1	1,025	676
Employee benefits	3.1(b)	11,956	10,978
Monies held in trust	5.3	21,358	18,948
Total liabilities		**40,045**	**36,223**
Net assets		**137,219**	**135,698**
Equity			
Reserves		51,861	51,861
Contributed capital		102,210	102,210
Accumulated deficits		(16,852)	(18,373)
Total equity		**137,219**	**135,698**

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

Cash Flow Statement
NCN Health
For the Financial Year Ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from Government		56,284	50,671
Commercial activity revenue received		582	665
Donations and bequests received		208	17
Other receipts		19,414	17,971
Total receipts		**76,488**	**69,324**
Payments to employees		(51,605)	(49,122)
Payments to suppliers and consumables		(7,915)	(6,717)
GST paid to ATO		53	58
Other payments		(9,710)	(8,617)
Total payments		**(69,177)**	**(64,398)**
Net cash flows from operating activities		**7,311**	**4,926**
Cash flows from investing activities			
Proceeds from sale of non-financial assets		302	128
Purchase of non-financial assets		(5,252)	(1,875)
Other Capital receipts		797	854
Capital donations and bequests received		9	13
Net cash flows from/(used in) investing activities		**(4,144)**	**(880)**
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities		(347)	(248)
Repayment of accommodation deposits		(4,491)	(5,467)
Receipt of accommodation deposits		6,938	7,510
Net cash flows from financing activities		**2,100**	**1,795**
Net increase in cash and cash equivalents held		**5,267**	**5,841**
Cash and cash equivalents at beginning of year		50,988	45,147
Cash and cash equivalents at end of year	6.2	**56,255**	**50,988**

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

Statement of Changes in Equity
NCN Health
For the Financial Year Ended 30 June 2026

	Property, Plant and Equipment Revaluation Surplus	Restricted Specific Purpose Reserve	Contributed Capital	Accumulated Deficits	Total
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2024	**38,392**	**13,469**	**102,210**	**(18,389)**	**135,682**
Net result for the year	-	-	-	16	16
Balance at 30 June 2025	**38,392**	**13,469**	**102,210**	**(18,373)**	**135,698**
Net result for the year	-	-	-	1,521	1,521
Balance at 30 June 2026	**38,392**	**13,469**	**102,210**	**(16,852)**	**137,219**

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

Notes to the Financial Statements
NCN Health
For the Financial Year Ended 30 June 2026

Structure

- ***1.1 Basis of preparation***
- ***1.2 Material accounting estimates and judgements***
- ***1.3 Reporting entity***
- ***1.4 Economic dependency***

Note 1 About this Report

These financial statements represent the financial statements of NCN Health for the year ended 30 June 2026.

NCN Health is a not-for-profit entity established as a public agency on 1 July 2019 under the *Health Services Act 1988 (Vic*). A description of the nature of its operations and its principal activities is included in the Report of Operations, which does not form part of these financial statements.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation

These financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AASs), 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 NCN Health.

The financial statements have been prepared on a going concern basis (refer to Note 1.4 Economic Dependency).

The financial statements are presented in Australian dollars.

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

The annual financial statements were authorised for issue by the Board of NCN Health on 26th August, 2026.

Note 1.2 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 the best available current information and assume any reasonable expectation of future events. Actual results may differ.

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

The material accounting judgements and estimates used, and any changes thereto, are disclosed within the relevant accounting policy.

Note 1.3 Reporting Entity

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

NCN Health's principal address is:

2 Katamatite Road
Numurkah, Victoria 3636.

Note 1.4 Economic dependency

NCN 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. NCN 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 NCN Health operations and on that basis, the financial statements have been prepared on a going concern basis.

Note 2 Funding delivery of our services

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

Significant judgement - Grant revenue

NCN Health has made the judgement that amounts received in relation to activity based funding should be recognised under AASB 15 on the basis where the Health Service does not achieve the relevant target or occupancy levels, funding will be recallable.

