

Annual Report

2025-26

Western Health

OUR VISION

Together, we deliver the healthcare of the future

OUR PURPOSE

Providing the Best Care for the people of the West, in the right place and at the right time

OUR VALUES

Compassion

Accountability

Respect

Excellence

Safety

OUR STRATEGIC DIRECTIONS

We partner with patients, consumers, families and carers

We care for our people

We deliver services for the future

We are better together

We discover and learn

Acknowledgement of Traditional Owners

Western Health acknowledges the Traditional Custodians of all the lands and waterways on which staff, volunteers, consumers and caregivers come together. As we work, learn and grow, we pay our deep respects to the Elders and Traditional Custodians past, present and emerging of the Wurundjeri Woi-Wurrung, Boon Wurrung, Bunurong and Wadawurrung Countries of the greater Kulin Nation.

We are committed to the healing of country, working towards equity in health outcomes, and the ongoing journey of reconciliation.

Western Health is committed to respectfully listening and learning from Aboriginal and Torres Strait Islander people and we are truly guided by the values of relationship, responsibility and respect.

Contents

Board Chair and CEO Message **3**

About Western Health **11**

Organisational Structure **13**

Western Health Services **14**

Western Health Statement of Priorities 2024-25 ..... **17**

Key Performance Statistics* **22**

Financial Snapshot **26**

Corporate Governance **29**

Disclosure Index **57**

Financial Statements & Accompanying Notes ..... **(Appendix) 1-70**

Board Chair and CEO Message

In 2025–26, Western Health delivered excellence in healthcare through major service transformation, innovation, and a strong commitment to person-centred, equitable care. A defining achievement was the safe opening of Footscray Hospital in February 2026 - a generational milestone that expanded access to contemporary inpatient, critical care and mental health services and was supported by extensive planning and the safe moving of 115 patients in a single day.

Throughout the year, Western Health strengthened access, quality, and equity through coordinated service improvement across hospital, community, and home-based care. This included timelier access to care, expanded care closer to home, safer, and more effective clinical services, stronger prevention and health promotion, and targeted action to improve inclusion and outcomes for priority populations. Backed by an outstanding workforce, leadership development, partnerships and sound financial stewardship, Western Health continued to deliver high-quality care while preparing for future growth across Melbourne's West.

These strategic directions continue to guide planning, innovation, and decision-making across all areas of our service, in alignment with our annual Statement of Priorities as agreed with the Minister for Health.

WE PARTNER WITH PATIENTS, CONSUMERS, FAMILIES AND CARERS

Our patients, consumers, their families and carers are actively involved in their care and the design of approaches that support their choices and individual needs.

Best experience: diversity, equity and inclusion

Following on from the 2024 launch of our Western Health Best Experience: Diversity, Equity, and Inclusion Framework 2024–2028, we have established a Best Experience Division that brings together teams focused on improving equity and outcomes for priority populations. Working across all sites and with equity partners, the division embeds inclusive, person-centred care into organisational culture, systems, and service delivery for all consumers.

Our new Best Experience Clinician roles form a multidisciplinary team improving care for priority communities, including people with disability, Aboriginal peoples, and LGBTIQA+ individuals. Working across the organisation, five clinicians integrate lived experience, consultation, real-time advocacy and service redesign across care settings. In partnership with consumers, carers, and staff, they have led initiatives that embed inclusive, culturally safe, and accessible practices, with outcomes such as reducing ~30 per cent planned surgery refusals to below 10 per cent.

For the second year running, Western Health partnered with Transgender Victoria and Transcend Australia to convene health service leaders, workforce representatives, and consumer advisors to discuss LGBTIQA+ healthcare. The forum focused on improving gender and sex at birth data collection, strengthening sector collaboration, supporting workforce and lived experience, and sharing practical action plans and tools to drive change across hospital and health services.

More than a Meal

Despite a highly diverse patient population, Western Health's menu has been largely Anglo European, with limited CALD consumer input. Using mixed methods research (meal surveys and focus groups across Asian, Mediterranean, Indian, African and Arabic communities), key gaps and preferences were identified.

Outcomes include culturally inclusive menus, celebration days, a recipe bank, and a consumer-informed blueprint recognising food as central to comfort, connection and healing. Surveys show improved patient experience, with satisfaction up 4 per cent, taste up 13 per cent, and accuracy up 12 per cent, alongside strong demand for our co-designed congee, now served approximately 1,300 times per month.

Western Health has also introduced a new meal service model at Sunshine Hospital, improving the timeliness, quality, choice, and consistency of patient meals.

Meals are prepared at the Central Production Kitchen by chefs and dietitians, then heated on site in purpose-built ovens. Now implemented across all sites, the model improves food safety, presentation, portion control, menu choice, and waste reduction, ensuring patients receive hot, appealing meals that support recovery.

Culturally safe care for Aboriginal and Torres Strait Islander patients

Over the past 12 months, Western Health has advanced culturally safe care for Aboriginal people through coordinated education, engagement, and system change.

Mandatory Aboriginal Cultural Safety training, co-designed with community and the Victorian Aboriginal Community Controlled Health Organisation, was introduced for all staff and Board Directors, achieving 93 per cent uptake to date. Reconciliation Week, NAIDOC Week and Close the Gap Day were meaningfully recognised, alongside staff participation in the Yoorrook Justice Commission Walk for Truth. A new Aboriginal Health and Cultural Safety Plan and embedded Treaty principles further strengthen self-determination, accountability, and culturally responsive care.

A range of strategies continue to be implemented and strengthened by our Wilim Berrbang unit to support Aboriginal consumers throughout their healthcare journey at Western Health. These include increased Aboriginal Health Liaison positions across sites, with a stronger presence in emergency departments; improved discharge connections through a dedicated Journey Walker role; and expanded culturally safe environments via new Aboriginal spaces and artwork. Collectively, these strategies have reduced Aboriginal patients leaving against medical advice from a peak of ~6.5 per cent in June 2025 to 2.6 per cent by April 2026 (a ~60 per cent reduction).

Emergency department length of stay for admitted Aboriginal patients also improved by 40–45 minutes and is now consistently lower than non-Aboriginal patients.

Supporting children and families at high risk

Western Health's Integrated Community Health Service (ICHS) plays a vital early intervention and health promotion role for children, young people, and families. Over the past 12 months, the Complex Autism Assessment Clinic increased monthly capacity from 24 to 30 sessions and improved utilisation from 62 per cent to 77 per cent, reducing the waiting list by more than 40 per cent and enabling timelier assessments for children and families. The Melton Refugee Vaccination Clinic, established through strong cross sector partnerships, delivered over 150 catch up vaccinations in its first seven weeks, improving immunisation access for newly arrived children and families. The Healthy Mothers Healthy Babies program continues to support highly vulnerable young women and infants, addressing health and social risks early to improve long-term outcomes.

WE CARE FOR OUR PEOPLE

Our staff and volunteers are supported, engaged and equipped to embrace a dynamic future.

Workplace wellbeing

At Western Health, we are deeply committed to creating a positive, safe, and supportive workplace culture that empowers our people and reflects our values. Over the past 12 months, we have implemented a broad range of strategic and grassroots initiatives that focus on leadership capability, psychological safety, and workforce wellbeing.

Alongside updates to our Positive Workplace Framework, Western Health launched its Mentally Healthy Workplace Plan 2025–2027 in November 2025. As part of this, we delivered our inaugural Learning Festival: Wellbeing in the Workplace in early 2026, offering flexible, drop-in sessions for staff to explore practical tools and ideas for a mentally healthy workplace.

Topics included managing emotional load, supporting wellbeing without taking work home, and reducing role ambiguity.

Through our continued partnership with our Employee Assistance Provider (EAP), we have enhanced the reach of our Oxygen Mask Program, which promotes self-care, stress management, and mental health awareness. In late 2025, 38 additional leaders participated, with another cohort going through the program through April to May 2026. This work, along with our focus on building awareness of employee support services has seen an increase in engagements with our EAP of 12 per cent compared with the previous 12-month period.

People readiness

Our People Readiness Program supported the transition to the new Footscray Hospital through a structured, human-centred change approach based on the Bridges Transition Model. Delivered in three phases, it built leader capability, prepared staff emotionally, and helped teams embed change in the new environment. During and after the move, recharge hubs provided practical wellbeing supports including relaxation spaces, peer support, counselling, and mindfulness activities. Footscray Hospital volunteers also played a vital role, supporting staff orientation, tours and training, and provided ongoing wayfinding assistance for staff, patients, and visitors. Together, these initiatives helped sustain wellbeing, confidence, and continuity during a major organisational transition.

Industry-leading nursing & midwifery workforce plan

Our workforce remains one of our greatest strengths. Through continued implementation of our Nursing and Midwifery Workforce Plan 2022-2026, we have achieved incredibly low attrition and our lowest every vacancy rates and agency utilisation. In 2026, over 30 per cent of Victorian nursing and midwifery graduates applied to Western Health (up from 24 per cent). Our Westwards program further supports workforce distribution by providing highly skilled nurses on secondment to regional and rural partners to strengthen their workforce position and decrease reliance on expensive agency staffing.

Leadership development

We have also significantly invested in leadership development through programs such as LeadWell, Emerging Leaders, and Director-level pathways. These initiatives are complemented by mentoring and coaching opportunities, supporting staff at all levels to grow their leadership capability and align their goals with organisational priorities. A new 12-month leadership program targeted towards our Executives to Directors level launched in March 2026, with a total of 21 leaders as well as our executive team participating. We have added to our already extensive suite of leadership programs by introducing our STAR succession planning program to support high-performing, high-potential nurses and midwives to achieve their career goals, and a Connected Teams program to support cohesive and impactful nursing and midwifery leadership teams.

Western Health has partnered with Oxford University's Saïd Business School to deliver its acclaimed Healthcare Leadership Program in Australia for the first time. Commencing December 2025, 40 of our current and emerging medical leaders began a bespoke year-long program designed to build strategic, innovative, and transformational leadership capability aligned to Western Health's rapid growth.

Strengthening our positive workplace culture

Western Health is strengthening positive workplace culture for medical staff through practical, people-centred initiatives. Our self-designed Continuing Medical Education app supports efficient, low stress professional development and is now being scaled regionally with partner health services. We are also launching Share Gratitude - widely used in the NHS and the first platform of its kind in Victoria - to embed real time recognition into everyday practice. Through a partnership with Deakin University, we are also piloting medical students as assistants within clinical teams to support a future-ready workforce.

We have also introduced the Nursing and Midwifery Leadership Lounge, a weekly online drop-in hub providing advice, support, and connection. The Lounge enables nurses and midwives to engage directly with senior leaders on professional practice, career development, leadership pathways, workplace, and industrial matters.

With no formal agenda or bookings required, staff can drop in to ask questions, listen, or connect in an open, supportive forum. The initiative strengthens leadership accessibility, workforce capability and professional confidence across nursing and midwifery.

Our People Matter results reflect a positive cultural shift, with improvements over several indicators. Notably, results from our 2025 People Matter Survey show satisfaction with learning and development increased by 3 per cent, support for flexible work rose 4 per cent and more staff reported feeling safe to speak up about inappropriate behaviour (up 3 per cent). Staff also reinforced strengths in team culture, inclusion, psychological safety, and patient centred care.

WE DELIVER SERVICES FOR THE FUTURE

Our services are developed to improve access to high quality, connected care and deliver better health outcomes for our community.

New Footscray Hospital

In February 2026, Western Health achieved a major generational milestone with the opening of Footscray Hospital, a $1.5 billion, state-of-the-art facility delivering 505 inpatient beds, expanded critical care and contemporary mental health services. Purpose-built wards with natural light, modern diagnostics and integrated digital systems have been designed to promote faster recovery and safer care. The hospital exemplifies Western Health's commitment to sustainable infrastructure, system efficiency and delivering future-ready care close to home for our diverse community. Across our health service, many staff took on additional work to support the opening of Footscray Hospital. Together, we planned for and safely moved 115 patients in a single day. It is a measure of our staff and volunteers that they rise to the call to support colleagues, patients, and communities.

Shared pathology service

In partnership with the Alfred/Monash Shared Pathology Service, Western Health safely transitioned pathology services to a public network led by Bayside Health including the implementation of a new pathology Shared Laboratory Information System. Coinciding with the opening of Footscray Hospital, the network was operational across seven sites by March 2026, representing Victoria's largest single pathology transition.

Aligned with government reform, the service improves access to high-quality diagnostics through laboratories, public collection centres, inpatient and at home collections, and point-of-care testing.

New Melton Hospital

At the same time as the above, site works and design phases for the new Melton Hospital moved at pace. This $900 million, all-electric hospital - an Australian first - will support a growing community. Set for completion in 2029 and once fully operational, it will treat 130,000 patients annually, including 60,000 in its 24-hour emergency department. Designed to maximise natural light, sustainability and wellbeing, the hospital will feature 274+ beds, ICU (Intensive Care Unit), maternity, neonatal, mental health, radiology, outpatient, and research facilities.

Sunbury Community Hospital

Sunbury Community Hospital's new medical imaging service delivers essential diagnostics closer to home. For the first time, local residents can access walk-in X-rays, scheduled CT scans and ultrasounds without travelling to Sunshine, Footscray, or Williamstown hospitals. This expansion enables faster diagnosis, reduces the burden of travel, and supports earlier clinical decision-making. The service reflects strong collaboration across Western Health teams and partners, demonstrating a shared commitment to accessible, patient-centred care that minimises disruption while improving timely health outcomes for the growing Sunbury community.

Local Health Service Partnership

Beyond infrastructure, we are contributing to broader system reform. Western Health and Werribee Mercy Hospital formed the West Metro Local Health Service Network in July 2025. This new network structure is already deepening our existing partnership with the aim to learn from each other's governance systems and clinical care practices and enhance access to coordinated care across the West.

Delivering a sustainable health service

Western Health places a high value on financial responsibility. In a budget of close to $2 billion, we recorded an end-of-financial-year operating surplus position.

WE ARE BETTER TOGETHER

Our respectful relationships with our community, system-wide partners and each other drive collaboration and better outcomes

Managing maternity demand

Melbourne's western corridor has driven 90 per cent of Victoria's birth growth over seven years, resulting in a 32 per cent increase in births at Western Health in the 2025 financial year. Western Health has led the NorthWest Maternity Demand Collaborative, partnering with consumers, services, and the Department of Health to coordinate capacity through shared data, joint planning, and agreed redirection pathways. Up to 90 maternity bookings per month have been safely redirected, maintaining timely access.

As part of the 2026-27 Victorian state budget, $249 million was announced to expand maternity services in the west, including a 24-bed ward at Sunshine Hospital, increased sonography appointments and additional special care nursery cots.

Providing efficient and timely care

Western Health continues to strengthen timely emergency care through sustained improvement and strong partnerships. Consumer safety is supported through escalation, fast-track and short-stay models, the Timely Emergency Care Collaborative, and partnership with the Department of Health to develop standardised Ambulance Victoria off-stretcher guidelines. In 2025-26, ambulance offloads within 40 minutes improved by 34 per cent at Footscray Hospital and 24 per cent at Sunshine Hospital. Admitted length of stay (LOS) reduced by 26 per cent and non-admitted LOS by 12 per cent at Footscray, and by 17.4 per cent and 6.1 per cent respectively at Sunshine.

Targeted flow and discharge initiatives across aged, general medicine, and sub-acute services further strengthen timely, person-centred care. At Footscray Hospital, ward-based General Medicine teams have reduced outlier patients by 44 per cent. At Sunshine Hospital, the Transit Lounge Golden Ticket increased utilisation from 22 per cent to 30 per cent and halved discharge wait times from four to two hours. Dedicated Discharge Liaison Nurses proactively coordinate complex discharges, supporting safe, timely transitions aligned with patient needs and preferences.

Targeted outpatient reform initiatives, including a surgical patient-initiated rebooking pathway, have contributed to sustained improvements in non-attendance (DNA) rates across Adult Specialist Clinics. DNA rates have reduced from a baseline of 23 per cent to 18 per cent, with surgical clinics achieving a further reduction to 15 per cent. Over the past 12 months, more than 3,099 outpatient appointments supported patients awaiting surgery through Allied Health-led models, including specialist physiotherapy, audiology, and hand therapy. Expanded nurse-led triage, redesigned ENT (ear, nose and throat) and colorectal post-operative pathways reducing ~2,000 follow-ups, and a nurse-led orthopaedic wound clinic optimising workforce capacity and improving timely, patient-centred outpatient care.

Connecting care

Western Health has established a formal partnership with Royal Melbourne Hospital (RMH) to enable our cardiologists credentialed in structural heart procedures to deliver these services in the RMH catheterisation laboratory, supported by onsite cardiothoracic surgery. This collaboration enables patients to remain under the care of our clinicians rather than being referred elsewhere. We provide all pre and post-procedural care and diagnostics, supporting continuity of care and allowing patients to receive most of their care closer to home.

Western Health was also selected as one of five pilot sites in Victoria for the Residential In-Reach (RIR) Post Hospitalisation three-year initiative through the Strengthening Medicare program, expanding the existing RIR service. The pilot supports patients transitioning to residential aged care facilities, enabling earlier discharge, and reducing avoidable hospital presentations. In the first four months, over 100 patients, primarily from general medicine units, were supported through coordinated geriatric medicine and nursing input, both as inpatients and following discharge.

Improving clinical safety

Western Health continues to strengthen clinical practice and service delivery through targeted improvements that address clinical risk, enhance safety, and embed evidence-based, system wide approaches to high-quality care.

Translational simulation has supported quality improvement through real-world testing, contributing to over 100 system improvements during the Footscray Hospital transition.

Rates of severe perineal tears following vaginal birth at Western Health have steadily declined over the past year, reflecting sustained improvement across our maternity services. The rate in normal vaginal births has reduced by more than 20 per cent and is now 2.3 per cent, below the national average of 3 per cent. This progress is supported by continued emphasis on evidence-based Bundles of Care and a new quality project targeting operative vaginal births. Similarly, our perinatal mortality rate has more than halved over the past 12 months.

Western Health's Nurse Led Vascular Access Team, a Victorian first, improves safety and quality through point-of-care insertion of PICC lines and other vascular access devices. The team provides specialist assessment, device selection, ultrasound and ECG-guided insertion, and ongoing management, reducing complications and supporting timely treatment. It also strengthens workforce capability through education, clinical consultation, continuous quality improvement, and leadership in vascular access policy and standards.

Across Mental Health and Wellbeing Services, Western Health is strengthening its commitment to eliminating restrictive interventions. Partnering with Safer Care Victoria through the Reducing Restrictive Interventions Collaborative, and working alongside consumers, to deliver the least restrictive services, and recovery-oriented care. Initiatives include expanded therapeutic group programs, enhanced sensory modulation, and Safety Huddles that support proactive multidisciplinary decisions. Together, these efforts have reduced average seclusion rates from 6.91 per 1,000 bed days in the 2025 financial year to 3.85 for the 2026 financial year..

Providing safe and efficient surgical care

As per last financial year, Western Health has met targeted admissions from the planned surgical waiting list in the 2026 financial year by prioritising care models that support patient choice, convenience, and recovery. Same-day surgery is now the default, with 72 per cent of planned surgery delivered as day cases - placing Western Health among Victoria's top metropolitan performers. Enhanced Recovery After Surgery (ERAS), co-designed with clinicians and consumers, supports faster recovery and discharge. Western Health's robotic surgery program is one of the busiest public programs, delivering 265 cases in FY26. Supported by our donor community, Western Health transitioned to an owned Da Vinci system, with the Western Health Foundation achieving its highest ever single campaign result of $1.1 million.

Aged care reforms

The Aged Care Act 2024, effective from 1 November 2025, introduced major reforms and strengthened Aged Care Quality Standards. Western Health's aged care services subject to accreditation have worked collaboratively to achieve accreditation readiness. Drawing on organisation-wide governance and clinical expertise, targeted gap analyses and improvements across consumer engagement, clinical practice, workforce capability, governance and service delivery have strengthened rights-based aged care that is aligned with national reforms. We have also completed the stage 1 refurbishment of our residential aged care facility, Grant Lodge, creating a modern, home-like environment and improving the experience for consumers.

WE DISCOVER AND LEARN

Our commitment to innovate, discover and learn inspires us to shape the healthcare of the future.

Enhancing medication safety

Western Health's Pharmacy Service has delivered significant innovation to improve medication safety, efficiency, and sustainability. At Footscray Hospital, new technologies, including automated pharmacy storage and dispensing, have enhanced accuracy, governance, and after-hours access. Expanded clinical pharmacy models across the patient journey reduce delays and support timely discharge. A new pharmacy service at Sunbury Community Hospital further improves access and meets growing demand.

Strengthening access to transplant

Western Health's Renal Transplant Improvement Initiative has strengthened access to transplant as a gold standard treatment for end-stage and chronic kidney disease. Through revised guidelines, standardised processes, optimisation of the electronic medical record, enhanced patient education, and close collaboration with Royal Melbourne Hospital as the transplanting hub, the renal workup process has been optimised. This has resulted in a 15 per cent increase in patients activated or receiving a transplant between 2024 and 2025, exceeding benchmarks reported by the Australia and New Zealand Dialysis and Transplant (ANZDATA) Registry.

Driving prevention, early intervention and health promotion

Food insecurity continues to affect health and wellbeing across our catchment. In response, our Western Public Health Unit (WPHU) is leading Food First in the West, a VicHealth-funded partnership uniting 14 organisations to strengthen a fairer, more affordable local food system. The initiative improves access to fresh, locally grown food, explores sustainable local procurement models, and expands supply through Community Grocer markets. Central to the approach is supporting migrant, refugee, and First Nations communities to design and lead culturally relevant, self-determined food projects.

WPHU has also led a co-ordinated, multi-modal measles (MMR) vaccination campaign to strengthen community protection and access. Partnering with councils, health services, community health and pharmacies, the campaign used co-branded, translated materials to reach priority communities. Western Health delivered dedicated staff vaccination sessions and developed a novel pharmacy voucher program, partnering with six local public health units and the Pharmaceutical Society of Australia to onboard 54 pharmacies.

Through the Women's Health Hub Tranche 3 funding, Western Health established a GP led service providing early intervention for women on the gynaecology waitlist, supporting 340 women since April 2025. Of these, 56 per cent were safely discharged and 57 per cent received fast-tracked gynaecology appointments. An Outpatient Hysteroscopy Service was introduced, enabling appropriate procedures without day admissions. The updated Early Pregnancy Assessment Services (EPAS) Model of Care allows gynaecologists to perform ultrasounds and discuss management at the point of care. Access to abortion care was further improved by introducing self-referral, removing the requirement for a GP referral.

Supporting home-first models of care

Western Health at Home continues to expand innovative, patient-centred models, with the Statement of Priorities (SoP) admitted bed days delivered at home reaching 7.3 per cent, exceeding the 6.4 per cent target and reflecting a sustained shift of service provision from hospital to home. Core programs including Hospital in the Home (HITH), Geriatric, Evaluation & Management (GEM) at Home, and Rehabilitation at Home have strengthened capacity, expanding by five beds in 2025.

Western Health is advancing care for older people through the Timely Emergency Care Collaborative with the establishment of an Acute Aged Care (AAC) at Home program, delivering hospital-level care in the home via a multidisciplinary team providing short-term, intensive support. In the first two months, 50 patients were admitted to the 3-bed program, with 91 per cent remaining safely at home. The program has received overwhelmingly positive feedback from patients and clinicians, with 44 per cent of referrals originating from the Emergency Department or Short Stay Unit, demonstrating strong impact in preventing avoidable hospital admissions and supporting a home-first model of care.

