



The Women's Annual Report 2024



the women's
the royal women's hospital



Acknowledgement of Traditional Owners

The Royal Women's Hospital acknowledges and pays respect to the peoples of the Kulin Nations, the traditional owners of the country on which our hospital stands and we pay our respects to their Elders past and present.

The Women's is committed to improving health equity for Aboriginal and Torres Strait Islander women, children and families and we recognise the fundamental significance of cultural traditions, beliefs and connection to country for the health and wellbeing of Aboriginal and Torres Strait Islander peoples.

We acknowledge the importance of kinship and family structures as a cohesive force that binds Aboriginal and Torres Strait Islander peoples and we recognise their cultures, community connection and self-determination as critical protective factors for wellbeing.

Our vision

Creating healthier futures
for women and babies

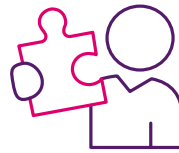
Our strategic directions



We provide
leading care
for women
and newborns



We partner to
create exceptional
experiences
every day



We are the best
place to work,
learn and
contribute



We lead
and partner
to influence
change

Our declaration

We are committed to the social model of health

We care for women from all walks of life

We recognise that sex and gender affect health and healthcare

We are a voice for women's health

We seek to achieve health equity

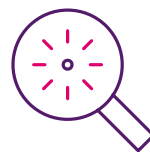
Our values



Courage



Passion



Discovery



Respect



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Report from the Board Chair and Chief Executive

The last 12 months have been a productive time for the Women's. We have made substantial strides in our key priority areas and have worked hard to deliver outstanding healthcare and exceptional patient experiences.

The highlight last year had to be the recognition of the Women's and its workforce when it was named the Premier's Large Health Service of the Year at the 2023 Victorian Public Healthcare Awards. It was a proud moment for us as our staff were recognised for their incredible efforts in providing exceptional patient care, statewide leadership, world-leading translational research and innovation, and compassionate support for women and families. The award reminded us that at the centre of what we do is a team of extraordinary people dedicated to providing high-quality and compassionate care. We couldn't have been any prouder!

Also this year, we continued to roll out Victoria's Public Fertility Care across Victoria. Working in partnership with our ten health service partners, we completed the service roll out and also launched Australia's first publicly owned egg and sperm bank – no mean feat! Now, eligible people can access publicly funded fertility care close to home.

This year, we introduced several initiatives to provide more support to people needing access to our high-demand women's health services. We also expanded our maternity models of care to provide more birth choices, including culturally appropriate care, to women and families, and to those who wish to access antenatal care at home.

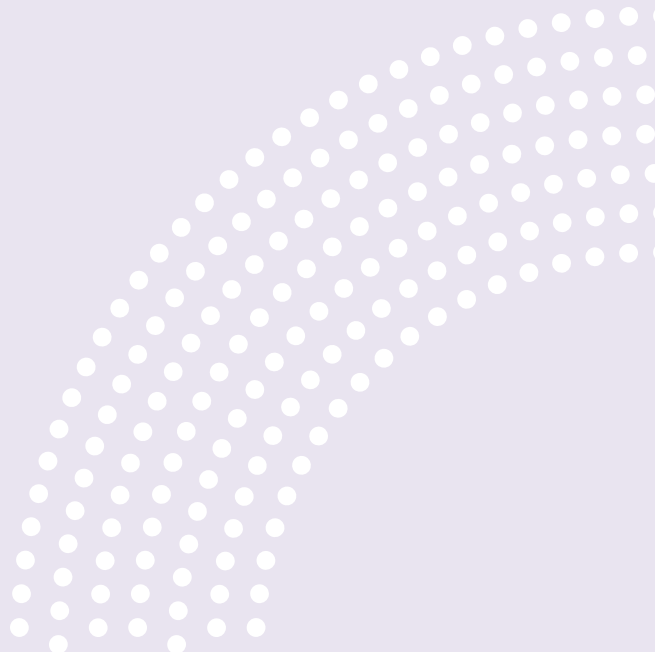
We continued to deliver patient-centred care across all areas, achieved through our stringent focus on quality and safety and partnering with our patients and consumers. Several initiatives looked at ways to improve the experiences of patients and families, especially when they are living with trauma and hardship.

Our advocacy work progressed at both a state and federal level with our participation in a number of women's health and equity inquiries, advisory councils, and round tables. Our main focus was on addressing stigma and bias in women's health through research, policy, funding and system change.

Another important focus was our work to build a case for a medical research institute in Melbourne focused on improving women's health outcomes. We believe a facility dedicated to gender-related causes of health inequity, health conditions that only affect women, and health conditions that affect women differently (or disproportionately) to men would be a game-changer for Victoria and Australia. Importantly, it would help to address the sex-and-gender health disparities in health research, care and outcomes.

Like all health services, delivering high-quality and responsive care while working to achieve long-term value for the community after COVID was also an important focus for us during 2023-24. We utilised data and performance metrics to help us identify areas for improvement and made evidence-based decisions to help us work towards financial sustainability. We implemented revenue diversification strategies, including reviewing commercial arrangements and assets. Working with stakeholders and philanthropic partners, we attracted significant donations and grants. We also introduced several workforce utilisation initiatives and retention programs that helped to deliver value, while retaining our most skilled and experienced staff.

While these post pandemic initiatives gave us a good start towards addressing our financial position, we know there is a great deal more to be done and we are committed to addressing this challenge in the years ahead.



Year in review

The Women's *Strategic Plan 2022-2025* is our roadmap and guides our strategic and operational decisions and priorities. Our four key strategic directions are:

- We provide leading care for women and newborns.
- We partner to create exceptional experiences every day.
- We are the best place to work, learn and contribute.
- We lead and partner to influence change.

Below we provide a short summary of our key focus areas for 2023-24.

We provide leading care to women and newborns

During 2023-24, the Women's implemented clinical improvements that deliver safe and effective patient outcomes and improve the patient experience. A new day-procedure facility allowed us to expand our gynaecological ambulatory services, increasing our capacity to provide minimally invasive procedures and enhancing the patient experience with shorter wait times and a more comfortable environment. We also implemented initiatives to support more patients waiting for surgery, including the continuation of our Connect program for women experiencing chronic pelvic pain. We made improvements to our maternity model of care, including home based and midwifery-led care, and we commenced work on the creation of additional space in our birth and assessment centres.

Over the year, we continued our work leading Victoria's Public Fertility Care and along with our partner health service, ensured all sites were fully operational. More recently, we collaborated closely with Monash Health as a new service partner, with the Women's taking on the coordination of patients from south-east metropolitan and regional areas - bringing the number of partner health services to ten. The program is now available to singles and couples and people of all genders and backgrounds across the entire state.

Our new Birth Reflections Team saw a group of our most experienced specialist midwives providing debriefing and support to women who have faced unexpected outcomes during childbirth. Their mission is to ensure they see our patients before they leave the hospital, listening and supporting women soon after childbirth. We also continued to deliver our iCOPE mental health screening tool in our antenatal clinics, which has led to an increase in patients disclosing their psychosocial needs, and an uptake in our support services.

Overall, the Women's performance indicators relevant to this strategic direction were good, with indicators for patient satisfaction, hospital-acquired complications and patient safety culture all on target and showing improvement compared to the previous year.

We partner to create exceptional experiences every day

Over the past year, the Women's implemented staff training in the Replanting the Birthing Trees project. This Aboriginal-led initiative aims to transform cycles of intergenerational trauma and harm through a partnership approach that creates positive cycles of nurturing and recovery for Aboriginal and Torres Strait Islander babies and their parents. Thanks to philanthropic funding, we were also able to introduce Victoria's first, Family Integrated Care model in our Neonatal Intensive Care Unit, which sees parents of preterm and unwell babies empowered to become more active partners in the care of their baby.

We continued to engage with patients, consumers and our people through several committees, including our Patient and Consumer Experience Community Advisory Committee, our Board People, Culture and Engagement Committee and our Board Quality and Safety Committee. We encouraged consumer participation in a number of other ways and held consultations related to key programs and initiatives. Our Consumer Liaison team worked with patients and consumers to provide timely information and responses to queries and feedback, and our Patient Experience team continued their work capturing patient stories, improving the Parkville patient portal and increasing our understanding of the needs of patients and consumers.

During the year, we deepened our partnerships across the Parkville precinct, continuing our collaboration on our joint electronic medical record (EMR) and other initiatives. During 2023-24, we implemented the new EMR Disability Identifier SmartForm, enabling staff to capture information and provide patients with disability additional assistance or support. Patients can also now self-identify through the EMR patient portal.

We are the best place to work, learn and contribute

Over the last 12 months, the Women's continued to focus on fostering a workplace where our staff can excel and feel valued. Pleasingly, we were acknowledged as one of the top two metropolitan health services for workplace culture by the Department of Health, as indicated by the 2023 People Matter Survey.

During 2022-23, we successfully launched our Late Career (pilot) Program, which provides experienced nurses and midwives with the opportunity to spend one day a week working in a mentorship, education, quality improvement or project role. Our Career Pathways for Nurses and Midwives initiative involved comprehensive consultations with graduate and experienced nurses and midwives to better understand their views on career pathways and what supports are needed to pursue their career goals. In our ongoing efforts to enhance flexibility, we introduced a flexible shift pilot in maternity, which has received positive feedback from staff.

We continued to implement our employee well-being program, Project Care. This included regular onsite Employee Assistance Program (EAP) services, skin checks and massages. Staff also valued opportunities to connect socially, with widespread participation in events such as R U OK? Day, Crazy Socks 4 Docs Day, Staff Benefits Expo, and staff luncheons. To further support psychological wellbeing and facilitate staff connection, the Women's prioritised the Peer Support (Mental Health First Aid) program, revamped staff outdoor spaces and introduced Schwartz Rounds. This is an evidence-based global program that offers healthcare providers a regularly scheduled time during work to openly and honestly discuss the social and emotional issues they face in caring for patients and families.

Our focus on diversity, inclusion, and belonging remained strong, with online cultural awareness training available to all staff and acknowledgement of events like NAIDOC, Sorry Day, Pride Month, International Day of People with Disability and Transgender Awareness Week. The Gender Equality Action Plan, Reconciliation Action Plan and Disability Action Plan continued to enhance our workplace culture and a number of people systems management platforms were upgraded, supporting people managers on a day to day basis. We also implemented a Gender Impact Assessment approach and toolkit as a way of reducing barriers to equitable access to our programs and services for our patients and consumers.

Leading and partnering to influence change

This year, the Women's was actively engaged in advocating for an increased focus on specialist women's health, aligning with the government's significant commitment to increasing access to women's health services. We also participated in a number of parliamentary inquiries focused on sex and gender equity, menopause, family violence, gender bias in healthcare and women's pain. We contributed to gender based policy discussions at both a federal and state level, including significant decisions affecting medications required specifically for women's healthcare.

Throughout the year, our Chief Executive was active as a member of both the National Women's Health Advisory Council and the Victorian Women's Health Advisory Council and was appointed co-Chair of the Victorian Inquiry into Women's Pain Sub-Committee. We continued to promote the importance of accessible statewide abortion and contraception care and provided practical professional training in contraception and abortion for health professionals across the state.

We promoted the role of hospitals in addressing family violence and co-hosted the Strengthening Hospital Responses to Family Violence annual statewide forum, with Bendigo Health.

Research collaboration is critical to innovation in practice and care models at the Women's. This year, we advocated for greater investment in medical research into conditions that affect women only, differently or disproportionately to men. Meanwhile, our research highlights included a range of endometriosis research projects; studies looking into the care needs of First Nations mothers; several significant neonatal research studies; and a number of pregnancy and gynaecological studies. Partnerships with philanthropic donors and supporters enable us to realise our vision and deliver better outcomes for women and babies.

Celebrating our achievements

Over the past 12 months, we had many reasons to celebrate. Some of the highlights include:

- The Women's being named the Premier's Large Health Service of the Year at the 2023 Victorian Public Healthcare Awards.
- Implementation of Victoria's Public Fertility Care program. Led by the Women's in partnership with ten health services, this program provides eligible people across Victoria with free access to integrated fertility care and support services.
- Publication of the first-ever series on menopause in *The Lancet*, led by Martha Hickey, attracting worldwide attention.
- The appointment of the Women's CEO Sue Matthews as the co-Chair of the Victorian Inquiry into Women's Pain.
- Launch of the Women's Grateful Giving Program, providing patients and families with an opportunity to recognise our staff for the extraordinary care they provide.
- Presentation of the Cool Topics in Neonatology conference, attended by over 250 clinicians from across Australia and New Zealand.
- A celebration of the passion, leadership and dedication of the Women's staff and volunteers at the annual Staff Excellence Awards.
- The Women's being acknowledged as the most accredited Baby Friendly Health Initiative public hospital in Australia, when it successfully achieved its ninth accreditation.
- A celebration of the Women's nurses and midwives with the hospital's annual Nursing and Midwifery Awards.
- An inspiring keynote address about First Nations rights and experiences, by Janine Mohamed, at the annual International Women's Day breakfast event.
- Awarding of twenty-three scholarships for outstanding midwives, nurses, medical staff and allied health professionals and volunteers, thanks to generous support from donors and sponsors.

- The launch of the Women’s annual Research Report, celebrating the achievements of the hospital’s research program.
- The successful delivery of the Women’s annual Meet a Scientist event for female secondary school students, held on the eve of International Day of Women and Girls in Science.

Our philanthropic supporters

The Women’s ability to amplify its impact on the lives of women and babies, both inside and outside the walls of our hospital, relies on the support of philanthropic donors and corporate sponsors.

Over the past 12 months, we have fostered new collaborations and partnerships demonstrating how that support achieves impact. Some of the highlights include the:

- Establishment of a groundbreaking initiative, the First Thousand Days Clinic, designed to offer comprehensive wrap-around care and support for babies at risk of future developmental delays due to drug or alcohol

use during pregnancy – with thanks to the Collier Charitable Fund (Principal Funder), Jack and Ethel Goldin Foundation, North Western Melbourne Primary Health Network, Capricorn Foundation, State Trustees Australia Foundation, Grangers Foundation and the Diana Browne Trust.

- Improvement of our NICU through a generous donation of new recliners - allowing parents and babies to have skin-to-skin bonding and special moments together- resuscitation trolleys, family care packs, cot sheets, Pepi pods and funding for newborn research – with thanks to Tom Price and the NICU Warriors Fund.
- Opportunity to research and address the needs and outcomes of pregnant women with disabilities, including an evaluation of the Women with Individual Needs Clinic – with thanks to the Victorian Nurses and Midwives Trust.
- Expansion of our scholarship program, enabling more staff to pursue learning and training opportunities that will allow them to expand their skills and expertise – with thanks to our many scholarship donors and sponsors.

Our thanks

We extend a very special thanks to all our major donors and sponsors during the 2023-24 financial year, without whom we could not have had such a positive impact on the lives of women and babies.

Alter Foundation	Heather Sybil Smith Estate	Rosie Lew AM
Amber Australia Pty Ltd	HESTA	Scanlon Foundation
Baer Family	ISS Facility Services	Smartgroup Foundation
Barr Family Foundation	Issy and Tom Jacob	Smartsalary Pty Limited
Capricorn Foundation	Jenkins Foundation	The Diana Browne Trust
Collier Charitable Fund	Joe White Bequest	The Jack and Ethel Goldin Foundation
Coryule Foundation	John Frederick Wright Estate	The John and Thirza Daley Charitable Trust
Cushman and Wakefield	John William & Anna Maria Ford Memorial Fund	The Margaret Lawrence Bequest
Debbie Dadon AM	Lee Liberman Foundation	The Pratt Foundation
Drury Trust	Margaret J Bumpstead Estate	The State Trustees Australia Foundation
EC Blackwood Charitable Trust	Mark Robertson OAM & Anne Robertson	The Victorian Nurses and Midwives Trust
Emily Vera Winder Estate	Mohamad Yunus Haqiqzai	Thomas B Payne 80000 Fund
Equity Trustees Charitable Foundation - Margaret and John Crutch Bequest	Norman Beischer Medical Research Foundation	Thyne Reid Foundation
Estate of Henry Herbert Yoffa	North Western Melbourne Primary Health Network	Tom Price and the NICU Warriors Fund
Estate of Jane Hannah Walker	Paul Ramsay Foundation	Tour De Cure
Evelyn and Tom Danos OAM	Phyllis Connor Memorial Trust	Wanless Family Fund, a sub-fund of Australian Communities Foundation
Firefighters Charity Fund	RACV	William and Aileen Walsh Trust
Gandel Foundation	Ron and Katie Dewhurst	
GFP Studios		
Grangers Foundation		

Financial results

For the year ending 30 June 2024, the Women's recorded an operating deficit of \$1.5 million, a movement of \$1.96 million on the \$0.46 million surplus recorded in 2022-23.

During the 2023-24 financial year, the Women's Board, management and staff continued to ensure the Women's provides exceptional patient care, while implementing a number of initiatives to work towards financial sustainability. Whilst there has been significant effort to deliver a balanced budget, the increasing complexity of women and newborns in our care who require additional and sometimes long-term services and support, coupled with the long-term financial impacts of the COVID pandemic, growing demand has put additional pressure on the Women's budget.

For the year ending 30 June 2024, the Women's recorded a net result from transactions as a deficit of \$0.82 million, after considering the impact of capital and depreciation.

Acknowledgements

We are immensely proud to lead such a strong, vibrant and innovative organisation, which includes 2,776 individual staff and approximately 50 active volunteers and auxiliary members. As representatives of the Women's Board and management, we would like to thank our staff and volunteers for their outstanding dedication and hard work and their commitment and resilience throughout the year.

Together, we cared for over 44,644 patients who speak over 70 different languages and come from approximately 175 different regions across the globe. A total of 7,359 babies were born at our hospital and we provided 21,941 inpatient services and recorded 169,971 outpatient visits, of which 59 per cent were for maternity services. The Women's Emergency Centre had 28,130 presentations. In total, we provided 220,042 episodes of care.

Our board directors and members of various board committees have provided invaluable guidance, advice and support and have kept us grounded and focused on quality care, responsible management and sustainable improvement, while always remaining cognisant of our commitment to high-quality services and the needs of our patients and consumers and of our staff and volunteers.

We extend our thanks to the many donors, charitable trusts, staff, alumni, patients and families who generously supported our hospital during the year. Without their support, much of what we do would not be possible.

On behalf of the Women's board and executive team, we thank each and every staff member and volunteer for their dedication and unwavering commitment to the vision and goals of the Women's.

In accordance with the *Financial Management Act 1994*, we are pleased to present the report of operations for The Royal Women's Hospital for the year ending 30 June 2024.



A handwritten signature in black ink, reading "Cath Bowtell".

Cath Bowtell
Chair, Board of Directors
The Royal Women's Hospital



A handwritten signature in black ink, reading "Sue Matthews".