Structure

2.1 Revenue and income from transactions

Note 2.1 Revenue and income from transactions

	Note	2026 $'000	2025 $'000
Revenue from contracts with customers	2.1(a)	32,409	30,885
Government Grants	2.1(b)	38,417	33,193
Other sources of income	2.1(c)	8,175	8,315
Total revenue and income from transactions		**79,001**	**72,393**

Note 2.1(a) Revenue from contracts with customers

	2026 $'000	2025 $'000
Government grants (State) - Operating	3,570	3,803
Government grants (Commonwealth) - Operating	14,706	14,053
Patient and resident fees	6,834	6,287
Private practice fees	6,717	6,077
Commercial activities	582	665
Total revenue from contracts with customers	**32,409**	**30,885**

How we recognise revenue from contracts with customers

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

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

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

Patient and resident fees

Patient and resident fees are charges incurred by patients for services they receive. Patient and resident fees are recognised under AASB 15 at a point in time when the performance obligation, the provision of services, is satisfied, except where the patient and resident fees relate to accommodation charges. Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

Note 2.1(b) Government Grants

	Note	2026 $'000	2025 $'000
Government grants (State) - Operating		30,834	28,554
Government grants (Commonwealth) - Operating		1,433	1,319
Government grants (State) - Capital		5,077	2,168
Government grants (Commonwealth) - Capital		1,073	1,152
Total Government grants		**38,417**	**33,193**

How we recognise Government grants

Government grants

NCN 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 NCN Health has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, NCN 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 NCN 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 NCN Health's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Non-cash contributions from the Department of Health

The DH makes some payments on behalf of NCN Health as follows:

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

Note 2.1(c) Other sources of income

	Note	2026 $'000	2025 $'000
Other capital purpose income		797	853
Capital donations		9	13
Assets received free of charge or for nominal consideration	2.1(d)	1,059	1,609
Other income from operating activities		4,170	3,720
Income from non-operating activities		2,140	2,120
Total other sources of income		**8,175**	**8,315**

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

	2026 $'000	2025 $'000
Cash donations and gifts	208	17
Plant and equipment	-	39
Land, buildings, road, infrastructure and earthworks at fair value	-	671
Other Services	851	882
Total fair value of assets and services received free of charge or for nominal consideration	**1,059**	**1,609**

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

Contributions of assets received free of charge or for nominal consideration are recognised at their fair value when NCN Health obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

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

Note 3 The cost of delivering our services

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

Structure

3.1 Expenses incurred in the delivery of services

Note 3.1 Expenses incurred in the delivery of services

	Note	2026 $'000	2025 $'000
Employee expenses	3.1(a)	53,322	49,954
Supplies & Consumables	3.1(c)	5,389	5,172
Other operating expenses	3.1(d)	12,700	11,130
Total expenses incurred in the delivery of services		**71,411**	**66,256**

Note 3.1(a) Employee expenses

	2026 $'000	2025 $'000
Salaries and wages	42,474	39,656
Superannuation expense [(1)]	4,676	4,262
Agency expenses	970	1,067
Fee for service medical officer expenses	5,202	4,969
Total employee expenses	**53,322**	**49,954**

[(1)] Defined contribution superannuation expense and defined benefit superannuation expense have been combined.

How we recognise employee expenses

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

The amount recognised in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

Note 3.1(b) Employee related provisions

	2026 $'000	2025 $'000
Current provisions for employee benefits		
Accrued days off	80	72
Annual leave	3,971	3,559
Long service leave	4,907	4,609
Provision for on-costs	1,891	1,772
Total current provisions for employee benefits	**10,849**	**10,012**
Non-current provisions for employee benefits		
Long service leave	979	845
Provision for on-costs	128	121
Total non-current provisions for employee benefits	**1,107**	**966**
Total provisions for employee benefits	**11,956**	**10,978**

How we recognise employee-related provisions

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

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

Annual leave and accrued days off

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

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

- nominal value – if NCN Health expects to wholly settle within 12 months or
- present value – if NCN Health does not expect to wholly settle within 12 months.

Long service leave

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

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

The components of this current LSL liability are measured at:

- nominal value – if NCN Health expects to wholly settle within 12 months or
- present value – if NCN Health does not expect to wholly settle within 12 months.