Leading system reform

Western Health's Mental Health and Wellbeing Services continue to lead system reform in line with Royal Commission recommendations. In 2026, the division designed and launched a 10-bed Mental Health Hospital in the Home program, delivering inpatient-equivalent care in community settings and supporting flexible, recovery-oriented care. The division also successfully transitioned Maribyrnong Community Mental Health Services from Mercy Mental Health, strengthening integration and continuity. Western Health is now the clinical partner for three Local Mental Health and Wellbeing Services across Maribyrnong, Brimbank and Melton, serving a combined population exceeding 800,000 and expanding access to community-based care.

National recognition for excellence in safety and quality

Sunshine Hospital's stroke team has received national recognition for excellence in safety and quality. In 2025, the team won the Australian Stroke Coalition Quality Stroke Service Excellence Award and the National Stroke Targets Award for most improved door-to-needle times. Further recognition from the Australian Stroke Clinical Registry highlighted excellence in stroke unit care, antihypertensive prescribing, and discharge planning.

Western Health has also received national recognition for providing a safe workplace, winning the Best Solution for Managing Psychosocial Hazards at Work at the 32nd National Safety Awards of Excellence. The award acknowledges our Reframe Virtual Reality Training Program, an innovative approach to preventing and managing occupational violence and aggression. Using immersive, real-world scenarios, Reframe builds staff confidence, emotional awareness, and de-escalation skills.

Mapping healthcare's carbon footprint

Anaesthetist Dr Forbes McGain is helping lead Lancet MedZero, a worldwide initiative mapping healthcare's carbon footprint, with Western Health a major Australian contributor. Locally, sustainability highlights include introducing reusable equipment and linens across theatres, ICUs and wards, and excluding piped nitrous oxide at Footscray Hospital to eliminate environmental emissions, reduce financial waste, and prevent occupational hazards.

Thank you

Finally, in a year of major milestones and continued innovation and excellence, we would like to thank all of Western Health's incredible and fantastic staff and volunteers, as well as our many community stakeholders and partners, including our local members of parliament at both the State and Commonwealth levels.

Thank you to the Department of Health, Health Ministers and the Victorian Government for their support in enabling us to provide more care to our growing population.

Thank you to our financial donors. Your support of the Western Health Foundation is greatly appreciated and makes an incredible difference to the Best Care we are able to provide.

In accordance with the Financial Management Act 1994, we are pleased to present the Report of Operations for Western Health for the year ending 30 June 2026.



Professor the Honourable Jill Hennessy
Chair of the Board, Western Health
4 September 2026



Professor Russell Harrison
Chief Executive, Western Health
4 September 2026

The fully copy of our 2025-2026 annual report is available on the Western Health website.

About Western Health

Western Health is the major healthcare provider to Melbourne's west; one of the fastest growing and most diverse regions of Australia, spanning the municipalities of Brimbank, Hobsons Bay, Hume (Sunbury), Maribyrnong, Melton, Moorabool (Bacchus Marsh) and Wyndham.

OUR COMMUNITY

With a catchment population exceeding 1.1 million people, a high rate of migration and a high birth rate, Western Health continues to experience rapid growth, outpacing the rest of Victoria. Our community is culturally vibrant, with residents speaking over 150 languages and dialects. It is also home to more than 9,000 people identifying as Aboriginal or Torres Strait Islander.

While proud of this diversity, we recognise that many in our community face significant social and economic challenges. These include above average rates of unemployment and financial hardship. We also recognise the unique health and social needs of groups within our community including refugee and asylum seekers, multicultural groups, First Nations, those with vulnerability, disability and LGBTIQA+.

Our population experiences higher rates of chronic conditions and risk factors such as obesity, heart disease, cancer, mental illness, diabetes, and stroke, as well as health risks related to smoking and inactivity.

Our community is ageing, with frailty and dementia becoming a significant challenge to independent healthy living.

We are committed to providing Best Care for communities across Melbourne's west, improving equity in access to care and health outcomes for all.

OUR PEOPLE

With over 13,000 staff and 420 dedicated volunteers, our people are the foundation of Western Health. Many of our staff live in the western suburbs, deeply embedded in the communities we serve. We are committed to fostering a strong, inclusive culture and building the capability of our workforce to meet the current and future health needs of the community.

OUR SERVICES

Western Health provides a comprehensive range of clinical services across hospital, community, correctional facility and home-based settings.

These services span the continuum of care, including acute tertiary services in areas of emergency medicine, intensive care, medical and surgical specialities and mental health and wellbeing. Western Health also delivers subacute care, onsite and virtual ambulatory clinics, an extensive home-based care program, primary care and residential aged care.

Our specialised services include cancer services, renal, women's health including maternity, chronic disease, geriatrics and cardiology. We also deliver addiction medicine and drug health services across inpatient and community settings. In addition, Western Health operates the Western Public Health Unit, which leads disease prevention and population health programs for the western region.

Western Health continues to grow, striving to deliver the best care for our community.

In 2025-26, Western Health:

- cared for over 181,000 patients in hospital
- admitted over 15,400 patients from the planned surgery waiting list
- performed over 12,700 emergency surgeries
- provided emergency care for over 172,000 patients in Emergency Departments (ED) and over 30,000 in Urgent Care Centres
- delivered over 33,000 clinic appointments monthly
- supported 7,200 women giving birth.

OUR LOCATIONS:

Western Health manages acute public hospitals including Sunshine Hospital, Footscray Hospital, Williamstown Hospital, Bacchus Marsh Hospital, and Sunbury Community Hospital.

We operate Melton Health and Community Services, Caroline Springs Community Health Centre and Grant Lodge Residential Aged Care in Bacchus Marsh.

Western Health also provides primary health services for the Dame Phyllis Frost Centre and a growing program of home-based and residential in-reach services.

Sunshine Hospital

A major teaching tertiary hospital across Western Health's network, centrally located and servicing the growing needs across the wider Western region.

It provides the most acute elective and emergency services for Western Health and is home to a comprehensive array of acute, subacute and mental health services, along with one of the busiest Emergency Departments in the state.

This includes the Joan Kirner Women's and Children's facility, Sunshine Mental Health and Wellbeing Centre, Westside Lodge Dual Diagnosis Drug Rehabilitation centre, Yanna Yanna Prevention and Recovery Centre, the Western Centre for Health Research and Education (WHCRE), renal dialysis, radiation therapy and palliative care services.

Footscray Hospital

A major teaching tertiary hospital responsible for providing acute general medical and surgical, intensive and coronary care, subspecialty medicine, surgical services, mental health and related clinical support.

Williamstown Hospital

A non-tertiary hospital, providing emergency, surgical, geriatric evaluation and management services, renal dialysis, community rehabilitation and transition care.

Bacchus Marsh Hospital

A non- tertiary hospital providing urgent care, general medical and surgical, palliative care, maternity and special care nursery services, including community based and specialist clinics.

Bacchus Marsh Hospital also supports Grant Lodge Residential Aged Care Facility.

Sunbury Community Hospital

Provides a range of same-day services including surgery, medical, chemotherapy, renal dialysis and specialist clinics.

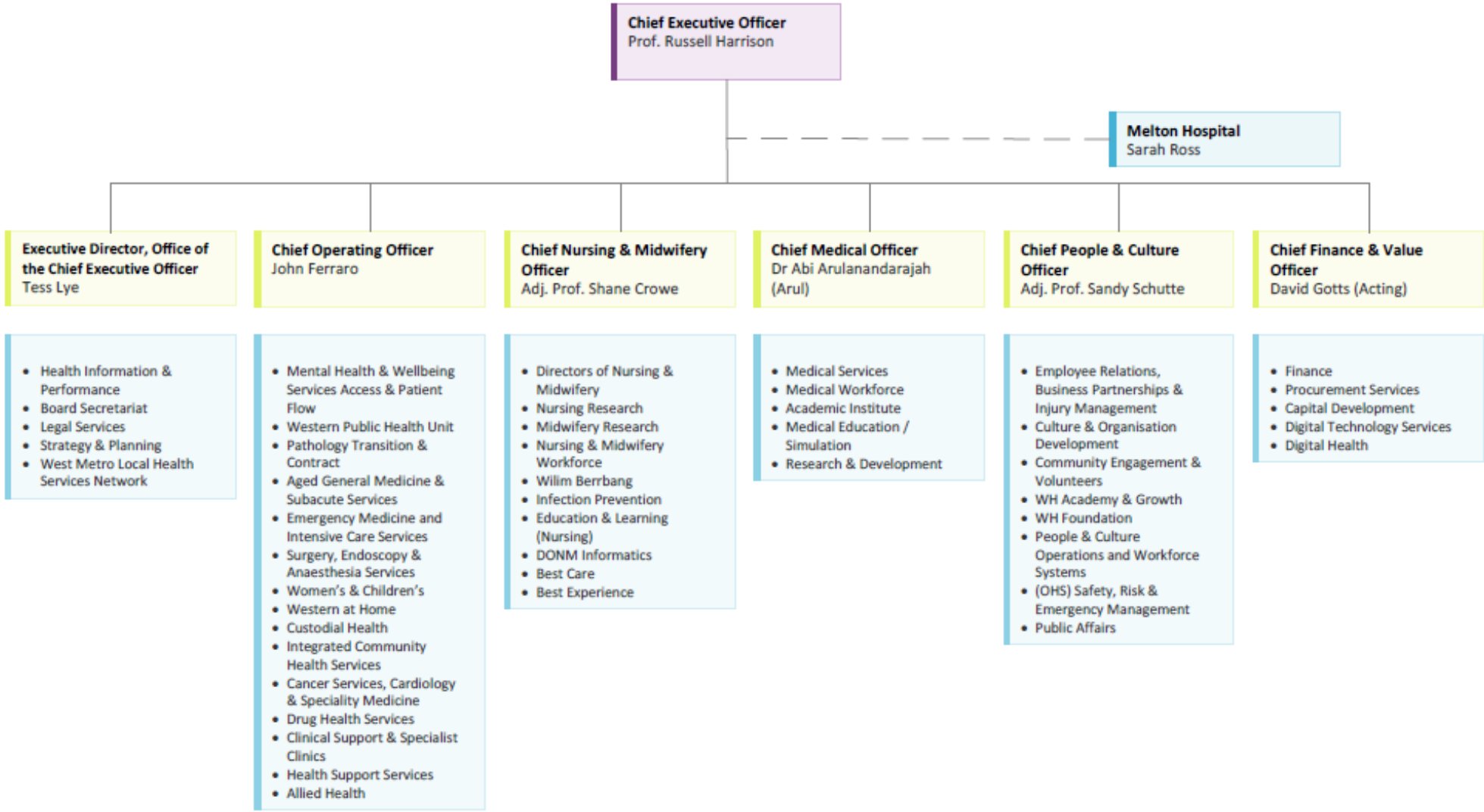
Melton Health and Community Services

Provides a range of community-based services including urgent care, renal dialysis, oncology, chronic disease management, women and children's health, dental clinics, family services and specialist clinics.

Western Health also supports patients with medical, surgical, mental health, and addiction medicine needs from a broad range of community locations across the western suburbs.

Organisational Structure

(as at end June 2026)



Western Health Services

AGED, GENERAL MEDICINE & SUBACUTE SERVICES

Acute Aged Care
Geriatrician Consult Service - Cardio-Geriatric Service, Ortho-Geriatric Service, Perioperative Geri-Service, ED Geri-Service
Dementia Support Unit
Geriatric Evaluation & Management
Transition Care Program -bed based
Ortho-Geriatric Service
General Medicine
Rehabilitation
Subacute and Non acute Access and Pathways Service (SNAP)
Residential Aged Care (Grant Lodge)

ALLIED HEALTH

Allied Health Assistants
Audiology
Exercise Physiology
Language Services
Music Therapy
Neuropsychology
Nutrition and Dietetics
Occupational Therapy
Physiotherapy
Podiatry
Psychology
Social Work
Speech Pathology
Spiritual Care

CLINICAL SUPPORT AND SPECIALIST CLINIC SERVICES

Specialist Clinics (Adult)
Medical Imaging
Pathology
Pharmacy

CANCER, CARDIOLOGY AND SPECIALTY MEDICINE

Cancer Research
Cardiac Diagnostic Services
Cardiology
Cardiology Research
Chemotherapy Day Unit – Sunshine & Sunbury
Community Palliative Care – Bacchus Marsh
Dermatology
Gastroenterology
Gastroenterology Research
Haematology
Infectious Diseases
Specialist Cancer Nurses
Medical Diagnostics – Respiratory Diagnostics & Neurophysiology Services & Sleep Laboratory
Medical Ambulatory Day Unit
Melton Health Day Medical Unit
Migrant Screening Service
Neurology & Stroke
Oncology
Oncology Hospital in the Home Service
Palliative Care
Sunshine Hospital Radiation Therapy Centre (in Partnership with Peter MacCallum Cancer Centre)
Respiratory and Sleep Disorders Medicine
Rheumatology
Rheumatology Research

DRUG HEALTH

Addiction Medicine Clinics
Adolescent Community Programs
Dual Diagnosis Residential Rehabilitation Centre (Westside Lodge)
Adult and Adolescent Withdrawal Unit
Assessment
Counselling
Care and Recovery Co-ordination
Non-residential Withdrawal
Hamilton Centre Partner Provider
Hospital Consultation and Liaison
Specialist Pharmacotherapy
Mental Health, Alcohol and Drug Crisis Hub
Mental Health, Alcohol, and Drug Connect

EMERGENCY, MEDICINE AND INTENSIVE CARE SERVICES

Emergency Medicine (including Footscray, Sunshine and Williamstown Emergency Departments, and the Bacchus Marsh and Melton Urgent Care Centres)

Intensive Care Services (including Organ Donation and ICU Research)

Critical Care Outreach Services

HEALTH SUPPORT SERVICES

Facilities Management

Building and Infrastructure Design, Engineering, and Compliance

Biomedical Engineering

Clinical Equipment Library

Environmental Sustainability

Logistics and Project Management

Space Planning and Management

Vehicle Fleet Management

Real-Estate Management

Support Services Workforce Management

Sourcing & Contracts Management

Security Services

Environmental Services

Central Production Kitchen and Food Services

Clerical Workforce

Switch Board and Communications

Public-Private Partnership (PPP) Contract and Performance Management

INTEGRATED COMMUNITY HEALTH SERVICES

Adult Community Health

The Orange Door

Counselling

Family Violence Support

NDIS

Paediatric Community Health

Autism Assessments

Pathway to Good Health

Continence Nursing

Diabetes Nurse Education

Community Nursing

Community Health Nursing

Health Promotion

Aboriginal Health programs (Integrated Team Care and Babaneek Booboop)

Dental

Sexual and Reproductive Health Hub

Healthy Mothers Healthy Babies

Child and Family Wellbeing Local

MENTAL HEALTH & WELLBEING SERVICES

Adult Inpatient Mental Health and Wellbeing Services (MHWS) Units

Women's only MHWS Inpatient unit

Older Adult Inpatient MHWS Unit

Community - Mental Health and Wellbeing Services – Saltwater, Central and Outer, including HOPE and GP liaison

Perinatal Services

Child and Adolescent Service (CAPS)

Community Care Units (CCU)

Prevention and Recovery Care (PARC)

Women's PARC - Yanna Yanna

Emergency Mental Health (EMH), including Police, Ambulance, Clinical, Early Response (PACER)

Consultation Liaison - Psychiatry

Aged Psychiatry Assessment and Treatment Team (APATT)

Behavioural Assessment and Specialist Intervention Consultation Service (BASICS)

Intensive Community Treatment (ICT)WH Mental Health at Home (WHMH@Home)

Harvester Privates Consulting Suites

SURGERY, ENDOSCOPY AND ANAESTHESIA SERVICES

Anaesthesia & Pain Management
Central Sterilising Services
Planned Surgery and Endoscopy
Oral & Maxillofacial
General and Breast Surgery
General and Colorectal Surgery
General and Endocrine Surgery
General and Upper Gastro-Intestinal Surgery
Neurosurgery
Ophthalmology
Orthopaedic Surgery
Otolaryngology, Head and Neck Surgery
Paediatric Surgery
Plastic and Reconstructive Surgery
Preadmission Service
Thoracic Surgery
Urology Surgery
Vascular Surgery

WOMEN'S AND CHILDREN'S

Ambulatory Services (Gynaecology, Maternity & Paediatrics)
Gynaecology including Early Pregnancy Assessment Service (EPAS)
Maternal Fetal Medicine
Maternity Services
Midwifery Group Practice including homebirth
Newborn Services, including Neonatal Intensive Care
Paediatric Medicine
Public Fertility Care
Reproductive Choices (Abortion Care)
Sexual and Reproductive Health Clinic (Melton)
Women's Health GP Clinics

WESTERN AT HOME

ACE Inpatient Care Coordination (ACE-IP)
Chronic Wound Service
Cognitive Dementia and Memory Service (CDAMS)
Community Based Transition Care Packages (TCP)
Community Care Coordination
Community Clinics
Custodial Health
Diabetes Foot Service (DFS)
Dialysis Services including dialysis at home
ED Care Coordination
Endocrinology and Diabetes
Rapid Allied Health (RAH)
Aged Care Assessment Service (ACAS)
Endocrinology Research
Hospital in the Home (HITH)
Central Access Unit (CAU)
Renal Research
Residential In Reach (RIR)
Specialised Rehabilitation Program (SRP)
Subcutaneous Immunoglobin Program (SCIg)
Endocrinology and Diabetes
Nephrology Services
Geriatric Evaluation & M'ment (GEM) at Home
Rehab at Home
Western Health at Home Connect

OTHER

Aboriginal Health, Policy and Planning
Best Care
Best Experience
Western Public Health Unit
New Footscray Hospital Operational Readiness
Access & Patient Flow
Infection Prevention
Office of Research
Strategy and Planning
Legal Services

Western Health Statement of Priorities 2025-26

Each year, Western Health identifies how it will contribute to Victorian Government policy directions and priorities. The following tables list outcomes against deliverables for 2025-26 agreed between our health service and the Minister for Health.

Strategic Priority - 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.		
Deliverables	***Comment***	***Status***
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	Western Health has 170 active consumer representatives and Lived Experienced Advisors that sit on 54 of our committees and are representative of the diverse population that we serve. Best Experience Framework released, and our growing Lived Experience Advisor roles are embedded into healthcare teams.	Achieved
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.	Reporting, reviews and decision making are informed by a just culture focused on safety and legislative requirements. Western Health participated in the Safety Culture in Birth Suite project and completed the Patient Safety Culture Survey to objectively measure safety culture.	Achieved
Health services are able to show evidence of a comprehensive training program approach that includes performance management, accountability, and continuous improvement.	Robust training programs are in place across all disciplines, supported by electronic Performance Development Plans via TalentHub. Improvement framework, tools and resources launched via our Improvement Hub to support ongoing improvement.	Achieved

Goal: Improve access to timely emergency care by implementing system-wide patient flow strategies that reduce emergency department wait times and improve ambulance-to-hospital transfer times.		
Deliverables	***Comment***	***Status***
Implement all relevant standards outlined in the Standards for Safe and Timely Ambulance and Emergency Care (STAEC) for Victorians and the accompanying Implementation Guide.	Relevant standards have been integrated into the ongoing work of Whole of Health service Flow improvement and strategies and targets have been incorporated and aligned with Timely Emergency Care projects.	Ongoing

Goal: Maintain a commitment to delivering equitable and timely access to planned care and drive reform in alignment with the Planned Surgery Reform Blueprint.		
Deliverables	***Comment***	***Status***
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.	Same day surgery has expanded across multiple specialties through increased rates in existing procedures and new pathways such as nasal surgery. Approximately 70% of planned activity is delivered as day case, supported by Enhanced Recovery After Surgery (ERAS) expansion into colorectal surgery and sustained LOS reductions in orthopaedics. Theatre performance monitoring has matured through operational dashboards. The robotic surgery program has continued to scale (>260 cases FY26), improving patient throughput and supporting more complex care.	Achieved
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).	Waitlist management has been strengthened across planned surgery and specialist clinics. Long-waiting patients remain a focus, with some redirected to alternative pathways where not ready for care. Outpatient pathway redesign includes standardised triage, referral criteria, and expanded nurse-led models. A pre-operative optimisation clinic has been established to support selected high-risk patients prior to surgery.	Achieved

Goal: Support the implementation of the “Next Phase of Reform” to deliver inclusive, personalised, compassionate, integrated mental health and wellbeing care in the community		
Deliverables	***Comment***	***Status***
Progress mental health reform: Implement mental health services per department guidelines and engage in reform related initiatives to improve access to community mental health services, crisis reforms, headspace integration, youth and adolescent inpatient care, catchment removal as well as infant, child and youth age streaming.	Western Health implemented a HITH Program (10 beds) and transitioned a Community Mental Health program covering the City of Maribyrnong servicing 240 patients previously managed by Mercy Mental Health as part of the Royal Commission reform program.	Achieved
Partner with Safer Care Victoria in one or more mental health improvement programs: elimination of restrictive intervention, improving sexual safety, implementation of the zero suicide framework and reducing compulsory treatment.	Five Western Health Mental Health Inpatient Units are actively participating in Safer Care Victoria’s Towards Elimination of Restrictive Interventions (TERI) Collaborative. The units have successfully completed Phase 1 and are now participating in Phase 2, with a continued focus on reducing restrictive practices.	Ongoing
Progress partnerships, whether through a formal partnership, MoU or exchange of letters, with local community based mental health services (including Mental Health and Wellbeing Locals, Headspace and other local NGO providers) and deliver initiatives that align with the objectives of the Mental Health and Wellbeing Act 2022, and in accordance with the priorities outlined in Victoria's next phase of reform for Mental Health and Wellbeing.	Western Health is partnering with Cohealth to run Mental Health and Wellbeing locals in Maribyrnong and Brimbank. Western Health also runs a Mental Health and Wellbeing Local in Melton, partnering with Mind Australia.	Achieved

Strategic Priority - 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.		
Deliverables	***Comment***	***Status***
Deliver the key initiatives outlined in the Budget Action Plan within Government parameters.	Western Health has successfully implemented extensive financial improvement measures to deliver necessary savings in the 2025-26 operating result. Savings in excess of the targeted $40M have been achieved through initiatives that for example diversified revenue streams, improved non-clinical service provision, enhanced procurement opportunities/value and addressed models of care efficiencies.	Achieved
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.	Business Intelligence and data analytics development and capability continue to evolve in conjunction with the Electronic Medical Record (EMR), noting the focus on Sustaining Best Care and associated financial sustainability runs through all Western Health processes and builds on integrated operational planning, budgeting and reporting. Western Health is actively engaged in sector benchmarking to share best practice and identify areas or opportunities for improved efficiency.	Ongoing
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.	Western Health continues to prioritise the efficient use of funding to deliver Best Care, meet Statement of Priorities targets and respond to increasing demand for services in our communities. To support this objective, Western Health progressed its Sustaining Best Care Financial Sustainability Program, focused on improving productivity, reducing avoidable costs, optimising revenue, enhancing service utilisation and strengthening organisational capability. The program supports a long-term approach to financial sustainability while enabling more resources to be directed to patient-facing services, improving capacity and reducing unnecessary waiting.	Ongoing