Sue Matthews
Chief Executive Officer
The Royal Women's Hospital



Report of operations

Nature and range of services

Established over 165 years ago, the Women's is Australia's first and most respected specialist hospital dedicated to improving and advocating for the health and wellbeing of women and newborns.

The Women's cares for women through all stages of life, with services ranging from maternity, gynaecology, women's cancer services, and women's mental health, as well as specialist care of newborns.

As a tertiary-level hospital and one of Australia's major teaching hospitals, the Women's is committed to excellence and innovation to improve the health and wellbeing of women and newborns. The hospital's work goes beyond acute care with the Women's playing a unique role in Victoria's healthcare system advancing research and practice and providing state-wide leadership and advocacy.

The Women's is at the forefront of advancing women's health and wellbeing and the care of newborns. It has academic affiliations with several universities and tertiary educational institutions, notably the University of Melbourne and La Trobe University, and is internationally recognised for research in the areas of neonatal care, pregnancy and maternity care, gynaecological disorders and infertility.

The Women's clinical services are grouped broadly into five streams of care:

- **maternity** including pregnancy, birthing and postnatal care and specialist maternity services for high-risk women
- **cancer and pre-cancer** including breast, cervical dysplasia and gynae-oncology services in partnership with the Victorian Comprehensive Cancer Centre
- **gynaecology** including specialist gynaecology, reproductive services, contraception and abortion
- **neonatal** including newborn intensive and special care nurseries
- **social model of health services** including clinical, psychosocial and supportive care, Aboriginal health, sexual assault and domestic violence support, alcohol and drug dependence, and care for women from diverse and disadvantaged groups.

These streams are supported by Perioperative Services, the Pauline Gandel Women's Imaging Centre, Allied Health and Women's Emergency Care.

The Women's provides public health services in accordance with the principles established as guidelines for the delivery of public hospital services in Victoria, under section 17AA of the *Health Services Act 1988*.

After nine years as part of Women's and Children's Health, the Victorian Parliament passed legislation establishing the Women's as an independent health service with its own Board of Directors from 1 July 2004.

The responsible Minister from 1 July 2023 to 30 June 2024 was the Hon. Mary-Anne Thomas Minister for Health.

Management and governance structure

Board of directors

The directors serving on the Women's board during the 2023-24 reporting period were:

Cath Bowtell (Chair)
Rosie Batty AO
Marie Bismark
Jane Canaway
Naomi Johnston
Alan Lilly
Janine Mohamed
Glen Noonan
Ken Parsons
Marianne Walker

Governing committees

Finance and Information Technology Committee

Chair: Ken Parsons

Directors: Cath Bowtell, Jane Canaway,

Member: Peter Williams

In attendance: Sue Matthews, Sam Garrasi (to May 2024), George Cozaris, Lisa Lynch, Eric Kochskamper (to November 2023), Karen Barnett (from January 2024), Jane Lynch (from January 2024), Alison Smith (from January 2024)

Audit and Corporate Risk Management Committee

Chair: Glen Noonan

Directors: Naomi Johnston, Ken Parsons

In attendance: Sue Matthews, Sam Garrasi (to May 2024), Lisa Lynch, Leanne Dillon (to January 2024), Eric Kochskamper (to November 2023), Karen Barnett (from February 2024), Frank Lo Monaco, Danielle Corden (from February 2024)

Patient and Consumer Experience - Community Advisory Committee

Chair: Naomi Johnston

Directors: Marianne Walker (from 1 September 2023), Rosie Batty AO

Members: Bronwyn Hogan*, Lauren Indiveri-Clarke*, Mija Gwyn* (to June 2024), Mary Salter*, Lisa Denney*, Michelle Le Roux*, Jolene Thorn*, Alice Levak* (from September 2023), Lambrini Kakogiannis* (from September 2023), India Weaver* (from September 2023), Krishanthi Liyanage* (from December 2024), Louise Owen, Kathryn Cruickshanks, Beverley O'Sullivan

In attendance: Sherri Huckstep, Alix Candy, Sally Moss, Tania Kent, Nithya Dorairaj

Board Quality and Safety Committee

Chair: Alan Lilly

Directors: Cath Bowtell, Naomi Johnston, Marie Bismark

Members: Amelia Jalland*, Duchesne Markham*, Caroline Homer AO, Bernadette White

In attendance: Sue Matthews, Lisa Lynch, Mark Garwood, Sherri Huckstep, Laura Bignell, Damian Gibney, Catherine Jones

People, Culture and Engagement Committee

Chair: Marianne Walker

Directors: Alan Lilly, Janine Mohamed

Member: Amanda Bingham* (to August 2023), Corrine Maunder*, Barbara Curzon-Siggers* (from February 2024)

In attendance: Sue Matthews, Sherri Huckstep, Mark Garwood, Laura Bignell, Alix Candy, Robin Copeland

Primary Care and Population Health Committee

Chair: Marie Bismark

Directors: Alan Lilly, Glen Noonan

Remuneration Committee

Chair: Cath Bowtell

Directors: Marianne Walker, Ken Parsons

In attendance: Sue Matthews

* Denotes consumer representative

Senior officers

Chief Executive Officer: Sue Matthews

Chief Operating Officer: Lisa Lynch

Executive Director, Clinical Excellence and System Improvement: Damian Gibney

Chief Financial Officer: Sam Garrasi (to May 2024)

Chief Financial Officer: Sophie Dixon (from June 2024)

Chief Midwifery and Nursing Officer: Laura Bignell

Chief Medical Officer: Mark Garwood

Chief Communications Officer: Tania Angelini

Chief Experience Officer: Sherri Huckstep

Executive Director, Digital Innovation: George Cozaris

General Counsel: Leanne Dillon (to January 2024)

General Counsel: Danielle Corden (from February 2024)

Executive Director, Philanthropy and Community Investment: Jason Smith

Organisational chart

Chief Executive Officer Sue Matthews				
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> General Counsel Leanne Dillon (to January 2024) Danielle Corden (from February 2024) Medico-legal; Legal; Risk and Compliance </div>				
Chief Operating Officer Lisa Lynch Women's Health Services; Maternity Services; Neonatal Services; Hospital Access and After Hours Management; Allied Health and Clinical Support Services; Allied Health Education, Leadership Development and Professional Practice; Business Intelligence and Analytics; Informatics; Social Model of Health; the Women's at Sandringham (to February 2023)	Chief Medical Officer Mark Garwood Research Program; University Relationships; Medical Workforce; Medico Legal; Medical Education; Leadership Development and Professional Practice, Gandel Simulation Service (with CMNO)	Chief Financial Officer Sam Garrasi (to May 2024) Sophie Dixon (from June 2024) Budget Management; Business Development; Commercial Contracts; Financial Governance and Compliance; Financial Planning, Policy and Risk Management; Facility Management; Payroll Services; Public Private Partnerships; Revenue Management	Executive Director, Digital Innovation (Chief Information Officer) George Cozaris Digital Innovation for the Royal Women's Hospital and the Royal Melbourne Hospital; Biomedical Engineering	
Chief Midwifery and Nursing Officer Laura Bignell Nursing and Midwifery Education; Leadership Development and Professional Practice, Infection Prevention and control, Clinical Education, Nursing and Midwifery Workforce Unit, Gandel Simulation Service (with CMO), Maternity Services Education Program	Executive Director, Clinical Excellence and Systems Improvement Damian Gibney Quality and Safety; Strategy, Planning and Performance; Systems Improvement; Women's Capital Development Program; COVID Response	Chief Communications Officer Tania Angelini External Communications; Internal Communications; Digital Communications; Reputation Management; Media and Public Affairs; Advocacy	Chief Experience Officer Sherri Huckstep Patient and Consumer Experience; Consumer Health Information; Consumer partnerships; Health Hub (patient portal); Patient and Visitor Services; Volunteer Program; Switchboard; Welcome Centre and Hospital Support; People Experience; Employee Relations; Health, Safety and Wellbeing; Childcare Centre; Organisational Development; Equity, Inclusion and Belonging	Executive Director, Philanthropy and Community Investment Jason Smith Philanthropic Campaign; Corporate Partnerships; Donor Acquisition; Stewardship; Gratitude Giving

Workforce information

Full Time Equivalent Employees (consistent with Minimum Employee Data Set)

Labour category	Current Full Time Equivalent (FTE) Employees at June 2024		Average monthly FTE	
	2023	2024	2023	2024
Nursing and midwifery	759.9	819.4	768.8	789.9
Administration and clerical	357.7	420.1	320.6	403.4
Medical support	82.5	97.6	81.2	91.7
Hotel and allied health services	7.5	4.5	8.0	8.0
Medical officers	41.2	30.7	30.7	32.1
Hospital medical officers	132.6	149.6	135.0	140.2
Sessional clinicians	61.6	61.8	60.5	59.2
Ancillary staff (Allied health)	92.0	103.1	87.1	98.8
TOTAL	1535.0	1686.8	1491.9	1623.3

Note: The FTE figures in the table above exclude overtime and do not include contracted staff (e.g. Agency nurses, fee-for-service visiting medical officers) who are not regarded as employees for this purpose.

Employment and conduct principles

The Women's is committed to the public sector values and workplace equity principles. This includes equal opportunity, creating and maintaining a work environment where all employees are treated with dignity and respect, where there is freedom from all forms of discrimination, and where diversity and human rights are valued.

It is the hospital's objective to ensure that its procedures and approach to dealing with workplace grievances on the grounds of discrimination, sexual harassment, bullying and harassment is consistent, fair and equitable. The Women's continues to evaluate and develop its policy and procedures in relation to Respectful Workplace Behaviours.

Summary of service statistics

	2024
Births (number of babies born)	7,359
Inpatient stays	21,941
Outpatient visits	169,971
Emergency services - attendances	28,130
Triage category 1-5 seen within recommended timeframes	83.7%
Percentage of emergency patients with a length of stay of less than four hours	74.8%
Number of patients with length of stay in the emergency department greater than 24 hours	0
Percentage of triage category 1 emergency patients seen immediately	100%
Ambulance transfers within 40 mins	98.3%

Summary of financial results

For the year ending 30 June 2024, the Women's recorded an operating deficit of \$1.5 million, a movement of \$1.96 million on the \$0.46 million surplus recorded in 2022-23.

During the 2023-24 financial year, the Women's Board, management and staff continued to ensure the Women's provides exceptional patient care while implementing a number of initiatives to work towards financial sustainability.

For the year ending 30 June 2024, the Women's recorded a net result from transactions as a deficit of \$0.82 million after considering the impact of capital and depreciation.

Subsequent events

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Women's, the results of the operations or the state of affairs of the Women's in future financial years.

Comparative results for the preceding four financial years are provided below.

Financial information

	2024 \$000	2023 \$000	2022 \$000	2021 \$000	2020 \$000
Operating result					
Total revenue	419,922	398,447	362,282	350,021	332,381
Total expenses	(420,742)	(385,250)	(367,681)	(348,658)	(329,398)
Net result from transactions	(820)	13,197	(5,399)	1,363	2,983
Total other economic flows	(906)	(7,410)	4,725	8,553	670
Net result	(1,726)	5,787	(674)	9,916	3,653
Total assets	658,625	614,773	543,606	545,494	544,146
Total liabilities	(282,346)	(314,922)	(279,253)	(280,467)	(289,035)
Net assets / Total equity	376,279	299,851	264,353	265,027	255,111

Note: The operating result is the result for which the health service is monitored in its Statement of Priorities

Reconciliation of net result from transactions and operating result

	2024 \$000
Operating result	(1,518)
Capital purpose income	30,111
COVID 19 State Supply Arrangements	
– State Supply items received free of charge or for nil consideration under the State Supply Arrangements	179
– State supply items consumed up to 30 June 2024	(179)
Assets provided free of charge – State supply	31
Expenditure for capital purpose	(7,919)
Depreciation and amortisation	(21,385)
Finance costs (other)	(63)
Net result from transactions – Joint Arrangements (excluding depreciation and OEF result)	(77)
Net result from transactions	(820)

Note: The net operating result is the result for which the Royal Women's Hospital is monitored in its Statement of Priorities.

Consultancies (under \$10,000)

In 2023-24 there were two consultancies where the total fees payable to the consultants were less than \$10,000. The total expenditure incurred during 2023-24 in relation to these consultancies is \$3,300 GST exclusive.

Consultancies (\$10,000 or greater)

In 2023-24 there were nine consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023-24 in relation to these consultancies is \$300,256 GST exclusive.

Consultant	Purpose	Start date	End date	Total approved project fee \$'000 (excluding GST)	Expenditure 2023-24 \$'000 (excluding GST)	Future expenditure \$'000 (excluding GST)
Johnstaff Projects (VIC) Pty Ltd	Asset Management Strategy	Aug-23	Sep-23	34	34	-
Keen Business Solutions	Public Fertility Care	Feb-24	Feb-24	23	23	-
Maverick Advisors Pty Ltd	Precinct redevelopment	Jun-23	Nov-24	120	39	73
Mercer Consulting (Australia) Pty Ltd	Strategic workforce planning	Jun-23	Jul-23	49	48	-
Odgers Berndtson	Board consultancy	Sep-23	Jan-24	56	56	-
Open Advisory Pty Ltd	Service utilisation, forecasting and strategic planning	Jan-24	May-24	62	51	-
RMIT University	Cornelia project evaluation	Dec-23	Dec-23	18	18	-
Peter MacCallum	Breast Service review	Jun-23	Apr-24	32	17	16
Engage Squared	Victorian Perinatal Service Management	Apr-24	Jan-25	14	14	-

Information and communication technology expenditure

The total ICT expenditure incurred during 2023-24 is \$39.71 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)
39.71	1.79	-	1.79

Disclosure of major contracts

Nil to report for 2023-24.

Disclosure of government advertising expenditure

Nil to report for 2023-24.

Disclosure of review and study expenses

Nil to report for 2023-24.

Occupational health and safety

The Women's is dedicated to providing a safe and healthy workplace. This report provides an overview of the hospital's Safety Management System, which follows a continuous improvement model encompassing planning, implementing, monitoring, and the review of health, safety and wellbeing initiatives.

The Women's takes a holistic approach to health and safety, considering both physical and non-physical (psychosocial) hazards in the workplace.

Workplace health and safety

Addressing manual handling risks is an ongoing focus at the Women's. During 2023-24, the hospital concentrated on addressing key risks and implementing prevention and support initiatives.

Numerous risk assessments were conducted across various departments focusing on workflows, medication management, bariatric wheelchair usage, and psychological and electrical hazards. Comprehensive evaluations included equipment safety, hazard inspections, and staff orientation. A manual handling improvement project was completed for a specific area, leading to the implementation of effective control measures to mitigate identified risks.

Tailored safety plans were developed to establish preventative safety measures for patients who require specialist equipment to assist with mobility, patients exhibiting aggressive behaviour, and staff experiencing family violence.

Emergency preparedness was strengthened through updated emergency code documents, numerous drills, and advancements in business continuity planning. This included engagement with external training providers and participation in critical exercises.

Other initiatives included:

- incident reviews and workplace assessments with targeted support provided;
- various improvement projects to ensure adherence to safety standards and compliance under the *OHS Act 2004*;
- a revamp of the hospital's occupational violence and aggression training, combining theory with practical scenarios;
- an increased focus on psychological wellbeing and resilience leading to an improvement in the People Matters Survey "safe to speak up" score;
- staff promotional activities during National Safe Work Month including seminars, an ergonomics expo, promotion of safe practices, and sessions with Victoria Police on reporting Occupational Violence and Aggression incidents.

Occupational violence and aggression

The Women's Occupational Violence and Aggression Program comprises various preventative and responsive hazard controls to ensure the safety and wellbeing of its staff. As a specialist hospital, the Women's experiences a significantly lower frequency of OVA related incidents than other general public hospitals.

The key components of the program includes: code grey and code black procedures, behavioural emergency procedures, safety inspection checklists, behavioural notification and contracts, controlled access and signage, fixed and portable duress alarms, education and training, and a multi-disciplinary OVA working group.

Occupational violence and aggression

	2024	2023
Number of accepted WorkCover claims with an occupational violence cause per 100 FTE	0	0
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0	0
Number of occupational violence incidents reported	84	26
Number of occupational violence incidents reported per 100 FTE	5.19	1.7
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	0	11.5% (N=3/27)

Note: As at 30 June 2024.

Note: the increase in reported occupational violence and aggression incidents during 2023-24 is due to a change in reporting processes from October 2023, which saw all Code Grey emergency codes included in the hospital reporting system, regardless of whether the code involved harm.

Incident reporting

The occupational health and safety incident reporting rate increased slightly over the past 12 months.

Occupational health and safety incidents

	2024	2023	2022
The number of reported hazards/incidents per 100 FTE	21.2	18.7	19.91

Note: As at 30 June 2024.

Injury reporting

Lost time injuries (all)

The Women's work-related lost time injuries decreased over the past 12 months.

Lost time injury frequency rate

	2024	2023	2022
The number of 'lost time' injuries (1 day or more) reported per million hours worked	10	11	10.8

Note: As at 30 June 2024.

Lost time injury claims (standard)

The Women's standard claims (where over 10 working days were lost) decreased over the past 12 months.

Lost time injury rate

	2024	2023	2022
'Lost time' injury rate	0.37	0.60	0.74
The number of lost time standard claims per 100 FTE			

Note: As at 30 June 2024.

WorkCover performance rating

The Women's WorkCover performance rating was significantly better than the hospital industry rate average (37 per cent). The increase in average costs for 2023-24 is due to a lower concentration of claims.

WorkCover performance

	2024	2023	2022
Average cost of claims per premium period	\$73,680	\$54,391	\$60,477

Note: As at 30 June 2024.

Focus for 2024-25

In 2024-25, the Women's Safety Management System will concentrate on key priorities outlined in the hospital's Workplace Health and Safety Operational Plan. Collaborative efforts will be directed towards achieving the following objectives:

Psychological and organisational wellbeing

The Women's is enhancing psychological and organisational wellbeing for its 2024-25 safety program by aligning frameworks with new regulations to support staff mental health. This includes psychological safety training, diversity initiatives, and improved dispute resolution mechanisms to foster a positive work environment where staff feel respected and empowered.

Physical safety and injury reduction

Reducing workplace incidents and injuries is a priority for the Women's. In 2024-25, the hospital will focus on minimising slip, trip, and fall incidents, improving protocols for managing needlestick injuries and blood/body fluid exposures in high-risk areas (through safety needle practices), compliance with ACORN standards and increased awareness around occupational violence and aggression and early intervention.

Safety protocols and programs

In the coming year, the Women's plans to enhance procedures, provide comprehensive training, and upgrade equipment to meet industry standards and regulatory requirements. Patient-facing departments will implement measures aligned with occupational violence and aggression best practices and WorkSafe Victoria Guidelines to strengthen safety and behavioural monitoring.

Support and development programs

The Women's is committed to advancing its focus on holistic wellbeing and mental health support. This includes further developing and promoting comprehensive programs that encompass psychological health and ensuring ongoing support and resources for staff. Additionally, the hospital will continue to enhance programs that cultivate a workplace environment that prioritises respect and inclusivity.