Conditional LSL is measured at present value and is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

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. The on-costs provision is immaterial in 2026.

Note 3.1(c) Supplies and consumables

	2026 $'000	2025 $'000
Drug supplies	295	315
Medical and surgical supplies (including Prostheses)	1,008	898
Diagnostic and radiology supplies	111	140
Other supplies and consumables	3,975	3,819
Total supplies and consumables	**5,389**	**5,172**

How we recognise 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 3.1(d) Other operating expenses

	2026 $'000	2025 $'000
Fuel, light, power and water	824	841
Repairs and maintenance	944	777
Maintenance contracts	367	336
Medical indemnity insurance	739	684
Other administration expenses	9,793	8,475
Finance costs	33	17
Total other operating expenses	**12,700**	**11,130**

How we recognise other operating expenses

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 DH also makes certain payments on behalf of NCN Health. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue (Refer to Note 2.1(b)) and recording a corresponding expense.

Note 4 Key assets to support service delivery

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

Significant judgement - Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

4.1 Property, plant and equipment
4.2 Depreciation and amortisation

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	4,572	4,572	-	-	4,572	4,572
Buildings at fair value	110,773	112,454	(9,337)	(5,350)	101,436	107,104
Works in progress at cost	6,287	1,256	-	-	6,287	1,256
Plant, equipment and vehicles at fair value	9,413	10,268	(5,952)	(6,868)	3,461	3,400
Total property, plant and equipment	**131,045**	**128,550**	**(15,289)**	**(12,218)**	**115,756**	**116,332**

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.

Notes to the Financial Statements
NCN Health
For the Financial Year Ended 30 June 2026

Note 4.1(a) Reconciliation of the carrying amounts of each class of asset

	Land $'000	Buildings $'000	Works in progress $'000	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2025	**4,572**	**107,104**	**1,256**	**3,400**	**116,332**
Additions	-	-	5,031	917	5,948
Disposals	-	-	-	(203)	(203)
Depreciation	-	(5,668)	-	(653)	(6,321)
Balance at 30 June 2026	**4,572**	**101,436**	**6,287**	**3,461**	**115,756**

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, NCN 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 earlier of the interim revaluation or next scheduled independent revaluation in 2029, in accordance with NCN Health's revaluation cycle.

Note 4.1(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
Plant, equipment and vehicles [1]	1,302	990	(282)	(314)	1,020	676
Total right-of-use assets	**1,302**	**990**	**(282)**	**(314)**	**1,020**	**676**

	Plant, equipment and vehicles $'000	Total $'000
Balance at 1 July 2025[1]	**676**	**676**
Additions	694	694
Disposals	(203)	(203)
Depreciation	(147)	(147)
Balance at 30 June 2026	**1,020**	**1,020**

[1] As a result of changes in FRD 104 Leases effective for reporting periods from 30 June 2026, right-of-use assets are measured at cost for reporting period 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 7.3.

How we recognise right-of-use assets

Initial recognition

When NCN 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 for further information) the contract gives rise to a right-of-use asset and corresponding lease liability.

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

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

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 7.3.

4.1(c) Impairment of property, plant and equipment

The recoverable amount of the primarily non-financial physical assets of NCN Health, 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 *Impairment of Assets* does not apply to such assets that are regularly revalued.

NCN Health Service has assessed all right-of-use assets for impairment, and no indicators of impairment are identified as at 30 June 2026.

Note 4.2 Depreciation and amortisation

How we recognise depreciation

All buildings, plant and equipment and other non-financial physical assets 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 exercising 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	2 - 50 years	2 - 50 years
Plant, equipment and vehicles (including leased assets)	3 - 20 years	3 - 20 years
Intangible assets	10 years	10 years