Strategic Priority - 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.		
Deliverables	***Comment***	***Status***
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.	Western Health strengthened workforce capability, leadership development and workforce sustainability through targeted leadership programs, talent development and succession planning. Progress toward gender equality included improved confidence in flexible work arrangements, increased representation of women in senior leadership, more equitable recruitment and promotion outcomes, and reductions in both the overall gender pay gap and the senior leadership gender pay gap. Western Health supported employee experience through targeted action on workplace safety, wellbeing, flexibility and inclusion. The award-winning Reframe Your Response virtual reality training strengthened staff capability to prevent and respond to occupational violence and aggression, while initiatives addressing sexual harassment, family violence, psychosocial safety and flexible work supported a safer and more inclusive workplace. Together, these initiatives have strengthened leadership, career development, workforce agility and employee wellbeing, helping to build a sustainable workforce capable of delivering safe, high-quality care.	Achieved
Collaborate with the department to improve workforce data analytics, generate actionable insights, and enhance strategic planning.	Western Health has improved workforce data collection and reporting, to support greater visibility of workforce diversity and strengthen gender equality governance and compliance.	Achieved

Strategic Priority - 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.		
Deliverables	***Comment***	***Status***
Deliver high-quality cultural safety training to all executives and staff using independent, expert, community-controlled organisations or a registered Aboriginal business.	Mandatory online learning is in place for all staff with managers undertaking a specific program. Mandatory face-to-face learning for senior leadership group, Executive and Board was developed and delivered with input from an independent, expert Aboriginal owned and operated organisation.	Achieved

Deliverables	*Comment*	*Status*
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.	Aboriginal Steering Committee in place, with membership from Aboriginal community leaders, Aboriginal community-controlled organisations, Aboriginal staff and Western Health's Executive and Board representatives. Memorandums of Understanding in place with Aboriginal community-controlled organisations. Aboriginal owned and operated consulting group engaged to undertake detailed consultation with Aboriginal community, leaders and organisations to inform Western Health's next Cultural Safety Plan.	Achieved
Ensure culturally appropriate systems for identifying Aboriginal and Torres Strait Islander patients and implement responsive discharge plans and referral pathways.	Strong focus on asking the question at points of entry to the health service. An Aboriginal Clinical Consultant role and Best Experience midwife role is in place to support the Aboriginal Liaison Officers for complex cases. An Aboriginal patient navigator is being trialled in the Emergency Department and planned admission pathway review for Aboriginal and Torres Strait Islander patients is in place for outpatients and theatres. Culturally safe care pathways are in place via the Galinjera program for pregnant women, Aboriginal Outpatients service for people with chronic diseases, and Babaneek Booboop for early childhood. An active liaison service in place in custodial health to plan release and referral onto Aboriginal community-controlled organisations.	Achieved

Strategic Priority - 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.		
Deliverables	***Comment***	***Status***
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).	Western Health has met objectives agreed to in the Local Health Service Network Statement of Expectations across the priority areas of Access, Equity and Flow; Workforce; Safety and Quality; and Shared Services.	Achieved

Key Performance Statistics*

** 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.*

HIGH QUALITY AND SAFE CARE

KEY PERFORMANCE INDICATOR	TARGET	2025-26 RESULT
Infection Prevention and Control		
Percentage of healthcare workers immunised for influenza[1]	94%	95%
Continuing Care		
Average change in the functional independence measure (FIM) score per day of care for rehabilitation separations	≥ 0.645	0.748
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	100%
Aged Care		
Public sector residential aged care services overall star rating	Minimum rating of 3 stars	100%
Patient Experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	91.2%
Aboriginal Health		
Difference between the percentage of Aboriginal patients and non-Aboriginal patients who left against medical advice	0%	2%
Difference between the percentage of Aboriginal patients and non-Aboriginal patients presenting to ED who did not wait to be treated		
• Footscray Hospital	0%	6%
• Sunshine Hospital	0%	3%
• Williamstown Hospital	0%	1%
Mental Health Patient Experience		
Percentage of consumers who rated their overall experience with a service in the last three months as positive	80%	62%
Percentage of families/carers reporting a 'very good' or 'excellent' overall experience of the service	80%	46%
Percentage of families/carers who report they 'always' or 'usually' felt their opinions as a carer were respected	90%	74.7%
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%	78%

Mental Health follow-ups, readmissions, and seclusions		
Percentage of consumers followed up within 7 days of separation – Inpatient.	88%	90%
Percentage of consumers re-admitted within 28 days of separation - inpatient.	< 14%	9%
Rate of seclusion episodes per 1,000 occupied bed days - inpatient	≤ 6	4.3%

[1] *Reporting period 7 April to 15 August 2025*

STRONG GOVERNANCE, LEADERSHIP, AND CULTURE

KEY PERFORMANCE INDICATOR	TARGET	2025-26 RESULT
Organisational Culture		
*People matter survey – Percentage of staff with an overall positive response to safety culture survey questions.	80%	N /A*

**Western Health did not participate in the 2026 People Matter Survey*

TIMELY ACCESS TO CARE

KEY PERFORMANCE INDICATOR	TARGET	2025-26 RESULT
Planned Surgery		
Percentage of urgency category 1 planned surgery patients admitted within 30 days.	100%	100%
Percentage of all planned surgery patients admitted within the clinically recommended time	94%	83.2%
Number of patients admitted from the planned surgery waiting list	15,300	15,442
Percentage of patients on the waiting list who have waited longer than the clinically recommended time for their respective triage category	25% proportional improvement from prior year<= 26.3%	36.7%
Optimisation of surgical inpatient length of stay (LOS), including through the use of virtual and home-based pre- and post-operative models of care	Reduction in average LOS for surgical patients by 2% from prior year <=1.32	1.30
Specialist Clinics		
Percentage of patients referred by a GP or external specialist who attended a first appointment within the recommended timeframe	95%	85.2%
Home Based Care		
Percentage of admitted bed days delivered at home	5.7%	7.6%

KEY PERFORMANCE INDICATOR				
Emergency Care	**TARGET**	**FOOTSCRAY**	**SUNSHINE**	**W'TOWN**
Percentage of patients transferred from ambulance to emergency department within 40 minutes	4% improvement from the same time last year Footscray: 70% Sunshine: 67% Williamstown: 80%	62%	61%	100%
Number of emergency patients with a length of stay in the ED greater than 24 hrs	Zero	16	62	0
Average ED length of stay (LOS) for admitted patients, in minutes	Avg LOS Footscray: 775 Sunshine: 741 Williamstown: 414	820	814	344
Average ED length of stay (LOS) for non-admitted patients, in minutes	Avg LOS Footscray: 314 Sunshine: 253 Williamstown: 240	342	280	147
Mental Health	**TARGET**	**FOOTSCRAY**	**SUNSHINE**	**W'TOWN**
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	65%	23%	46%	68%
Percentage of departures from emergency departments to a mental health bed within 8 hours	80%	25%	25%	100%
Number of admitted mental health occupied bed days	36,872	38,548		
Number of community mental health service hours	72,684	73,032		

EFFECTIVE FINANCIAL MANAGEMENT

KEY PERFORMANCE INDICATOR	TARGET	2025-26 RESULT
Operating result ($M)	0.0	$28.2
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.48
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	5% movement in forecast revenue and expenditure forecasts	Achieved

ACTIVITY & FUNDING

FUNDING TYPE	2025-26 ACTIVITY ACHIEVEMENT
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	192,844
Community mental health NWAU	6,545
Acute Admitted	
Acute admitted DVA	140
Acute admitted TAC	281
Acute Non-Admitted	
Radiotherapy – other	17
Subacute/Non-Acute, Admitted & Non-admitted	
Subacute – DVA	0
Transition care – bed days	10,793
Transition care – home days	13,277
Aged Care	
Residential aged care	10,848
HACC	11,882
Mental Health and Drug Services	
Mental health ambulatory	3,039
Mental health subacute	15,343
Drug Services	14,472
Primary Health	
Community health / primary care programs	3,821

Financial Snapshot

WORKFORCE DATA

HOSPITALS LABOUR CATEGORY	JUNE CURRENT MONTH FTE		AVERAGE MONTHLY FTE	
	2025	2026	2025	2026
Nursing	3925	4150	3867	3990
Administration & Clerical	1313	1362	1290	1347
Medical Support	622	680	610	645
Hotel and Allied Services	712	551	710	664
Medical Officers	189	200	188	195
Hospital Medical Officers	911	921	897	890
Sessional Clinicians	255	288	240	267
Ancillary Staff (Allied Health)	771	827	753	780
Total	**8698**	**8979**	**8555**	**8778**

FINANCIAL POSITION

SUMMARY OF SIGNIFICANT CHANGE IN FINANCIAL POSITION 2026

In the previous year, Western Health's SoP result was a surplus of $3.8M.

In the current financial year, the Western Health's SoP result was a surplus of $28.2M

OPERATIONAL AND FINANCIAL PERFORMANCE 2025

The Net Result from Transactions for the 2025-2026 year was a deficit of $117.3M

The Net Result for the 2025-2026 year, after Other Economic Flows, was a deficit of $67.7M

The Comprehensive Result for the 2025-2026 year, after nil Revaluation of Assets,-was a deficit of $67.7M.

SUBSEQUENT EVENTS

There are no events occurring after the Balance Sheet date.

FINANCIAL INFORMATION

$'000	2026	2025	2024	2023	2022
OPERATING RESULT+	**28,249**	**3,816**	**(32,655)**	**424**	**631**
Total Revenue	1,940,086	1,730,821	1,684,376	1,581,419	1,415,390
Total Expenses	(2,009,892)	(1,848,130)	1,786,830	1,509,152	1,408,412
Net result from transactions	**(69,806)**	**(117,309)**	**(102,454)**	**72,267**	**6,978**
Total other economic flows	2,071	(399)	(2,055)	(11,792)	(13)
Net Result	**(67,736)**	**(117,708)**	**(104,509)**	**60,475**	**6,965**
Total Assets	1,591,923	1,614,259	1,682,681	1,493,326	1,290,103
Total Liabilities	581,092	535,692	486,405	479,241	414,860
Net Assets/Total Equity	**1,010,831**	**1,078,567**	**1,196,276**	**1,014,085**	**875,243**

RECONCILIATION OF NET RESULT FROM TRANSACTIONS AND OPERATING RESULT+

	2025-26 $'000
Net operating result SoP*	**28,249**
Capital purpose income	39,620
State Supply Arrangement - Assets received free of charge or for nil consideration under State Supply	884
Expenditure for capital purpose	(6,417)
Depreciation and amortisation	(132,142)
Gains and losses from other economic flows	2,071
Net Result from transactions for the year	**(69,806)**

+ The Operating result is the result for which Western Health is monitored in its Statement of Priorities

*$28.2M = SoP includes Western Health and Western Health Foundation

CONSULTANCIES

DETAILS OF CONSULTANCIES [UNDER $10,000]

In 2025-2026, there was nil consultancy where the total fees payable to the consultant were less than $10,000.

The total expenditure incurred during 2025-2026 in relation to these consultancies is Nil (excl. GST).

DETAILS OF CONSULTANCIES [VALUED AT $10,000 OR GREATER]

In 2025-2026, there was nil consultancy where the total fees payable to the consultant were $10,000 or greater.

The total expenditure incurred during 2025-2026 in relation to the consultancies is Nil (excl. GST).

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

The total ICT expenditure incurred during 2025-2026 is $36 million (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)**
$15.5 million	$20.5 million	$12.4 million	$8.1 million

Corporate Governance

The Board of Western Health consists of independent non-executive members from a range of backgrounds and with local ties to Melbourne's West.

Western Health is incorporated as a public health service pursuant to the Health Services Act 1988 (VIC). Established in 2000, Western Health operates under the authority of the Act and its own by-laws.

Western Health is governed by the Board of Directors appointed by the Governor in Council on the recommendation of the responsible Minister. The Board's role is to govern the health service, consistent with applicable legislation and the terms and conditions attached to the funds provided to it.

The Board is responsible to the Minister for setting the strategic direction of Western Health, within the framework of government policy, and ensuring that the health service:

- Is effective and efficiently managed
- Provides high quality care and service delivery
- Meets the needs of the community; and performance targets

Over the period 1 July 2025 to 30 June 2026, the responsible Ministers were:

- The Hon Mary-Anne Thomas MP, Minister for Health (1 July 2025 to 15 April 2026)
- Hon Harriet Shing MP, Minister for Health (15 April to 30 June 2026)
- The Hon Ingrid Stitt MP, Minister for Mental Health (1 July 2025 to 30 June 2026)

Over the period 1 July 2025 to 30 June 2026, the Board comprised nine Members, including the Chair.

PROFESSOR THE HON JILL HENNESSY

BA, LLB, LLM, GAICD

CHAIR

Professor the Hon. Jill Hennessy is the former Victorian Attorney-General and Minister for Health and led a series of groundbreaking reforms in her time in Parliament. As well as being a Council Member of Victoria University, Jill is the Chair of Western Health, Chair of the Monash Women's Health Alliance, and Chair of GAIASO Theranostics Pty Ltd.

Jill is a Non-Executive Director at Melbourne Theranostic Innovation Centre (MTIC Pty Ltd) and Precision Molecular Imaging and Theranostics (PreMIT) and an Independent Non-Executive Director at Hudson Institute for Medical Research, Scope (Aust) Ltd and Incolink. She is also a strategic advisor to the Susan McKinnon Foundation and an Ambassador for the McKinnon Prize for Political Leadership.

A passionate Western Bulldogs supporter, she is the Chair of the Western Bulldogs Community Foundation and a proud resident of Melbourne's West. Jill is a Vice-Chancellor's Professorial Fellow at Monash University and holds a Bachelor of Arts and a Bachelor of Laws from Monash University, a Masters of Law (Public and International) from the University of Melbourne and is a Graduate of the Australian Institute of Company Directors.

Prof the Hon Jill Hennessy is a Member of the Audit, Finance, Quality & Safety and Governance & Remuneration Committees.

Appointed Board Director July 2024; Appointed Board Chair July 2024

PROFESSOR ANDREW CONWAY

FIPA FFA FCMA FCPA (UK) MAICD FAIM BCom BTeach(Sec) GCertAIB DBA(h.c.)

Professor Andrew Conway is the Chief Executive Officer of the Institute of Public Accountants - one of Australia's largest professional accounting bodies.

Andrew is currently a director of the Institute of Financial Accountants Ltd (UK) and RiPLTEC Pty Ltd. He is also a member of the ASX Corporate Governance Council.

Andrew was a former Australian Government Treasury Ministry Chief of Staff and Senior Advisor. In 2001 he was awarded the Centenary of Federation Medal through the Order of Australia and was also awarded the 2011 Young Professional of the Year award.

Andrew was appointed a Professor of Accounting (h.c.) at Shanghai University of Finance and Economics and is an Adjunct Professor at Deakin University and Lanzhou University in China and received a doctorate in business administration (h.c.). In addition to his academic degrees in commerce and education, Andrew has completed a post-graduate study in artificial intelligence. He is a current Vice Chancellor's Distinguished Fellow at Deakin University. Andrew is actively involved in research and co-founded the IPA-Deakin University SME Research Centre and co-authored the landmark Australian Small Business White Paper.

Professor Andrew Conway is the Chair of the Finance Committee and a Member of the Audit Committee.

Appointed May 2020

ADJ A/PROF ELIZABETH KENNEDY

B.A,LL.B (Hons), LL.M, Grad Dip Health and Medical Law (Melb), GAICD

Elizabeth Kennedy has been a practising lawyer for over 40 years, specialising in health and medical law.

Elizabeth was General Counsel and Corporate Secretary of Peter MacCallum Cancer Centre, Corporate Counsel of Epworth Healthcare, The Royal Women's Hospital and The Royal Children's Hospital. She was the inaugural in-house lawyer of Southern Healthcare Network from its formation in 1998.

Elizabeth is a currently a non-executive director of North Western Melbourne Primary Health Network and the Australian Psychological Society and is the legal member of the Victorian Pharmacy Authority. She has held a number of not-for-profit Board appointments throughout her career, including Monash Medical Centre, Alzheimer's Victoria, Family Planning Victoria, and the Victorian Cytology Service.

Elizabeth Kennedy is the Chair of the Audit and Governance & Remuneration Committees.

Appointed July 2020

HON MONICA GOULD

A former Victorian Minister, the Hon Monica Gould served as Victoria's first (and still only) female President of the Legislative Council. She began her career in the union movement, with a particular focus on advocating for poorly paid women in the manufacturing industry.

In Parliament, Monica served in both opposition and government and developed a reputation for effectiveness and efficiency, driving through legislation through advocacy and bipartisan engagement as Minister for Industrial Relations and then Minister for Education Services and Youth Affairs. She also played a significant role in advancing the representation of women through visible leadership and initiatives such as quotas for women in pre-elections.

Since retiring from government, Monica has applied her abilities in governance, diplomacy, strategy and stakeholder engagement in the service of non-profit organisations, holding board and chair positions in youth, community and environmental initiatives.

The Hon Monica Gould is the Chair of the Community Advisory Committee and a Member of the Governance & Remuneration Committee.

Appointed July 2020

BEN DAVISON

BA, MBA, GAICD

Ben Davison is a professional director and consultant with over 20 years' experience in leadership roles across the for-purpose sector. In addition to being a director of Western Health, Ben is a director of BGT Jobs and Training and is a trustee director of Australian Super where he also serves on the Finance and Audit, Investment, Risk and Compliance and the Investment Review Committees as well as the Technology Working Group of the Board.

Ben has previously served as the Chief of Staff, Director of Operations and Director of Communications at the Australian Council of Trade Unions (ACTU) and as the CEO of Southport Uniting Care. He holds a Master of Business Administration from Melbourne Business School, a Bachelor of Arts in Politics, Policy and Journalism from Deakin University, and is a graduate of the Australian Institute of Company Directors.

As well as his board service, Ben provides management and governance consulting services to values-aligned clients. He runs a successful podcast with his partner and is active in a range of local community groups and organisations.

Ben Davison is a Member of the Finance and Community Advisory Committees.

Appointed July 2022

PROFESSOR HARVEY NEWNHAM

MBBS, FRACP, PhD, GAICD, AICGG

Professor Harvey Newnham is an Endocrinologist and General Physician with extensive board and clinical leadership experience in the acute health sector. Harvey is the Chair of Health Education Australia Limited (HEAL) which encompasses the Australasian Institute of Clinical Governance (AICG). He is a graduate of the Australian Institute of Company Directors and has completed the AICD boardroom mastery course.

Harvey is experienced in organisational and unit review at health department, hospital and clinical unit level. Harvey's main interests are to improve the clinical governance of acute and home-based care with particular emphasis on internal audit of clinical services, consumer engagement and interdisciplinary teamwork.

Harvey was previously Program Director of Emergency and Acute Medicine and Director of General Medicine at Alfred Health and continues to work there clinically. Harvey is an Adjunct Clinical Professor with Monash University. In his earlier career, Harvey was Director of Internal Medicine at Eastern Health and was extensively involved in education, developing both the undergraduate medical student program and the physician training program there. He was also chair of the Endocrinology Specialist Advisory Committee of the Royal Australasian College of Physicians. Harvey continues to serve as a senior member of the National Examining Panel for the RACP.

Professor Harvey Newnham is a Member of the Audit and Quality & Safety Committees.

Appointed July 2023

DR DEBORAH COLE

BDS GradDipHlthAdmin MBA GradCertLead&CathCult FAICD GAIST(Adv)

Dr Deborah Cole is an experienced Non-Executive Director and Chief Executive Officer predominantly in the health sector.

Deborah is the Chair of AusHealth and a Non-Executive Director of Frontier Advisors, Forensicare and HumanAbility.

Deborah has over two decades of executive and governance leadership across healthcare, community services and workforce development and has worked in both the not-for-profit and public sectors. She has held CEO positions at Dental Health Services Victoria, Calvary Health Care ACT and Yarra City Council, and senior executive positions at Mercy Health, St Vincent's Health, the Royal Dental Hospital of Melbourne and the South Australian Dental Service.

She holds an MBA, Bachelor of Dental Surgery and is a Fellow of the Australian Institute of Company Directors.

Dr Deborah Cole is the Chair of the Quality & Safety Committee and a Member of the Primary Care & Population Health Committee.

Appointed July 2022

DR ELISABET WREME

MSc, DBA, FAICD

Dr Elisabet Wreme is an experienced C-Suite executive, non-executive director and chair with a passion for service and technology businesses going through change. She is a highly professional leader with a genuine understanding of digital and cyber. Elisabet's focus is to great customer experiences and strong performance outcomes at the same time.

Elisabet is an innovator with a patent to her name. Elisabet has broad experience across a range of strategic and operational roles, primarily across financial services and health related organisations. Her previous executive roles include COO for GuildGroup Holdings and senior executive roles with Telstra and NAB.

Elisabet is the Chair of BreastScreen Victoria and HAMBS and is a Non-Executive director at Ansvar and AssetInsure. She has previously been on the boards of Y Victoria, Ausmaq and PWG.

Dr Elisabet Wreme is the Chair of the Primary Care & Population Health Advisory Committee and a Member of the Finance Committee.

Appointed July 2024

PROFESSOR IAN MEREDITH AM

MBBS BSc(Hons) Ph.D FRACP FCSANZ FACC FAPSIC

Professor Ian Meredith AM is a Professor of Medicine and Vice Chancellor's Professorial Fellow at Monash University. Ian is currently the Chair of NinaMED Pty Ltd and a non-executive director of Innovation Victoria and AUSCelerate, as well as serving on the boards of several US and Australian Healthcare and life science companies.

In mid 2023 Ian retired as the Executive Vice President and Global Chief Medical Officer at Boston Scientific in Massachusetts, USA. While in that role, he focused on driving a vision of transformative clinical science and innovative care for all patients with chronic non-communicable diseases through critical input into the company's global clinical strategy and new business development plan.

Prior to joining Boston Scientific in 2017, Ian was Professor and Director of MonashHeart, the internationally recognised cardiology service within Monash Health, a position he held for 12 years, and practicing as an interventional cardiologist for over 25 years. In 2003 Ian conceived and led the development of the Victorian Heart Hospital, Australia's first dedicated heart hospital.

In 2012 Ian received an Order of Australia (AM) in the General Division for outstanding service to medicine in the field of Cardiology as a clinician and researcher and for advisory roles with a range of public health and organisations. In 2019 he received a Doctor of Laws, Honoris Causa for outstanding service to Monash University.

Professor Ian Meredith is a Member of the Finance and Quality & Safety Committees.

Appointed July 2025

BOARD MEETING ATTENDANCE 2025-26

DIRECTORS	BOARD MEETINGS ATTENDED/ MEETINGS HELD
Prof the Hon Jill Hennessy	11/11
Hon Monica Gould	10/11
Prof Andrew Conway	10/11
Adj A/Prof Elizabeth Kennedy	10/11
Ben Davison	8/11
Dr Deborah Cole	9/11
Prof Harvey Newnham	11/11
Dr Elisabet Wreme	10/11
Prof Ian Meredith	10/11

BOARD COMMITTEES

The Board has established several standing committees to assist in carrying out its responsibilities.

AUDIT AND RISK COMMITTEE

The Audit Committee is responsible for ensuring the financial and related reporting systems produce timely, accurate and relevant reports on the financial operations of the health service and that sufficient resources are allocated to identify and manage organisational risk.

Committee Members (Board Directors) 2025-26:

- Elizabeth Kennedy (Chair)
- Jill Hennessy
- Harvey Newnham
- Andrew Conway

COMMUNITY ADVISORY COMMITTEE

The role of the Community Advisory Committee is to advise the Board on relevant structures, processes, key priority areas and issues to ensure effective consumer and community participation at all levels of service planning and delivery. It also advises the Board on matters involving access and equity for patients and their families from culturally and linguistically diverse backgrounds.

Committee Members (Board Directors) 2025-26:

- Monica Gould (Chair)
- Ben Davison

FINANCE COMMITTEE

The Finance Committee is responsible for advising the Board on matters relating to financial strategies and the financial performance, capital management and sustainability of Western Health.