Culture of safety and leadership development

The Women's culture of safety and leadership will be further enhanced through the Peer Support Program, equipping staff with mental health first aid skills, and promoting a respectful, inclusive workplace. The Schwartz Rounds Program will continue to be implemented to provide a safe space for staff connection and reflection. Additionally, a new workplace adjustments procedure will support employees with disabilities, the LGBTQIA+ Action Plan will be finalised in collaboration with staff and consumers, and ongoing professional development training will promote inclusion and belonging across the organisation.

Definitions

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.

Accepted Workcover claims – accepted Workcover claims that were lodged in 2023-24.

Lost time – is defined as greater than one day.

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

Legislation and compliance

Compliance with Freedom of Information Act 1982 (Vic)

The *Freedom of Information Act 1982 (Vic)* gives members of the public the right to apply for access to information held by the Women's.

During 2023-24, the Women's received 464 Freedom of Information (FOI) applications. Of these, there were no applications from Members of Parliament and none from the media; all were from the general public.

Four hundred and fifty FOI decisions were made within the statutory time period of 30-days. Of the decisions made outside this period, nine were made within the additional 45-day period and four were made after the additional 45-day period - all with the agreement of the applicant.

A total of 463 FOI decisions were made granting access to documents in full, in part or denied in full.

Of requests finalised, the average number of days over / under the statutory time (including extended timeframes) to decide the request was 30 days.

During 2023-24, two requests were subject to a complaint/internal review by the Office of the Victorian Information Commissioner. One request progressed to the Victorian Civil and Administrative Tribunal (VCAT).

Requests for adoption records

The Women's has obstetric and gynaecology records from 1960 onwards. Prior to 1960, minimal birth details (for example time, of birth, weight and length) are available from birth registers.

Adoption records (excluding obstetric information) are not held by the Women's. This information was transferred to what was then called Community Services Victoria in 1987 when the Women's formally closed its adoption agency. Information relating to adoptions can be accessed through the Department of Justice and Community Services at this website www.justice.vic.gov.au/your-rights/adoption/past-adoption.

Access to hospital information about birth mothers will depend on the type of information recorded in the patient medical record. Individuals who do not have the consent of their birth mother, or their next of kin, may seek assistance from the Women's Freedom of Information team. Applications for medical records relating to adoption are available at www.thewomens.org.au/patients-visitors/patient-record-requests

There is no cost for FOI requests from people seeking to access medical records related to historical adoptions.

Information on accessing adoption records in Victoria can also be found on the Birth Deaths and Marriages Victoria website: <https://prov.vic.gov.au/explore-collection/explore-topic/adoption-ward-state-and-care-leaver-records/adoption-records>

FOI requests received	2024	2023	2022	2021
Total	464	497	365	301
FOI request outcomes				
Access (includes partial)	420	458	319	255
No information available	4	6	6	3
Withdrawn	9	4	6	12
Denied in full	2	1	1	0
Incomplete /outstanding	29	28	33	31

Making FOI requests

The majority of applications under Freedom of Information are requests by patients for access to their own personal medical records. These may include requests for:

- copies of medical records
- summaries of medical records
- time of birth
- a review and amendment to a medical record.

Requests must be received with completed application forms and must include appropriate identification and supporting documentation.

In line with the Women's commitment to protecting patient privacy, all care is taken to ensure information is released only to the individual to whom it pertains or to a recognised guardian. Signed patient consent and appropriate patient identification must be included along with applications from those who are not the patient e.g. spouse, family member, third parties etc.

FOI request fees

Charges associated with FOI requests include:

- \$31.80 Standard Application Fee (non-refundable)
- \$23.85 Search Fee
- 20 cents per double sided page photocopying charge
- 10 cents per PDF page for scanning

The standard FOI application fee will be waived for applicants who can provide a photocopy of their Department of Social Services card (Pensioner Concession Card or Health Care Card). This is not applicable for time of birth requests. There is no cost for FOI requests seeking to access medical records related to historical adoptions.

Following the requirements of the *Freedom of Information Act 1982*, requests will receive attention as soon as possible but no later than 30 days upon acceptance of a valid application. In some cases, this time may be extended if third party consultation is required as part of a request or if a deposit is required to access information.

The Women's FOI Application Form is available for download on the Women's website: www.thewomens.org.au/patients-visitors/patient-record-requests

Other information can be found at the Office of the Victorian Information Commissioner's website: www.ovic.vic.gov.au/

The FOI Act 1982 can be found at: <https://www.legislation.vic.gov.au/in-force/acts/freedom-information-act-1982/111>

FOI officer

The Women's Privacy Officer is Angela Mayhew and the Freedom of Information Coordinator is Michelle Schonrock. They can be contacted as follows:

Freedom of Information Department
Health Information Services
The Royal Women's Hospital
Locked Bag 300 Parkville VIC 3052
P: (+61 3) 8345 2610 F: (+61 3) 8345 2642
E: foi@thewomens.org.au

Compliance with *Building Act 1993*

The Occupancy Permit for the hospital's Parkville building was issued in March 2008 and commissioned for use in June 2008. The hospital was built under the Victorian Government's 'Partnership Victoria' policy with the contract requiring the State's private sector partner, the Royal Women's Health Partnership (RWHP), to design, build and maintain the new building to the commissioning standards for a period of 25 years. Ongoing maintenance is the responsibility of Cushman and Wakefield (formerly DTZ), through its contractual obligations with RWHP.

As the Women's does not own or control the Parkville building, it is exempt from notifying compliance with the building and maintenance provisions of the *Building Act 1993*.

Performance is monitored via a suite of extensive key performance indicators, regular meeting updates as well as organised hospital inspections. An annual written report is required under the contract to confirm the following information:

- i. The facility complies with the minimum requirements of all relevant building and emergency services legislation relating to fire safety.
- ii. Procedures, including emergency procedures and contingency plans, (as these relate to the fire safety policies in the Emergency Procedures Manual), comply with the minimum requirements of all relevant building and emergency services legislation relating to fire safety.
- iii. Current status of fire certification - The Royal Women's Hospital has been inspected, tested and maintained in accordance with the Building Act 1993 and the Building Regulations 2018. The required inspections and tests are completed as per the occupancy permit as outlined by the building surveyor.

During 2018-19, the original building owner replaced external cladding at the Women's Parkville building. The building is now compliant with the National Construction Code of Australia.

Compliance with Public Interest Disclosure Act 2012

A public interest disclosure is a disclosure made in line with the *Public Interest Disclosures Act 2012* (this act replaced the *Protected Disclosures Act 2012*). The Women's is not prescribed under the *Public Interest Disclosure Act* to receive a public interest disclosure.

Information about the procedures established by the Women's under Part 9 of the *Public Interest*

Disclosure Act 2012 can be found on the Women's website at www.thewomens.org.au

National Competition Policy

The Women's complies with the Victorian government's competitive neutrality policy and complies with the National Competition Policy in relevant business activities.

Compliance with Carers Recognition Act 2012

The *Carers Recognition Act 2012* recognises, promotes and values the role of carers. The Act formally acknowledges the important contribution that people in care relationships make to the community and the unique knowledge that carers hold about the person in their care.

The Women's understands that patients and consumers, their families and carers, all play an important and active role in their own healthcare, and in helping the Women's improve the quality and safety of its services.

The Women's takes all practicable measures to ensure its employees and agents have an awareness and understanding of care relationship principles, and this is reflected in its commitment to a patient-centric model of care, as outlined in *The Women's Patient and Consumer Experience Strategy*.

Compliance with Local Jobs First Act 2003

The *Local Jobs First Act 2003* requires the Women's to consider competitive local suppliers, including small to medium enterprises, when a Local Jobs First Standard Project is valued at \$3 million or more or when a Local Jobs First Strategic Project is valued at \$50 million or more. The Women's factors this into any tender evaluation conducted.

Compliance with Gender Equality Act 2020

The Women's is extremely proud that its workforce is primarily female and that a large proportion of leadership roles are held by women. While we celebrate this, there is still work to do to address the obstacles that many people face in our organisation. The Women's is committed to working to ensure that barriers limiting opportunities for people based on gender are removed.

The *Gender Equality Act 2020* requires the Victorian Public Sector to take positive action towards achieving workplace gender equality. There are three main streams of work organisations are obliged to undertake as part of the Act:

- Gender Impact Assessments (GIA)
- Workplace Gender Audits
- Gender Equality Action Plans (GEAP)

The Women's first gender equality progress report was submitted to the Commission for Gender Equality in the Public Sector in February 2024. The Commission is expected to finalise feedback related to the compliance reviews in September 2024.

The work being undertaken through the Women's Gender Equality Action Plan and its implementation centres on intersectionality and considers other aspects of disadvantage or discrimination that people may face on the basis of Aboriginality, disability, age, ethnicity, religion, sexual orientation, and other aspects of identity.

The Women's Gender Equality Action Plan actions to date have focused on:

- promoting the importance of gender equality across our organisation;
- improving systems and processes for measuring gender equality;
- promoting a positive workplace culture where it is safe to speak up;
- developing resources to support flexible work arrangements; and
- investing in professional development and career progression opportunities for staff.

Some of the key achievements for 2023-24 include:

- Increasing the focus on initiatives to support workplace gender equality. The hospital's Creating Exceptional Experiences with Our People Program has delivered a range of professional and leadership development opportunities, a new approach to succession planning and to supporting flexible working arrangements, such as greater shift flexibility, enhanced rostering practices, and job-sharing arrangements.
- The implementation of a new human resource information system with an emphasis on enhancing data collection, integration and reporting capabilities. These improvements will allow for greater analysis of workforce and patient demographic data (including gender, Aboriginality, disability, and sexual orientation).
- The establishment of a lesbian, gay, bisexual, transgender, queer, intersex, and asexual (LGBTQIA+) working group, which is focusing on initiatives to promote inclusion and safety at the Women's for staff and patients.
- The refinement and roll-out of a comprehensive gender impact assessment toolkit through staff workshops and education. The Gender Impact Assessment change program has helped build awareness of the importance of gender equality.

Going forward, the Women's plans to anchor and align its discrete strategic initiatives (as detailed in the Disability Action Plan, Reconciliation Action Plan, Gender Equality Action Plans and LGBTQIA+ Action Plan) with overarching principles. These will be in the Women's new Diversity, Inclusion and Belonging Policy and Framework, related to human centeredness and intersectionality.

Compliance with *Safe Patient Care Act 2015*

The Women's has no matters to report in relation to its obligations under Section 40 of the *Safe Patient Care Act 2015*.

Statutory Duty of Candour

Changes to the *Health Services Act 1988* (Vic) in November 2022 require all Victorian health services to provide patients with a Statutory Duty of Candour should they suffer a serious adverse patient safety event (SAPSE) whilst receiving health care.

During 2023-24, the Women's:

- complied with all legislative requirements and mandatory reporting obligations;
- developed a new Open Disclosure and Statutory Duty of Candour Procedure;
- supported staff with additional education and training to undertake compassionate open disclosure conversations following adverse events; and
- delivered a consumer-focused Statutory Duty of Candour process that supports open and honest communication with patients and families.

In 2023-24, an evaluation of the hospital's Statutory Duty of Candour process was undertaken to assess compliance as well as the impact and effectiveness of the process. This resulted in feedback on the new process being provided to Safer Care Victoria.

Car parking fee compliance

The Royal Women's Hospital complies with the Department of Health hospital circular on car parking fees. Details of car parking fees and concession benefits can be viewed at:

www.thewomens.org.au/search/?keywords=car+parking+fees_

Concession benefits can be viewed at: www.thewomens.org.au/news/concession-parking-fees-at-the-womens

Social procurement reporting

Overall social procurement activities	2023-24
Number of social benefit suppliers engaged during the reporting period:	15
Total amount spent with social benefit suppliers (direct spend) during the reporting period (\$ GST exclusive):	\$253,772
Total number of mainstream suppliers engaged that have made social procurement commitments in their contracts with the Victorian Government:	14
Total number of contracts that include social procurement commitments:	22

Environmental performance

The Women's is committed to improving environmental sustainability through the establishment of formal performance reporting and infrastructure reform. This commitment is documented in *The Women's Environmental Management Plan 2022-2027* and subsequent action plan, which outlines the Women's environmental pledge of net zero carbon emissions by 2030.

To drive this ambitious goal, the Women's established an Environmental Management Committee in 2022. This committee provides essential leadership, governance, and oversight for the execution of the plan, ensuring that all projects align with the hospital's environmental objectives.

Throughout the 2023-24 period, the Women's has successfully implemented several environmental projects:

- **LED Lighting Upgrade:** completed to enhance energy efficiency and reduce electricity consumption.
- **Comprehensive Waste Audit:** conducted to identify opportunities to improve recycling practices and reduce waste.
- **Medical Blister Packs Recycling Program:** introduced to recycle specific medical packaging waste.
- **Battery Recycling Program:** established to safely recycle used batteries.
- **Milk Bottle Teat Recycling Program:** initiated to recycle used milk bottle teats.

Environmental Performance Data

The Women's environmental performance over the last three years highlights significant progress in reducing resource consumption and enhancing sustainability practices:

- **Electricity consumption:** Total electricity consumption has decreased from 11,085 MWh in 2021-22 to 10,119 MWh in 2023-24.
- **Natural gas usage:** Natural gas usage decreased from 1,902 GJ in 2021-2022 to 1,202 GJ in 2023-24, with corresponding greenhouse gas emissions decreasing from 98.04 tonnes CO₂-e to 61.94 tonnes CO₂-e.
- **Water consumption:** Total water consumption has been reduced from 134 ML in 2021-22 to 68 ML in 2023-24. Water consumption per unit has decreased accordingly.
- **Waste management:** The total units of waste disposed have slightly decreased over the years. The introduction of the blister pack recycling program has led to 25 kg of blister packs being recycled in 2023-24. The recycling rate has improved significantly from 7 per cent in 2022-23 to 17 per cent in 2023-24.
- **Waste audit:** In December 2023, a detailed waste audit was conducted, focusing on enhancing waste education and awareness programs to improve recycling practices.

NABERS Ratings

In recognition of the hospital's efforts to improve environmental performance, the Women's received a NABERS Energy Rating of 4.0 and a NABERS Water Rating of 3.5 in 2023-24.

The Women's remains dedicated to continuous improvement in environmental performance and sustainability, working diligently towards our ambitious goal of net zero carbon emissions by 2030. The hospital's achievements to date demonstrate significant progress, and the hospital looks forward to building on this momentum in the coming years.



Environmental performance data

ELECTRICITY USE	2023-24	2022-23	2021-22
EL1 Total electricity consumption segmented by source [MWh]			
Purchased	7,142	8,351	8,564
Self-generated	2,976	2,360	2,521
EL1 Total electricity consumption [MWh]	10,119	10,711	11,085
EL2 On site-electricity generated [MWh] segmented by:			
Consumption behind-the-meter			
Solar Electricity			
Cogeneration Electricity	2,976	2,360	2,521
Total Consumption behind-the-meter [MWh]	2,976	2,360	2,521
Exports			
EL2 Total On site-electricity generated [MWh]	2,976	2,360	2,521
EL3 On-site installed generation capacity [kW converted to MW] segmented by:			
Diesel Generator	2.50	2.50	2.50
EL3 Total On-site installed generation capacity [MW]	2.50	2.50	2.50
EL4 Total electricity offsets segmented by offset type [MWh]			
RPP (Renewable Power Percentage in the grid)	1,343	1,570	1,303
EL4 Total electricity offsets [MWh]	1,343	1,570	1,303
STATIONARY ENERGY	2023-24	2022-23	2021-22
F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]			
Natural gas	1,202,090	1,452,834	1,902,500
F1 Total fuels used in buildings [MJ]	1,202,090	1,452,834	1,902,500
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e]			
Natural gas	61.94	74.86	98.04
F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]	61.94	74.86	98.04
TRANSPORTATION ENERGY	2023-24	2022-23	2021-22
T1 Total energy used in transportation (vehicle fleet) within the Entity, segmented by fuel type [MJ]			
Non-executive fleet - Gasoline	13,490	66,649	164,099
Petrol	13,490	66,649	164,099
Total energy used in transportation (vehicle fleet) [MJ]	13,490	66,649	164,099
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category			
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]			
Non-executive fleet - Gasoline	0.90	4.51	11.10
Petrol	0.90	4.51	11.10
Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]	0.90	4.51	11.10

T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)

Total distance travelled by commercial air travel	249,507	546,227	43,864
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T(opt1) Total vehicle travel associated with entity operations [1,000 km]

Total vehicle travel associated with entity operations [1,000 km]	NA	130.96	
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T(opt2) Greenhouse gas emissions from vehicle fleet [tonnes CO2-e per 1,000 km]

tonnes CO2-e per 1,000 km	0.23	0.03	
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TOTAL ENERGY USE **2023-24** **2022-23** **2021-22**

E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]

Total energy usage from stationary fuels (F1) [MJ]	1,202,090	1,452,834	1,902,500
Total energy usage from transport (T1) [MJ]	13,490	66,649	164,099

Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	1,202,090	1,519,483	2,066,598
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E2 Total energy usage from electricity [MJ]

Total energy usage from electricity [MJ]	36,427,854	38,559,615	39,905,149
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E3 Total energy usage segmented by renewable and non-renewable sources [MJ]

Renewable	4,833,989	5,652,111	4,692,263
Non-renewable (E1 + E2 - E3 Renewable)	32,795,955	34,426,987	37,279,484

E4 Units of Stationary Energy used normalised: (F1+E2)/normaliser

Energy per unit of LOS [MJ/LOS]	497	529	560
Energy per unit of bed-day (LOS+Aged Care OBD) [MJ/OBD]	497	529	560
Energy per unit of Separations [MJ/Separations]	1,310	1,420	1,535
Energy per unit of floor space [MJ/m2]	354	377	394

SUSTAINABLE BUILDINGS AND INFRASTRUCTURE **2023-24** **2022-23** **2021-22**

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

NABERS Energy Rating - Royal Women's Hospital, Parkville	4.0	3.5	4.0
NABERS Water Rating - Royal Women's Hospital, Parkville	3.5	2.5	3.0

SUSTAINABLE PROCUREMENT **2023-24** **2022-23** **2021-22**

WATER USE **2023-24** **2022-23** **2021-22**

W1 Total units of metered water consumed by water source (kl)

Potable water [kL]	68,555	83,946	134,224
Total units of water consumed [kl]	68,555	83,946	134,224

W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity

Water per unit of LOS [kL/LOS]	0.91	1.11	1.80
Water per unit of bed-day (LOS+Aged Care OBD) [kL/OBD]	0.91	1.11	1.80
Water per unit of Separations [kL/Separations]	2.39	2.98	4.93
Water per unit of floor space [kL/m2]	0.65	0.79	1.26