Note 5 Other assets and liabilities

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

Structure

5.1 Receivables
5.2 Payables
5.3 Monies held in trust

Note 5.1 Receivables

	Note	2026 $'000	2025 $'000
Current receivables			
Contractual			
Trade receivables		966	557
Patient fees		520	471
Allowance for impairment losses		(78)	(30)
Other receivable		363	346
Total contractual receivables		**1,771**	**1,344**
Statutory			
GST receivable		203	256
Total statutory receivables		**203**	**256**
Total current receivables		**1,974**	**1,600**
Non-current receivables			
Contractual			
Long service leave - Department of Health		2,477	2,143
Total contractual receivables		**2,477**	**2,143**
Total non-current receivables		**2,477**	**2,143**
Total receivables		**4,451**	**3,743**
(i) Financial assets classified as receivables			
Total receivables		4,451	3,743
GST receivable		(203)	(256)
Total financial assets classified as receivables	7.1	**4,248**	**3,487**

How we recognise receivables

Receivables consist of:

- **Contractual receivables**, including debtors that relate to goods and services. These receivables are classified as financial instruments and are categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. The health service holds contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment.

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

Note 5.2 Payables

	Note	2026 $'000	2025 $'000
Current payables			
Contractual			
Trade creditors		1,602	1,805
Accrued salaries and wages		1,196	610
Accrued expenses		1,242	1,252
Other		272	562
Total contractual payables		**4,312**	**4,229**
Total current payables		**4,312**	**4,229**
Total payables		**4,312**	**4,229**
(i) Financial liabilities classified as payables			
Total payables		4,312	4,229
Total financial liabilities classified as payables	7.1	**4,312**	**4,229**

How we recognise payables

Payables consist of:

- **Contractual payables**, including payables that relate to the purchase of goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to NCN Health prior to the end of the financial year that are unpaid.

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

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

Note 5.3 Monies held in trust

	Note	2026 $'000	2025 $'000
Current monies held in trust			
Patient monies		17	16
Refundable accommodation deposits		21,244	18,797
Other monies		97	135
Total current monies held in trust		**21,358**	**18,948**
Total other liabilities		**21,358**	**18,948**
*** Represented by:**			
- Cash assets	6.2	21,620	18,948
		21,620	**18,948**

How we recognise monies held in trust

Refundable Accommodation Deposit (RAD)/Accommodation Bond liabilities

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to NCN Health upon admission. These deposits are liabilities which fall due and payable when the resident leaves the home.

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 2024* .

Note 6 How we finance our operations

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

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

Structure

6.1 Borrowings
6.2 Cash and cash equivalents
6.3 Commitments for expenditure

Note 6.1 Borrowings

	Note	2026 $'000	2025 $'000
Current borrowings			
Lease liability	6.1(a)	1,004	413
Total current borrowings		**1,004**	**413**
Non-current borrowings			
Lease liability	6.1(a)	21	263
Total non-current borrowings		**21**	**263**
Total borrowings	7.1	**1,025**	**676**

How we recognise borrowings

Borrowings refer to interest bearing liabilities funds raised through lease liabilities.

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

Terms and conditions of borrowings

					Maturity Dates				
30 June 2026	**Note**	**Weighted average interest rate (%)**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1-3 Months $'000**	**3 months - 1 Year $'000**	**1-5 Years $'000**	**Over 5 years $'000**
Lease liabilities	6.1	3.88%	1,025	1,106	125	59	195	727	-
Total Financial Liabilities			**1,025**	**1,106**	**125**	**59**	**195**	**727**	**-**

					Maturity Dates				
30 June 2025	**Note**	**Weighted average interest rate (%)**	**Carrying Amount $'000**	**Nominal Amount $'000**	**Less than 1 Month $'000**	**1-3 Months $'000**	**3 months - 1 Year $'000**	**1-5 Years $'000**	**Over 5 years $'000**
Lease liabilities	6.1	1.86%	676	710	59	25	195	431	-
Total Financial Liabilities			**676**	**710**	**59**	**25**	**195**	**431**	**-**

Note 6.1(a) Lease liabilities

NCN Health's lease liabilities are summarised below:

	2026 $'000	2025 $'000
Current lease liabilities		
Lease liability	1,004	413
Total current lease liabilities	**1,004**	**413**
Non-current lease liabilities		
Lease liability	21	263
Total non-current lease liabilities	**21**	**263**
Total lease liabilities	**1,025**	**676**

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

	2026 $'000	2025 $'000
Not longer than one year	379	272
Longer than one year but not longer than five years	727	438
Minimum future lease liability	**1,106**	**710**
Less unexpired finance expenses	(81)	(34)
Present value of lease liability	**1,025**	**676**

How we recognise lease liabilities

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

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

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

NCN Health's lease arrangements consist of the following:

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

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. NCN 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).