Committee Members (Board Directors) 2025-26:

- Andrew Conway (Chair)
- Jill Hennessy
- Ben Davison
- Elisabet Wreme
- Ian Meredith

GOVERNANCE AND REMUNERATION COMMITTEE

The role of the Governance and Remuneration Committee is to advise the Board and monitor matters involving organisational governance and administration, and executive and senior staff recruitment, remuneration and performance.

Committee Members (Board Directors) 2025-26:

- Elizabeth Kennedy (Chair)
- Jill Hennessy
- Monica Gould

PRIMARY CARE AND POPULATION HEALTH ADVISORY COMMITTEE

The Primary Care and Population Health Advisory Committee provides advice and recommendations to the Board on health issues affecting the population served by Western Health.

Committee Members (Board Directors) 2025-26:

- Elisabet Wreme (Chair)
- Deborah Cole

QUALITY AND SAFETY COMMITTEE

The Quality and Safety Committee is responsible for ensuring quality monitoring activities are systematically performed at all levels of the organisation and deviations from quality standards are acted upon in a timely manner

Committee Members (Board Directors) 2025-26:

- Deborah Cole (Chair)
- Jill Hennessy
- Harvey Newnham
- Ian Meredith

FINANCIAL COMPLIANCE DECLARATION

I, Jill Hennessy, on behalf of the Board of Western Health, certify that Western Health has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.



Professor the Honourable Jill Hennessy
Chair of the Board, Western Health
4 September 2026

CONFLICT OF INTEREST DECLARATION

I, Russell Harrison, certify that Western 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 Western 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 and board meeting.



Professor Russell Harrison
Chief Executive, Western Health
4 September 2026

DATA INTEGRITY DECLARATION

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



Professor Russell Harrison
Chief Executive, Western Health
4 September 2026

INTEGRITY, FRAUD AND CORRUPTION DECLARATION

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



Professor Russell Harrison
Chief Executive, Western Health
4 September 2026

HEALTH SHARE VICTORIA (HSV) PURCHASING POLICIES DECLARATION

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



Professor Russell Harrison
Chief Executive, Western Health
4 September 2026

CARERS RECOGNITION ACT 2012

In accordance with the Carers Recognition Act 2012 (Vic), Western Health takes all practicable measures to:

- ensure its employees and agents have an awareness and understanding of the care relationship principles;
- ensure that people in care relationships who receive services from Western Health in relation to those care relationships have an awareness and understanding of the care relationship principles; and
- ensure that Western Health, its employees and agents reflect the care relationship principles when developing, providing or evaluating support and assistance for people in care relationships.

SAFE PATIENT CARE ACT 2015

Western Health has no matters to report in relation to its obligations under section 40 of the Safe Patient Care Act 2015 (Vic).

CAR PARKING FEES

Western Health complies with the Department of Health hospital circular on car parking fees and details of car parking fees and concession benefits can be viewed at https://westernhealth.org.au/locations ('Getting There' options under each of our listed hospitals).

THE FREEDOM OF INFORMATION ACT 1982

The *Freedom of Information Act 1982 (Vic*) (FOI Act) grants the public a right to access documents in the possession of Victorian Government agencies, including public health services. Western Health processes freedom of information (FOI) applications for access to documents in accordance with the provisions of the FOI Act, unless documents are released informally or otherwise made publicly available.

During 2025-26, Western Health received 3368 FOI applications. Of these, three related to non-personal information (corporate records), with the remainder seeking access to personal information, primarily patient records.

Most of the applications for patient records were made either directly by patients or on their behalf by authorised representatives, including law firms and insurers.

In the 12 months to 30 June 2026, Western Health made 3090 FOI decisions. Of these, 2994 were completed within the relevant statutory timeframe. A total of 96 decisions were made outside the relevant statutory period, 85 of these were finalised within a further 45 days, and 11 decisions were made more than 45 days after the original due date.

Of the 3090 access decisions made, access was granted in full in 2866 cases, granted in part in 220 cases, and denied in full in four cases. Forty - seven decisions involved mandatory extensions of time or extensions of time agreed with applicants. The average time taken to finalise a valid request was 30 days (i.e. within the statutory timeframe), including extensions of time.

Seven applications made during 2025-26 were subject to a complaint or internal review by Office of the Victorian Information Commissioner. No matters progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Information about how to make a Freedom of Information (FOI) request to Western Health is available to members of the public on the Accessing Your Medical Records page of the Western Health website. This page provides information regarding the FOI application process, including FOI application forms, contact details, the application fee, access charges, and a link to the office of the Victorian Information Commissioner (OVIC). The cost of making an FOI application in 2025/2026 was $33.60 and increased to $34.50 for the 2026/2027 financial year. The total production costs, also referred to as access fees, vary according to the number and types of documents required.

If a member of the public calls Western Health seeking information on the FOI process, they will be directed to the relevant page of the Western Health website, ask them to send their enquiries to FOI unit via email at (foi@wh.org.au) or transferred to the FOI team. The FOI team can provide information about the FOI application process, answer enquiries, and upon request may email or post an FOI application form to the applicant.

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

Western Health is fully compliant with all elements of the Asset Management Accountability Framework (AMAF). This translates to a total 'Optimising' (compliance) rating (rounded up) of 4 on the elements of the rating scale outlined in the AMAF guidance note.

BUILDING ACT 1993

Western Health complied with the building and maintenance provisions of the Building Act 1993 for the period 1 July 2025 to 30 June 2026. Building works and modification works were undertaken in accordance with the Ministerial Directions for public procurement and where applicable, the appropriate Authority approvals, Building Permits, Compliance Certification and Certificates of Occupancy and/or Final Inspection were obtained in line with the requirements of the Building Act 1993.

Western Health sites regularly undergo a number of internal and external audits for asset condition assessments to inform maintenance and upgrade planning activities. No emergency orders were issued in relation to buildings.

Western Health completed HVAC upgrades to the medical/surgical ward at Bacchus Marsh Hospital, installation of reverse osmosis plant at various sites and minor refurbishments of residential and community mental health facilities and hospital spaces. Current works include the large clinical equipment replacement program, theatre refurbishments, aged care facility expansion and refurbishment, mental health clinic refurbishment and creation of a new suite to accommodate PET CT services at Sunshine Hospital.

NATIONAL COMPETITION POLICY

Western Health has implemented and continues to comply with the National Competition Policy and the requirements of the Victorian Government's Competitive Neutrality Policy.

LOCAL JOBS FIRST ACT 2003

Western Health complies with the intent of the Local Jobs First Act (Vic) 2003 which ensures local projects create opportunities for Victorian businesses and workers.

There were two completed Local Jobs First Projects at Western Health within 2025-26:

Project Name	**Sunshine Generator**
Project Value	4,000,000.00
Contestability	Contestable
Project Status	Complete
Local Content	42%
LIDP Commitments	3
VIPP Plan / LIDP Outcomes	Complete
Total Businesses Engaged	4

Project Name	**Sunshine Fire Indicator Panel Civil Works**
Project Value	4,012,000.00
Contestability	Contestable
Project Status	Complete
Local Content	97.98%
LIDP Commitments	3
VIPP Plan / LIDP Outcomes	Complete
Total Businesses Engaged	34

SOCIAL PROCUREMENT FRAMEWORK

Western Health's Social Procurement Framework focuses on opportunities to deliver social and sustainable outcomes that benefit the Victorian community.

As per the social procurement strategy FY25-28 WH continue to build on achieving social and sustainable objectives.

As per the social procurement strategy the following social and sustainable objectives have been addressed:

- Environmentally sustainable business practices - Collaboration with procurement, sustainability and diversity departments has occurred on achieving organisational targets and a shared framework focusing on delivering value for money. Supplier commitments are included in contracts as applicable.

- Responding to Diversity Policy - WH have engaged in multiple initiatives to address diversity by partnering with multiple industry partners.
- Procurement Policy - Requirements on social and sustainable outcomes have been included in procurement documentation. Informal education on social and sustainable requirements has improved capability in the procurement team and relevant WH departments.
- Construction Procurement Framework - Social procurement requirements have been included in procurement related documentation.

Western Health is committed to continuing and expanding partnerships with organisations that support the current social procurement strategy. Initiatives include waste reduction through the collection and reuse of devices to avoid landfill, employment of people facing barriers to employment, appropriate utilisation of clinical products and services, product redistribution and sound purchasing.

The table below summarises Social Procurement activities and commitments in the 2025-26 financial year.

SOCIAL PROCUREMENT ACTIVITIES AND COMMITMENTS	
Reporting period:	2025-26
Reporting entity:	Western Health

Overall social procurement activities	2025-26
Total amount spent with social benefit suppliers (direct spend) during the reporting period ($ GST exclusive):	$289.7K
Social benefit suppliers engaged during the reporting period:	16
Mainstream suppliers engaged that have made social procurement commitments in their contracts with the Victorian Government:	13
Contracts that include social procurement commitments:	7
Number of Victorian Aboriginal businesses engaged:	7
Number of Victorian social enterprises led by a mission for people with disability and Australian Disability Enterprises engaged:	2
Number of Victorian social enterprises engaged	8

DISCLOSURE OF EMERGENCY PROCUREMENT

During 2025–26, Western Health did not activate emergency procurement provisions and incurred nil expenditure for emergency procurements. Accordingly, there are nil reports for emergency procurement disclosures for the reporting period.

DISCLOSURE OF PROCUREMENT COMPLAINTS

During 2025–26, Western Health received nil procurement complaints through its procurement complaints management system. Accordingly, there are nil reports for procurement complaints disclosures for the reporting period.

STATEMENT OF MERIT AND EQUITY

Western Health is committed to maintaining a strong governance framework that promotes accountability, transparency, integrity, and excellence in the delivery of healthcare services. These principles underpin our decision-making processes and support our mission of providing safe, person-centred care to the communities we serve.

Merit and equity are fundamental to Western Health's organisational values and governance practices. Employment, promotion, professional development, and leadership opportunities are based on merit, with decisions informed by qualifications, skills, experience, performance, and demonstrated capability.

Western Health is equally committed to fostering an equitable, diverse, and inclusive workplace. We recognise that equitable access to opportunities is essential to achieving positive outcomes for our workforce and the communities we serve. Through our policies, programs, and workplace practices, we strive to identify and remove barriers to participation and advancement, ensuring that all employees are treated fairly, respectfully, and without discrimination.

Throughout the reporting period, Western Health continued to monitor and strengthen its governance, workforce, and people management practices to support merit-based decision-making and equitable outcomes. The Board and Executive Leadership Team maintain oversight of these commitments through regular review of workforce data, diversity and inclusion initiatives, compliance obligations, and employee engagement outcomes.

Western Health believes that a culture grounded in merit, equity, and inclusion enhances organisational performance, supports workforce wellbeing, and contributes to the delivery of high-quality healthcare services. We remain committed to continuous improvement and to ensuring our governance practices reflect best practice and the expectations of our patients, consumers, staff, and community.

EX-GRATIA PAYMENT

Western Health made no ex-gratia payments to employees for the year ending 30 June 2026.

WORKFORCE INCLUSION POLICY

The Gender Equality Act 2020 seeks to improve gender equality across the Victorian public sector, universities and local councils, benefiting both employees and the communities they serve. As part of its obligations under the Act, Western Health completed and submitted its Gender Equality Progress Report, outlining progress against the Gender Equality Action Plan (2022–2025), performance against the legislated Workplace Gender Equality Indicators, and the outcomes of Gender Impact Assessments conducted during the reporting period.

Western Health has made measurable progress across several workplace gender equality indicators, recognising that meaningful and sustainable change requires long-term effort to address both structural barriers and individual biases. Achievements during the reporting period included stronger representation of women in leadership, improvements in recruitment and promotion practices, enhanced workforce diversity data collection, increased confidence in flexible work arrangements, and ongoing efforts to improve pay equity. Women continue to represent 74.8% of the workforce and 64.5% of senior leadership roles, demonstrating continued progress toward gender-equitable leadership representation.

Western Health has also strengthened its ability to collect and analyse workforce diversity data, providing greater visibility of workforce experiences and supporting more informed workforce planning and decision-making.

Gender Impact Assessments continue to support consideration of the differing needs and experiences of women, men and gender-diverse people in the development of policies, programs and services. This work has helped strengthen a more systematic approach to equity in decision-making and supports Western Health's ongoing compliance with the Gender Equality Act.

Western Health has also continued to invest in leadership capability, workforce development and inclusion. Leadership and career development initiatives have strengthened succession planning, employee wellbeing, leadership capability and career progression opportunities across the organisation. Together, these initiatives support workforce sustainability, build organisational capability and create more equitable access to development opportunities.

The organisation's broader equity and inclusion agenda is guided by the Best Experience Framework, which establishes a shared vision and approach to creating an equitable, inclusive and culturally safe environment for staff, consumers and the community. Progress on gender equality is governed through the Gender, Sex and Sexuality Advisory Committee, which provides advice and oversight on priorities and initiatives and reports to the Best Experience Steering Committee. This governance structure helps ensure accountability, informed decision-making and alignment with organisational priorities.

PUBLIC INTEREST DISCLOSURE ACT 2012

In accordance with the *Public Interest Disclosure Act 2012 (Vic)*, Western Health has developed procedures and guidelines to facilitate the making of disclosures, the handling of disclosures and to protect persons making disclosures from detrimental action. The procedures and guidelines are available to the public on the Western Health website: Western Health | Patients and Visitors and to staff on the Western Health intranet.

OCCUPATIONAL HEALTH AND SAFETY (OHS)

To minimise risk and promote the health, safety and wellbeing of our workforce, the programs and activities below were provided across the 2025-26 financial year.

Western Health continues to facilitate and evaluate the ‘Reframe Your Response’ virtual reality (VR) training on occupational violence and aggression (OVA). This training is mandatory for staff working in high-risk areas and is available to all staff. It forms part of a one-day training program that has been enhanced to provide an immersive educational experience.

In October 2025, this program was a finalist in the Australian Institute of Health and Safety Awards and was awarded Best WHS training program in the NSCA National Safety Awards for Excellence. In addition to the Reframe training, the Safewards model of care continues to be implemented in aged-care wards, with two additional wards commencing implementation in 2025-26.

The Back 4 Life manual handling training program has undergone a comprehensive review, with new modules tailored to different staff cohorts.

The number of reported incidents and hazards at Western Health has increased compared with number of incidents in previous years. This is predominantly driven by a change in the way that OVA incidents are reported.

In previous years, only those incidents that required a security response were reported; however, just as many incidents are resolved without assistance from security. This change provides Western Health with better visibility of the full range of OVA incidents and the impact on staff, particularly where the cumulative impact of minor incidents could increase staff distress.

While the incident rate has increased, it has not resulted in a similar increase in OVA related Workcover claims or lost time. The percentage of OVA incidents resulting in a staff injury, illness or condition has reduced from 14.8% to 3%, indicating that the work done to increase the capability of our staff to de-escalate and manage these incidents is having some success.

Health and Safety Representatives (HSRs) – Throughout 2025-2026, our HSRs continue to display exemplary engagement within their Designated Work Groups. The HSR Forums conducted by Western Health provide an honest appraisal of the work being done and the real challenges on the frontline and offer an opportunity for ongoing professional development for HSRs. The HSRs' involvement in the quarterly HSR forums and the Western Health OHS Committee meetings has been commendably active.

This year our Injury Management Team continued to deliver positive outcomes by supporting the health, wellbeing, and recovery of employees whilst maintaining a safe and productive workplace.

Through our early intervention program, proactive case management, and strong collaboration between employees, managers, and other key stakeholders, we achieved sustainable, timely and rewarding outcomes for many of our people.

Key successes included encouraging ‘Recovery at Work’ which we know promotes a faster physical and psychological recovery through remaining active and connected with peers and colleagues at the workplace. Individualised tailored plans ensure employees remain supported throughout their RTW process, helping them safely resume meaningful duties as soon as medically appropriate. These achievements reflect our commitment to fostering a collaborative workplace where employees are heard and engagement is prioritised; they also help drive continuous improvement which returns better outcomes for both our people and the organisation.

Looking ahead, a focus will be to expand on these achievements by partnering more with key stakeholders to further reduce injury rates, continue to explore early intervention options and to build on the culture of safety first across all Western Health sites.

OCCUPATIONAL HEALTH AND SAFETY DATA

MEASURE	2023-24	2024-25	2025-26
The number of reported hazards/incidents for the year per 100 FTE	16.8	34.22	51.35
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.38	0.54	0.65
The average cost per WorkCover claim for the year ('000)	$137	$124	$113

OCCUPATIONAL VIOLENCE STATISTICS

MEASURE	2025-26
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.15
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.59
Number of occupational violence incidents reported	2086
Number of occupational violence incidents reported per 100 FTE	30.14
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	3.0%

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 a planned or unplanned Code Grey, it must be included.

Accepted Workcover claims – claims accepted and lodged in 2025-26.

Lost time – defined as greater than one day.

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

ENVIRONMENTAL SUSTAINABILITY

Western Health (WH) recognises that its operations directly impact environmental sustainability. Integrating sustainable practices into everyday operations, including reducing waste, lowering greenhouse gas emissions, and improving resource efficiency are fundamental to the way we deliver healthcare services. These commitments are embedded in WH's Sustainability Plan 2025-2030, through the following objectives:

Objective 1: Embed sustainability leadership within the culture of the organisation. Strengthen sustainability governance and leadership across the organisation by fostering a culture where sustainability is integrated into decision-making at all levels.

Objective 2: Achieve net zero emissions.
Achieve net zero emissions through strategic planning and operational improvements. This includes implementing net zero emissions plans, improving the environmental performance of buildings and infrastructure, and transitioning to low-carbon technologies to reduce the organisation's carbon footprint.

Objective 3: Reduce waste
Minimise waste generation and improve resource recovery through targeted waste reduction initiatives. By enhancing waste management performance and promoting circular resource use, the organisation aims to reduce the environmental impacts associated with healthcare operations.

Objective 4: Responsible and sustainable procurement
Integrate sustainability and circular economy principles into procurement practices. This includes reducing packaging waste, considering whole-of-life environmental impacts during purchasing decisions, and working collaboratively with suppliers to improve the sustainability of products and services.

Objective 5: Continual improvement, innovation and research
Continuous improvement by using data analysis and forecasting to inform decision-making, promoting innovation and sustainability research, demonstrating leadership through external collaboration, and recognising the value of Indigenous knowledge systems in advancing environmental sustainability.

The following sections provide an overview of Western Health's environmental performance and progress towards achieving these sustainability objectives.

Disclosure References:

1. Department of Climate Change, Energy, the Environment and Water (2024). Australian National Greenhouse Accounts Factors. [online] p.17. Available at: https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024

2. Western Health Sustainability Plan 2025-2030.

3 ww.aqua-calc.com(n.d.). Nitrous oxide volume to weight conversion. [online] Available at: https://www.aqua-calc.com/calculate/volume-to-weight/substance/nitrous-blank-oxide

4. Australian Government, Clean Energy Regulator. Global warming potentials, https://cer.gov.au/schemes/national-greenhouse-and-energy-reporting-scheme/about-emissions-and-energy-data/global

5. Charlesworth, M. and Swinton, F. (2017). Anaesthetic gases, climate change, and sustainable practice. The Lancet Planetary Health, [online] 1(6), pp. e216–e217, https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196(23)00124-9/fulltext

6. Victoria Government Environmental Data Reporting Tool https://www.climatechange.vic.gov.au/victorian-government-action-on-climate-change/government-environmental-reporting

7. Victorian Health Building Authority 2026 New Footscray Hospital | VHBA

8.Kylie Feely, Stacey Matthews, Forbes McGain, Mariana Ibarra, Michelle Pinan, Catherine O'Shea, Scott McAlister, Edward Quilas, Rochelle Wynne, Beds we make, futures we shape: A life cycle and cost analysis of reusable and disposable linen in the ICU, Intensive and Critical Care Nursing, Volume 93, 2026,104290, ISSN 0964-3397, https://doi.org/10.1016/j.iccn.2025.104290.

Reporting boundary for environmental data

WH utilised the operational control approach, as defined by the Greenhouse Gas (GHG) Protocol Corporate Standard for the reporting period of “all operations and activities fall within the organisational boundary”.

Data has been gathered across all sites, including hospitals, health centres, and residential aged care facilities. Data on waste for some small facilities is unavailable, as the local council provides the collection service.

WH’s organisational boundary included data from the following sites (data consolidated into the WH Environmental Data Management System):

- Bacchus Marsh Hospital
- Bacchus Marsh Community Health Care
- Sunshine Hospital, including the Radiation Therapy Centre
- Footscray Hospital
- New Footscray Hospital
- Williamstown Hospital
- Sunbury Day Hospital
- Grand Lodge Residential Aged Care (Bacchus Marsh)
- Drug Health Services (3-7 Eleanor Street, Footscray)
- Melton Health Community Services
- Mental Health Services (47-49 Nicholson Street, Footscray)
- Consulting rooms (12 Turner Street, Bacchus Marsh)
- Caroline Springs Community Centre
- Central Production Kitchen (CPK)
- Harvester Clinic
- Ashley Street, Braybrook

Normalisation

The following normalisation factors provide context for assessing and benchmarking Western Health's environmental performance over time. In line with changes to the annual reporting cycle, the 2026 reporting period runs from 1 April 2025 to 31 March 2026.

During this reporting period, overall healthcare activity across Western Health remained relatively stable. Patients Treated (PPT) increased by 1%, while Occupied Bed Days (OBDs) in aged care increased by 7%. In contrast, the organisation's total building floor area increased by 80% with the New Footscray Hospital.

The transition to the New Footscray Hospital also involved extensive commissioning activities and the progressive decommissioning of the Old Footscray Hospital. These activities contributed to a 25% increase in Full-Time Equivalent (FTE) positions during the reporting period. This increase reflects the additional workforce capacity required to support commissioning, operational readiness and transition activities, rather than a proportional increase in permanent staffing levels

Normalisation factor	Change from the previous year	Apr-25 to Mar-26	Apr-24 to Mar-25	Apr-23 to Mar-24
Aged Care OBD	Increased 7%	6,844	6,397	7,679
ED Departures	Increased 0.14%	164,809	164,573	156,728
FTE	Increased 25%	8,717	6,946	6,915
LOS	Decreased 7 %	467,907	505,110	448,790
OBD	Decreased 4%	474,751	497,142	456,469
PPT	Increased 1%	814,342	806,070	778,021
Separations	Increased 0.34%	174,782	174,189	164,824
Total Area m^2	Increased 80%	404,983	224,983	224,983

Notes:

1. Floor area is calculated using a gross floor area calculation approach and reported in square metres. The 80% increase in area is due to the development of the New Footscray Hospital. The handover of the Old Footscray to the State Government will occur in the next year reporting period, hence the area is still included here.

1.1 Electricity Production and Consumption

This section considers WH's electricity consumption, generation, and associated carbon credits. It outlines electricity consumption by source, including purchased electricity, self-generated solar power, and green power.

The following items have been reported as non-applicable (N/A) in this section, as they are not part of WH's electricity usage:

- Electricity not directly purchased but sourced from outside electricity (EL1),
- Cogeneration (EL2 and EL3),
- Exports from on-site-electricity generated (EL2), and
- Certified climate active carbon neutral electricity purchased (EL4)
- LGCs, entity voluntarily retired, voluntarily retired on the entity's behalf, mandatorily retired (for RET-liable entities only) or conveyed to an entity's retailer for mandatory retirement (EL4).

Purchased electricity increased by 15% during the reporting period, while total electricity consumption increased by 17%. These increases were primarily driven by the commissioning and operation of the New Footscray Hospital.

Despite higher electricity demand, on-site solar generation more than doubled, up 107% compared with the previous financial year. This significant increase was driven by the commissioning of a new solar photovoltaic system at Sunbury in early 2026 and the installation of a new solar system at the New Footscray Hospital, which became operational in October 2025.