WASTE AND RECYCLING **2023-24** **2022-23** **2021-22**

WR1 Total units of waste disposed of by waste stream and disposal method [kg]

Landfill (total)

General waste - compactors	385,455	396,536	386,122
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Offsite treatment

Clinical waste - incinerated	6,780	6,956	6,979
Clinical waste - sharps	5,542	8,421	7,042
Clinical waste - treated	119,971	118,410	126,304

Recycling/recovery (disposal) Total of 111+112+113

132,293	133,788	140,325	
Blister Packs	25	4	0
Cardboard	54,967	1,559	176
Commingled	22,495	22,704	19,430
Paper (confidential)	24,264	19,201	9,675
PVC	1,157	883	1,086
Total units of waste disposed [kg]	620,657	574,676	556,814

WR4 Recycling rate [%]

Weight of recyclable and organic materials [kg]	102,908	44,352	30,367
Weight of total waste [kg]	620,661	574,676	556,814
Recycling rate [%]	16.6%	7.7%	5.5%

WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]

tonnes CO2-e	670	686	681
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GREENHOUSE GAS EMISSIONS **2023-24** **2022-23** **2021-22**

G1 Total scope 1 (direct) greenhouse gas emissions [tonnes CO2e]

Carbon Dioxide	61.79	79.17	108.85
Methane	0.12	0.15	0.19
Nitrous Oxide	0.04	0.06	0.09
Total	61.94	79.37	109.13

Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e]

61.94	74.86	98.04
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Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e]

0.90	4.51	11.10
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Total scope 1 (direct) greenhouse gas emissions [tonnes CO2e]

62.84	79.37	109.13
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G2 Total scope 2 (indirect electricity) greenhouse gas emissions [tonnes CO2e]

Cogen Electricity	NA	NA	1,462.41
Electricity	4,698	5,737	5,120
Total scope 2 (indirect electricity) greenhouse gas emissions [tonnes CO2e]	4,698	5,737	6,582

G3 Total scope 3 (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal (tonnes CO2e)

Commercial air travel	58.60	186.74	6.98
Waste emissions (WR5)	670.23	686.50	681.45
Indirect emissions from Stationary Energy	584.77	744.96	566.99
Indirect emissions from Transport Energy	58.83	187.88	7.57
Paper emissions			
Any other Scope 3 emissions	115	142	252
Total scope 3 greenhouse gas emissions [tonnes CO2e]	1,487	1,948	1,515

G(Opt) Net greenhouse gas emissions (tonnes CO2e)

Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]	6,248	7,765	8,207
Any Reduction Measures Offsets purchased (EL4-related)			
Any Offsets purchased			
Net greenhouse gas emissions [tonnes CO2e]	6,248	7,765	8,207

NORMALISATION FACTORS	2023-24	2022-23	2021-22
1000km (Corporate)	NA	130.96	NA
ED Departures	28,134	26,781	26,280
FTE	1,565	1,549	1,519
LOS	75,676	75,576	74,691
OBD	75,676	75,576	74,691
PPT	132,527	130,527	128,211
Separations	28,717	28,170	27,240
TotalAreaM2	106,206	106,206	106,206

Procurement

The Women’s Environmental Management Plan 2022-2027 has incorporated the following environmental considerations into procurement decision making:

- Enhancements to the Women’s procurement policies, encouraging the purchase of goods and services that are sustainable.
- Incorporated sustainability criteria into new tender and contract submissions.
- Improved staff awareness of green products, through targeted procurement communications.
- Developed and socialised cost benefit analyses, identifying when / where “green” products are a viable choice.

In addition, in 2023-24 the Women’s supported collaborative projects with suppliers and support services.

Additional information

Details in respect of the items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the Freedom of

Information requirements, if applicable):

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



Key financial and service performance reporting

Reporting against the Statement of Priorities - Part A

The Statement of Priorities is the key accountability agreement between the Women's and the Minister for Health. The deliverables required as part of the agreement are aligned with *The Department of Health Strategic Plan 2023-2027*. This annual agreement ensures delivery of, or substantial progress towards, the key shared objectives of financial viability, improved access, and quality of service provision.

Priorities	Goals	Deliverables	Progress
<p>Excellence in clinical governance</p> <p>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.</p>	<ul style="list-style-type: none"> Develop strong and effective relationships with consumer and clinical partners to drive service improvements. Strengthen clinical governance systems that support safe care, including clear recognition, escalation, and addressing clinical risk and preventable harm. Maintain commitment to driving planned surgery reform in alignment with the Surgery Recovery and Reform Program, as well as identify and implement local reform priorities. 	<ul style="list-style-type: none"> Historical Forced Adoption Engagement - Develop and implement a process of engagement with individuals and their representative organisations affected by historical forced adoption at the Women's and collaborate where possible on a recognition and formal apology process. Neonatal Resuscitation Training - Implement an organisational multi-faceted, multidisciplinary and human factors-informed neonatal resuscitation training program. Proactively manage preparation lists (formally waiting lists) including validation and support of patients into optimal care pathways. 	<ul style="list-style-type: none"> The Women's met with former patients to acknowledge the impacts of historical forced adoption and to canvass their views on the best ways in which the hospital can publicly commemorate their stories. The NeoResus program was implemented providing a theoretical learning component and practical training program for all staff caring for newborns at and after birth. The hospital introduced an online pre-reading and induction package, focusing on training local facilitators. The Women's now has 28 medical, nursing and midwifery neonatal staff credentialled as Advanced NeoResus Facilitators. Eight advanced multidisciplinary simulation training sessions were conducted and the program now includes an 'advanced' stream targeting specialist staff who attend high-risk deliveries. A new role was created to support the Day Procedure Centre and the Ambulatory Gynaecology program. The Elective Surgery Associate Nurse (ESAN) provides a central point of contact and communication for patients and medical staff. This role works with the medical team to prioritise and schedule patients within the framework of the Elective Surgery Access Policy, whilst ensuring resources are fully utilised. The ESAN supports patients, providing continuity of care, assessing general health and wellbeing, escalating if the patient falls outside of the booking criteria, and ensuring patients are well informed about their procedure and recovery.

Priorities	Goals	Deliverables	Progress
<p>Excellence in clinical governance (continued)</p>	<ul style="list-style-type: none"> • Implementation of the nutrition and quality food standards for health services. • Develop strong and effective systems to support early and accurate recognition and management of deterioration of paediatric patients. 	<ul style="list-style-type: none"> • Construction to build a Day Procedure Centre on level five and implementing two new models of care - the Elective Surgery Access Nurse Model of Care and the Ambulatory Gynaecology Model of Care. • Consultation with dietitians to formulate strategies to ensure all food provided to patients and residents is of optimal nutritional quality, appealing, offers variety and is culturally diverse, to sustain their nutritional intake, quality of life and wellbeing. • Continuous improvement processes are implemented to consider the nutritional care, menu planning and consumer partnership/choice, ensuring the food provided aligns with the Australian Dietary Guidelines i.e. Victorian Healthcare Experience Survey (VHES) and internal surveys. • Partner with Safer Care Victoria (SCV) and relevant multidisciplinary groups to establish protocols and auditing processes to manage effective monitoring and escalation of deterioration in paediatric patients via ViCTOR charts. • Improve paediatric patient outcomes through implementation of the “ViCTOR track and trigger” observation chart and escalation system, whenever children have observations taken. • Implement staff training on the “ViCTOR track and trigger” tool to enhance identification and prompt response to deteriorating paediatric patient conditions. 	<ul style="list-style-type: none"> • The Women’s established a Day Procedure Centre enabling an expansion of the ambulatory model of care. Benefits include: <ul style="list-style-type: none"> - increased capacity to provide minimally invasive procedures on an outpatient basis, enhancing patient care and experience; - shorter wait times for patients and a comfortable environment, reducing the stress and inconvenience often associated with hospital visits; - reduced need for overnight stays, allowing more patients to be treated efficiently, thus reducing costs; - a significant increase in capacity to perform ambulatory gynaecology care, allowing more patients to be treated thus reducing wait lists. • Dietitians were involved in the planning and review of the hospital menu, with an emphasis on food safety, nutritional adequacy and the cultural, religious and personal food preferences of our patients. The Dietetics team undertook a gap analysis against Victorian Food Standards and took actions to address unmet patient needs. • Continuous improvement processes were developed to address feedback from patients and recognise gaps in food service quality. Both VHES and monthly internal patient satisfaction survey results were considered and prioritised to identify appropriate quality assurance projects. For example, an audit of meal portions was undertaken in response to patient feedback about meals being too small. • The ViCTOR framework is embedded in the Women’s guidelines for neonatal observations and monitoring wherever neonates are cared for. This year, the Women’s continued to monitor appropriate escalation through case review, audit and incident monitoring. • The ViCTOR observation chart is built into the hospital’s electronic medical record system, allowing clinicians to visualise the observations on a ‘track and trigger’ chart once observations are entered. Throughout the year, staff are orientated to the ViCTOR tool and supported to use this framework to recognise and escalate patients for review and patients with signs of deterioration.

Priorities			Progress
<p>Working to achieve long term financial sustainability</p> <p>Ensure equitable and transparent use of available resources to achieve optimum outcomes.</p>	<p>Goals</p> <ul style="list-style-type: none"> • Co-operate with and support Department-led reforms that look towards reducing waste and improving efficiency to address financial sustainability, operational and safety performance, and system management. • Development of a health service financial sustainability plan in partnership with the Department with a goal to achieving long term health service safety and sustainability. 	<p>Deliverables</p> <ul style="list-style-type: none"> • Implementation of cost-saving initiatives: Identify and implement cost-saving measures such as reducing unnecessary procedures, optimising supply chain management, and streamlining administrative processes. • Data-driven decision-making: Utilise data analytics and performance metrics to identify areas of inefficiency and waste and make evidence-based decisions to improve financial sustainability and operational performance. • Financial forecasting and risk management: Develop robust financial forecasting models to project future revenue and expenditure, identify financial risks, and implement risk mitigation strategies to ensure long-term sustainability. • Revenue diversification strategies: Explore opportunities to diversify revenue streams through partnerships, grants, research funding, and other innovative financing models to reduce dependence on government funding. • Cost containment initiatives: Implement strategies to control costs, such as negotiating favourable contracts with suppliers, optimising workforce utilisation, and managing healthcare technologies and equipment effectively. 	<p>Progress</p> <ul style="list-style-type: none"> • The Women's implemented a number of initiatives that support the achievement of financial sustainability, while continuing to provide exceptional patient care. Key focus areas included: <ul style="list-style-type: none"> - regular reviews of supplier and vendor contracts and agreements to ensure value for money and efficiencies; - effective procurement and management of capital assets; - the implementation of environmental efficiencies and savings; - implementation of successful philanthropic and fundraising initiatives; - a number of workforce utilisation initiatives as well as effective workforce retention programs; - attraction of research funding and grants from various sources; - robust financial risk management processes; - improvement to data-driven analysis and forecasting.

Priorities	Goals	Deliverables	Progress
<p>Improving equitable access to healthcare and wellbeing</p> <p>Ensure that Aboriginal people have access to a health, wellbeing and care system that is holistic, culturally safe, accessible, and empowering.</p> <p>Ensure that communities in rural and regional areas have equitable health outcomes irrespective of locality.</p>	<ul style="list-style-type: none"> Address service access issues and equity of health outcomes for rural and regional people including more support for primary, home-based and virtual care, and addiction services. Strengthen programs that support Aboriginal people to access early intervention and prevention services. Enhance the provision of appropriate and culturally safe services, programs and clinical trials for and as determined by Aboriginal people, embedding the principles of self-determination. 	<ul style="list-style-type: none"> Implementation of state-wide public fertility services will expand with Public Fertility Satellites in regional and rural areas including Western Health, Bendigo Health, Barwon Health, Grampians Health, Southwest Healthcare, Mercy Health and Goulburn Valley Health. Priority groups include low income, rural and regional Victorians, single people, LGBTIQ+ Victorians, Aboriginal Victorians, people with a disability and people from culturally and linguistically diverse communities. Implementation of the Women's Innovate Reconciliation Action Plan April 2022-April 2024 is well under way. Key items for strengthening programs that support Aboriginal people to access early intervention and prevention services. Promote a culturally safe welcoming environment with Aboriginal cultural symbols and spaces to demonstrate the recognition, celebration and respect for Aboriginal communities and culture. Baggarook maternity case load model - Implement wrap around individualised culturally safe and appropriate care as guided by the birthing mother and her family. Employ an additional midwife and increase capacity and the number of cases the midwives can take on with cultural competency and safety training. 	<ul style="list-style-type: none"> In December 2023, all nine Public Fertility Care health service partners (metro, regional and rural) became fully operational. Public Fertility Care is now available to eligible singles and couples and people of all genders and backgrounds. A number of awareness raising activities were rolled out including four GP webinars (offered across the state), the establishment of Community Liaison Outreach Nurses to raise awareness in local communities, and collaboration with Department of Health to promote the service across the state, including an egg and sperm donor campaign. To date, 15 per cent of all referrals accepted to Public Fertility Care come from regional and rural areas. In the coming year, the service will focus on improving access for priority groups. The Women's completed its first Innovate Reconciliation Action Plan (RAP) in April 2024. In total, 57 of 78 deliverables (73%) were achieved. Progress will continue through the Women's second Innovate RAP, which is in development with Reconciliation Australia. Staff training in the Replanting the Birthing Trees project was a highlight for the year. This Aboriginal-led project aims to transform cycles of intergenerational trauma and harm. Its goal is to achieve positive cycles of nurturing and recovery for Aboriginal and Torres Strait Islander babies and their parents. Midwives, doctors, social workers, administrative and security staff were among those attending information sessions. Many additional Aboriginal artworks were introduced across the Women's including: <ul style="list-style-type: none"> a possum skin cloak created by the Women's staff and patients which sits at the Women's entrance; a bespoke mural at the entrance to the Neonatal Intensive Care Unit; an artwork created and donated by Koori Elder, Bindii Cody Nappangartii Smith, in the Women's Emergency Centre; artwork created for the Replanting the Birthing tree project in two birth suites and Birth Centre entrance; two artworks created by the Women's staff and patients for Ochre Ribbon Week; several artworks purchased from The Torch organisation, on display throughout the hospital. The Baggarook maternity case load model provides culturally safe and appropriate care for Aboriginal and Torres Strait Islander women and/or babies. This year, the Women's increased the number of Baggarook midwives as per the hospital's 3-year caseload expansion business plan.

Priorities	Goals	Deliverables	Progress
<p>Improving equitable access to healthcare and wellbeing (continued)</p>			<ul style="list-style-type: none"> The Women's received philanthropic funding to establish a debriefing program for Baggarook (midwifery) staff, who now receive support from an Aboriginal employee support officer and the Aboriginal Hospital Liaison Officer team. A dedicated social worker and obstetrician, associated with the Baggarook program, now provide the team with additional professional support. The Women's Aboriginal Hospital Liaison Officers (AHLLO) attended the Annual VACCHO ICAP (Improving Care for Aboriginal Patients) Forum enhancing their knowledge and strengthening relationships with other regional and metropolitan AHLLOs.
<p>A stronger workforce</p> <p>There is increased supply of critical roles, which supports safe, high-quality care. Victoria is a world leader in employee experience, with a focus on future roles, capabilities and professional development. The workforce is regenerative and sustainable, bringing a diversity of skills and experience that reflect the people and communities it serves. As a result of a stronger workforce, Victorians receive the right care at the right time closer to home.</p>	<ul style="list-style-type: none"> Improve employee experience across four initial focus areas to assure safe, high quality care: leadership, health and safety, flexibility, and career development and agility. Explore new and contemporary models of care and practice, including future roles and capabilities. 	<ul style="list-style-type: none"> Deliver programs to improve employee experience across four initial focus areas: leadership, safety and wellbeing, flexibility, and career development and agility. Implement and/or evaluate new/expanded programs that uplift workforce flexibility such as a flexibility policy for work arrangements. Pilot, implement or evaluate new and contemporary models of care and practice, including future roles and building capability for multidisciplinary practice. 	<ul style="list-style-type: none"> A number of employee experience improvement initiatives were delivered including: <ul style="list-style-type: none"> the continuation of Project Care, an organisation wide program co-designed by staff to support wellbeing. It included onsite Employee Assistance Program services, wellbeing events, health checks and staff get togethers; continued implementation of the Peer Support (Mental Health First Aid) program, improvement to staff outdoor facilities, and the introduction of Schwartz Rounds, providing a safe and supportive space for patient facing staff to share their experiences and emotional responses; a continued focus on diversity, inclusion, and belonging with online cultural awareness training available to all staff and acknowledgement of significant events such as, NAIDOC, Sorry Day, International Day of People with Disability and Transgender Awareness Week. Delivery of a range of leadership development initiatives to build understanding of what it means to be an effective, values-driven leader regardless of role, improve personal effectiveness and enhance leadership visibility and connection. A number of initiatives that offer employees greater flexibility and professional practice opportunities were implemented, including: <ul style="list-style-type: none"> becoming the first pilot site to implement a nurse colposcopy training model. The program aims to support advanced practice opportunities and address inequities in access, screening, early detection, and early treatment as Australia seeks to eliminate cervical cancer; one nurse colposcopist completed training and another two are mid-way through the program;

Priorities	Goals	Deliverables	Progress
<p>A stronger workforce (continued)</p>			<ul style="list-style-type: none"> - the Late Career (pilot) Program, which provides an opportunity for experienced nurses and midwives to step away from their clinical roles one day per week and contribute to a project/program through mentorship, education or quality improvement. Over the past year, the participants have been involved in new patient services, contributed to quality improvement in maternity and perioperative services, and supported education for early career staff. This program also supports retention of experienced staff; - successfully piloting the addition of a 12-hour shift option in Maternity wards and consultation with nursing and midwifery leaders to identify and scope a range of additional workforce flexibility initiatives; - an update to the formal Flexible Working Arrangements schedule.
<p>Moving from competition to collaboration</p> <p>Share knowledge, information and resources with partner health and wellbeing services and care providers. This will allow patients to experience one health, wellbeing and care system through connected digital health information, evidence and data flows, enabled by advanced interoperable platforms.</p>	<ul style="list-style-type: none"> • Partner with other organisations (for example community health, Aboriginal Community Controlled Health Organisations (ACCHOs), Primary Health Networks (PHNs), general practice, (private health) to drive further collaboration and build a more integrated system. 	<ul style="list-style-type: none"> • Work with the relevant PHN and community health providers to develop integrated service models that will provide earlier care to patients and support patients following hospital discharge. 	<ul style="list-style-type: none"> • The Women's welcomed opportunities to work with its local PHN, community health providers and other organisations on a number of projects aimed at improving patient outcomes. These included: <ul style="list-style-type: none"> - the Enhanced Recovery After Surgery (ERAS) program, which provides multi-modal pathways that are designed to improve patient recovery by optimising their physiological function and reducing their stress response leading to reduced hospital stays and complications; - the First 1,000 Days Clinic pilot project, a collaboration between the hospital, community services, and philanthropic organisations. The pilot aims to provide early intervention and care to at-risk children in their early years helping to build strong brains and healthy attachments that will help to decrease their risks of lifelong adversity; - continuation of the Cornelia Program, a collaboration with Housing First and Launch Housing, which this year included a formal practice partnership with the Australian Breast Feeding Association, TENS Australia and the City of Port Phillip Maternal Child Health Network. Under this partnership, program participants were provided with onsite support; the Queen Elizabeth Centre and the Salvation Army Family Violence Services provided specialist group activities for Cornelia mothers and babies; - the hospital's Baggarook and Badjurr-Bulok Wilam teams continued to liaise with several Aboriginal controlled organisations and community services, including the Victorian Aboriginal Health Service Koori Maternity Service, Aboriginal Maternal and Child Health, Indigenous Hospitality House and others to ensure effective collaboration in supporting women and families.