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or NCN Health incremental borrowing rate. Our lease liability has been discounted by rates of between 1.25% to 5.25%.

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.

Subsequent measurement

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

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

Note 6.2 Cash and Cash Equivalents

	Note	2026 $'000	2025 $'000
Cash on hand (excluding monies held in trust)		2	2
Cash at bank (excluding monies held in trust)		34,633	32,038
Total cash held for operations		**34,635**	**32,040**
Cash at bank (monies held in trust)		21,620	18,948
Total cash held as monies in trust	5.3	**21,620**	**18,948**
Total cash and cash equivalents	7.1	**56,255**	**50,988**

Note 6.3 Commitments for expenditure

30 June 2026	Less than 1 year $'000	1-5 Years $'000	Over 5 years $'000	Total $'000
Operating expenditure commitments	1,522	-	-	1,522
Total commitments (inclusive of GST)	**1,522**	**-**	**-**	**1,522**
Less GST recoverable				(138)
Total commitments (exclusive of GST)				**1,384**

30 June 2025: Nil

How we disclose our commitments

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

Expenditure commitments

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

Short term and low value leases

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

Note 7 Financial instruments, contingencies and valuation judgements

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

Structure

7.1 Financial instruments
7.2 Contingent assets and contingent liabilities
7.3 Fair value determination

Note 7.1 Financial instruments

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

30 June 2026	Note	Carrying amount $'000	Net gain/(loss) $'000	Total interest income/ (expense) $'000	Fee income/ (expense) $'000	Impairment loss $'000
Financial assets at amortised cost						
Cash and cash equivalents	6.2	56,255	-	2,140	-	-
Receivables	5.1	4,248	-	-	-	-
Total financial assets [i]		**60,503**	**-**	**2,140**	**-**	**-**
Financial liabilities at amortised cost						
Payables	5.2	4,312	-	-	-	-
Borrowings	6.1	1,025	-	(33)	-	-
Other financial liabilities - Refundable Accommodation Deposits	5.3	21,244	-	-	-	-
Other financial liabilities - patient monies held in trust	5.3	17	-	-	-	-
Other financial liabilities - Other monies held in trust	5.3	97				
Total financial liabilities [i]		**26,695**	**-**	**(33)**	**-**	**-**

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

30 June 2025	Note	Carrying amount $'000	Net gain/(loss) $'000	Total interest income/ (expense) $'000	Fee income/ (expense) $'000	Impairment loss $'000
Financial assets at amortised cost						
Cash and cash equivalents	6.2	50,988	-	2,120	-	-
Receivables	5.1	3,487	-	-	-	(10)
Total financial assets [i]		**54,475**	**-**	**2,120**	**-**	**(10)**
Financial liabilities at amortised cost						
Payables	5.2	4,229	-	-	-	-
Borrowings	6.1	676	-	(17)	-	-
Other financial liabilities - Refundable Accommodation Deposits	5.3	18,797	-	-	-	-
Other financial liabilities - patient monies held in trust	5.3	16		-	-	-
Other financial liabilities - Other monies held in trust	5.3	135	-	-	-	-
Total financial liabilities [i]		**23,853**	**-**	**(17)**	**-**	**-**

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

How we categorise financial instruments

Financial assets at amortised cost

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

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

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

NCN Health recognises the following assets in this category:

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

Categories of financial liabilities

Financial liabilities at amortised cost

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

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

NCN Health recognises the following liabilities in this category:

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

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

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

A financial liability reclassification is not permitted.

Note 7.2 Contingent assets and contingent liabilities

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

Note 7.3 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Property, plant and equipment, with the exception of right-of-use assets arising under AASB 16, which are measured using the cost model

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

Valuation hierarchy

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

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

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

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

Fair value determination: non-financial physical assets

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 *Fair Value Measurement* by adding Appendix F *Australian Implementation Guidance for Not-for-Profit Public Sector Entities.* Appendix F explains and illustrates the application of the principals 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 process (whichever is earlier).