Electricity Use	Change from the previous year			Apr-25 to Mar-26	Apr-24 to Mar-25	Apr-23 to Mar-24
EL1 Total electricity consumption segmented by source [MWh]						
Purchased	Increased 15%	48,715	41,658	40,952		
Self-generated	Increased 107%	1,320	639	76		
Total electricity consumption	Increased 18%	**50,035**	**42,297**	**41,028**		
EL2 On-site-electricity generated [MWh] segmented by:						
Consumption behind-the-meter						
Solar Electricity	Increased 107%			1,320	639	76
Cogeneration Electricity	N/A			N/A	N/A	N/A
Total Consumption behind-the-meter	Increased 107%			1,320	**639**	**76**
Exports or Solar or cogeneration electricity	N/A			N/A	N/A	N/A
Total On site-electricity generated	Increased 107%			**1,320**	**639**	**76**
EL3 On-site installed generation capacity [kW converted to MW] segmented by:						
Co-generation	N/A			N/A	N/A	N/A
Diesel Backup Generator	Increased 3%			11.5	11.15	11.15
Solar System	Increased 3%			0.75	0.77	0.40
Total On-site installed generation capacity	Increased 3%			**12.25**	**11.92**	**11.55**
EL4 Total electricity offsets segmented by offset type [MWh][1]						
Greenpower	Decreased 5%			45	47	89
LGCs voluntarily retired on the entity's behalf[2]	N/A			25,397	-	-
RPP (Renewable Power Percentage in the grid)	Increased 9%			7,096	7,779	7,699
Certified climate active carbon neutral electricity purchased	N/A			N/A	N/A	N/A
Total electricity offsets	Increased 316%			**32,538**	**7,827**	**7,788**

1. DCCEEW.gov.au, 2022 NGA Factors Workbook Australian National Greenhouse Accounts Factors (dcceew.gov.au)

2. 100% renewable electricity from 1st July 2025.

1.2 Stationary Fuel Use

This section discloses WH's large-scale consumption of stationary fuels, specifically natural gas and diesel.

During the year, the volumes of Natural gas increased by 5% from the previous financial year, while diesel volumes decreased by 70% from the same period. This is due to the return to normal operations of the hot water boilers at the Joan Kirner building at Sunshine Hospital. Hence, the organisation's fuel consumption increased by 4%.

Diesel consumption reported in this section also includes the yearly planned testing events performed last year to ensure the reliability of hospital assets.

The data presented for FY2026 reflects the amount of diesel purchased during this period. Data was provided in litres, and conversion factors were extracted from the Victorian Government Environmental tool to present the data in MJ and for the estimation of greenhouse emissions in kg of CO2e.

Stationary fuel use	Change from the previous year	Apr-25 to Mar-26	Apr-24 to Mar-25	Apr-23 to Mar-24
F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]				
Natural Gas[3]	Increased 5%	135,494,742	129,349,071	73,560,271
Diesel[3]	Decreased 70%	264,155	879,771	10,398,261
Total fuels used in buildings	Increased 4%	**135,758,897**	**130,228,842**	**83,958,532**
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e]				
Natural Gas[2]	Increased 5%	6,982	6,665	3,791
Diesel[2]	Decreased 70%	19	62	730
Total Greenhouse gas emissions from stationary fuel consumption	Increased 4%	**7,001**	**6,727**	**4,521**

Notes:

1. Figure calculated using 1L diesel = 38.6 MJ, source: Table 7, Direct and indirect emissions, pg. 17, Australian National Greenhouse Accounts Factors (dcceew.gov.au).

2. GHG emissions calculations for natural gas and diesel, were estimated using the Environmental-Data-Reporting-Tool-v1.02-2022, provided by the Department of Environment, Land, Water and Planning Government environmental reporting (climatechange.vic.gov.au)

1.3 Transportation

The following section provides data on corporate fleet energy usage. There was a slight decrease in petrol (15%) and a small increase in diesel consumption (2%). The overall energy used in the fleet for transportation decreased by 12% compared to the last FY. This can be attributed to EV and hybrid vehicles. Data segmentation has been improved and reported for the first time here.

TRANSPORTATION	Change from the previous year	Apr-25 to Mar-26	Apr-24 to Mar-25	Apr-23 to Mar-24
T1 Total energy used in transportation within the Entity, segmented by vehicle category and fuel type [MJ or MWh]				
Road vehicles				
Petrol	Decreased 15%	4,417,841	5,171,792	3,047,794
Petrol (E10)	N/A	Data not available	81,939	Data not available
Diesel	Increased 2%	1,332,387	1,312,670	685,053
Non-road vehicles				
LPG	N/A	26,055	17,685	Data not available
Total energy used in transportation (vehicle fleet) [MJ]	Decreased 12%	**5,776,283**	**6,584,086**	**3,732,847**
T2 Number and proportion of vehicles in the organisational boundary segmented by vehicle category and engine/fuel type[2]				
Road vehicles				
Passengers- Hybrid	N/A	110	Data not available	Data not available
Passengers- EV	N/A	3	Data not available	Data not available
Passengers- Petrol	N/A	60	Data not available	Data not available
Passengers- Diesel	N/A	21	Data not available	Data not available
Total passengers' vehicles	Increased 5%	194	184	Data not available
Goods				
Non road vehicles				
Forklift	N/A	1	1	Data not available
T3 Greenhouse gas emissions from vehicle fleet segmented by fuel type and vehicle category (t CO_2-e)				
Road vehicles				
Petrol[1]	Decreased 15%	299	350	206
Petrol (E10)	N/A	N/A	5	Data not available
Diesel[1]	Increased 1.5%	94	92	48
Non-road vehicles				
LPG[1]	N/A	0.002	1	Data not available
Total Greenhouse gas emissions from transportation [tonnes CO2 –e]	Decreased 12%	**393**	**448**	**254**
T4 Total distance travelled by commercial air travel (passenger kilometres)				
Total passenger-km travelled	Decreased 77%	**92,784**	**408,290**	**742,096**

Notes:

1. GHG emissions calculations for petrol and diesel were estimated using the Environmental-Data-Reporting-Tool-v1.02-2025, provided by the Department of Environment, Land, Water and Planning Government environmental reporting: https://www.climatechange.vic.gov.au/victorian-government-action-on-climate-change/government-environmental-reporting.

1.4 Total Energy Use

This section presents WH's overall energy consumption, including fuels and electricity.

Indicator E1 provides the total consumption from fuel use, which is the sum of F1 for stationary sources and T1 for fleet data, as presented previously. The overall 3% increase in total energy usage from fuels use and transport (E1) is attributed to business-as-usual operations for the boilers at Sunshine Hospital (Joan Kirner building).

Indicator E2 shows that WH's energy usage increased 19% primarily due to the new services at New Footscray Hospital.

E3 shows a dramatic increase of 357% in renewable energy since1st July 2025, when the State Electricity Commission (SEC) is supplying clean energy from renewable sources to large health facilities, including WH.

Indicator E4 shows an overall increase in energy consumption across most normalisation factors. This increase is primarily attributable to the commissioning of the New Footscray Hospital and the concurrent decommissioning of the Old Footscray Hospital, which required additional energy to support operational readiness, testing and transition activities.

During the reporting period, Western Health also implemented several Energy Conservation Measures (ECMs) that improved energy efficiency and extended the operational life of existing assets. Similarly, energy intensity decreased significantly per square metre of floor area, reducing by 39% compared with the previous reporting period due to the addition of New Footscray Hospital

TOTAL ENERGY USE	Change previous year	Apr-25 to Mar-26	Apr-24 to Mar-25	Apr-23 to Mar-24
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]				
Total energy usage from fuels [MJ]	Increased 4%	135,758,897	130,228,842	83,958,532
Total energy usage from transport (T1) [MJ]	Decreased 12%	5,776,283	6,584,086	3,732,847
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	**Increased 3%**	**141,535,180**	**136,812,928**	**87,691,379**
E2 Total energy usage from electricity [MJ]				

Increased 19%	180,124,436	Increased 9%	151,363,908	147,426,448
Increased 357%	127,751,800	Increased 5%	27,972,050	28,272,455
Decreased 25%	193,907,817	Increased 4%	260,204,786	206,845,372
Increased 5%	46,155	Increased 23%	44,020	30,132
Increased 21%	675	Decreased 14%	557	516
Increased 17%	665	Decreased 11%	566	507
Increased 12%	1,807	Decreased 8%	1,617	1,404
Decreased 38%	780	Decreased 31%	1,252	1,028

1.5 Sustainable Buildings and Infrastructure

WH's approach to environmentally sustainable design incorporates green design principles and energy-efficient features in existing buildings.

B1 – Discuss how environmentally sustainable design (ESD) is incorporated into newly completed entity-owned buildings (qualitative)

Western Health's approach to sustainable design in newly completed sites relies on implementing VHBA's Guidelines for sustainability in capital works. WH also has specific requirements that are documented in a Sustainability Standard. This is for major new builds, such as the New Footscray Hospital and New Melton Hospital, where we aim to implement best practices by utilising the Green Star rating standards. By implementing these best practice building tools, we ensure that our sites are designed with a sustainable approach from the concept stage. For all new buildings and major expansion projects, the Chief Sustainability Officer, Chief Engineer and Capital Team are closely involved from the early stages of the project to ensure Technical Specifications align with Legislative and operational requirements. Through this approach, we ensure that best practices and operational efficiencies are implemented across all project stages, guaranteeing successful delivery of the project throughout its lifecycle.

Valuable lessons learned from previous projects at newly completed sites rely on the implementation of the means, ensuring we continually raise the bar for upcoming projects.

B2 – Discuss how new entity leases meet the requirement to prefer higher-rated office buildings and those with a Green Lease Schedule (qualitative).

This section does not apply to WH.

B3 - Environmental Performance Ratings (where applicable)

Western Health has demonstrated its ongoing commitment to environmental sustainability by achieving strong NABERS Energy ratings across its facilities in previous reporting years. However, following consultation with the Department of Energy, reporting of NABERS ratings is no longer mandatory from February 2026 and has therefore been discontinued in this report.

The New Footscray Hospital has achieved a 5-Star Green Star. Design & As Built rating under the Green Building Council of Australia's certification system. This rating recognises Australian excellence in sustainable building design and construction. The hospital has also been designed to be Net Zero Carbon Ready, supporting Western Health's long-term decarbonisation objectives.

Key sustainability features of the New Footscray Hospital include:

- Extensive rooftop solar generation: More than 1,500 solar photovoltaic panels cover approximately 60% of the roof area, providing a peak generation capacity of 840 kW.
- Rainwater harvesting: A rainwater collection and reuse system captures up to 90% of rainfall from the roof for cooling towers, landscape irrigation and toilet flushing.
- High-performance building envelope: An airtight façade reduces heating and cooling demand and has been verified through whole-of-building airtightness testing.
- Active transport infrastructure: More than 500 bicycle parking spaces, together with strong connections to public transport and cycling networks, encourage sustainable travel for staff, patients and visitors.
- Health and wellbeing design: Abundant natural daylight and access to landscaped outdoor spaces enhance connections with nature, supporting the wellbeing of patients, visitors and staff.[7]

1.6 Water Consumption

Potable water consumption has remained relatively stable compared with the previous reporting year. Environmental water performance has improved across several key indicators, including aged care, occupied bed days (OBD), separations, and floor area (m²). Western Health has also continued to improve the quality and transparency of its water data management systems.

Despite these improvements, further work is required to enhance data accuracy, as a significant proportion of water consumption data is still collected through manual meter readings. During this reporting period, a 60% decrease in recorded rainwater use was observed; however, this does not reflect a reduction in actual consumption. The decrease was due to one rainwater meter failing, which resulted in data being unavailable for the year.

Further improvements are planned over the coming financial years, including installing water data loggers and enhancing reporting on alternative water supplies across existing facilities and recently acquired assets.

WATER USE	Change previous year	Apr-25 to Mar-26	Apr-24 to Mar-25	Apr-23 to Mar-24
W1 Total units of metered water consumed (kL), segmented by source (where applicable)				
Potable water[1]	Increased 0.2%	286,723	287,33	277,544
Metered rainwater	Decreased 60%	7,112	17,224	Data not available
Metered alternative supply	N/A	Data not available	Data not available	Data not available
Metered reused water	N/A	Data not available	Data not available	Data not available
Total units of water consumed	Decreased 4%	**293,835**	**304,558**	**277,544**
W2 Units of metered water consumed, normalised by FTE, headcount, floor area, or other entity or sector specific quantity (kL/normalisation)				
Water per unit of Aged Care OBD [kL/Aged Care OBD]	Decreased 19%	42.93	47.61	36.14
Water per unit of LOS [kL/LOS]	Increased 4%	0.63	0.60	0.62
Water per unit of bed-day (LOS+Aged Care OBD) [kL/OBD]	Increased 4%	0.62	0.60	0.54
Water per unit of Separations [kL/Separations]	Decreased 4%	1.68	1.75	1.59
Water per unit of floor space [kL/m2]	Decreased 46%	0.73	1.35	1.23

1.7 Waste and Recycling

Between April 2025 and March 2026, Western Health generated 1,631 tonnes of general waste (disposed to landfill) and an additional 323 tonnes of clinical waste. Compared with the previous financial year, this represents an 11% reduction in general waste and a 6% increase in clinical waste. Overall, waste sent to landfill decreased by 7%, reflecting the successful implementation of targeted waste management initiatives, including dedicated recycling programs, onsite waste audits and inspections, and infrastructure upgrades.

During the year, Western Health prioritised improvements in food organics, e-waste, batteries, soft plastics, and metal recycling. These initiatives diverted more than 22 tonnes of waste from landfill, prevented the emission of over 30 tonnes of CO_2-e[1] and delivered operational savings through reduced waste disposal costs.

Soft plastics recycling was successfully introduced at the Central Production Kitchen, diverting approximately 1.3 tonnes of soft plastics from landfill. In addition, improved segregation of paper and cardboard across multiple sites enhanced mixed recycling performance, resulting in an 87% increase in mixed recyclables compared with the previous financial year. As a result, Western Health achieved an overall recycling rate of 26% for FY2025–26. While these outcomes demonstrate significant progress, opportunities remain to further improve waste segregation and resource recovery, and work is underway to address these areas.

Sunshine Hospital also expanded its food organics collection service, increasing the volume of organics recovered by 220%. This initiative diverted more than 5.5 tonnes of food and organic waste from landfill and avoided approximately 13 tonnes of CO_2-e emissions. Other established resource recovery programs, including reusable surgical gowns, food donation in partnership with OzHarvest, PVC recycling, batteries, toner and printer cartridges, polystyrene, metals, and green waste, continued to operate successfully and expanded across additional areas, further reducing landfill disposal and supporting Western Health's sustainability objectives.

Furthermore, Western Health is committed to advancing sustainability through research, innovation, and circular economy initiatives. One key example is the transition from single-use disposable linen products to reusable alternatives. In collaboration with Deakin University and the University of Melbourne, the Intensive Care Unit (ICU) at Sunshine Hospital led a research project evaluating the environmental and operational benefits of reusable linen products. The study provided the evidence required to support the implementation of reusable linens across Western Health. During the last financial year alone, this initiative prevented more than 11 tonnes of waste from being sent to landfill, reduced procurement and waste disposal costs, and supported the organisation's transition towards a more circular healthcare system.[8]

Finally, as part of the decommissioning works at the old Footscray Hospital, WH prioritised the reuse, relocation and donation of equipment and assets. Although the environmental benefits of these initiatives were not quantified in kilograms of waste diverted, their impact on waste avoidance and resource conservation was substantial. More than 680 items were relocated across Western Health sites, including trolleys, wheelchairs, furniture, cardiac monitors, drug fridges, biomedical equipment and Digital Technology Services equipment. In addition, through partnerships with Medical Pantry and Renstar, more than 2,000 surplus items were donated to support healthcare services in Fiji and Zimbabwe, including 302 hospital beds, 140 bedside tables, 302 examination chairs, 161 commodes, and 38 drug fridges, plus several IV poles, trolleys, and Burlodge meal delivery carts. These initiatives demonstrate Western Health's commitment to embedding circular economy principles into asset management, maximising the value of resources while reducing waste and supporting healthcare outcomes both locally and internationally.

WASTE AND RECYCLING	Change previous year	Apr-25 to Mar-26	Apr-24 to Mar-25	Apr-23 to Mar-24
WR1 Total units of waste disposed of by waste stream and disposal method [kg]				
Landfill (total)				
General waste	Decreased 11%	1,631,039	1,826,916	1,794,350
Off-site treatment				
Clinical waste - treated	Increased 6 %	323,408	305,974	356,646
Total units of waste disposed in landfill	Decreased 8%	1,954,447	2,132,890	2,150,996
Recycling/recovery (disposal)				
Batteries[1]	Decreased 56%	1,137	2,607	1,448
Cardboard and paper recycling[2]	Decreased 33%	108,735	162,566	174,695
Commingled[3]	Increased 87%	36,334	19,527	337,763
E-waste[4]	Increased 94%	11,497	5,936	7,190
Fluorescent tubes[5]	Decreased 55	84	185	200
Grease traps	Increased 10%	259,026	236,450	215,476
Metals	Increased 6%	3,603	3,391	2,400
Organics (food- Bardee)[6]	Increased 197%	5,534	1,864	Data not available
Organics (garden)	Increased 23%	17,400	22,500	6,000
Organics (Food Dehydrator CPK)[7]	N/A	N/A	2,084	N/A
Paper (confidential)	Decreased 2%	213,984	219,312	11,064
Polystyrene foam[8]	Decreased 43%	275	480	180
PVC	Decreased 1%	2,909	2,928	1,896
Toner & print cartridges	Increased 0.4%	578	576	389
Other material: Food donation	Decreased 26%	4,270	5,742	3,913
Other material: Reusable gowns[9]	Decreased 55%	9,904	21,891	12,121
Other material hazardous waste lead gowns	N/A	N/A	N/A	201
Other waste, decluttering program (furniture disposal)[10]	N/A	N/A	3,403	9,395
Sevo Cannisters recycling[11]	Increased 225%	39	12	Data not available
Other waste: Medsalv medical devices recycling	Increased 13%	1,615	1,426	954
Plastics recycling[12]	N/A	1,287	Data not available	Data not available
Other material: reusable linen (underpads/pinkies)[13]	N/A	11,644	Data not available	Data not available
Total recycling	Increased 3%	689,855	712,879	785,286
Total units of waste disposed [kg]	**Decreased 7%**	**2,644,302**	**2,845,770**	**2,936,282**

WASTE AND RECYCLING	Change previous year	Apr-25 to Mar-26	Apr-24 to Mar-25	Apr-23 to Mar-24
WR1 Total units of waste disposed of by waste stream and disposal method [%]				
Landfill (total)				
General waste	Increased 4%	61.68	64.20	61.11
Offsite treatment				
Clinical waste - treated	Decreased 14%	12.23	10.75	12.15
Recycling/recovery (disposal)				
Batteries	Decreased 54%	0.04	0.09	0.05
Cardboard	Decreased 28%	4.11	5.71	5.95
Commingled	Increased 100%	1.37	0.69	11.50
E-waste	Increased 15%	0.43	0.21	0.24
Fluorescent tubes	Decreased 51%	0.00	0.01	0.01
Grease traps	Increased 17%	9.80	8.31	7.34
Metals	Increased 14%	0.14	0.12	0.08
Organics (food- Bardee)	Increased 220%	0.21	0.07	N/A
Organics (garden)	Decreased 17%	0.66	0.79	0.20
Organics (Food Dehydrator CPK)	N/A	N/A	0.07	N/A
Paper (confidential)	Increased 5%	8.09	7.71	0.38
Polystyrene foam	Decreased 38%	0.01	0.02	0.01
PVC	Increased 7%	0.11	0.10	0.06
Toner & print cartridges	Increased 8%	0.02	0.02	0.01
Other material: Food donation	Decreased 20%	0.16	0.20	0.13
Other material: Reusable gowns	Decreased 51%	0.37	0.77	0.41
Other material hazardous waste lead gowns	N/A	N/A	N/A	0.01
Other waste, decluttering program	Decreased 63%	N/A	0.12	0.32
Sevo Cannisters recycling	Increased 249%	0.0015	0.0004	Data not available
Other waste: Medsalv medical devices recycling	Increased 22%	0.06	0.05	0.03
Plastics recycling	N/A	0.05	Data not available	Data not available
Other material: reusable underpads/pinkies	N/A	0.44	Data not available	Data not available
Total units of waste disposed [kg]	Decreased 7%	2,644,302	2,845,770	2,936,282
WR3 Total units of waste disposed, normalised by FTE, headcount, floor area, or other entity or sector-specific quantity, by disposal method				
Total landfill per PPT [kg]	Decreased 12%	2.00	2.27	2.31
Total offsite treatment per PPT [kg]	Increased 5%	0.40	0.38	0.46

WASTE AND RECYCLING	Change previous year	Apr-25 to Mar-26	Apr-24 to Mar-25	Apr-23 to Mar-24
Total waste recycled and reused per PPT [kg]	Decreased 4%	0.85	0.88	1.01
WR4 Recycling rate				
Weight of recyclable and organic materials [kg]	Decreased 3%	689,855	712,879	785,286
Weight of total waste [kg]	Decreased 7%	2,644,302	2,845,770	2,936,282
Recycling rate [%]	Increased 4%	26	25	27
WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]				
Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]	Decreased 8%	2,541	2,773	2,333

1. Batteries. The 56% decrease in the diversion of batteries because of the collaboration amongst WH teams to improve battery use efficiency.
2. Cardboard and Paper. The 33% decrease in cardboard and paper recycling is primarily attributed to increased contamination and the failure of the general waste compactor at Sunshine Hospital. During this period, the cardboard and paper compactor were temporarily used to manage general waste.
3. Commingled. The increase of 87% in commingled is attributed to implementation of paper and cardboard streams which has helped with the diversion of mixed recycling.
4. E-waste. The 94% increase is mostly attributed to decommissioned items at Old Footscray Hospital.
5. Fluorescent tubes. The significant decrease is due to the replacement of these with LEDs
6. Organics (food-Bardee). The significant increase by almost 200% in organic food segregation was due to the full implementation of the project that during last FY 2025 was a trial.
7. Organics (Food Dehydrator CPK). The operation of the dehydrator stopped since February 2025 due to the high cost of operations.
8. Polystyrene foam. The decrease of 43% in this material is possible for the relocation of Pharmacy to the New Footscray Hospital, main area from where this material is collected.
9. Other material: Reusable gowns. The reusable gowns program commenced in 2020. The data presented for FY2026 is based on the volumes of reusable gowns used across all WH facilities, totalling 247,601 isolation gowns from April 2025 to March 2026. The significant decrease is attributed to the more conscious usage of this item.
10. Decluttering program. No decluttering was recorded during FY 2026; many pieces of furniture and equipment were donated as part of the decommissioning of the old Footscray Hospital.
11. SEVO canisters. This recycling program is in partnership with Baxter. The empty bottles are collected at WH's operating rooms and disposed of for recycling, as they are made of aluminium and reported for the second time this year as part of the data collection improvements on the waste management strategy.
12. Plastic recycling. As part of the improvement of the waste management strategy, this material is recorded for the first time this year. The collection is happening at the Central Production Kitchen.
13. Other material: reusable linen (under pads/pinkies). Approximately 104,000 pieces of disposable under pads, known as "pinkies," have been kept out of landfills. Kilograms calculated using the weight of a single disposable piece, which equals 112 g

1.8 Greenhouse Gas (GHG) Emissions

Total GHG emissions from April 2025 to March 2026 were 22,862 tonnes of CO2eq, representing a 48% decrease from FY2025. This shows that WH is on track to meet the target of Net Zero Emissions (NZE) by 2045 as proposed by the Victorian Government. The decrease in emissions was due to offsetting from renewable electricity from 1st July 2025.