Priorities	Goals	Deliverables	Progress
<p>Moving from competition to collaboration (continued)</p>	<ul style="list-style-type: none"> Engage in integrated planning and service design approaches, whilst assuring consistent and strong clinical governance, with partners to join up the system to deliver seamless and sustainable care pathways and build sector collaboration. 	<ul style="list-style-type: none"> Implementation of state-wide public fertility services will expand with Public Fertility Satellites in regional and rural areas including Western Health, Bendigo Health, Barwon Health, Grampians Health, Southwest Healthcare, Mercy Health and Goulburn Valley Health. 	<ul style="list-style-type: none"> The Women's Maternity Services Education Program (MSEP) worked with other health services and agencies across Victoria to increase capacity in rural and regional areas. Highlights include: <ul style="list-style-type: none"> collaboration with midwives and medical clinicians at Dheilcaya Health, Bendigo Health and Echuca Regional Health to increase access to waterbirth and support women to have greater choice closer to home; the development and delivery of a bespoke program for nurses caring for pregnant women while in custody, in collaboration with the Victorian Custodial Health Service; expansion of a program (to Ararat, Mildura and the Hume region) that supports staff working in an antenatal care setting to expand their scope of practice, with a focus on continuity of care and family-centred practice; a total of 783 rural, regional and metro clinicians engaged with training and capacity/capability programs through MSEP. The Women's led the establishment of Public Fertility Care, working with nine health service partners across Victoria to develop specialist fertility clinics, services and models of care. The Women's developed a public fertility capability framework in partnership with health service partners comprising: <ul style="list-style-type: none"> consistent patient pathways; education and training for staff; appropriate governance structures and frameworks to ensure compliance with Reproductive Technology Accreditation Committee's standards; capacity and capability building across all health services; the statewide Fertility Patient Management System; effective communication systems and document management and sharing processes.

Priorities	Goals	Deliverables	Progress
<p>Empowering people to keep healthy and safe in the community</p> <p>Support individual health and mental wellbeing by giving people the tools and information they need to stay healthy and well. Work with the local government to respond to health threats and empower the community to proactively respond to health risks.</p>	<ul style="list-style-type: none"> Enhance health literacy and promote high-quality health information so that the local community, including those in priority cohorts, can apply this knowledge to their own circumstances. Improve women's health outcomes through the quality, availability, and equity of women's health services across Victoria. 	<ul style="list-style-type: none"> Delivery of sexual and reproductive health (S&RH) information in accordance with The Royal Women's Hospital – Victorian Women's Health Integrated Health Promotion Program Plan 2022-25. Establish outreach Retinopathy of Prematurity (ROP) model - Work with other tertiary units and the department to establish an agreed Retinopathy of Prematurity outreach model. 	<ul style="list-style-type: none"> The Women's continued to meet performance targets and reporting requirements for the 2022-25 sexual and reproductive health program plan with the goal of improving women's sexual and reproductive health through its consumer health information. Delivery included factsheets, social media posts, digital and hard copy resources available to people at the hospital and through the website. Audience engagement for online consumer health information for 2023-24 exceeded the previous year's figure by 13 per cent (30 June total: 5 million views). Delivery for 2023-24 was supported by the full re-opening in January of the Women's Welcome Centre as a place where people can access health information. The hospital continued to operate its outreach Retinopathy of Prematurity (ROP) model ensuring it was provided to several other health services that support babies from various tertiary services returning to a special care nursery closer to home. Work continues with other tertiary units, via a Neonatal Advisory Group, to develop a sustainable model that will expand ROP screening to more health services.
<p>Care close to home</p> <p>Primary and community care is accessible and reduces avoidable escalation in acuity of health conditions. When appropriate, hospital care is delivered in the home, including through digital care and connection, to deliver virtual care, telehealth, and other advanced models of care.</p>	<ul style="list-style-type: none"> Improve pathways through the health system and implement models of care to enable more people to access care closer to, or in their homes. 	<ul style="list-style-type: none"> Implement and/or evaluate new/expanded models of care that address barriers to patients receiving care closer to, or in their home. 	<ul style="list-style-type: none"> To increase options for women to access ante-natal care closer to home, the Women's recently expanded its low-risk caseload midwifery offering with a new satellite clinic in Brunswick. Only a 5 minute drive from the hospital, this facility also offers good access and free parking. Midwives provide appointments over a full day, providing women more options close to home. Feedback to date has been very positive. This brings the Women's satellite maternity clinics to a total of four. During 2023-24, the Women's also: <ul style="list-style-type: none"> – established antenatal monitoring for suitable pregnant women at home, through the Better Care at Home project; – initiated a trial program to provide care in the home for women with hyperemesis (severe morning sickness) – in collaboration with the Royal Melbourne Hospital.

Priorities	Goals	Deliverables	Progress
<p>A health system that takes effective climate action</p> <p>The health service is focused on taking effective action to achieve net zero emissions and adapt to climate change.</p>	<ul style="list-style-type: none"> Implement climate adaptation initiatives to support the health service's resilience and prepare for future challenges. 	<ul style="list-style-type: none"> Undertake energy and water audits, implementing conservation measures to reduce consumption, cost and greenhouse gas emissions. 	<ul style="list-style-type: none"> The hospital focused on improving its environmental performance to reduce consumption, cost and greenhouse gas emissions. Key areas to note include: <ul style="list-style-type: none"> detailed waste audits focused on enhancing waste education and awareness programs to improve recycling practices; a successful initiative to reduce water consumption with the Women's achieving a NABERS Water Rating of 3.5 in 2023-24 (compared to 2.5 in 2022-23); a significant decrease in natural gas usage and a slight decrease in total electricity consumption; a number of initiatives to reduce waste and encourage recycling.
<p>Local priority</p>	<ul style="list-style-type: none"> Engage in work towards the Women's Research Institute and the plan for Arden and Parkville development. 	<ul style="list-style-type: none"> Work collaboratively with departmental representatives on the business case for the Women's Research Institute. Effectively engage with the department and VHBA to plan for Arden and Parkville development. 	<ul style="list-style-type: none"> The Women's welcomed the opportunity to collaborate with the Department of Health on the business case for the Women's Research Institute. During 2023-24, the hospital progressed its thinking on the purpose, structure and benefits of a proposed institute, as well as how research can help to address sex and gender health disparities. The Women's worked collaboratively with the Victorian Health Building Authority, the Department of Health and precinct partners on the Parkville and Arden Project. Following the site re-direction, the hospital continued to collaborate on opportunities to incorporate innovative and enhanced care models, demonstrating its commitment to improving health outcomes for Victoria's women and babies.

Reporting against the Statement of Priorities - Part B

High quality and safe care

Key performance measure	Target	2024 Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	Audit 1 2024 87.9% Audit 2 2024 83.1%
Percentage of healthcare workers immunised for influenza (April 2023 to August 2023)	94%	95.2%
Healthcare associated infections (HAI's)		
Rate of surgical site infections for selected procedures (aggregate)	No outliers	Q1 - Not an outlier Q2 - Outlier: CSEC Deep Risk Index 1; Hysterectomy All and Deep Risk Index 0 Q3 - Not an outlier
Rate of healthcare-associated <i>S. aureus</i> bloodstream infections per 10,000 bed days	≤ 0.7	Q1 - Not an outlier Q2 - Not an outlier Q3 - Outlier: 1.1/10,000
Patient experience		
Victorian Healthcare Experience Survey - percentage of positive patient experience responses - Quarter 1	95%	92.8%
Victorian Healthcare Experience Survey - percentage of positive patient experience responses - Quarter 2	95%	92%
Victorian Healthcare Experience Survey - percentage of positive patient experience responses - Quarter 3	95%	93.9%
Maternity and Newborn		
Percentage of full-term babies (without congenital anomalies) who are considered in poor condition shortly after birth (Apgar score <7 to 5 minutes)	≤1.4%	1.3%
Percentage of singleton babies with severe fetal growth restriction (FGR) delivered at 40 or more weeks gestation	≤28.6%	28.3%
Aboriginal Health		
Percentage of Aboriginal admitted patients who left against medical advice	2.5%	2.0%
Percentage of Aboriginal emergency department presentations who did not wait to be seen	3.1%	4.2%

Strong governance, leadership and culture

Key performance measure	Target	2024 Result
Organisational culture		
People Matter Survey - Percentage of staff with an overall positive response to safety culture survey questions	62%	75%

Timely access to care

Key performance measure	Target	2024 Result
Elective surgery		
Percentage of urgency category 1 elective surgery patients admitted within 30 days	100%	100%
Percentage of all planned surgery patients admitted within the clinically recommended time	94%	76.5%

Timely access to care (continued)

Key performance measure	Target	2024 Result
Number of patients on the planned surgery waiting list	800	933
Number of patients admitted from the planned surgery waiting list	3,956	3,839
Number of patients (in addition to base) admitted from the planned surgery waiting list	325	0
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	5% or 15% proportional improvement from prior year	23.5%
Number of hospital-initiated postponements per 100 scheduled elective surgery admissions	≤ 7	4.6
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	98.3%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time	80%	83.7%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	74.8%
Number of emergency patients with a length of stay in the ED greater than 24 hours	0	0%
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	97.8%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	94.8%
Home based care		
Percentage of admitted bed days delivered at home	Equal to or better than prior year result	2.5%
Percentage of admitted episodes delivered at least partly at home	Equal to or better than prior year result	1.7%

Effective financial management

Key performance indicator	Target	2024 Result
Operating result (\$m)	\$-	(\$1.52)
Average number of days to pay trade creditors	60 days	61 days
Average number of days to receive patient fee debtors	60 days	59 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	Not Achieved
Actual number of days of available cash, measured on the last day of each month	14 days	Not Achieved
Variance between forecast and actual net result from transactions (NRFT) for the current financial year ending 30 June	Variances < \$250,000	Not Achieved

Asset Management Accountability Framework maturity assessment

The Asset Management Accountability Framework (AMAF) assists Victorian Public Sector agencies to manage their asset portfolios and provide better services for Victorians.

The following sections summarise the Women’s assessment of maturity against the requirements of the framework.

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

The Women’s target maturity assessment has resulted in a combination of ‘competence’ and ‘developing’. Systems and processes are fully in place, consistently applied and systematically meet the AMAF requirement. Some areas require continuous improvement to fully establish the processes and to expand the system performance above AMAF minimum requirements.

Leadership and accountability

The Women’s has partially met its target maturity level under all requirements in this category.

Asset planning

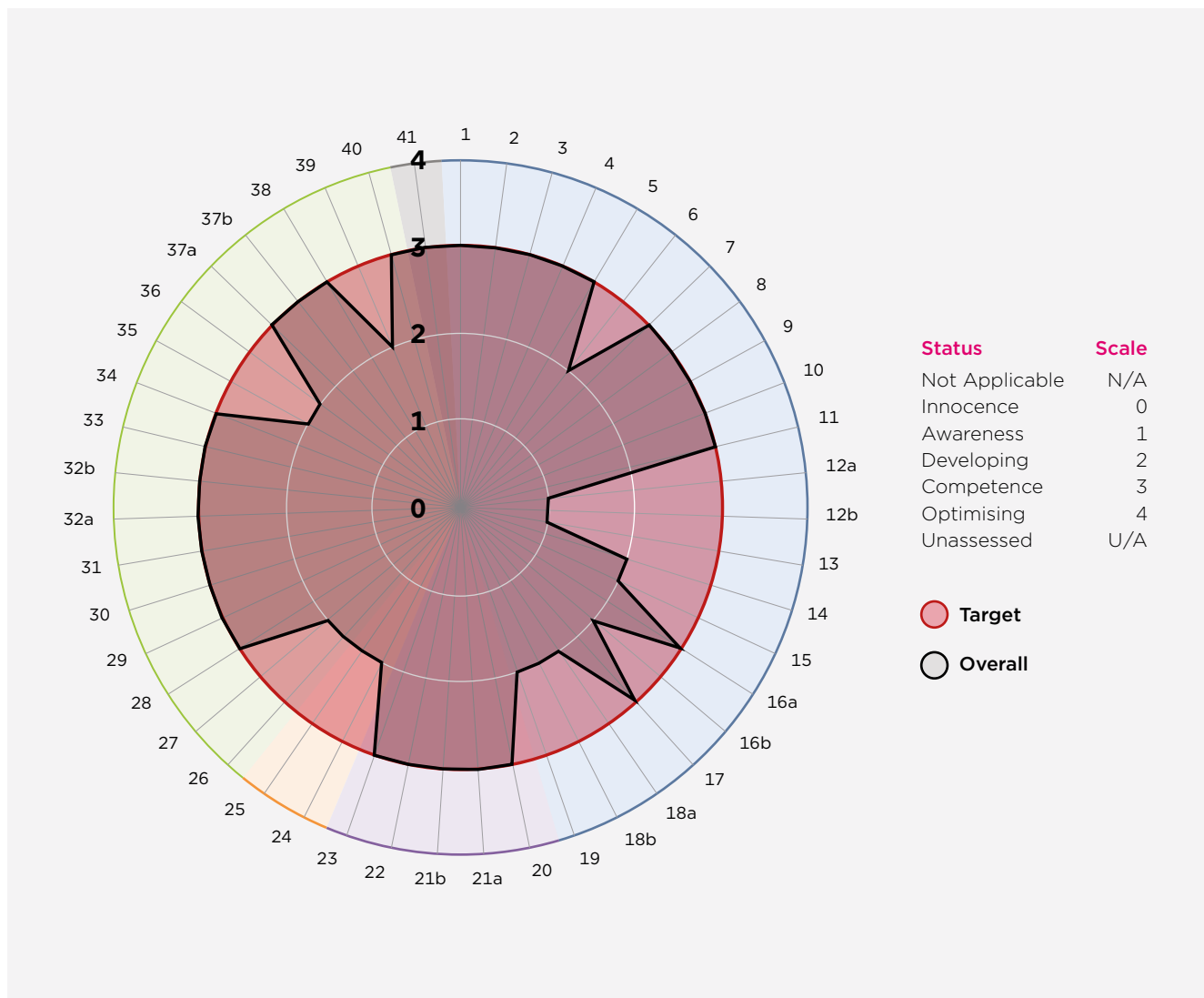
The Women’s has met its target maturity level under all requirements in this category.

Asset acquisition

The Women’s has partially met its target maturity level under all requirements in this category.

Asset disposal

The Women’s has met its target maturity level under all requirements in this category.

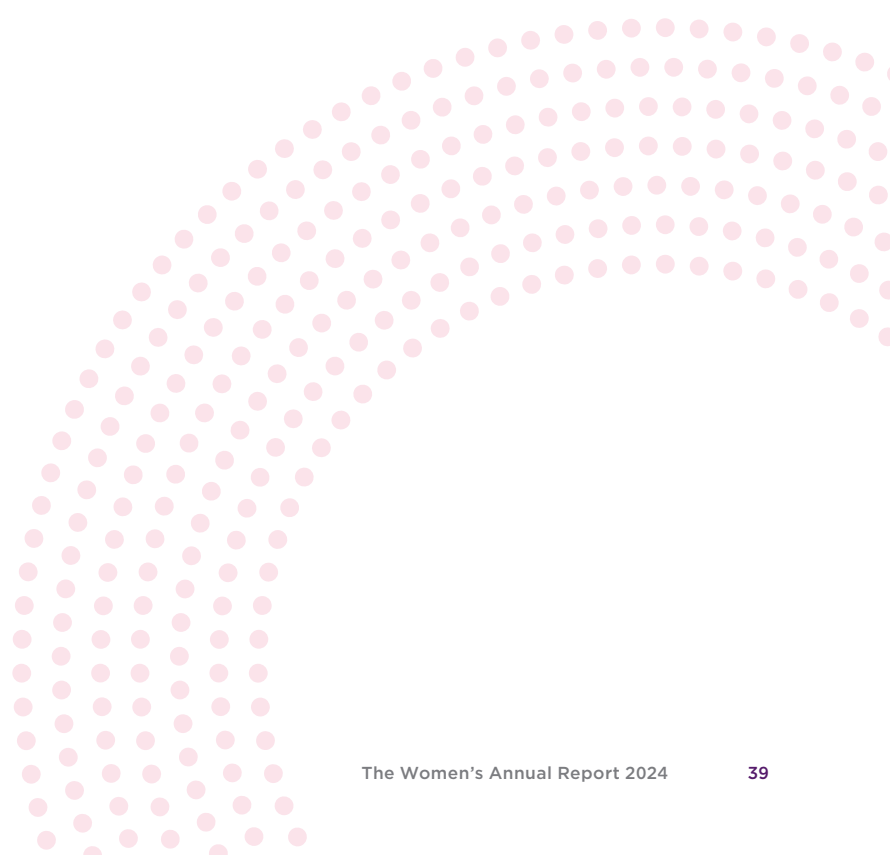


Reporting against the Statement of Priorities - Part C:

Activity and funding

Funding Type	2024 Activity Achievement
Consolidated activity funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	41,091
Acute admitted TAC	-

Note: As at 30 June 2024.



Attestations and declarations

Responsible bodies declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the report of operations for the Royal Women's Hospital for the year ending 30 June 2024.



Cath Bowtell

Chair, Board of Directors
The Royal Women's Hospital
12 September 2024

Financial management compliance attestation

I, Cath Bowtell, on behalf of the Responsible Body, certify that the Royal Women's Hospital has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Cath Bowtell

Chair, Board of Directors
The Royal Women's Hospital
12 September 2024

Asset Management Accountability Framework

I, Cath Bowtell, on behalf of the Responsible Body, certify that the Royal Women's Hospital complies with the mandatory requirements of the Asset Management Accountability Framework (AMAF).



Cath Bowtell

Chair, Board of Directors
The Royal Women's Hospital
12 September 2024

Data integrity declaration

I, Sue Matthews, certify that the Royal Women's Hospital has put in place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. The Royal Women's Hospital has critically reviewed these controls and processes during the year.