The last scheduled full independent valuation of all of NCN Health's non-financial physical assets was performed by VGV on 30 June 2024. The annual fair value assessment for 30 June 2026 using VGV indices does not identify material changes in value. In accordance with FRD 103, NCN Health will reflect Appendix F in its next scheduled formal revaluation on 30 June 2029 or interim revaluation process (whichever is earlier). All annual fair value assessments thereafter will continue compliance with Appendix F.

For all assets measured at fair value, NCN Health considers the current use as its highest and best use.

Non-specialised land and non-specialised buildings

Non-specialised land, 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. From this analysis, an appropriate rate per square metre has been applied to the asset.

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.

The market approach is also used for specialised land although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the assets being valued.

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.

For NCN Health, the current replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation.

Vehicles

Vehicles are valued using the current replacement cost method. NCN Health acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in NCN Health who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Plant and equipment, furniture, fittings

Plant and equipment, furniture, fittings, (including medical equipment, computers and communication equipment) are held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

Significant assumptions

Asset class	Valuation technique	Significant assumption	Range (weighted average)[(i)]
Specialised land	Market approach	Community Service Obligations adjustment	10-20% (15%)[(ii)]
Specialised buildings	Current replacement cost approach	Cost per square metre	$1,000 - $1,500/$m^2$ ($1,300)
		Useful life	2 - 50 years (20 years)
Vehicles	Current replacement cost approach	Cost per unit	$18,000 - $67,000 ($32,500 per unit)
		Useful life	4 - 10 years (6 years)
Plant, equipment, furniture and fittings	Current replacement cost approach	Cost per unit	$1,000 - $144,000 ($7,300 per unit)
		Useful life	3 - 20 years (7.50 years)

[(i)] Illustrations on the valuation techniques and significant assumptions and unobservable inputs are an indicator and should not be directly used without consultation with the health services independent valuer.

[(ii)] CSO adjustments ranging from 10% to 20% were applied to reduce the market approach value for NCN Health's specialised land, with the weighted average 15% reduction applied.

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 Ex-gratia expenses
8.2 Responsible persons disclosures
8.3 Remuneration of executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Events occurring after the balance date
8.7 Joint arrangements

Note 8.1 Ex gratia payments

At balance date, there have been no ex-gratia payments (2025: Nil).

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.

	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	01 Jul 2025 - 14 April 2026
Minister for Ambulance Services	01 Jul 2025 - 14 April 2026
The Honourable Harriet Shing MP:	
Minister for Health	15 April 2026 - 30 June 2026
Minister for Ambulance Services	15 April 2026 - 30 June 2026
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	01 Jul 2025 - 30 June 2026
Minister for Prevention of Family Violence	15 April 2026 - 30 June 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	01 Jul 2025 - 30 June 2026
Minister for Ageing	01 Jul 2025 - 30 June 2026
Minister for Multicultural & Multifaith Victoria	15 April 2026 - 30 June 2026
The Honourable Lizzie Blandthorn MP:	
Minister for Children	01 Jul 2025 - 30 June 2026
Minister for Disability	01 Jul 2025 - 30 June 2026
Governing Boards	
Ms Tricia Quibell (Chair of the Board)	1 Jul 2025 - 30 Jun 2026
Mr Kade Beasley	1 Jul 2025 - 30 Jun 2026
Mr Mewan Dissanayake	1 Jul 2025 - 30 Jun 2026
Ms Alicia Cunningham	1 Jul 2025 - 30 Jun 2026
Ms Sally Bate	1 Jul 2025 - 30 Jun 2026
Ms Sally Squire	1 Jul 2025 - 30 Jun 2026
Ms Priyanka Saha	1 Jul 2025 - 30 Jun 2026
Mr Brant Doyle	1 Jul 2025 - 27 Aug 2025
Mr Peter Guy	1 Jul 2025 - 30 Jun 2026
Accountable Officers	
Dr Mark Ashcroft	1 Jul 2025 - 30 Jun 2026

Remuneration of Responsible Persons

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

Income Band	2026 No	2025 No
$0 - $9,999	9	10
$330,000 - $339,999	-	1
$380,000 - $389,999	1	-
Total Numbers	**10**	**11**

	2026 $'000	2025 $'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	**427**	**382**

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.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis.