Medical gases volumes remained stable, while refrigerant volumes increased by 86% due to equipment recharging.

GREENHOUSE GAS EMISSIONS	Change previous year	Apr-25 to Mar-26	Apr-24 to Mar-25	Apr-23 to Mar-24
G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]				
Carbon Dioxide (CO_2)	Increased 3%	7,374	7,179	4,701
Methane (CH_4)	Increased 4%	14	13	8
Nitrous Oxide (N_2O)	Decreased 1%	1,485	1,507	1,466
Other	Decreased 500%	311	52	52
Total tonnes CO2-e	Increased 5%	**9,183**	**8,751**	**6,227**
GHG emissions from stationary fuel (F2)	Increased 4%	**7,001**	**6,750**	**4,521**
GHG emissions from vehicle fleet (T3)	Decreased 12%	**393**	**448**	**254**
Medical/Refrigerant gases				
Nitrous oxide[2]	Decreased 1.5%	1,479	1,501	1,409
Sevoflurane	Increased 3%	53	52	52
Total medical gases	Increased 2%	1,532	1,501	1,461
Refrigeration[3]	Increase 86%	258	139	Data not available
Total scope one (direct) greenhouse gas emissions	Increased 3%	**8,925**	**8,699**	**6,235**
G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]				
Electricity	Increased 17%	32,355	27,725	27,211
Total scope two (indirect electricity) greenhouse gas emissions	Increased 17%	**32,355**	**27,724**	**27,211**
G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)				
Commercial air travel[3]	Decreased 85%	15	99	190
Waste emissions	Decreased 8%	2,541	2,773	2,333
Indirect emissions from Stationary Energy	Decreased 2%	4,118	4,195	3,688
Indirect emissions from Transport Energy	Increased 0.001%	13	13	40
Any other Scope 3 emissions	Increased 206%	382	125	467
Any Offsets purchased	N/A	N/A	N/A	N/A
Total scope of three greenhouse gas emissions	Decreased 2%	**7,068**	**7,205**	**6,718**
G3 Total scope three (other indirect) Net greenhouse gas emissions (tonnes CO2e)				
Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]	Increased 11%	48,349	43,629	40,164
Carbon Neutral Electricity	N/A	-	-	-

GREENHOUSE GAS EMISSIONS	Change previous year	Apr-25 to Mar-26	Apr-24 to Mar-25	Apr-23 to Mar-24
Green Power Electricity	Increased 40%	-45	-32	-83
Purchased LGCs	N/A	-25,397	0	0
Any Offsets purchased	Increased 40%	-45	-32	-83
Net greenhouse gas emissions [tonnes CO2e]	Decreased 48%	**22,862**	**43,565**	**39,999**

Notes:
1. Desflurane and Isoflurane gases are no longer used in WH's facilities, hence they're not included in this report.
2. Nitrous Oxide data calculations using equivalencies from Nitrous oxide volume to weight conversion (aqua-calc.com)[3] and GWP from Global warming potentials Global warming potentials (cleanenergyregulator.gov.au)[4]
3. Errata. Data from refrigerants last year was underreported last year, in this report its' been modified from 0.5 to 139

ADDITIONAL INFORMATION

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 Western Health 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:

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

This information is available on request via the *Contact* page on the Western Health Internet site: https://westernhealth.org.au/contact-us

Disclosure Index

The annual report of Western Health is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the organisation'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	29
FRD 22	Purpose, functions, powers and duties	29
FRD 22	Nature and range of services provided	11-16
FRD 22	Activities, programs and achievements for the reporting period	3-10
FRD 22	Significant changes in key initiatives and expectations for the future	3-10
Management and structure		
FRD 22	Organisational Structure	13
FRD 22	Workforce data/employment and conduct principles	26, 37-38
FRD 22	Workforce inclusion policy	38
FRD 22	Occupational health and safety	39-40
Financial and other information		
FRD 22	Summary of the financial results for the year	24, 26-28
FRD 22	Significant changes in financial position during the year	26
FRD 22	Operational and budgetary objectives and performance against objectives	22-27
FRD 22	Subsequent events	26
FRD 22	Details of consultancies under $10,000	28
FRD 22	Details of consultancies over $10,000	28
FRD 22	Disclosure of ICT expenditure	28
FRD 22	Asset Management Accountability Framework	36
FRD 22	Disclosure of social procurement activities under the Social Procurement Framework	36-37
FRD 22	Disclosure of Emergency Procurement	37
FRD 22	Disclosure of Procurement Complaints	37
FRD 22	Disclosure of reviews and study expenses	N/A
FRD 22	Disclosure of grants and transfer payments	N/A
FRD 22	Application and operation of *Freedom of Information Act 1982*	35
FRD 22	Compliance with building and maintenance provisions of *Building Act 1993*	36
FRD 22	Application and operation of *Public Interest Disclosure Act*	38
FRD 22	Statement on National Competition Policy	36
FRD 22	Application and operation of *Carers Recognition Act 2012*	35
FRD 22	Additional information available on request	56

LEGISLATION	REQUIREMENT	PAGE
FRD 22	Environmental data reporting	41-55
FRD 25	*Local Jobs First Act 2023* disclosures	36
Compliance attestation and declaration		
SD 5.1.4	Financial Management Compliance attestation	34
SD 5.2.3	Declaration in report of operations	10
	Attestation on Data Integrity	34
	Attestation on managing Conflicts of Interest	34
	Attestation on Integrity, fraud and corruption	34
	Compliance with HealthShare Victoria (HSV) Purchasing Policies	34
Other reporting requirements		
	Reporting of outcomes from Statement of Priorities 2025-2026	17-21
	Occupational violence reporting	40
	Reporting obligations under the Safe Patient Care Act 2015	35
	Reporting of compliance regarding Car Parking Fees	35
Financial Statements		
Declaration		
SD 5.2.2	Declaration in financial statements	Appendix, 4
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	Appendix, 4
SD 5.2.1(a)	Compliance with Standing Directions	Appendix, 4
SD 5.2.1(b)	Compliance with Model Financial Report	Appendix, 4
Other disclosures as required by FRDs in notes to the financial statements		
FRD 11	Disclosure of Ex gratia Expenses	38
FRD 103	Non-Financial Physical Assets	Appendix, 8
FRD 110	Cash Flow Statements	Appendix, 9
FRD 112	Defined Benefit Superannuation Obligations	Appendix, 24
FRD 114	Financial Instruments – general government entities and public non-financial corporations	Appendix, 47
Legislation		
Freedom of Information Act 1982 (Vic) (FOI Act)		35
Building Act 1993		36
Public Interest Disclosures Act 2012		38
Carers Recognition Act 2012		35
Local Jobs Act 2003		36
Financial Management Act 1994		34

TOGETHER, CARING FOR THE WEST

FOOTSCRAY HOSPITAL
89 Ballarat Road
Footscray VIC 3011
Locked Bag 2
Footscray VIC 3011
8345 6666

SUNSHINE HOSPITAL
Furlong Road
St Albans VIC 3021
PO Box 294
St Albans VIC 3021
8345 1333

SUNSHINE HOSPITAL RADIATION THERAPY CENTRE
176 Furlong Road
St Albans VIC 3021
8395 9999

WESTERN CENTRE FOR HEALTH RESEARCH AND EDUCATION
Sunshine Hospital
Furlong Road
St Albans VIC 3021
8345 1333

JOAN KIRNER WOMEN'S AND CHILDREN'S AT SUNSHINE HOSPITAL
Furlong Road
St Albans VIC 3021
PO Box 294
St Albans VIC 3021
8345 1333

SUNBURY DAY HOSPITAL
7 Macedon Road
Sunbury VIC 3429
9732 8600

WILLIAMSTOWN HOSPITAL
Railway Crescent
Williamstown VIC 3016
9393 0100

BACCHUS MARSH HOSPITAL
29 - 35 Grant Street,
Bacchus Marsh VIC 3340
5367 2000

GRANT LODGE RESIDENTIAL AGED CARE
6 Clarinda Street
Bacchus Marsh VIC 3340
5367 9627

MELTON HEALTH & COMMUNITY SERVICES
195 - 209 Barries Road,
Melton West VIC 3337
9747 7600

COMMUNITY MENTAL HEALTH & WELLBEING
Harvester Clinic, Sunshine VIC 3020
St Albans Community Care Unit, Albanvale VIC 3021
Burnside PARC, Deer Park VIC 3023
Saltwater Clinic, Footscray Vic 3011

DAME PHYLLIS FROST CUSTODIAL CENTRE
101-201 Riding Boundary Road,
Ravenhall VIC 3023
9217 8400

Financial Statements and Accompanying Notes

for the financial year ended 30 June 2026

Contents

Western Health Board Chair, Chief Executive Officer and Chief Finance Officer declaration....4
Independent Auditor-General's Report....5
Consolidated Comprehensive Operating Statement....7
Consolidated Balance Sheet....8
Consolidated Cash Flow Statement....9
Consolidated Statement of Changes in Equity....10
Notes to the Financial Statements....11

Note 1: About this report....11
Note 1.1: Basis of preparation....11
Note 1.2: Principles of consolidation....11
Note 1.3: Material accounting estimates and judgements....12
Note 1.4: Accounting standards issued but not yet effective....13
Note 1.5: Reporting entity....14
Note 1.6: Economic dependency....14

Note 2: Funding for delivery of services....15
Note 2.1: Revenue and income from transactions....16

Note 3: The cost of delivering services....20
Note 3.1: Expenses incurred in the delivery of services....21

Note 4: Key assets to support service delivery....26
Note 4.1: Property, plant and equipment....27
Note 4.2: Depreciation....29
Note 4.3: Impairment of assets....30

Note 5: Other assets and liabilities....31
Note 5.1: Receivables....32
Note 5.2: Contract assets....33
Note 5.3: Investments and other financial assets....34
Note 5.4: Inventories....35
Note 5.5: Payables....35
Note 5.6: Contract liabilities....37
Note 5.7: Monies held in trust....37

Note 6: Financing....39
Note 6.1: Borrowings....40
Note 6.2: Cash and cash equivalents....45
Note 6.3: Commitments for expenditure....45
Note 6.4: Non-cash financing and investing activities....46

Note 7: Risks, contingencies and valuation uncertainties....47
Note 7.1: Financial instruments....47
Note 7.2: Financial risk management objectives and policies....51
Note 7.3: Contingent assets and contingent liabilities....55
Note 7.4: Fair value determination....56

Note 8: Other disclosures....62
Note 8.1: Reconciliation of net result for the year to net cash flow from operating activities....62
Note 8.2: Responsible persons disclosure....63
Note 8.3: Remuneration of executives....64
Note 8.4: Related parties....65
Note 8.5: Remuneration of auditors....68
Note 8.6: Footscray Hospital Asset Transfer....68

Note 8.7: Events occurring after the balance sheet date 69
Note 8.8: Controlled entity 69
Note 8.9: Equity 69
Note 8.10: Trust, liabilities and right of indemnity 70

Financial Year Ended 30 June 2026

Western Health Board Chair, Chief Executive Officer and Chief Finance Officer declaration

The attached consolidated financial statements for Western Health and its controlled entity 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.

In the opinion of the undersigned, the information set out in the consolidated comprehensive operating statement, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and the financial position of the consolidated entity as 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 consolidated financial statements for issue on 4 September 2026.



Jill Hennessy
Chair
Melbourne

4 September 2026



Russell Harrison
Chief Executive Officer
Melbourne

4 September 2026



David Gotts
Chief Finance and Value Officer
Melbourne

4 September 2026

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Western Health

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

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

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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



MELBOURNE
9 September 2026

Simone Bohan
as delegate for the Auditor-General of Victoria

Consolidated Comprehensive Operating Statement

For the Financial Year Ended 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Revenue and income from transactions			
Revenue from contracts with customers	2.1(a)	1,562,873	1,434,327
Government grants	2.1(b)	334,078	251,616
Other income	2.1(c)	43,135	44,878
Total revenue and income from transactions		**1,940,086**	**1,730,821**
Expenses from transactions			
Employee expenses	3.1(a)	(1,506,673)	(1,368,245)
Supplies and consumables	3.1(d)	(207,668)	(190,821)
Depreciation	4.2	(132,142)	(143,983)
Other operating expenses	3.1(e)	(163,410)	(145,081)
Total expenses from transactions		**(2,009,893)**	**(1,848,130)**
Net result from transactions – net operating balance		**(69,807)**	**(117,309)**
Other economic flows			
Net gain/(loss) on sale of non-financial assets		482	719
Net loss on financial instruments		(5,787)	(1,841)
Net gain from other economic flows		7,376	723
Total other economic flows included in the net result		**2,071**	**(399)**
Net result for the year		**(67,736)**	**(117,708)**
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus		-	-
Total other comprehensive income		**-**	**-**
Comprehensive result		**(67,736)**	**(117,708)**

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

Consolidated Balance Sheet

As at 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Financial assets			
Cash and cash equivalents	6.2	122,680	89,121
Receivables	5.1	133,286	126,884
Contract assets	5.2	7,824	5,384
Investments and other financial assets	5.3	2,588	20,830
Total financial assets		**266,378**	**242,219**
Non-financial Assets			
Prepayments		10,913	11,281
Inventories	5.4	3,859	3,756
Property, plant and equipment	4.1	1,310,773	1,357,003
Total non-financial assets		**1,325,545**	**1,372,040**
Total assets		**1,591,923**	**1,614,259**
Liabilities			
Payables	5.5	134,505	138,432
Contract liabilities	5.6	4,715	16,091
Borrowings	6.1	59,036	33,799
Employee benefits	3.1(b)	380,731	344,920
Monies held in trust	5.7	2,105	2,450
Total liabilities		**581,092**	**535,692**
Net assets		**1,010,831**	**1,078,567**
Equity			
Asset revaluation surplus		827,056	827,056
Restricted specific purpose reserve		20,212	6,400
Contributed capital		293,815	293,815
Accumulated surplus/(deficit)		(130,252)	(48,704)
Total equity		**1,010,831**	**1,078,567**

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

Consolidated Cash Flow Statement

For the Financial Year Ended 30 June 2026

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Cash flows from operating activities			
Receipts from government		1,789,796	1,608,427
Commercial activities, patient and hospital fees received		59,934	59,793
Donations and bequests received		2,343	2,723
GST received from ATO		22,416	21,216
Other receipts		55,127	48,576
Total receipts		**1,929,616**	**1,740,735**
Payments to employees		(1,429,837)	(1,322,456)
Payments for supplies and consumables		(227,827)	(203,627)
Other payments		(197,403)	(168,900)
Total payments		**(1,855,067)**	**(1,694,983)**
Net cash flows from operating activities	8.1	**74,549**	**45,752**
Cash flows from investing activities			
Proceeds from sale of non-financial assets		1,505	1,022
Purchase of non-financial assets		(78,913)	(45,443)
Redemption of financial assets		17,882	-
Capital donations and bequests received		-	38
Net cash flows (used in) investing activities		**(59,526)**	**(44,383)**
Cash flows from financing activities			
Receipt of borrowings		21,000	-
Repayment of borrowings		(2,464)	(1,152)
Net cash flows from/(used in) financing activities		**18,536**	**(1,152)**
Net increase in cash and cash equivalents held		**33,559**	**217**
Cash and cash equivalents at beginning of year		89,121	88,904
Cash and cash equivalents at end of year	6.2	**122,680**	**89,121**

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

Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 June 2026

	Asset revaluation surplus	Restricted specific purpose reserve	Contributed capital	Accumulated surplus/ (deficit)	Total
	$'000	$'000	$'000	$'000	$'000
Consolidated					
Balance at 1 July 2024	**827,056**	**6,398**	**293,815**	**69,007**	**1,196,276**
Net result for the year	-	-	-	(117,708)	**(117,708)**
Transfer from/(to) accumulated surpluses/(deficits)	-	2	-	(2)	**-**
Balance at 30 June 2025	**827,056**	**6,400**	**293,815**	**(48,704)**	**1,078,567**
Net result for the year	-	-	-	(67,736)	**(67,736)**
Transfer from/(to) accumulated surpluses/(deficits)	-	13,812	-	(13,812)	**-**
Balance at 30 June 2026	**827,056**	**20,212**	**293,815**	**(130,252)**	**1,010,831**

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2026

Note 1: About this report

These financial statements represent the consolidated financial statements of Western Health and its controlled entity for the year ended 30 June 2026.

This section explains the basis of preparing the financial statements.

Note 1.1: Basis of preparation

These general-purpose 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 Western Health.

The financial statements have been prepared on a going concern basis (refer to Note 1.6 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 Western Health on 4 September 2026.

Note 1.2: Principles of consolidation

The financial statements include the assets and liabilities of Western Health and its controlled entity as at the end of the financial year and the consolidated results and cash flows for the year.

Western Health controls the following entity:

- Western Health Foundation Trust

(Referred as Western Health Foundation throughout this document).

Details of the controlled entity are set out in Note 8.8 Controlled entity.

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

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

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

Transactions between segments within Western Health have been eliminated to reflect Western Health's operations as a group.

Note 1.3: 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 in future periods that are affected by the revision.

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

- Note 2.1: Revenue and income from transactions
- Note 3.1: Expenses incurred in the delivery of services
- Note 4.1: Property, plant and equipment: Recognition of Footscray Hospital Assets
- Note 4.2: Depreciation
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.6: Contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

Note 1.4: Accounting standards issued but not yet effective

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

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

Standard	Adoption Date	Impact
AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	Reporting periods beginning on or after 1 January 2024. In accordance with FRD 103, Western Health will apply Appendix F of AASB 13 prospectively, in the next formal asset revaluation or interim revaluation (whichever is earlier).	Adoption of this standard is not expected to have a material impact.
AASB 17 Insurance Contracts, AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	Reporting periods beginning on or after 1 July 2026.	Management has reviewed AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments. Based on the nature of Western Health's financial assets and liabilities, the amendments are not expected to result in a material change to the classification, measurement or disclosure of financial instruments.
AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard has not had a material impact on Western Health.
AASB 18 Presentation and Disclosure of Financial Statements	Reporting periods beginning on or after 1 January 2028.	Assessment of the impact of this standard is yet to be performed.

Note 1.5: Reporting entity

The financial statements include the controlled entity of Western Health which is the Western Health Foundation Trust.

The principal address is:

Footscray Hospital

88 Ballarat Road

Footscray, Victoria 3011

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

Note 1.6: Economic dependency

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

Note 2: Funding for delivery of services

Western Health's overall objective is to provide health services, deliver programs and services that support and enhance the wellbeing of Victorians. Western Health is predominantly funded by grant funding for the provision of services. Western Health also receives revenue for the supply of services.

Material judgements and estimates

This section contains the following material judgements and estimates:

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

Note 2.1: Revenue and income from transactions

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Revenue from contracts with customers	2.1(a)	1,562,873	1,434,327
Government grants	2.1(b)	334,078	251,616
Other income	2.1(c)	43,135	44,878
Total revenue and income from transactions		**1,940,086**	**1,730,821**

Note 2.1(a): Revenue from contracts with customers

	Consolidated 2026 $'000	Consolidated 2025 $'000
Government grants (State) – operating	1,434,752	1,313,507
Government grants (Commonwealth) – operating	52,145	49,606
Patient and resident fees	35,891	33,792
Private practice fees	16,329	17,030
Commercial activities[1]	23,756	20,392
Total revenue from contracts with customers	**1,562,873**	**1,434,327**

Western Health disaggregates revenue by the timing of revenue recognition.

Goods and services transferred to customers:		
At a point in time	1,515,836	1,388,395
Over time	47,037	45,932
Total revenue from contracts with customers	**1,562,873**	**1,434,327**

[1]Commercial activities represent business activities which Western Health enters into to support their operations.

Recognition of revenue from contracts with customers

Government operating grants

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

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

This policy applies to each of Western Health's revenue streams, with information detailed below relating to Western Health's significant 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 Victoria efficient price (VEP) 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.
Pharmaceutical Benefits Scheme (PBS)	The performance obligation for PBS funding is defined as pharmaceutical prescriptions or orders processed that satisfy and are completed in accordance with the Commonwealth PBS guidelines. Revenue is recognised at a point in time, which is when a patient prescription is processed and is in accordance with the criteria set out in the PBS regulations.

Patient and resident fees

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

Accommodation charges are calculated daily and are recognised over time, to reflect the period accommodation is provided.

Private practice fees

Private practice fees relate to patient fees obtained from a range of sources including the Commonwealth for patient attendance in Medicare Benefits Scheme (MBS) outpatient clinics. Private practice fees are recognised at the time the service is provided.

Commercial activities

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

Note 2.1(b): Government grants

	Consolidated 2026 $'000	Consolidated 2025 $'000
Operating activities		
Government grants (State) – operating	294,780	225,641
Government grants (State) – capital	39,298	25,975
Total government grants	**334,078**	**251,616**

Recognising Government grants

Government operating grants

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

Income from grants without sufficiently specific performance obligations or that are not enforceable, is recognised when Western Health has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition or the asset, Western Health recognises 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 Revenue from Contracts with Customers*
- 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 Western 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 *Income of Not-for-Profit Entities* progressively as the asset is constructed which aligns with Western Health's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Non-cash contributions from the Department of Health

The Department of Health makes payments on behalf of Western Health as follows:

Supplier	Description
Victorian Managed Insurance Authority (VMIA)	The Department of Health purchases non-medical indemnity insurance for Western 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 Western Health.
Department of Health (DH)	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 income

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Operating activities			
Other capital purpose income		1,198	909
Capital donations		-	38
Assets received free of charge or for nominal consideration		884	1,048
Salary and other recoveries		8,923	8,711
Research and sundry revenue		7,512	5,176
Other income from operating activities		14,873	17,235
Total income from operating activities		**33,390**	**33,117**
Non-operating activities			
Capital interest		145	121
Other interest		9,600	11,640
Total income from non-operating activities		**9,745**	**11,761**
Total other income		**43,135**	**44,878**

Other income from operating activities

Other income includes salary and non-salary recoveries and are recognised as income upon receipt.

Recognition of the fair value of assets and services received free of charge or for nominal consideration

Donations and bequests

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

Personal protective equipment

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

Contributions of resources

Western Health may receive resources for nil or nominal consideration to further its objectives. The resources are recognised at their fair value when Western 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 due to restructuring of administrative arrangements, in which case the asset will be recognised at its carrying value in the financial statements of Western Health as a capital contribution transfer.

Note 3: The cost of delivering services

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

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	Western Health applies material judgement when classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if Western Health does not have an unconditional right to defer payment beyond 12 months. Annual leave accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if Western Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	Western Health applies material judgement when measuring its employee benefit liabilities. Western Health applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if Western Health does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate the following, all sourced from the Department of Treasury and Finance (DTF): > an inflation rate of 4.150%, reflecting the future wage and salary levels > durations of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 39.55% and 91.14% > discounting at the rate of 4.736%, as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1: Expenses incurred in the delivery of services

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Employee expenses	3.1(a)	1,506,673	1,368,245
Supplies and consumables	3.1(d)	207,668	190,821
Other operating expenses	3.1(e)	163,410	145,081
Total expenses incurred in the delivery of services		**1,877,751**	**1,704,147**

Note 3.1(a): Employee expenses

	Consolidated 2026 $'000	Consolidated 2025 $'000
Salaries and wages	1,326,090	1,202,893
On-costs	138,369	124,687
Agency expenses	22,765	15,787
Fee for service, medical officers	3,666	4,140
WorkCover premium	15,783	20,738
Total employee expenses	**1,506,673**	**1,368,245**

Recognition of employee expenses

Employee expenses are recognised when they are incurred, in accordance with accrual based accounting. Costs outlined in employee expenses are recorded in the period in which the employee renders their service.