Sue Matthews

Chief Executive Officer
The Royal Women's Hospital
12 September 2024

Conflict of interest declaration

I, Sue Matthews, certify that the Royal Women's Hospital 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 the Royal Women's Hospital and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Sue Matthews
Chief Executive Officer
The Royal Women's Hospital
12 September 2024

Integrity, fraud and corruption declaration

I, Sue Matthews, certify that the Royal Women's Hospital has put in place appropriate internal controls and processes to ensure that Integrity, fraud and corruption risks have been reviewed and addressed at the Women's during the year.



Sue Matthews
Chief Executive Officer
The Royal Women's Hospital
12 September 2024

Health Share Victoria purchasing policies

I, Sue Matthews, certify that the Royal Women's Hospital has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the *Health Services Act 1988* (Vic) and has critically reviewed these controls and processes during the year.



Sue Matthews
Chief Executive Officer
The Royal Women's Hospital
12 September 2024

Disclosure index

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

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The Royal Women's Hospital Financial Statements

30 June 2024



How this report is structured

The Royal Women's Hospital presents its audited general purpose financial statements for the financial year ended 30 June 2024 in the following structure to provide users with the information about The Royal Women's Hospital's stewardship of the resources entrusted to it.

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the women's
the royal women's hospital
victoria australia

Board Member's, Chief Executive Officer's and Chief Financial Officer's Declaration

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

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2024 and the financial position of The Royal Women's Hospital at 30 June 2024.

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

We authorise the attached financial statements for issue on 12 September 2024.

Ms Cath Bowtell
Chair, Board of Directors

The Royal Women's Hospital
Melbourne
12 September 2024

Professor Sue Matthews
Chief Executive Officer

The Royal Women's Hospital
Melbourne
12 September 2024

Mrs Sophie Dixon
Chief Financial Officer

The Royal Women's Hospital
Melbourne
12 September 2024

Victorian Auditor-General's Report



Independent Auditor's Report

To the Board of The Royal Women's Hospital

Opinion	<p>I have audited the financial report of The Royal Women's Hospital (the health service) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2024• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including material accounting policy information• board member's, accountable officer's and chief finance & accounting officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2024 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
4 October 2024

Dominika Ryan
as delegate for the Auditor-General of Victoria

The Royal Women's Hospital

Comprehensive Operating Statement

For the financial year ended 30 June 2024

	Note	Total 2024 \$'000	Total 2023 \$'000
Revenue and income from transactions			
Operating activities	2.1	415,658	394,724
Non-operating activities	2.1	4,264	3,723
Total revenue and income from transactions		419,922	398,447
Expenses from transactions			
Employee expenses	3.1	(265,351)	(244,842)
Supplies and consumables	3.1	(34,343)	(33,712)
Finance costs	3.1	(12,402)	(13,242)
Public private partnership operating expenses	3.1	(25,394)	(23,132)
Other administrative expenses	3.1	(21,449)	(14,352)
Other operating expenses	3.1	(32,499)	(35,121)
Expenditure for capital purposes	3.1	(7,919)	(2,583)
Depreciation and amortisation	3.1, 4.5	(21,385)	(18,111)
Other non-operating expenses	3.1	-	(155)
Total expenses from transactions		(420,742)	(385,250)
Net result from transactions - net operating balance		(820)	13,197
Other economic flows included in net result			
Net loss on non-financial assets	3.2	(750)	(6,336)
Net gain on financial instruments	3.2	563	963
Other gain/(loss) from other economic flows	3.2	17	(2,037)
Net assets derecognised for discontinued joint arrangement	3.2	(736)	-
Total other economic flows included in net result		(906)	(7,410)
Net result for the year		(1,726)	5,787
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in property, plant and equipment revaluation surplus		78,154	29,711
Total other comprehensive income		78,154	29,711
Comprehensive result for the year		76,428	35,498

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

The Royal Women's Hospital

Balance Sheet

As at 30 June 2024

	Note	Total 2024 \$'000	Total 2023 \$'000
Current assets			
Cash and cash equivalents	6.2	9,965	49,543
Receivables	5.1	10,513	7,209
Investments and other financial assets	4.1	-	150
Inventories		271	234
Non-financial physical assets held for sale		20	-
Prepaid expenses		6,449	1,518
Total current assets		27,218	58,654
Non-current assets			
Receivables	5.1	17,799	15,109
Investments and other financial assets	4.1	18,000	17,890
Property, plant and equipment	4.2	37,806	47,565
Right-of-use assets	4.3	413,947	327,845
Intangible assets	4.4	25,783	29,914
Investment properties	4.6	118,072	117,796
Total non-current assets		631,407	556,119
Total assets		658,625	614,773
Current liabilities			
Payables	5.2	32,919	60,467
Contract liabilities	5.3	6,860	5,324
Borrowings	6.1	13,915	12,953
Employee benefits and related on-costs	3.3	68,763	61,972
Other provisions		255	165
Total current liabilities		122,712	140,881
Non-current liabilities			
Contract liabilities	5.3	3,076	4,209
Borrowings	6.1	148,617	162,120
Employee benefits and related on-costs	3.3	7,941	7,712
Total non-current liabilities		159,634	174,041
Total liabilities		282,346	314,922
Net assets		376,279	299,851
Equity			
Property, plant and equipment revaluation surplus		285,980	207,826
Restricted specific purpose surplus		5,221	6,077
Contributed capital		67,423	67,423
Accumulated surplus/(deficit)		17,655	18,525
Total equity		376,279	299,851

This Balance Sheet should be read in conjunction with the accompanying notes.

The Royal Women's Hospital Cash Flow Statement

For the financial year ended 30 June 2024

	Note	Total 2024 \$'000	Total 2023 \$'000
Cash flows from operating activities			
Operating grants from State Government		283,887	295,856
Operating grants from Commonwealth Government		2,634	1,056
Capital grants from State Government		13,042	17,474
Patient fees received		10,411	10,530
Private practice fees received		1,062	1,113
Donations and bequests received		1,386	2,007
GST received from ATO		10,031	7,617
Interest and investment income received		2,040	1,233
Car park income received		9,024	8,567
Other receipts received		31,481	32,225
Other capital receipts		-	102
Total receipts		364,998	377,780
Payments to employees		(257,992)	(242,804)
Payments for supplies and consumables		(38,997)	(34,190)
Payments for medical indemnity insurance		(17,781)	(16,140)
Payments for fuel, light, power and water		(4,625)	(4,256)
Payments for repairs and maintenance		(16,985)	(8,342)
Payments for leases of low value assets or short-term or variable lease payments, not included in the measurement of lease liabilities		(401)	(424)
Disbursement of State Government grants for projects to other Victorian Government Agencies		(19,884)	-
Finance costs		(1,038)	(1,115)
GST paid to ATO		(3,682)	(3,708)
Other payments		(27,501)	(20,434)
Total payments		(388,886)	(331,413)
Net cash flows from/(used in) operating activities	8.1	(23,888)	46,367
Cash flows from investing activities			
Proceeds from sale of non-financial assets		75	-
Purchase of non-financial assets		(15,102)	(5,960)
Purchase of intangible assets		(316)	(73)
Proceeds from sale of financial assets		1,538	400
Purchase of financial assets		(30)	(201)
Net cash flows used in investing activities		(13,835)	(5,834)
Cash flows from financing activities			
Repayment of borrowings		(1,051)	(983)
Repayment of principal portion of lease liabilities		(804)	(723)
Net cash flows used in financing activities		(1,855)	(1,706)
Net increase/(decrease) in cash and cash equivalents held		(39,578)	38,827
Cash and cash equivalents at beginning of year		49,543	10,716
Cash and cash equivalents at end of year	6.2	9,965	49,543

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

The Royal Women's Hospital Statement of Changes in Equity

For the financial year ended 30 June 2024

	Property, plant and equipment revaluation surplus \$'000	Restricted specific purpose surplus \$'000	Contributed capital \$'000	Accumulated surplus / (deficit) \$'000	Total \$'000
Balance at 1 July 2022	178,115	6,608	67,423	12,207	264,353
Net result for the year	-	-	-	5,787	5,787
Other comprehensive income for the year	29,711	-	-	-	29,711
Transfer (from)/to accumulated surplus/(deficit)	-	(531)	-	531	-
Balance at 30 June 2023	207,826	6,077	67,423	18,525	299,851
Net result for the year	-	-	-	(1,726)	(1,726)
Other comprehensive income for the year	78,154	-	-	-	78,154
Transfer (from)/to accumulated surplus/(deficit)	-	(856)	-	856	-
Balance at 30 June 2024	285,980	5,221	67,423	17,655	376,279

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

Note 1 Basis of preparation

Structure

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Note 1 Basis of preparation

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

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation of the financial statements

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

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

The Royal Women's Hospital is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements have been prepared on a going concern basis (refer to Note 8.10).

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 The Royal Women's Hospital on 12 September 2024.

Note 1.2 Abbreviations and terminology used in the financial statements

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

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
ATO	Australian Taxation Office
DH	Department of Health
DTF	Department of Treasury and Finance
GST	Goods and Services Tax
FMA	<i>Financial Management Act 1994</i>
FRD	Financial Reporting Direction
NWU	National Weighted Activity Unit
PPP	Public Private Partnership
SD	Standing Direction
VAGO	Victorian Auditor General's Office
VGV	Valuer-General Victoria
RWH	The Royal Women's Hospital

Note 1.3 Joint arrangements

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

The Royal Women's Hospital had the following joint arrangement which was derecognised on the 31 October 2023:

- Victorian Comprehensive Cancer Centre - Joint Operation

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

Note 1.4 Material accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

Note 2.1	Revenue and income from transactions
Note 3.3	Employee benefits and related on-costs
Note 4.2	Property, plant and equipment
Note 4.3	Right-of-use assets
Note 4.4	Intangible assets
Note 4.5	Depreciation and amortisation
Note 4.6	Investment properties
Note 4.7	Impairment of assets
Note 5.1	Receivables
Note 5.2	Payables
Note 5.3	Contract liabilities
Note 6.1(a)	Lease liabilities
Note 6.1(b)	PPP lease liability
Note 7.4	Fair value determination

Note 1.5 Accounting standards issued but not yet effective

An assessment of accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to The Royal Women's Hospital and their potential impact when adopted in future periods is outlined below:

Standard	Adoption date	Impact
AASB 17: <i>Insurance Contracts</i>	Reporting periods beginning on or after 1 July 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: <i>Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments</i>	Reporting periods beginning on or after 1 July 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: <i>Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector</i>	Reporting periods beginning on or after 1 July 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: <i>Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities</i>	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by the AASB that are not yet mandatorily applicable to The Royal Women's Hospital in future periods.

Note 1.6 Goods and Services Tax (GST)

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

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

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

Commitments and contingent liabilities are presented on a gross basis.

Note 1.7 Reporting entity

The financial statements include all the controlled activities of The Royal Women's Hospital.

The Royal Women's Hospital's principal address is:
Cnr Grattan Street and Flemington Road
Parkville, Victoria 3052

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

Note 1.8 Comparatives

Where applicable, the comparative figures have been restated to align with the presentation in the current year.

Note 2 Funding delivery of our services

The Royal Women's Hospital's overall objective is to provide quality health services that meet the needs of women and newborn babies, especially those requiring specialist care.

The Royal Women's Hospital is predominately funded by grant funding for the provision of outputs and also receives income from the supply of services.

Structure

Note 2.1	Revenue and income from transactions	62
Note 2.2	Commitments for operating lease income	66

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Identifying performance obligations	<p>The Royal Women's Hospital 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.</p> <hr/> <p>If this criterion is met, the contract/funding agreement is treated as a contract with a customer, requiring The Royal Women's Hospital to recognise revenue as or when the hospital transfers promised goods or services to beneficiaries.</p> <hr/> <p>If this criterion is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>The Royal Women's Hospital applies material judgement to determine when a performance obligation has been satisfied and the transaction price that is to be allocated to each performance obligation. A performance obligation is either satisfied at a point in time or over time.</p>
Determining time of capital grant income recognition	<p>The Royal Women's Hospital applies material judgement to determine when its obligation to construct an asset is satisfied. Costs incurred is used to measure the hospital's progress as this is deemed to be the most accurate reflection of the stage of completion.</p>

Note 2.1 Revenue and income from transactions

	Note	Total 2024 \$'000	Total 2023 \$'000
Operating activities			
Revenue from contracts with customers			
Government grants (State) - Operating		201,822	201,395
Government grants (Commonwealth) - Operating		2,634	1,056
Patient fees		13,103	9,617
Commercial activities ⁱ		18,096	19,365
Total revenue from contracts with customers	2.1(a)	235,655	231,433
Other sources of income			
Government grants (State) - Operating		91,414	78,660
Government grants (State) - Operating PPP		36,758	35,258
Government grants (State) - Capital		18,945	23,177
Government grants (State) - Capital PPP		11,110	10,347
Other capital purpose income		56	138
Fair value of assets and services received free of charge or for nominal consideration	2.1(b)	1,606	2,566
Other income from operating activities		20,114	13,145
Total other sources of income		180,003	163,291
Total revenue and income from operating activities		415,658	394,724
Non-operating activities			
Income from other sources			
Rental income - investment properties		1,831	1,768
Interest income		1,877	889
Dividends received from investments		556	1,066
Total income from other sources		4,264	3,723
Total income from non-operating activities		4,264	3,723
Total revenue and income from transactions		419,922	398,447

ⁱ Commercial activities represent business activities which The Royal Women's Hospital enters into to support its operations.

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

	Note	Total 2024 \$'000	Total 2023 \$'000
The Royal Women's Hospital disaggregates revenue by the timing of revenue recognition.			
Goods and services transferred to customers:			
At a point in time		228,039	221,713
Over time		7,616	9,720
Total revenue from contracts with customers	2.1	235,655	231,433

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

To recognise revenue, The Royal Women's Hospital assesses each grant to determine whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 *Revenue from Contracts with Customers*.

When both these conditions are satisfied, The Royal Women's Hospital:

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

If a contract liability is recognised, The Royal Women's Hospital recognises revenue in the Comprehensive Operating Statement as and when it satisfies its obligations under the contract.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, The Royal Women's Hospital:

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

In contracts with customers, the 'customer' is typically a funding body, who is the party that promises funding in exchange for The Royal Women's Hospital's goods or services. The Royal Women's Hospital'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.

Note 2.1 Revenue and income from transactions (continued)

This policy applies to each of The Royal Women's Hospital's revenue streams, with information detailed below relating to The Royal Women's Hospital'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 National Efficient Price (NEP) is paid.
	The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity.
	Revenue is recognised at point in time, which is when a patient is discharged.

Government capital grants

Where The Royal Women's Hospital receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities arising from a contract with a customer) recognised under other Australian Accounting Standards.

Income is recognised progressively as the asset is constructed which aligns with The Royal Women's Hospital's obligation to construct the asset. The progressive percentage of costs incurred is used to recognise income, as this most accurately reflects the stage of completion.

Patient fees

Patient fees are charges that can be levied on patients for some services they receive. Patient fees are recognised at a point in time when the performance obligation, the provision of services, is satisfied.

Commercial activities

Revenue from commercial activities includes items such as car park income, pharmacy income, childcare fees and private practice fees. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer. Private practice fees are recognised at the point in time when the performance obligation, and the provision of facilities, is provided to customers. Rental income is recognised over time as the customer simultaneously receives and consumes the benefit as it is provided. Research income is recognised over time as the performance obligations are met.

Other income from operating activities

Other income includes recoveries for salaries and wages and external services provided. The recoveries are recognised immediately as income in the Comprehensive Operating Statement.

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

	Note	Total 2024 \$'000	Total 2023 \$'000
Cash donations and gifts		1,386	2,007
Plant and equipment	4.2(b)	41	-
Personal protective equipment and other consumables		179	559
Total fair value of assets and services received free of charge or for nominal consideration	2.1	1,606	2,566

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

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

Contributions of resources

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

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

Voluntary services

The Royal Women's Hospital receives volunteer services from members of the community in the following areas:

- Guide and wait room volunteers, who assist the public with hospital navigation; and
- The Women's emergency care and the neonatal intensive care unit volunteers, who provide comfort, support and care to families during their stay.

The Royal Women's Hospital recognises contributions by volunteers in its financial statements, if the fair value can be reliably measured and the services would have been purchased had they not been donated.

The Royal Women's Hospital greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health

The Department of Health make payments on behalf of The Royal Women's Hospital as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for The Royal Women's Hospital which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
Department of Health	Long Service Leave (LSL) revenue is recognised upon finalisation of movements in the LSL liability in line with the long service leave funding arrangements with the Department of Health.
RW Health Partnership Pty Ltd	The Department of Health enters into lease arrangements and services which are paid directly to RW Health Partnership Pty Ltd. To record this contribution, such payments are recognised as income offset by operating expenses and interest expense in the net result from transactions, in accordance with the nature and timing of the monthly payment.

Such PPP's are not accounted for as a Service Concession Arrangement as the definition of a public service is not met.

Note 2.2 Commitments for operating lease income

The following table discloses the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	Total 2024 \$'000	Total 2023 \$'000
Non-cancellable operating lease receivables ⁱ		
Within one year	5,264	5,124
Within one to two years	3,780	4,315
Within two to three years	3,886	3,761
Within three to four years	3,995	3,874
Within four to five years	4,064	3,986
After five years	39,890	44,377
Total non-cancellable operating lease receivables (inclusive of GST)	60,879	65,437

ⁱ Operating lease receivables include rental income from owned and investment properties.

Lease contracts vary from one to twenty years with some leases containing an option to renew the lease after the current lease period has expired.

Note 3 The cost of delivering our services

This section provides an account of the expenses incurred by The Royal Women's Hospital in delivering services and outputs. In Note 2, the funds that enable the provision of services were disclosed and in this note the costs associated with the provision of services are disclosed.

Structure

Note 3.1	Expenses from transactions	70
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Note 3.3	Employee benefits and related on-costs	73
Note 3.4	Superannuation	76

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Classifying employee benefit liabilities	The Royal Women's Hospital applies material judgment when classifying its employee benefit liabilities.
	Employee benefit liabilities are classified as a current liability if The Royal Women's Hospital 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 The Royal Women's Hospital 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	The Royal Women's Hospital applies material judgment when measuring its employee benefit liabilities.
	The Royal Women's Hospital applies judgement to determine when it expects its employee entitlements to be paid.
	With reference to historical data, if The Royal Women's Hospital 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:
	<ul style="list-style-type: none"> • An inflation rate of 4.45% (2023: 4.35%), 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 18.10% and 84.29% (2023: 21.69% and 85.83%); and • Discounting at the rate of 4.35% (2023: 4.06%), as determined with reference to market yields on government bonds at the end of the reporting period.
	All other entitlements are measured at their nominal value.