Several factors affected total remuneration payable to executives over the year. A number of employment contracts were completed and renegotiated, and a number of executive officers retired, resigned or were retrenched in the past year. This has had a significant impact on remuneration figures for the termination benefits category.

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

	Total Remuneration	
	2026 $'000	2025 $'000
Total remuneration [i]	1,482	1,408
Total number of executives	8	9
Total annualised employee equivalent [ii]	8.0	8.7

[i] The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of NCN 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.

Note 8.4 Related parties

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

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

Significant transactions with government related entities

NCN Health received funding from government related entities of $35.25 m (2025: $35.19 m) and indirect contributions of $4.689 m (2025: $0.882 m). Balances outstanding as at 30 June 2026 are $0.005 m (2025: $0.065 m).

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

Key management personnel

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

The Board of Directors and the Executive Directors of NCN Health and its controlled entities are deemed to be KMPs. This includes the following:

Entity	KMPs	Position Title
NCN Health	Ms Tricia Quibell	Chair of the Board
NCN Health	Mr Kade Beasley	Board Member
NCN Health	Mr Mewan Dissanayake	Board Member
NCN Health	Ms Alicia Cunningham	Board Member
NCN Health	Ms Sally Bate	Board Member
NCN Health	Ms Sally Squire	Board Member
NCN Health	Ms Priyanka Saha	Board Member
NCN Health	Mr Brant Doyle	Board Member
NCN Health	Mr Peter Guy	Board Member
NCN Health	Dr Mark Ashcroft	Chief Executive Officer
NCN Health	Ms Heather Flynn	Director of People, Safety and Engagement
NCN Health	Ms Ali Beatson	Director Clinical Services (Nathalia)
NCN Health	Ms Carolyn Hargreaves	Director Clinical Services (Cobram)
NCN Health	Ms Sophie Scott	Director Clinical Services (Numurkah)
NCN Health	Mr Justin Sullivan	Director of Operations
NCN Health	Mr Adrian Walker	Director Quality, Risk & Performance (appointed)
NCN Health	Ms Robyn Sprunt	Director Primary and Community Services
NCN Health	Ms Anne O'Riley	Executive Manager Finance

Remuneration of key management personnel

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 Report.

	2026 $'000	2025 $'000
Total compensation - KMPs [i]	1,909	1,790

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

Transactions with KMPs and other related parties

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

Outside of normal citizen type transactions with NCN Health, there were no related party transactions that involved key management personnel, their close family members or their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2026 (2025: none).

There were no related party transactions required to be disclosed for NCN Health Board of Directors, Chief Executive Officer and Executive Directors in 2026 (2025: none).

Note 8.5 Remuneration of Auditors

	2026 $'000	2025 $'000
Victorian Auditor-General's Office		
Audit of the financial statements	40	38
Total remuneration of auditors	**40**	**38**

Note 8.6 Events occurring after the balance sheet date

There are no events occurring after the Balance Sheet date.

Note 8.7 Joint arrangements

	Principal Activity	Ownership Interest 2026 %	Ownership Interest 2025 %
Hume Rural Health Alliance	Information Technology Services	8.79	8.14

	2026 $'000	2025 $'000
Total revenue and income	2,142	1,284
Total expenses	(2,279)	(1,463)
Total net result	(137)	(179)
Total other economic flows	-	(1)
Comprehensive result for the year	(137)	(180)
Total assets	1,269	1,402
Total liabilities	1,071	1,067
Total equity	198	335

Contingent liabilities and capital commitments

There are no known contingent liabilities or capital commitments held by the jointly controlled operations at balance date. NCN Health is involved in joint arrangements where control and decision-making are shared with other parties. NCN Health has determined the entities detailed in the above table are joint operations and therefore recognises its share of assets, liabilities, revenues and expenses in accordance with its rights and obligations under the arrangement.

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