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current employee benefits and related on-costs		
Accrued days off		
Unconditional and expected to be settled wholly within 12 months[(i)]	4,610	3,782
	4,610	**3,782**
Annual leave		
Unconditional and expected to be settled wholly within 12 months[(i)]	101,809	90,634
Unconditional and expected to be settled wholly after 12 months[(ii)]	16,109	14,449
	117,918	**105,083**
Long service leave		
Unconditional and expected to be settled wholly within 12 months[(i)]	20,864	17,502
Unconditional and expected to be settled wholly after 12 months[(ii)]	156,131	146,090
	176,995	**163,592**
Provisions related to employee benefit on-costs		
Unconditional and expected to be settled wholly within 12 months[(i)]	16,268	14,397
Unconditional and expected to be settled wholly after 12 months[(ii)]	23,067	22,085
	39,335	**36,482**
Total current employee benefits and related on-costs	**338,858**	**308,939**
Non-current employee benefits and related on-costs		
Conditional long service leave	36,923	31,616
Provisions related to employee benefit on-costs	4,950	4,365
Total non-current employee benefits and related on-costs	**41,873**	**35,981**
Total employee benefits and related on-costs	**380,731**	**344,920**

[(i)]The amounts disclosed are nominal amounts

[(ii)]The amounts disclosed are discounted to present values

Provision for related on-costs movement schedule

	Consolidated 2026 $'000	Consolidated 2025 $'000
Carrying amount at start of year	**40,847**	**37,161**
Additional provisions recognised	22,730	21,959
Amounts incurred during the year	(18,314)	(18,117)
Net gain/(loss) arising from revaluation of long service liability	(978)	(156)
Carrying amount at end of year	**44,285**	**40,847**

Recognition of employee benefits

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

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as sick leave 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 Western Health does not have an unconditional right to defer payment 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 Western Health expects to wholly settle within 12 months, or
- present value – if Western 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 Western 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. The unconditional right arises after a qualifying period.

The components of this current LSL liability are measured at:

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

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

Termination benefits

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

Provisions

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

Note 3.1(c): Superannuation

	Contributions paid during the year		Contribution outstanding at year end	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Defined benefit plans[(i)]				
Aware Super	-	3	-	-
Defined contribution plans				
Aware Super	54,712	51,720	2,186	1,776
HESTA	43,258	40,167	1,515	1,197
Other Funds	35,314	28,751	1,606	1,073
Total	**133,284**	**120,641**	**5,307**	**4,046**

[(i)] The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

Recognition of superannuation

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

Defined benefit superannuation plans

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

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

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

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

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

Note 3.1(d): Supplies and consumables

	Consolidated 2026 $'000	Consolidated 2025 $'000
Drug supplies	52,770	49,844
Medical and surgical supplies (including prostheses)	60,392	57,434
Diagnostic and radiology supplies	37,460	31,904
Other supplies and consumables	57,046	51,639
Total supplies and consumables	**207,668**	**190,821**

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 inventories held for distribution are expensed when distributed.

Note 3.1(e): Other operating expenses

	Consolidated 2026 $'000	Consolidated 2025 $'000
Finance costs	1,181	891
Fuel, light, power and water	14,205	12,151
Repairs and maintenance	12,798	10,924
Maintenance contracts	22,182	23,750
Medical indemnity insurance	33,433	25,621
Expenditure for capital purposes	7,047	3,852
Other administration expenses	72,564	67,892
Total other operating expenses	**163,410**	**145,081**

Recognition of expenses from transactions

Expense recognition

Expenses are recognised as they are incurred and are 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 makes certain payments on behalf of Western Health. These amounts have been brought to account in determining the operating result for the year, by recording them as revenue and recording a corresponding expense.

Note 4: Key assets to support service delivery

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

Material judgements and estimates

This section contains the following material judgments and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	Western Health assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset. Western Health reviews the useful life and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where Western Health is reasonably certain to exercise a purchase option contained within the lease, in which case the useful life reverts to the estimated useful life of the underlying asset. Western Health applies material judgement to determine whether it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires Western Health to restore a right-of-use asset to its original condition at the end of a lease, Western Health estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.

Recognition of Footscray Hospital Assets

Western Health assessed the proposed transfer of the New Footscray Hospital assets and associated liabilities as at 30 June 2026. In undertaking this assessment, management considered the information available at balance date to support the recognition, measurement and classification of the proposed transferred balances in accordance with Australian Accounting Standards and applicable Victorian Government financial reporting requirements. Having regard to the information available at 30 June 2026, management concluded that there was insufficient appropriate evidence to support recognition and certification of the proposed transferred assets and liabilities at balance date. Accordingly, no assets or liabilities associated with the proposed transfer have been recognised in these financial statements.

Further information relating to the proposed transfer is provided in Note 8.6 Footscray Hospital Asset Transfer.

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	29,882	29,882	(562)	(375)	29,320	29,507
Land at fair value – Freehold	150,591	150,591	(3,748)	(8,113)	146,843	142,478
Buildings at fair value	1,227,464	1,201,780	(245,579)	(128,532)	981,885	1,073,248
Work in progress at cost	84,191	39,156	-	-	84,191	39,156
Plant, equipment and vehicles at fair value	323,939	311,771	(255,405)	(239,157)	68,534	72,614
Total property, plant and equipment	**1,816,067**	**1,733,180**	**(505,294)**	**(376,177)**	**1,310,773**	**1,357,003**

Recognition of property, plant and equipment

Items of property, plant and equipment are initially measured at cost and are subsequently measured at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, being far below the fair value of the asset, the deemed cost is its fair value at the date of acquisition. Assets transferred as part of an amalgamation/machinery of government change are transferred at their carrying amounts. The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. Further information regarding fair value measurement is disclosed in Note 7.4 Fair value determination.

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

	Note	Land	Buildings	Work in progress	Plant, equipment and vehicles	Total
		$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2024		**172,631**	**982,292**	**241,881**	**57,526**	**1,454,330**
Additions		-	216,392	41,112	33,257	**290,761**
Disposals and other adjustments[(i)]		-	-	(243,837)	(268)	**(244,105)**
Depreciation	4.2	(646)	(125,436)	-	(17,901)	**(143,983)**
Balance at 30 June 2025	4.1	**171,985**	**1,073,248**	**39,156**	**72,614**	**1,357,003**
Additions		-	25,748	78,244	16,261	**120,253**
Disposals and other adjustments[(i)]		-	-	(33,209)	(1,132)	**(34,341)**
Depreciation	4.2	4,178	(117,111)	-	(19,209)	**(132,142)**
Balance at 30 June 2026	4.1	**176,163**	**981,885**	**84,191**	**68,534**	**1,310,773**

[(i)]This includes transfers from work in progress to building and plant, equipment and vehicles.

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 as per *FRD 103 Non-financial physical assets*. In accordance with FRD 103, Western Health has elected to apply the practical expedient in *FRD 103* 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 Western 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 land, buildings and plant and equipment.

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000
Right-of-use concessionary land[(i)]	14,159	14,158	(4,311)	(8,488)	9,848	5,670
Right-of-use buildings[(i)]	20,741	14,304	(6,874)	(4,891)	13,867	9,413
Right-of-use plant, equipment and vehicles[(i)]	8,395	8,131	(2,406)	(3,209)	5,989	4,922
Total right-of-use assets	**43,295**	**36,593**	**(13,591)**	**(16,588)**	**29,704**	**20,005**

[(i)]As a result of a change 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 7.4 Fair value determination.

Note 4.1(c): Reconciliations of carrying amount by class of asset

	Right-of-use Concessionary land	Right-of-Use buildings	Right-of-use plant, equipment and vehicles	Total
	$'000	$'000	$'000	$'000
Balance at 1 July 2024	**6,316**	**10,344**	**3,637**	**20,297**
Additions	-	865	2,693	**3,558**
Additions due to administrative restructure	-	-	(179)	**(179)**
Depreciation	(646)	(1,796)	(1,229)	**(3,671)**
Balance at 30 June 2025	**5,670**	**9,413**	**4,922**	**20,005**
Additions	-	6,502	2,816	**9,318**
Disposals and other adjustments	-	-	(279)	**(279)**
Depreciation	4,178	(2,048)	(1,470)	**660**
Balance at 30 June 2026	**9,848**	**13,867**	**5,989**	**29,704**

Recognition of right-of-use assets

Initial recognition

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

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1(a) Lease liabilities for further information) the contract gives rise to a right-of-

use asset and corresponding lease liability, which is recognised at the lease commencement date.

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

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

Subsequent measurement

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

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

Note 4.2: Depreciation

	Consolidated 2026 $'000	Consolidated 2025 $'000
Depreciation		
Right-of-use concessionary land[(i)]	(4,178)	646
Buildings at fair value	117,111	125,436
Plant, equipment and vehicles at fair value	19,209	17,901
Total depreciation	**132,142**	**143,983**

[(i)]Depreciation includes a $4.7M credit adjustment that relate to the right-of-use peppercorn lease land asset and reflects the extension of the depreciation period from 20 years to 30 years to align with the peppercorn lease term.

Recognition of depreciation

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

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

During the prior reporting period, the entity reassessed the useful life of the Old Footscray Hospital building following the commissioning of the New Footscray Hospital. As a result, depreciation was accelerated to reflect the revised remaining useful life. This change in accounting estimate was applied prospectively in accordance with paragraphs 36 to 38 of *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*.

The change resulted in an increase in depreciation expense of $43.2 million for the year ended 30 June 2025. Depreciation continued to be recognised on this accelerated basis

during the year ended 30 June 2026, resulting in a further increase in depreciation expense of $32.3 million, representing the final period of depreciation prior to cessation of operations in May 2026.

Useful lives of non-current assets

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

	2026	2025
Buildings		
Structure shell building fabric	40-52 years[(i)]	40-52 years
Site engineering services and central plant	23-40 years	23-40 years
Central plant		
Fit out	15-40 years	15-40 years
Trunk reticulated building system	21-40 years	21-40 years
Plant, equipment and vehicles (including leased assets)	3-10 years	3-10 years

[(i)]Structure shell building fabric minimum is 40 years except for the old Footscray Hospital, where its depreciation has been accelerated for its remaining useful life of 1 year resulting from the relocation to the new Footscray hospital in financial year 2026.

As part of the financial year 2024 building's valuation, building values were separated into components and each component assessed for its useful life which is represented above.

Note 4.3: Impairment of assets

Impairment of property, plant and equipment

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

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

Note 5: Other assets and liabilities

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

Material judgements and estimates

This section contains the following material judgments and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	Western Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	Where Western Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. Western Health applies material judgement when measuring the deferred capital grant income balance, which references the estimated stage of completion at the end of each financial year.
Measuring contract liabilities	Western Health applies material judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2: Funding for delivery of services. Where a performance obligation is yet to be satisfied, Western Health assigns funds to the outstanding obligation and records this as a contract liability until the promised goods or service is transferred to the customer.

Note 5.1: Receivables

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Current receivables			
Contractual			
Inter-hospital debtors		2,445	1,017
Trade receivables		3,417	2,835
Patient fees		6,815	6,827
Allowance for impairment losses	5.1(a)	(4,530)	(2,872)
Amounts receivable from governments and agencies		2,644	1,929
Accrued revenue – Department of Health		1,136	11,531
Total contractual receivables		**11,927**	**21,267**
Statutory			
GST receivable		1,904	1,815
Total statutory receivables		**1,904**	**1,815**
Total current receivables		**13,831**	**23,082**
Non-current receivables			
Contractual			
Long service leave – Department of Health		119,455	103,802
Total contractual receivables		**119,455**	**103,802**
Total non-current receivables		**119,455**	**103,802**
Total receivables		**133,286**	**126,884**
Financial assets classified as receivables			
Total receivables		133,286	126,884
GST receivable		(1,904)	(1,815)
Total financial assets classified as receivables	7.1	**131,382**	**125,069**

Recognition of receivables

Receivables consist of:

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

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. Western Health applies *AASB 9 Financial Instruments* for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

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

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Balance at the beginning of year	**2,872**	**5,315**
Increase in allowance	5,427	2,853
Amounts written off during the year	(3,769)	(5,296)
Balance at the end of year	**4,530**	**2,872**

Impairment losses of contractual receivables

Refer to Note 7.2(a) Credit risk for Western Health's contractual impairment losses.

Note 5.2: Contract assets

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Current			
Contract assets		7,824	5,384
Total current contract assets		**7,824**	**5,384**
Total contract assets	5.2(a)	**7,824**	**5,384**

Note 5.2(a): Movement in contract assets

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Balance at the beginning of the year		5,384	2,466
Add: additional costs incurred that are recoverable from the customer		7,824	5,384
Less: transfer to trade receivable or cash at bank		(5,384)	(2,466)
Total contract assets	7.1	**7,824**	**5,384**

Recognition of contract assets

Contract assets arise when Western Health has performed a service, in part or full, but has not billed for the service at the reporting date. An asset exists as payment is owed for the service performed even though it has not yet been billed.

The contract asset becomes a receivable (debtor) once the invoice is issued, all performance obligations (services) have been met, and payment is expected to be recovered in the next financial year.

Note 5.3: Investments and other financial assets

	Consolidated capital funds 2026 $'000	Consolidated capital funds 2025 $'000
Current		
Financial assets at fair value through net result		
Managed investment funds	2,588	20,830
Total current financial assets	**2,588**	**20,830**
Total investments and other financial assets	**2,588**	**20,830**
Represented by:		
Health service investments	2,588	20,830
Total investments and other financial assets	**2,588**	**20,830**

Recognition of investments and other financial assets

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

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

Investments held by the Western Health Foundation do not fall within the scope of the Standing Directions as they are not public entity funds, (i.e. neither provided, nor controlled, by the government). However, such investments are consolidated into Western Health's financial statements as Western Health has control of the Western Health Foundation. Refer to Note 8.8 Controlled entity for further information.

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

The financial assets valued at fair value for Western Health is the investment in the VFMC.

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

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

Note 5.4: Inventories

	Consolidated 2026 $'000	Consolidated 2025 $'000
Medical and surgical consumables at cost	1,204	773
Pharmacy supplies at cost	2,655	2,983
Total inventories	**3,859**	**3,756**

Recognition of inventories

Inventories are goods held for internal consumption. It excludes depreciable assets. Inventories are measured at lower of cost and net realisable value.

Note 5.5: Payables

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Current payables			
Contractual			
Trade creditors		10,654	19,326
Accrued salaries and wages		58,119	43,749
Accrued expenses		35,565	43,157
Deferred capital grant income	5.5(a)	19,922	23,236
Salary packaging		3,330	2,775
Superannuation		5,160	4,109
Amounts receivable/(payable) from governments and agencies		1,728	(5,189)
Advances from Government		-	7,000
Other		27	269
Total contractual payables		**134,505**	**138,432**
Total current payables		**134,505**	**138,432**
Total payables		**134,505**	**138,432**
Financial liabilities classified as payables			
Total payables		134,505	138,432
Deferred capital grant income		(19,922)	(23,236)
Other		(27)	(269)
Total financial liabilities classified as payables	7.1	**114,556**	**114,927**

Recognition of 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 Western Health prior to the end of the financial year that are unpaid.

Statutory payables, including Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables but are not classified as financial instruments and are 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 is net 60 days.

Note 5.5(a): Movement in deferred capital grant income

	Consolidated 2026 $'000	Consolidated 2025 $'000
Opening balance of deferred capital grant income	**23,236**	**16,132**
Grant consideration for capital works received during the year	33,274	30,370
Deferred grant income recognised as income due to completion of capital works	(36,588)	(23,266)
Closing balance of deferred capital grant income	**19,922**	**23,236**

Deferred capital grant income

Grant consideration was received from Department of Health, Commonwealth Department of Health, Disability and Ageing, Victorian Infrastructure Delivery Authority and Department of Transport and Planning for various capital projects.

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

Western Health expects to recognise all the remaining deferred capital grant income for capital works in future years.

Note 5.6: Contract liabilities

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Current contract liabilities			
Contract liabilities		4,715	16,091
Total current contract liabilities	5.6(a)	**4,715**	**16,091**

Contract liabilities

Contract liabilities include consideration received in advance from the Department of Health, Commonwealth, Department of Families, Fairness and Home and Dental Health funding grants and various funds from non-department of health entities. The balance of contract liabilities was lower than the previous reporting period due to the timing of grant income recognition during the financial year 2026.

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

Maturity analysis of payables

Please refer to Note 7.2(b) Liquidity risk for the aging analysis of payables.

Note 5.6(a): Movement in contract liabilities

	Consolidated 2026 $'000	Consolidated 2025 $'000
Opening balance of contract liabilities	**16,091**	**10,145**
Grant consideration for sufficiently specific performance obligations received during the year	1,422,481	1,289,001
Revenue recognised for the completion of performance obligations	(1,433,857)	(1,283,055)
Total contract liabilities	**4,715**	**16,091**

Note 5.7: Monies held in trust

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Current monies held in trust			
Refundable accommodation deposits		2,105	2,450
Total current monies held in trust		**2,105**	**2,450**
Total monies held in trust		**2,105**	**2,450**
Represented by:			
Cash assets	6.2	2,105	2,450
Total monies held in trust		**2,105**	**2,450**

Recognition of 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 Western Health upon admission. The deposits are liabilities which fall due and payable when the resident leaves the home. As there is no unconditional right to defer payment for 12 months, these liabilities are recorded as current liabilities.

RAD/Accommodation bonds are recorded at an amount equal to the proceeds received, net of retention and any other amounts deducted from the RAD in accordance with the *Aged Care Act 1997* and *Aged Care Act 2024* effective 1 November 2025.

Note 6: Financing

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

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Note 7.2 Financial risk management objectives and policies provides additional, specific financial instrument disclosures.

Material judgements and estimates

This section contains the following material judgments and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	Western Health applies material judgement to determine if a contract is, or contains, a lease by considering if Western Health: > has the right-to-use an identified asset > has the right to obtain substantially all economic benefits from the use of the leased asset, and > can decide how and for what purpose the asset is used throughout the lease.
Discount rate applied to future lease payments	Western Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for Western Health's lease arrangements, Western Health uses its incremental borrowing rate, which is the amount Western Health would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. For leased land and buildings, plant and equipment Western Health estimates the incremental borrowing rate to be between 2.35% and 6.19%. For leased vehicles, the implicit interest rate 1.25% and 6.24%.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Western Health is reasonably certain to exercise such options. Western Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: > if there are significant penalties to terminate (or not extend), Western Health is typically reasonably certain to extend (or not terminate) the lease > if any leasehold improvements are expected to have a significant remaining value, Western Health is typically reasonably certain to extend (or not terminate) the lease > Western Health considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Current borrowings			
TCV loan[(i)]		2,119	954
Lease liability[(ii)]	6.1(a)	4,657	2,614
DH loan[(iii)]		800	800
Total current borrowings		**7,576**	**4,368**
Non-current borrowings			
TCV loan[(i)]		33,079	14,288
Lease liability[(ii)]	6.1(a)	16,025	12,141
DH loan[(iii)]		2,356	3,002
Total non-current borrowings		**51,460**	**29,431**
Total borrowings	7.1	**59,036**	**33,799**

[(i)]This consists of two unsecured loans with the Treasury Corporation of Victoria:

- Loan 1: Has an annualised weighted average interest rate of 1.81%. The loan finances the Sunshine Hospital multi-deck car park. The approved loan limit is $20.4 million. The term of the loan was for 20 years and expires in 2039.
- Loan 2: Has an annualised weighted average interest rate of 5.5%. The loan finances the Footscray Hospital multi-deck car park. The approved loan limit is $21 million. The term of the loan was for 13 years and expires in 2039.

[(ii)]Secured by the motor vehicle assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of a default.

[(iii)]Department of Health loan in relation to the Regional Kitchen Ltd acquisition in August 2020. The term of the loan was for 10 years and expires in 2030.

Recognition of borrowings

Borrowings refer to interest bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities and other interest-bearing arrangements. Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost and recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Maturity analysis of borrowings

Refer to Note 7.2(b) Liquidity risk for the maturity analysis of borrowings.

Interest expense

	Consolidated 2026 $'000	Consolidated 2025 $'000
Interest on lease liabilities	657	433
Interest on loan from TCV	369	283
Other	154	175
Total interest expense	**1,180**	**891**

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

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

Western Health recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

Defaults and breaches

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

Note 6.1(a): Lease liabilities

Western Health's lease liabilities are summarised below:

	Consolidated 2026 $'000	Consolidated 2025 $'000
Current lease liabilities		
Lease liability	4,657	2,614
Total current lease liabilities	**4,657**	**2,614**
Non-current lease liabilities		
Lease liability	16,025	12,141
Total non-current lease liabilities	**16,025**	**12,141**
Total lease liabilities	**20,682**	**14,755**

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

	Consolidated 2026 $'000	Consolidated 2025 $'000
Not longer than one year	5,173	3,246
Later than one year and not longer than five years	13,026	7,644
Longer than five years	4,702	5,605
Minimum future lease liability	**22,901**	**16,495**
Less unexpired finance expenses	(2,219)	(1,740)
Present value of lease liability	**20,682**	**14,755**

Recognition of Lease Liabilities

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

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

Western Health's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased land	50 years
Leased buildings	1 to 12 years
Leased plant, equipment, furniture, fittings and vehicles	1 to 5 years

All leases are recognised on the balance sheet, except for low value leases, (less than $10,000) and short-term leases of less than 12 months.

Western Health has elected to apply the practical expedients for short-term leases and leases of low-value assets. As a result, no right-of-use asset or lease liability is recognised for these leases; rather, lease payments are recognised as an expense on a straight-line basis over the lease term, within "other operating expenses" (refer to Note 3.1(d) Supplies and consumables).

The following low-value, short-term and variable lease payments are recognised in profit or loss:

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

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 Western Health's incremental borrowing rate. The lease liability has been discounted by rates of between 1.25% and 6.24%.

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

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

In determining the lease term, Western Health considers all facts and circumstances that create an economic incentive to exercise an extension or termination option. Extension options (or periods after termination options) are only included in the lease term and lease liability if the lease is reasonably certain to be extended.

Subsequent measurement

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

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

Leases with significantly below market terms and conditions

Western Health holds some lease arrangements which contain significantly below-market terms and conditions, which are principally to enable Western Health to further its objectives. These are commonly referred to as peppercorn or concessionary lease arrangements. The nature and terms of such lease arrangements, including Western Health's dependency on such leases arrangements is described below:

Description of leased asset	Dependence on lease	Nature and terms of lease
Land **7 Macedon St, Sunbury (Sunbury Day Hospital)**	The leased land is used to support day hospital service delivery. Western Health's dependence on this lease is considered high due to the specialised nature of the building on this land.	Lease payments of $12 per annum The lease commenced in 2009 and has a lease term of 50 years.
Land **195 to 209 Barries Rd, Melton (Melton Super Clinic)**	The leased land is used to support day hospital service delivery. Western Health's dependence on this lease is considered high due to the specialised nature of the building on this land.	Lease payments of $104 per annum. The lease commenced in 2016 and has a lease term of 30 years.
Land & Building **54 Burnside St, Deer Park (Mental Health Prevention and Recovery Care)**	The leased land and building are used to support day hospital service delivery. Western Health's dependence on this lease is considered high due to the specialised nature of the building on this land.	Lease payments of $104 per annum. The lease commenced 1 July 2023 and has a lease term of 15 years.
Land **38 Evergreen Avenue, St Albans (Mental Health Community Care Unit)**	The leased land and building are used to support day hospital service delivery. Western Health's dependence on this lease is considered high due to the specialised nature of the building on this land.	Lease payments of $104 per annum. The lease commenced 1 July 2023 and has a lease term of 15 years.