Note 3.1 Expenses from transactions

	Note	Total 2024 \$'000	Total 2023 \$'000
Salaries and wages		199,429	189,602
On-costs		57,518	49,010
Agency and external contractor expenses		5,093	4,651
Fee for service medical officer expenses		197	142
Workcover premium		3,114	1,437
Total employee expenses		265,351	244,842
Drug supplies		5,459	3,623
Medical and surgical supplies		10,453	9,600
Diagnostic and radiology supplies		11,112	10,696
Other supplies and consumables		7,319	9,793
Total supplies and consumables		34,343	33,712
Finance costs		1,038	1,115
Finance costs - PPP		11,364	12,127
Total finance costs		12,402	13,242
Ancillary services		16,587	15,478
Lifecycle maintenance		2,352	2,173
Insurance premiums		663	348
Contingent rental		5,792	5,133
Total public private partnership operating expenses		25,394	23,132
Other administrative expenses		21,449	14,352
Total other administrative expenses		21,449	14,352
Fuel, light, power and water		4,674	4,230
Repairs and maintenance		2,182	2,122
Maintenance contracts		10,569	6,356
Medical indemnity insurance		13,309	13,891
Expenses related to short-term leases		-	20
Expenses related to leases of low value assets		350	351
Variable lease payments, not included in the measurement of lease liabilities		14	14
Outsourced services		1,401	8,137
Total other operating expenses		32,499	35,121
Expenditure for capital purposes		7,919	2,583
Total expenditure for capital purposes		7,919	2,583
Total operating expenses		399,357	366,984
Depreciation and amortisation	4.5	21,385	18,111
Total depreciation and amortisation		21,385	18,111
Fair value of assets and services provided free of charge or for nominal consideration	4.2(b)	-	155
Total other non-operating expenses		-	155
Total non-operating expenses		21,385	18,266
Total expenses from transactions		420,742	385,250

How we recognise expenses from transactions

Expense recognition

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

Employee expenses

Employee expenses include:

- Salaries and wages (including leave entitlements, and termination payments);
- On-costs;
- Agency expenses;
- Fee for service medical officer expenses; and
- Workcover premium.

Supplies and consumables

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

Finance costs

Finance costs include:

- Interest on short-term and long-term borrowings (Interest expense is recognised in the period in which it is incurred);
- Amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- Finance charges in respect of leases which are recognised in accordance with AASB 16 *Leases*.

Public private partnership operating expenses

PPP operating expenses include:

- Ancillary services incorporating security, cleaning, ground maintenance, carpark management and asset management;
- Delivery of lifecycle maintenance program; and
- Contingent rentals associated with the lease.

Other operating expenses

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

- Fuel, light, power and water;
- Repairs and maintenance;
- Maintenance contracts;
- Other administrative expenses; and
- Expenditure for capital purposes represents the purchase of assets that are below the capitalisation threshold of \$1,000 (excluding computers) or where expenditure cannot be capitalised as part of a fixed asset or intangible asset (such as the implementation of software as a service for new capital projects).

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

Non-operating expenses

Non-operating expenses generally represent expenditure for items outside the normal operations such as depreciation and amortisation, and assets and services provided free of charge or for nominal consideration.

Note 3.2 Other economic flows included in net result

	Note	Total 2024 \$'000	Total 2023 \$'000
Net loss on disposal of property, plant and equipment		(17)	(370)
Net loss on disposal of intangible assets	4.4(b)	-	(297)
Amortisation of intangible non-produced assets	4.4(b)	(980)	(979)
Net gain/(loss) on revaluation of investment properties	4.6(b)	247	(4,690)
Total net loss on non-financial assets		(750)	(6,336)
Net loss on disposal of financial instruments		(58)	-
Net gain on revaluation of financial instruments		1,167	633
Allowance for impairment losses of contractual receivables	5.1(a)	(546)	330
Total net gain on financial instruments		563	963
Net gain/(loss) arising from revaluation of long service liability		17	(2,037)
Total other gain/(loss) from other economic flows		17	(2,037)
Net assets derecognised for discontinued joint arrangement	8.8	(736)	-
Total net assets derecognised for discontinued joint arrangement		(736)	-
Total loss from other economic flows included in net result		(906)	(7,410)

How we recognise other economic flows included in the net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions which include:

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

Note 3.3 Employee benefits and related on-costs

	Note	Total 2024 \$'000	Total 2023 \$'000
Current employee benefits and related on-costs			
<i>Accrued days off</i>			
Unconditional and expected to be settled wholly within 12 months ⁱ		925	742
<i>Annual leave</i>			
Unconditional and expected to be settled wholly within 12 months ⁱ		19,699	17,676
Unconditional and expected to be settled wholly after 12 months ⁱⁱ		4,462	3,811
<i>Long service leave</i>			
Unconditional and expected to be settled wholly within 12 months ⁱ		4,656	3,864
Unconditional and expected to be settled wholly after 12 months ⁱⁱ		31,084	28,565
<i>Employee termination benefits</i>			
Unconditional and expected to be settled wholly within 12 months ⁱ		-	261
Provision for employee entitlement EBA estimates		126	-
		60,952	54,919
Provisions related to employee benefit on-costs			
Unconditional and expected to be settled within 12 months ⁱ		3,154	2,752
Unconditional and expected to be settled after 12 months ⁱⁱ		4,657	4,301
		7,811	7,053
Total current employee benefits and related on-costs		68,763	61,972
Non-current employee benefits and related on-costs			
Conditional long service leave ⁱⁱ		7,179	6,803
Provisions related to employee benefit on-costs ⁱⁱ		762	909
Total non-current employee benefits and related on-costs		7,941	7,712
Total employee benefits and related on-costs	3.3(a)	76,704	69,684

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

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

	Note	Total 2024 \$'000	Total 2023 \$'000
Current employee benefits and related on-costs			
Unconditional accrued days off		925	742
Unconditional annual leave entitlements		27,284	24,226
Unconditional long service leave entitlements		40,428	36,743
Unconditional employee termination benefits		-	261
Provision for employee entitlement EBA estimates		126	-
Total current employee benefits and related on-costs		68,763	61,972
Non-current employee benefits and related on-costs			
Conditional long service leave entitlements		7,941	7,712
Total non-current employee benefits and related on-costs		7,941	7,712
Total employee benefits and related on-costs	3.3	76,704	69,684
Attribute to:			
Employee benefits		68,131	61,722
Provision for related on-costs	3.3(b)	8,573	7,962
Total employee benefits and related on-costs		76,704	69,684

Note 3.3(b) Provision for related on-costs

	Note	Total 2024 \$'000	Total 2023 \$'000
Carrying amount at beginning of year		7,962	6,775
Additional provisions recognised		3,903	3,604
Amounts incurred during the year		(3,290)	(2,646)
Net (gain)/loss arising from revaluation of long service leave liability		(2)	229
Carrying amount at end of year	3.3(a)	8,573	7,962

How we recognise employee benefits

Employee benefits recognition

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

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

Annual leave and accrued days off

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

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

- Nominal value – if The Royal Women's Hospital expects to wholly settle within 12 months; or
- Present value – if The Royal Women's Hospital 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 The Royal Women's Hospital does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. An unconditional right arises after a qualifying period.

The components of the current LSL liability are measured at:

- Nominal value – if The Royal Women's Hospital expects to wholly settle within 12 months; or
- Present value – if The Royal Women's Hospital 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 their employment.

Provision for on-costs related to employee benefits

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

Note 3.4 Superannuation

	Paid contribution for the year		Contribution outstanding at year end	
	Total 2024 \$'000	Total 2023 \$'000	Total 2024 \$'000	Total 2023 \$'000
Defined benefit plans:ⁱ				
Aware Super	114	111	12	20
Defined contribution plans:				
Aware Super	10,149	9,838	1,090	967
Hesta	8,466	7,958	1,011	793
Other	4,535	3,434	562	365
Total superannuation	23,264	21,341	2,675	2,145

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

How we recognise superannuation

Employees of The Royal Women's Hospital are entitled to receive superannuation benefits and it contributes to both defined benefit and defined contribution plans.

Defined benefit superannuation plans

A defined benefit plan provides benefits based on years of service and final average salary. The amount charged to the Comprehensive Operating Statement in respect of defined benefit superannuation plans represents the contributions made by The Royal Women's Hospital to the superannuation plans in respect of the services of current Royal Women's Hospital 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.

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

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

The name, details and amounts that have been expensed in relation to the major employee superannuation funds and contributions made by The Royal Women's Hospital are disclosed above.

Defined contribution superannuation plans

Defined contribution (i.e. accumulation) superannuation plan expenditure is 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 The Royal Women's Hospital are disclosed above.

Note 4 Key assets to support service delivery

The Royal Women's Hospital 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 The Royal Women's Hospital to be utilised for delivery of those outputs.

Structure

Note 4.1	Investments and other financial assets	80
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Note 4.6	Investment properties	92
Note 4.7	Impairment of assets	93

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating useful life of property, plant and equipment	<p>The Royal Women's Hospital assigns an estimated useful life to each item of property, plant and equipment. This is used to calculate depreciation of the asset.</p> <p>The hospital 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.</p>
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where the hospital is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset.</p> <p>The Royal Women's Hospital applies material judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
Estimating restoration costs at the end of a lease	<p>Where a lease agreement requires The Royal Women's Hospital to restore a right-of-use asset to its original condition at the end of a lease, the hospital 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.</p>
Estimating the useful life of intangible assets	<p>The Royal Women's Hospital assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.</p>
Identifying indicators of impairment	<p>At the end of each year, The Royal Women's Hospital assesses impairment by evaluating the conditions and events specific to the hospital that may be indicative of impairment triggers. Where an indication exists, the hospital tests the asset for impairment.</p> <p>The Royal Women's Hospital considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> • If an asset's value has declined more than expected based on normal use; • If a significant change in technological, market, economic or legal environment which adversely impacts the way the hospital uses an asset; • If an asset is obsolete or damaged; • If the asset has become idle or if there are plans to discontinue or dispose of the asset before the end of its useful life; and • If the performance of the asset is or will be worse than initially expected. <p>Where an impairment trigger exists, The Royal Women's Hospital applies material judgement and estimate to determine the recoverable amount of the asset.</p>

Note 4.1 Investments and other financial assets

	Operating fund		Specific purpose fund		Total	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current Financial assets at amortised cost						
Term deposits > 3 months	-	150	-	-	-	150
Total current financial assets	-	150	-	-	-	150
Non-current Financial assets at fair value through net result						
Managed investment schemes	11,436	10,155	6,564	7,735	18,000	17,890
Total non-current financial assets	11,436	10,155	6,564	7,735	18,000	17,890
Total investments and other financial assets	11,436	10,305	6,564	7,735	18,000	18,040
Represented by:						
Health service investments	11,436	10,155	6,564	7,735	18,000	17,890
Joint arrangement investments	-	150	-	-	-	150
Total investments and other financial assets	11,436	10,305	6,564	7,735	18,000	18,040

How we recognise investments and other financial assets

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

The Royal Women's Hospital manages its investments and other financial assets in accordance with an investment policy approved by the Board.

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

The Royal Women's Hospital classifies its other financial assets between current and non-current assets based on the Board's intention at balance date with respect to the timing of disposal of each asset.

Term deposits with original maturity dates of three to twelve months are classified as current, whilst term deposits with original maturity dates in excess of 12 months are classified as non-current.

All financial assets, except for those measured at fair value through the Comprehensive Operating Statement, are subject to annual review for impairment.

Note 4.2 Property, plant and equipment**Note 4.2(a) Gross carrying amount and accumulated depreciation**

	Total 2024 \$'000	Total 2023 \$'000
Land at fair value - Crown	13,300	13,920
Land at fair value - Freehold	3,050	2,795
Total Land	16,350	16,715
Buildings at fair value	6,330	1,746
Less accumulated depreciation	-	-
Total buildings	6,330	1,746
Leasehold improvements at fair value	232	17,671
Less accumulated depreciation	(46)	(4)
Total leasehold improvements	186	17,667
Building work in progress at cost	-	351
Total land and buildings	22,866	36,479
Plant and equipment at fair value	1,561	1,472
Less accumulated depreciation	(727)	(628)
Total plant and equipment	834	844
Medical equipment at fair value	26,760	22,533
Less accumulated depreciation	(15,750)	(15,524)
Total medical equipment	11,010	7,009
Computers and communication equipment at fair value	7,081	6,912
Less accumulated depreciation	(4,969)	(4,240)
Total computers and communication equipment	2,112	2,672
Furniture and fittings at fair value	698	514
Less accumulated depreciation	(289)	(252)
Total furniture and fittings	409	262
Cultural assets at fair value	167	147
Total cultural assets	167	147
Assets work in progress at cost	408	152
Total plant, equipment, furniture and fittings, cultural assets and work in progress	14,940	11,086
Total property, plant and equipment	37,806	47,565

Note 4.2 Property, plant and equipment (continued)**Note 4.2(b) Reconciliations of the carrying amounts of each class of asset**

	Note	Land \$'000	Buildings \$'000	Leasehold improvements \$'000	Building work in progress \$'000	Plant and equipment \$'000
Balance at 1 July 2022		16,715	1,736	4	67	746
Additions		-	-	17,322	349	299
Disposals		-	-	-	-	(331)
Assets provided free of charge	3.1	-	-	-	-	(7)
Revaluation increments		-	199	189	-	-
Net transfers between classes ⁱ		-	65	349	(65)	223
Depreciation	4.5	-	(254)	(197)	-	(86)
Balance at 30 June 2023		16,715	1,746	17,667	351	844
Additions		-	67	225	-	89
Disposals		-	-	-	-	-
Assets received free of charge	2.1(b)	-	-	-	-	-
Revaluation increments/ (decrements)		(365)	4,812	-	-	-
Net transfers between classes ⁱⁱ		-	-	(17,656)	(351)	-
Discontinued joint arrangement	8.8	-	-	(4)	-	-
Depreciation	4.5	-	(295)	(46)	-	(99)
Balance at 30 June 2024		16,350	6,330	186	-	834

ⁱ \$349k was transferred from the asset class of right-of-use PPP building to leasehold improvements at fair value to reflect the building improvement works funded by The Royal Women's Hospital directly, which did not form part of the PPP arrangement.

ⁱⁱ A total of \$18.0m was transferred from the asset classes of leasehold improvements and building work in progress to right-of-use PPP building at fair value. The independent revaluation undertaken at 30 June 2024 included the leasehold improvement works which form part of the PPP building.

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by The Royal Women's Hospital in the supply of goods or services, for rental to others, or for administration purposes, and are expected to be used during more than one financial year.

Initial recognition

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

The cost of constructed non-financial physical assets includes the cost of all materials used in construction,

direct labour on the project and an appropriate proportion of variable and fixed overheads.

The cost of a leasehold improvement is capitalised as an asset and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the improvements.

Subsequent measurement

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

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

	Medical equipment \$'000	Computers and communication equipment \$'000	Furniture and fittings \$'000	Cultural assets \$'000	Assets work in progress \$'000	Total \$'000
	4,392	3,378	298	147	961	28,444
	3,755	138	33	-	152	22,048
	(35)	-	(4)	-	-	(370)
	(114)	-	(34)	-	-	(155)
	-	-	-	-	-	388
	732	-	6	-	(961)	349
	(1,721)	(844)	(37)	-	-	(3,139)
	7,009	2,672	262	147	152	47,565
	5,838	231	175	20	408	7,053
	(58)	-	-	-	-	(58)
	31	-	10	-	-	41
	-	-	-	-	-	4,447
	152	-	-	-	(152)	(18,007)
	-	(5)	-	-	-	(9)
	(1,962)	(786)	(38)	-	-	(3,226)
	11,010	2,112	409	167	408	37,806

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

Revaluation

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

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

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

Note 4.2 Property, plant and equipment (continued)

An independent valuation of The Royal Women's Hospital's land and buildings was performed by the VGV on 30 June 2024. The valuation, which complies with Australian Valuation Standards, was determined with reference to the amount for which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date, under current market conditions.

Menzies Fine Art Auctioneers and Valuers valued The Royal Women's Hospital's cultural assets to determine its fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the valuation was 30 June 2024.

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

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

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

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

Note 4.3 Right-of-use assets**Note 4.3(a) Gross carrying amount and accumulated depreciation**

	Total 2024 \$'000	Total 2023 \$'000
Right-of-use concessionary land at fair value	68,956	68,956
Less accumulated depreciation	(3,170)	(2,378)
Total right-of-use concessionary land	65,786	66,578
Right-of-use buildings at fair value	1,567	1,624
Less accumulated depreciation	(608)	(389)
Total right-of-use buildings	959	1,235
Right-of-use plant, equipment and vehicles at fair value	2,259	2,136
Less accumulated depreciation	(1,314)	(1,057)
Total right-of-use plant, equipment and vehicles	945	1,079
Right-of-use public private partnership (PPP) assets		
PPP - leased building at fair value	340,590	256,212
Less accumulated depreciation	-	-
Total PPP - leased building	340,590	256,212
PPP leasehold improvements WIP at cost	3,109	-
Total PPP leasehold improvements WIP at cost	3,109	-
PPP - plant and equipment at fair value	5,513	5,513
Less accumulated depreciation	(2,955)	(2,772)
Total PPP - plant and equipment	2,558	2,741
Total right-of-use PPP assets	346,257	258,953
Total right-of-use assets	413,947	327,845

Note 4.3 Right-of-use assets (continued)**Note 4.3(b) Reconciliations of the carrying amounts of each class of asset**

	Note	Right-of-use concessionary land \$'000	Right- of-use buildings \$'000	Right-of- use plant, equipment & vehicles \$'000	Right-of- use PPP building \$'000	Right-of-use PPP leasehold improvements WIP \$'000	Right-of- use PPP plant & equipment \$'000	Total \$'000
Balance at 1 July 2022		67,371	248	1,329	236,916	-	2,925	308,789
Additions		-	1,321	161	-	-	-	1,482
Revaluation increments		-	-	-	29,323	-	-	29,323
Net transfers between classes ⁱ		-	-	-	(349)	-	-	(349)
Depreciation	4.5	(793)	(334)	(411)	(9,678)	-	(184)	(11,400)
Balance at 30 June 2023		66,578	1,235	1,079	256,212	-	2,741	327,845
Additions		-	73	354	5,633	3,109	-	9,169
Disposals		-	-	(33)	-	-	-	(33)
Revaluation increments		-	-	-	73,707	-	-	73,707
Net transfers between classes ⁱⁱ		-	-	-	18,007	-	-	18,007
Transfer to non-financial physical assets held for sale		-	-	(20)	-	-	-	(20)
Depreciation	4.5	(792)	(349)	(435)	(12,969)	-	(183)	(14,728)
Balance at 30 June 2024		65,786	959	945	340,590	3,109	2,558	413,947

ⁱ \$349k was transferred from the asset class of right-of-use PPP building to leasehold improvements at fair value to reflect the building improvement works funded by The Royal Women's Hospital directly, which did not form part of the PPP arrangement.

ⁱⁱ A total of \$18.0m was transferred from the asset classes of leasehold improvements and building work in progress to right-of-use PPP building at fair value. The independent revaluation undertaken at 30 June 2024 included the leasehold improvement works which form part of the PPP building.