Note 6.2: Cash and cash equivalents

	Consolidated 2026 $'000	Consolidated 2025 $'000
Cash on hand (excluding monies held in trust)	10	11
Cash at bank – CBS (excluding monies held in trust)	120,565	86,660
Total cash held for operations	**120,575**	**86,671**
Cash at bank – CBS (monies held in trust)	2,105	2,450
Total cash held as monies in trust	**2,105**	**2,450**
Total cash and cash equivalents	**122,680**	**89,121**

Note 6.3: Commitments for expenditure

	Less than 1 year $'000	1-5 Years $'000	Over 5 years $'000	Total $'000
30 June 2026				
Capital expenditure commitments	46,900	3,900	-	**50,800**
Operating expenditure commitments	35,862	42,157	-	**78,019**
Total commitments (inclusive of GST)	**82,762**	**46,057**	**-**	**128,819**
Less GST recoverable				**(8,269)**
Total commitments (exclusive of GST)				**120,550**
30 June 2025				
Capital expenditure commitments	88,856	11,679	-	**100,535**
Operating expenditure commitments	35,155	44,784	386	**80,325**
Total commitments (inclusive of GST)	**124,011**	**56,463**	**386**	**180,860**
Less GST recoverable				**(12,821)**
Total commitments (exclusive of GST)				**168,039**

Commitments

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 individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised on the balance sheet.

Short-term and low-value leases

Western 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 Borrowings for further information.

Note 6.4: Non-cash financing and investing activities

	Consolidated 2026 $'000	Consolidated 2025 $'000
Assumption of liabilities		
Acquisition of buildings, plant and equipment by means of leases	4,188	204
Acquisition of motor vehicles by means of leases	2,146	2,457
Acquisition of borrowings – TCV loan	21,000	-
Total non-cash financing and investing activities	**27,334**	**2,661**

Note 7: Risks, contingencies and valuation uncertainties

Western Health is exposed to some 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 the 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 Western Health is related mainly to fair value determination.

Material judgements and estimates

This section contains the following material judgments and estimates:

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

Note 7.1: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of Western Health's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example, taxes, fines and penalties). Such

financial assets and financial liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*.

Financial Instruments: Categorisation

	Note	Financial assets at amortised cost	Financial assets at fair value through net result	Financial liabilities at amortised cost	Total
		$'000	$'000	$'000	$'000
Consolidated					
30 June 2026					
Contractual financial assets					
Cash and cash equivalents	6.2	122,680	-	-	122,680
Receivables	5.1	131,382	-	-	131,382
Contract assets	5.2	7,824	-	-	7,824
Investments and other financial assets	5.3	-	2,588	-	2,588
Total financial assets[(i)]		**261,886**	**2,588**	**-**	**264,474**
Financial liabilities					
Payables	5.5	-	-	114,556	114,556
Borrowings	6.1	-	-	59,036	59,036
Other liabilities – refundable accommodation deposits	5.7	-	-	2,105	2,105
Total financial liabilities[(i)]		**-**	**-**	**175,697**	**175,697**

	Note	Financial assets at amortised cost	Financial assets at fair value through net result	Financial liabilities at amortised cost	Total
		$'000	$'000	$'000	$'000
Consolidated					
30 June 2025					
Contractual financial assets					
Cash and cash equivalents	6.2	89,121	-	-	89,121
Receivables	5.1	125,069	-	-	125,069
Contract assets	5.2	5,384	-	-	5,384
Investments and other financial assets	5.3	-	20,830	-	20,830
Total financial assets[(i)]		**219,574**	**20,830**	**-**	**240,404**
Financial liabilities					
Payables	5.5	-	-	114,927	114,927
Borrowings	6.1	-	-	33,799	33,799
Other liabilities – refundable accommodation deposits	5.7	-	-	2,450	2,450
Total financial liabilities[(i)]		**-**	**-**	**151,176**	**151,176**

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

Recognition of financial instruments

Categories of financial assets

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

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

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

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component, as specified in *AASB 15 Revenue from contracts with customers,* paragraph 63.

Financial assets at amortised cost

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

- the assets are held by Western 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.

Western Health recognises the following assets in this category:

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

Financial assets at fair value through net result

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

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

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

Changes to financial assets valued at fair value are shown in other economic flows, which is reported in the net result.

Categories of financial liabilities

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

Financial liabilities at amortised cost

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

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

Western Health recognises the following liabilities in this category:

- payables (excluding statutory payables and contract liabilities)
- borrowings
- 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
- Western Health retained 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

Western 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 Western Health has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Western 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, Western Health's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Note 7.2: Financial risk management objectives and policies

Western Health seeks to manage the risks and the associated volatility of its financial performance.

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

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

Western Health uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer.

Note 7.2(a): Credit Risk

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

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

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

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

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

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

There was no material change to Western Health's credit risk profile in financial year 2026.

Impairment of financial assets under *AASB 9 Financial Instruments*

Western Health records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9's "Expected Credit Loss" approach. Subject to AASB 9, the impairment assessment includes Western Health's contractual receivables, statutory receivables and its investment in debt instruments.

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

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

Contractual receivables at amortised cost

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

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

	Note	Current	Less than 1 month	1–3 months	3 months – 1 year	1–5 years	Total
30 June 2026							
Expected loss rate		2.0%	22.0%	84.9%	71.6%	0.0%	
Gross carrying amount of contractual receivables	5.1, 5.2	16,575	3,176	1,974	2,556	-	24,281
Loss allowance		**324**	**698**	**1,678**	**1,830**	**-**	**4,530**

	Note	Current	Less than 1 month	1–3 months	3 months – 1 year	1–5 years	Total
30 June 2025							
Expected loss rate		1.4%	12.9%	6.1%	57.9%	0.0%	
Gross carrying amount of contractual receivables	5.1, 5.2	12,716	1,887	11,949	2,971	-	29,523
Loss allowance		**179**	**243**	**729**	**1,720**	**-**	**2,871**

Statutory receivables at amortised cost

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

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

Note 7.2(b): Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. Western Health is exposed to liquidity risk mainly through the financial liabilities as disclosed on the face of the balance sheet. Western Health manages its liquidity risk by:

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

Western Health's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

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

				Maturity dates				
		Carrying amount	Nominal amount	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Over 5 years
	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated								
30 June 2026								
Financial liabilities at amortised cost								
Payables[(i)]	5.5	114,556	114,556	92,328	17,782	4,446	-	-
Borrowings	6.1	59,036	71,619	925	1,404	7,124	29,613	32,553
Refundable accommodation deposits	5.7	2,105	2,105	-	-	2,105	-	-
Total financial liabilities		**175,697**	**188,280**	**93,253**	**19,186**	**13,675**	**29,613**	**32,553**

				Maturity dates				
		Carrying amount	Nominal amount	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Over 5 years
	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated								
30 June 2025								
Financial liabilities at amortised cost								
Payables[(i)]	5.5	114,927	114,927	87,953	21,579	5,395	-	-
Borrowings	6.1	33,799	35,540	395	789	3,560	14,658	16,138
Refundable accommodation deposits	5.7	2,450	2,450	-	-	2,450	-	-
Total financial liabilities		**151,176**	**152,917**	**88,348**	**22,368**	**11,405**	**14,658**	**16,138**

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

Note 7.2(c): Market risk

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

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 0.5% up or down

> a change in the top ASX 200 index of 10% up or down

Interest rate risk

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

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

Equity risk

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

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

Consolidated	Carrying amount $'000	(10%) Net result $'000	10% Net result $'000
30 June 2026			
Contractual financial assets			
Investments and other contractual financial assets	2,588	(259)	259
Total impact	**2,588**	**(259)**	**259**

Consolidated	Carrying amount $'000	(10%) Net result $'000	10% Net result $'000
30 June 2025			
Contractual financial assets			
Investments and other contractual financial assets	20,830	(2,083)	2,083
Total impact	**20,830**	**(2,083)**	**2,083**

Note 7.3: Contingent assets and contingent liabilities

Western Health does not have any material contingent assets or liabilities as at 30 June 2026 (2025: nil).

New Footscray Hospital

Western Health is involved in ongoing discussions with the Department of Health regarding the proposed transfer and accounting treatment of New Footscray Hospital assets and associated liabilities. As disclosed in Notes 4 and 8.6, management concluded that insufficient appropriate evidence existed at 30 June 2026 to support recognition and certification of the proposed transferred balances. The outcome of the assessment and any resulting impact on future financial statements remains under consideration.

Measurement and disclosure of contingent assets and contingent liabilities

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

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

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Western Health. These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

Contingent liabilities

Contingent liabilities are:

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

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

Note 7.4: Fair value determination

Measurement of fair value

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

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through net result
- Property, plant and equipment, with the exception of right-of-use assets arising under *AASB 16 Leases*, 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 value, 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.

Western 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.

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

Identifying unobservable inputs (Level 3) fair value measurements

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

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

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

		Consolidated carrying amount 30 June 2026	Fair value measurement at end of reporting period using:		
			Level 1	Level 2	Level 3
	Note	$'000	$'000	$'000	$'000
Managed investment funds	5.3	2,588	-	2,588	-
Total investments at fair value through net result		**2,588**	**-**	**2,588**	**-**

		Consolidated carrying amount 30 June 2025	Fair value measurement at end of reporting period using:		
			Level 1	Level 2	Level 3
	Note	$'000	$'000	$'000	$'000
Managed investment funds	5.3	20,830	-	20,830	-
Total investments at fair value through net result		**20,830**	**-**	**20,830**	**-**

Measuring of fair value of investments and other financial assets

Managed investment funds

Western Health invests in managed funds, which are not quoted in an active market, and which may be subject to restrictions on redemptions. Western Health considers the valuation techniques and inputs used in valuing these funds as part of its due diligence

prior to investment, to ensure they are reasonable and appropriate. The net asset value of these funds is used as an input into measuring their fair value, and is adjusted as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund. Western Health classifies these funds as Level 2. The Financial instruments are measured at fair value through net result rather than through other comprehensive income or amortised cost.

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

	Note	Consolidated carrying amount	Fair value measurement at end of reporting period using:		
		30 Jun 2026	Level 1[(i)]	Level 2[(i)]	Level 3[(i)]
		$'000	$'000	$'000	$'000
Non-specialised land		14,604	-	14,604	-
Specialised land		161,559	-	-	161,559
Total land at fair value	4.1(a)	**176,163**	**-**	**14,604**	**161,559**
Non-specialised buildings		1,106	-	1,106	-
Specialised buildings		980,779	-	-	980,779
Total buildings at fair value	4.1(a)	**981,885**	**-**	**1,106**	**980,779**
Plant, equipment and vehicles	4.1(a)	68,534	-	-	68,534
Total plant, equipment and vehicles at fair value		**68,534**	**-**	**-**	**68,534**
Total non-financial physical assets at fair value		**1,226,582**	**-**	**15,710**	**1,210,872**

	Note	Consolidated carrying amount	Fair value measurement at end of reporting period using:		
		30 Jun 2025	Level 1[(i)]	Level 2[(i)]	Level 3[(i)]
		$'000	$'000	$'000	$'000
Non-Specialised land		14,604	-	14,604	-
Specialised land		157,381	-	-	157,381
Total land at fair value	4.1(a)	**171,985**	**-**	**14,604**	**157,381**
Non-Specialised buildings		1,291	-	1,291	-
Specialised buildings		1,071,957	-	-	1,071,957
Total buildings at fair value	4.1(a)	**1,073,248**	**-**	**1,291**	**1,071,957**
Plant, equipment, furniture and vehicles	4.1(a)	72,614	-	-	72,614
Total plant, equipment and vehicles at fair value		**72,614**	**-**	**-**	**72,614**
Total non-financial physical assets at fair value		**1,317,847**	**-**	**15,895**	**1,301,952**

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

Measuring fair value of non-financial physical assets

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

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

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

Where an independent valuation has not been undertaken at balance date, Western Health perform a fair value assessment to estimate possible changes in value since the date of the last independent valuation with reference to VGV indices.

An adjustment is recognised if the assessment concludes that the fair value of non-financial physical assets has changed by 10% or more since the last revaluation, (whether that be the most recent independent valuation or fair value assessment). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value since the last independent valuation, being equal to or in excess of 40%, Western Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

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

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

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

Non-specialised land and non-specialised buildings

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

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

Specialised land and specialised buildings

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

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

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

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

For Western Health, the depreciated replacement cost method is used for most specialised buildings. As depreciation adjustments are considered significant and unobservable inputs in nature, specialised buildings are classified as Level 3 assets.

An independent valuation of Western Health's specialised land and specialised buildings was performed by the VGV. The effective date of the valuation was the 30 of June 2024.

Vehicles

Western 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 Western Health who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment, (including medical equipment, computers and communication equipment), are held at carrying amount (depreciated cost). When plant

and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate fair value.

Reconciliation of Level 3 fair value measurement

	Note	Land $'000	Buildings $'000	Plant, equipment and vehicles $'000
Consolidated				
Balance at 1 July 2024		**158,027**	**980,816**	**57,526**
Additions/(disposals)		**-**	216,392	32,989
Gains/(losses) recognised in net result				
- Depreciation		(646)	(125,251)	(17,901)
Balance at 30 June 2025	7.4(b)	**157,381**	**1,071,957**	**72,614**
Additions/(disposals)		-	25,748	15,129
Gains/(losses) recognised in the net result				
- Depreciation		4,178	(116,926)	(19,209)
Balance at 30 June 2026	7.4(b)	**161,559**	**980,779**	**68,534**

Fair value determination of Level 3 fair value measurement

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

[(i)]Community service obligations adjustment of 20% was applied to Western Health's specialised land

Note 8: Other disclosures

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

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

	Note	Consolidated 2026 $'000	Consolidated 2025 $'000
Net result for the year		**(67,736)**	**(117,708)**
Non-cash movements:			
Depreciation of non-current assets	4.2	132,142	143,983
Assets and services received free of charge		(884)	(1,048)
Loss allowance for receivables/bad debt expense	5.1(a)	5,427	2,853
(Gain)/loss on financial assets through profit and loss		360	(1,012)
Non-cash capital grants received from State government		(438)	(467)
Movements included in investing and financing activities:			
Net gain from disposal of non-financial physical assets		(482)	(719)
Capital donations and bequests received		-	(38)
Movements in assets and liabilities:			
Increase in receivables and contract assets		(14,268)	(31,770)
Decrease in prepayments		368	936
(Increase)/decrease in inventories		(102)	304
Increase/(decrease) in payables and contract liabilities		(15,303)	20,061
Increase in employee benefits		35,810	29,711
Increase/(decrease) in other liabilities		(345)	666
Net cash inflow from operating activities		**74,549**	**45,752**

Note 8.2: Responsible persons disclosure

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

Responsible Ministers	**Period**
The Honourable Mary Anne Thomas MP:	
Minister for Health	27 Jun 2022 – 15 Apr 2026
Minister for Ambulance Services	2 Oct 2024 – 15 Apr 2026
The Honourable Harriet Shing MP:	
Minister for Health	15 Apr 2026 – 30 Jun 2026
Minister for Ambulance Services	15 Apr 2026 – 30 Jun 2026
The Honourable Melissa Horne MP:	
Minister for Health Infrastructure	19 Dec 2024 – 30 Jun 2026
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	2 Oct 2023 – 30 Jun 2026
Minister for Ageing	2 Oct 2023 – 30 Jun 2026
The Honourable Lizzy Blandthorn MP:	
Minister for Children	2 Oct 2023 – 30 Jun 2026
Minister for Disability	2 Oct 2023 – 30 Jun 2026
Governing Board	
Jill Hennessy (Chair of Board)	1 Jul 2025 – 30 Jun 2026
Andrew Conway	1 Jul 2025 – 30 Jun 2026
Monica Gould	1 Jul 2025 – 30 Jun 2026
Elizabeth Kennedy	1 Jul 2025 – 30 Jun 2026
Ben Davison	1 Jul 2025 – 30 Jun 2026
Deborah Cole	1 Jul 2025 – 30 Jun 2026
Harvey Newnham	1 Jul 2025 – 30 Jun 2026
Elisabet Wreme	1 Jul 2025 – 30 Jun 2026
Ian Meredith	1 Jul 2025 – 30 Jun 2026
Accountable Officer	
Russell Harrison (Chief Executive Officer)	1 Jul 2025 – 30 Jun 2026

Remuneration of responsible persons

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

	Consolidated 2026 No.	Consolidated 2025 No.
Income band		
$40,000 - $49,999	2	3
$50,000 - $59,999	6	5
$80,000 - $89,999	-	1
$90,000 - $99,999	1	-
$640,000 - $649,999	-	1
$660,000 - $669,999	1	-
Total numbers	**10**	**10**

	2026 $'000	2025 $'000
Total remuneration received, or due and receivable by responsible persons from the reporting entity amounted to:	**$1,191**	**$1,139**

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

Note 8.3: Remuneration of executives

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

	Consolidated total remuneration 2026 $'000	Consolidated total remuneration 2025 $'000
Short-term employee benefits	2,232	2,338
Post-employment benefits	187	180
Other long-term benefits	107	95
Termination benefits	55	-
Total remuneration[(i)]	**2,581**	**2,613**
Total number of executives	6	6
Total annualised employee equivalent[(ii)]	**6**	**6**

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

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

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

Termination of employment payments, such as severance packages.

Note 8.4: Related parties

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

- all key management personnel (KMP) and their close family members
- cabinet ministers (where applicable) and their close family members
- controlled entity – Western Health Foundation Trust
- all Health Services and public sector entities that are controlled and consolidated into the State of Victoria financial statements

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

Key management personnel

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

Entity	KMPs	Position title
WH	Jill Hennessy	Board Chair
WH	Andrew Conway	Board Member
WH	Monica Gould	Board Member
WH	Elizabeth Kennedy	Board Member
WH	Ben Davison	Board Member
WH	Deborah Cole	Board Member
WH	Harvey Newnham	Board Member
WH	Elisabet Wreme	Board Member
WH	Ian Meredith	Board Member
WH	Russell Harrison	Chief Executive Officer
WH	Mark Lawrence	Chief Financial Officer (retired 5 Mar 2026)
WH	David Gotts	Chief Finance and Value Officer (commenced 5 Mar 2026)
WH	John Ferraro	Chief Operating Officer
WH	Abi Aruanandarajah	Chief Medical Officer
WH	Sandy Schutte	Executive Director People, Culture and Communications
WH	Tess Lye	Executive Director Strategy, Partnerships and Corporate Governance
WH	Shane Crowe	Executive Director Nursing and Midwifery

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

	2026 $'000	2025 $'000
Compensation – KMPs		
Short-term employee benefits	3,304	3,417
Post-employment benefits	267	210
Other long-term benefits	145	125
Termination benefits	55	-
Total[(i)]	**3,771**	**3,752**

[(i)]KMPs are also reported in Note 8.2 Responsible persons disclosure or Note 8.3 Remuneration of executives.

Significant transactions with government related entities

Western Health received funding from government related entities of $1.7 billion (2025: $1.5 billion), including indirect contributions of $16.5 million (2025: $14.2 million). Western Health incurred expenses with government related entities of $15 million (2025: Nil). Balances owed to Western Health as at 30 June 2026 are $4.0 million (2025: $18.0 million).
Expenses incurred by Western Health in delivering services and outputs are in accordance with HealthShare Victoria requirements. Goods and services including procurement, diagnostics, patient meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

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

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

Transactions with key management personnel and other related parties

Given the breadth and depth of the State Government, related parties transact with the Victorian public sector in arm's length transactions similar to other members of the public. Employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with HealthShare Victoria requirements.

Outside of normal citizen type transactions with Western 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 in 2026 (2025: none).

There were no related party transactions for the Western Health Board of Directors, Chief Executive Officer and Executive Directors in 2026 (2025: none)

Controlled entity related party transactions

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

Western Health Foundation

The transactions between the entities relate to distributions made to Western Health from the Foundation and reimbursements to Western Health from the Foundation for the costs of fundraising activities.

	Consolidated 2026 $'000	Consolidated 2025 $'000
Distribution and reimbursements of funds by Western Health Foundation	1,673	580
Intercompany receivable at 30 June	**1,673**	**580**

Note 8.5: Remuneration of auditors

	Consolidated 2026 $'000	Consolidated 2025 $'000
Victorian Auditor-General's Office		
Audit of financial statements	132	181
Total remuneration of auditors	**132**	**181**

Note 8.6: Footscray Hospital Asset Transfer

During the year ended 30 June 2026, the New Footscray Hospital facility became operational and Western Health commenced delivery of health services from the facility. Western Health was advised that the land, buildings, infrastructure and associated assets and liabilities of the project were proposed to transfer to Western Health as part of the Victorian public sector financial reporting process.

The proposed transfer is significant and is expected to involve assets and associated labilities with an approximate value of $2.1 billion.

Management undertook an assessment of the information available to support recognition, measurement and classification of the proposed transferred balances. As part of this assessment, management identified a number of outstanding matters relating to building componentisation, ICT asset information, asset attribution, ownership and classification matters, and other supporting records required to support financial reporting, depreciation calculations, asset management obligations and future reporting requirements. These matters were considered significant given the scale and complexity of the proposed transfer and the consequential impact on the financial statements.

Based on the information available at 30 June 2026, management concluded that there was insufficient appropriate evidence to support recognition and certification of the proposed transferred assets and liabilities at balance date. Accordingly, no assets, liabilities, revenue, depreciation expense or other accounting impacts associated with the proposed transfer have been recognised in these financial statements.

Western Health formally requested that the Department of Health retain recognition of the relevant assets and liabilities until the necessary asset attribution, componentisation

and supporting records are available and the accounting treatment is resolved. Management will continue to work with the Department of Health and other relevant parties and will reassess the accounting treatment as further information becomes available.

Note 8.7: Events occurring after the balance sheet date

New Footscray Hospital Asset Transfer

Subsequent to 30 June 2026, the Department of Health determined that the New Footscray Hospital assets and associated liabilities would remain recognised by the Department pending completion of asset attribution, componentisation and supporting asset records. This event confirms management's assessment at 30 June 2026 that there was insufficient appropriate evidence to support recognition of the proposed transferred balances by Western Health. No adjustment has been made to these financial statements.

Note 8.8: Controlled entity

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

Name of Entity	Country of incorporation	Ownership Interest %	Equity holding
Western Health Foundation Trust	Australia	100%	100%

Controlled entity contributions to the consolidated results:

	2026 $'000	2025 $'000
Net result for the year		
Western Health Foundation	(1,090)	901
Total contributions	**(1,090)**	**901**

Effective 30 June 2024, Western Health is the Corporate Trustee of the Western Health Foundation.

Contingent liabilities and capital commitments

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

Note 8.9: Equity

Contributed capital

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

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

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

Restricted specific purpose reserves

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

Property, plant and equipment revaluation surplus

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

Note 8.10: Trust, liabilities and right of indemnity

Western Health acts as the Corporate Trustee of the Western Health Foundation. Liabilities incurred on behalf of the Foundation are not recognised in the financial report of the Trustee when it is not probable that Western Health will have to meet some of the Trust liabilities. Details of the Foundation liabilities, the offsetting right of indemnity are detailed below:

Net assets of the Foundation were:

	2026 $'000	2025 $'000
Total assets	6,043	7,133
Net Assets	**6,043**	**7,133**

The assets of the Foundation were sufficient to discharge all the liabilities of the Foundation as at 30 June 2026 (and 2025).