How we recognise right-of-use assets

Initial recognition

When a contract is entered into, The Royal Women's Hospital assesses if the contract contains or is a lease.

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1(a)), the contract gives rise to a right-of-use asset and corresponding lease liability.

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

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

The Royal Women's Hospital presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the hospital.

The Royal Women's Hospital holds a lease agreement for right-of-use concessionary land. This lease agreement contains significantly below-market terms and conditions, which principally enable the hospital to further its objectives. Refer to Note 6.1(a) for further information regarding the nature and terms of the concessional lease and The Royal Women's Hospital's dependency on such lease agreements.

Subsequent measurement

Right-of-use assets are subsequently measured at fair value, with the exception of right-of-use assets arising from leases with significantly below-market terms and conditions, which are subsequently measured at cost, less accumulated depreciation and accumulated impairment losses where applicable.

Right-of-use assets are also adjusted for certain re-measurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

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

Revaluation

Further information regarding revaluation is disclosed in Note 4.2(b).

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

	Total 2024 \$'000	Total 2023 \$'000
Software	38,225	38,380
Less accumulated amortisation	(21,578)	(18,262)
Total software	16,647	20,118
Revenue rights Parkville car park ⁱ	24,490	24,490
Less accumulated amortisation	(15,674)	(14,694)
Total revenue rights Parkville car park	8,816	9,796
Software work in progress	320	-
Total intangible assets	25,783	29,914

ⁱ The revenue rights represent the right of the hospital to receive future payments for car parking fees generated by the car park.

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

	Note	Software \$'000	Software work in progress \$'000	Revenue rights Parkville car park \$'000	Total \$'000
Balance at 1 July 2022		23,397	526	10,775	34,698
Additions		64	-	-	64
Disposals	3.2	-	(297)	-	(297)
Net transfers between classes		229	(229)	-	-
Amortisation	3.2, 4.5	(3,572)	-	(979)	(4,551)
Balance at 30 June 2023		20,118	-	9,796	29,914
Additions		2	320	-	322
Discontinued joint arrangement	8.8	(42)	-	-	(42)
Amortisation	3.2, 4.5	(3,431)	-	(980)	(4,411)
Balance at 30 June 2024		16,647	320	8,816	25,783

How we recognise intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software and car park revenue recognition rights.

Initial recognition

Purchased intangible assets are initially recognised at cost.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is also recognised at cost if, and only if, all of the following are demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- An intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure on research activities is recognised as an expense in the period on which it is incurred.

Subsequent measurement

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

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a systematic basis over the asset's useful life. Amortisation begins when the asset is available for use which is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Intangible non-produced assets with finite useful lives are amortised over a 25 year period (2023: 25 years).

Note 4.5 Depreciation and amortisation

	Note	Total 2024 \$'000	Total 2023 \$'000
Depreciation			
Property, plant and equipment			
Buildings	4.2(b)	295	254
Leasehold improvements	4.2(b)	46	197
Plant and equipment	4.2(b)	99	86
Medical equipment	4.2(b)	1,962	1,721
Computers and communication equipment	4.2(b)	786	844
Furniture and fittings	4.2(b)	38	37
Total depreciation property, plant and equipment		3,226	3,139
Right-of-use assets			
Right-of-use concessionary land	4.3(b)	792	793
Right-of-use buildings	4.3(b)	349	334
Right-of-use plant, equipment and vehicles	4.3(b)	435	411
Right-of-use PPP building	4.3(b)	12,969	9,678
Right-of-use PPP plant and equipment	4.3(b)	183	184
Total depreciation right-of-use assets		14,728	11,400
Total depreciation		17,954	14,539
Amortisation			
Software	4.4(b)	3,431	3,572
Total amortisation		3,431	3,572
Total depreciation and amortisation	3.1	21,385	18,111

How we recognise depreciation

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

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

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

	2024	2023
Buildings	6 Years	10 Years
Leasehold improvements	3 to 5 Years	10 to 19 Years
Plant and equipment	7 to 30 Years	7 to 30 Years
Medical equipment	4 to 25 Years	4 to 25 Years
Computers and communication equipment	3 to 9 Years	3 to 10 Years
Furniture and fittings	6 to 13 Years	6 to 13 Years
Right-of-use concessionary land	87 Years	87 Years
Right-of-use buildings	2 to 6 Years	2 to 6 Years
Right-of-use plant, equipment and vehicles	2 to 5 Years	3 to 5 Years
PPP building		
Structure, shell building fabric	45 Years	49 Years
Site engineering services and central plant	25 Years	29 Years
PPP central plant		
Fit out	10 Years	14 Years
Trunk reticulated building systems	15 Years	19 Years
PPP plant and equipment	30 Years	30 Years
Software	3 to 10 Years	3 to 10 Years

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

Note 4.6 Investment properties**Note 4.6(a) Gross carrying amount for investment properties**

	Total 2024 \$'000	Total 2023 \$'000
Investment property at fair value	118,072	117,796

Note 4.6(b) Reconciliation of the carrying amount

	Note	Total 2024 \$'000	Total 2023 \$'000
Balance at beginning of year		117,796	122,451
Additions		29	35
Net gain/(loss) from fair value adjustment	3.2	247	(4,690)
Balance at end of year		118,072	117,796

How we recognise investment properties

Investment properties represent properties held to earn rentals, for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of The Royal Women's Hospital.

Initial recognition

Investment properties are initially recognised at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to The Royal Women's Hospital.

Subsequent measurement

Subsequent to initial recognition at cost, investment properties are revalued to fair value with changes in the fair value recognised as other economic flows in the period that they arise. Investment properties are neither depreciated nor tested for impairment.

Independent valuations are carried out on a regular basis, or if there are indications that the fair value differs significantly from carrying amount. The last independent valuations were carried out by the Valuer-General Victoria as at 30 June 2024. The valuations were determined with reference to market evidence of properties including location and condition, except for two buildings where the cost approach was applied.

For investment properties measured at fair value, the current use of the asset is considered the highest and best use.

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

Note 4.7 Impairment of assets

How we recognise impairment

At the end of each reporting period, The Royal Women's Hospital reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired. The assessment will include consideration of external sources of information and internal sources of information.

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

When performing an impairment test, The Royal Women's Hospital compares the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in net result, unless the asset is carried at a revalued amount.

Where an impairment loss on a revalued asset is identified, this is recognised against the asset revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the cumulative balance recorded in the asset revaluation surplus for that class of asset.

Where it is not possible to estimate the recoverable amount of an individual asset, The Royal Women's Hospital estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The Royal Women's Hospital did not record any impairment losses for the year ended 30 June 2024 (2023: Nil).

Note 5 Other assets and liabilities

This section sets out those assets and liabilities that arose from The Royal Women's Hospital's operations.

Structure

Note 5.1	Receivables	96
Note 5.2	Payables	98
Note 5.3	Contract Liabilities	99

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Estimating the provision for expected credit losses	The Royal Women's Hospital 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.
Classifying a sub-lease arrangement as either an operating lease or finance lease	<p>The Royal Women's Hospital applies material judgement to determine if a sub-lease arrangement, where the hospital is a lessor, meets the definition of an operating lease or finance lease.</p> <p>The Royal Women's Hospital considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if:</p> <ul style="list-style-type: none"> • The lease transfers ownership of the asset to the lessee at the end of the term; • The lessee has an option to purchase the asset for a price that is significantly below fair value at the end of the lease term; • The lease term is for the majority of the asset's useful life; • The present value of lease payments amount to the approximate fair value of the leased asset; and • The leased asset is of a specialised nature that only the lessee can use without significant modification. <p>All other sub-lease arrangements are classified as an operating lease.</p>
Measuring deferred capital grant income	<p>Where The Royal Women's Hospital 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.</p> <p>The Royal Women's Hospital 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.</p>
Measuring contract liabilities	The Royal Women's Hospital applies material judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the hospital assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.

Note 5.1 Receivables

	Note	Total 2024 \$'000	Total 2023 \$'000
Current receivables			
Contractual			
Inter hospital debtors		1,244	240
Trade debtors		2,047	1,954
Patient fees		2,875	1,357
Allowance for impairment losses	5.1(a)	(663)	(429)
Amounts receivable from governments and agencies		84	601
Accrued revenue		3,837	3,394
Total contractual receivables		9,424	7,117
Statutory			
GST receivable		1,089	92
Total statutory receivables		1,089	92
Total current receivables		10,513	7,209
Non-current receivables			
Contractual			
Other receivables		27	26
Long service leave - Department of Health		17,772	15,083
Total contractual receivables		17,799	15,109
Total non-current receivables		17,799	15,109
Total receivables		28,312	22,318
Financial assets classified as receivables			
Total receivables		28,312	22,318
GST receivable		(1,089)	(92)
Total financial assets classified as receivables	7.1(a)	27,223	22,226

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

	Note	Total 2024 \$'000	Total 2023 \$'000
Balance at beginning of year		429	959
Increase/(decrease) in allowance	3.2	546	(330)
Amounts written off during the year		(312)	(200)
Balance at end of year	5.1	663	429

How we recognise receivables

Receivables consist of:

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

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

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

Impairment losses of contractual receivables

Refer to Note 7.2(a) for The Royal Women's Hospital's contractual impairment losses.

Note 5.2 Payables

	Note	Total 2024 \$'000	Total 2023 \$'000
Current payables			
Contractual			
Trade creditors		3,199	6,074
Inter hospital creditors		2,160	3,270
Amounts payable to governments and agencies		13	21,846
Accrued salaries and wages		7,703	5,942
Accrued expenses		10,679	7,970
Salary packaging		491	519
Deferred capital grant income	5.2(a)	8,674	14,846
Total contractual payables		32,919	60,467
Total current payables		32,919	60,467
Financial liabilities classified as payables			
Total payables		32,919	60,467
Deferred capital grant income		(8,674)	(14,846)
Total financial liabilities classified as payables	7.1(a)	24,245	45,621

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

Maturity analysis of payables

Refer to Note 7.2(b) for the ageing analysis of payables.

Note 5.2(a) Movement in deferred capital grant income

	Note	Total 2024 \$'000	Total 2023 \$'000
Balance at beginning of year		14,846	3,159
Grant consideration for capital works received during the year		11,870	14,486
Deferred capital grant income recognised as income due to completion of capital works		(18,042)	(2,799)
Balance at end of year	5.2	8,674	14,846

How we recognise deferred capital grant income

Grant consideration was received from the Department of Health and the Department of Family, Fairness and Housing. Capital grant income is recognised when the asset (excluding building works) is acquired, since this is the time when The Royal Women's Hospital satisfies its obligations under the transfer by controlling the asset. For building works, income is recognised using the progressive percentage of costs incurred method

as it represents the works completed to date. As a result, The Royal Women's Hospital has deferred recognition of a portion of the capital grant consideration received as a liability for the outstanding obligations.

The Royal Women's Hospital expects to recognise all of the remaining deferred capital grant income in line with capital works undertaken during future years.

Note 5.3 Contract Liabilities

	Total 2024 \$'000	Total 2023 \$'000
Current contract liabilities		
Contract liabilities	6,860	5,324
Total current contract liabilities	6,860	5,324
Non-current contract liabilities		
Contract liabilities	3,076	4,209
Total non-current contract liabilities	3,076	4,209
Total contract liabilities	9,936	9,533

Note 5.3(a) Movement in contract liabilities

	Total 2024 \$'000	Total 2023 \$'000
Balance at beginning of year	9,533	8,441
Grant consideration for sufficiently specific performance obligations received during the year	4,507	1,870
Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	(3,629)	(5,358)
Payments received for performance obligations not yet fulfilled	1,498	6,321
Revenue recognised for the completion of a performance obligation during the year	(1,973)	(1,741)
Balance at end of year	9,936	9,533

How we recognise contract liabilities

Government grant consideration was received from the State Government to fund specific programs to service the needs of the community. Grant income is recognised when the relevant services are provided by The Royal Women's Hospital.

Contract liabilities include consideration received in advance from customers where services are being provided over a specified timeframe. Research funding received that runs over more than one financial year is deferred until specific performance obligations are met.

Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer (refer to Note 2.1(a)).

Note 6 How we finance our operations

This section provides information on the sources of finance utilised by The Royal Women's Hospital during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the hospital.

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

Structure

Note 6.1	Borrowings	102
Note 6.2	Cash and cash equivalents	106
Note 6.3	Commitments for expenditure	107

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Determining if a contract is or contains a lease	<p>The Royal Women's Hospital applies material judgement to determine if a contract is or contains a lease by considering if the hospital:</p> <ul style="list-style-type: none"> • Has the right-to-use an identified asset; • Has the right to obtain substantially all economic benefits from the use of the leased asset; and • Can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	<p>The Royal Women's Hospital applies material judgement when determining if a lease meets the short-term or low value lease exemption criteria.</p> <p>The Royal Women's Hospital estimates the fair value of leased assets when acquired. Where the estimated fair value is less than \$10,000, the hospital applies the low-value lease exemption.</p> <p>The Royal Women's Hospital also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the hospital applies the short-term lease exemption.</p>
Discount rate applied to future lease payments	<p>The Royal Women's Hospital discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the hospital's lease arrangements, The Royal Women's Hospital uses its incremental borrowing rate, which is the amount the hospital would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.</p> <p>The Royal Women's Hospital's incremental borrowing rates for leased buildings are between 1.06% and 5.67% (2023: 1.06% and 4.81%) and between 1.25% and 5.58% (2023: 1.25% and 3.25%) for leased plant, equipment and vehicles.</p> <p>For the leased PPP building and PPP plant and equipment, the discount interest rate implicit in the lease is 7.42% (2023: 7.42%).</p>
Assessing the lease term	<p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if The Royal Women's Hospital is reasonably certain to exercise such options.</p> <p>The Royal Women's Hospital determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> • If there are significant penalties to terminate (or not extend), the hospital is typically reasonably certain to extend (or not terminate) the lease; • If any leasehold improvements are expected to have a significant remaining value, the hospital is typically reasonably certain to extend (or not terminate) the lease; and • The Royal Women's Hospital considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1 Borrowings

	Note	Total 2024 \$'000	Total 2023 \$'000
Current borrowings			
Treasury Corporation Victoria loan ⁱ		1,123	1,051
Lease liabilities ⁱⁱ	6.1(a)	798	792
Public Private Partnerships (PPP) lease liability ⁱⁱ	6.1(b)	11,994	11,110
Total current borrowings		13,915	12,953
Non-current borrowings			
Treasury Corporation Victoria loan ⁱ		12,763	13,886
Lease liabilities ⁱⁱ	6.1(a)	1,166	1,553
Public Private Partnerships (PPP) lease liability ⁱⁱ	6.1(b)	134,688	146,681
Total non-current borrowings		148,617	162,120
Total borrowings	7.1(a)	162,532	175,073

ⁱ Unsecured loan with a fixed interest rate of 6.67% (2023: 6.67%).

ⁱⁱ Secured by the assets leased. Leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

How we recognise 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, service concession arrangements and other interest-bearing arrangements.

Initial recognition

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

Subsequent measurement

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

Maturity analysis

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

Defaults and breaches

During the current and prior year, there were no defaults or breaches on the loan or lease liabilities.

The obligation of fulfilling PPP interest and principal payments over the PPP lease term rests with the Department of Health.

Note 6.1(a) Lease liabilities

The Royal Women's Hospital's lease liabilities are summarised below:

	Total 2024 \$'000	Total 2023 \$'000
Total undiscounted lease liabilities	2,078	2,490
Less unexpired finance expenses	(114)	(145)
Net lease liabilities	1,964	2,345

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

	Note	Total 2024 \$'000	Total 2023 \$'000
Not longer than one year		853	851
Longer than one year and not later than five years		1,225	1,639
Longer than five years		-	-
Minimum future lease liability		2,078	2,490
Less unexpired finance expenses		(114)	(145)
Present value of lease liability		1,964	2,345
Represented by:			
Current liabilities	6.1	798	792
Non-current liabilities	6.1	1,166	1,553
Total lease liabilities		1,964	2,345

How we recognise lease liabilities

A lease is defined as a contract, or part of a contract, that conveys the right for The Royal Women's Hospital to use an asset for a period of time in exchange for payment.

To apply this definition, The Royal Women's Hospital 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 The Royal Women's Hospital and for which the supplier does not have substantive substitution rights;
- The Royal Women's Hospital has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and The Royal Women's Hospital has the right to direct the use of the identified asset throughout the period of use; and
- The Royal Women's Hospital has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

The Royal Women's Hospital's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased concessionary land	99 Years
Leased buildings	2 to 6 Years
Leased plant, equipment and vehicles	2 to 5 Years

Note 6.1 Borrowings (continued)

Note 6.1(a) Lease liabilities (continued)

All leases are recognised on the Balance Sheet, with the exception of low value leases (less than \$10,000 AUD) and short term leases of less than 12 months. The following low value, short term and variable lease payments are recognised in the Comprehensive Operating Statement:

Type of 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	Computer equipment.
Short-term lease payments	Leases with a term less than 12 months	Motor vehicles.
Variable lease payments not based on an index or rate	Payments which are not based on an index or rate	One apartment within a building complex.

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 The Royal Women's Hospital's incremental borrowing rate.

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.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Some building leases have extension lease terms from six months to the original term of the lease.

These terms are used to maximise operational flexibility in terms of managing contracts. Extension and termination options held are exercisable only by The Royal Women's Hospital and not by the respective lessor.

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

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

Subsequent measurement

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

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or Comprehensive Operating Statement if the right-of-use asset is already reduced to zero.

Leases with significantly below market terms and conditions

The Royal Women's Hospital holds a lease arrangement which contains significantly below-market terms and conditions. The lease principally enables The Royal Women's Hospital to further its objectives. These are commonly referred to as a peppercorn or concessionary lease arrangement.

The nature and terms of the lease arrangement, including The Royal Women's Hospital's dependency on such a lease arrangement is described below:

Description of leased asset	Dependence on lease	Nature and terms of lease
Land leased from The Minister for Environment and Climate Change on behalf of the Crown in right of the State of Victoria.	The leased land is occupied by The Royal Women's Hospital main hospital facility at Parkville.	Lease payments of \$104 are required per annum
	The Royal Women's Hospital's dependence on this lease is considered high.	The lease commenced on the 13 June 2008 and has a lease term of 99 years.
	The asset is of a specialised nature and there are limited readily available substitutes within the inner city of Melbourne.	Restrictions placed on the use of the asset include hospital functions and all associated uses including health, academic, research, car parking and retail.

Note 6.1(b) PPP lease liability

The Royal Women's Hospital's PPP lease liability is summarised below:

	Total 2024 \$'000	Total 2023 \$'000
Total undiscounted PPP lease liability	201,226	223,700
Less unexpired finance expenses	(54,544)	(65,909)
Net PPP lease liability	146,682	157,791

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

	Note	Total 2024 \$'000	Total 2023 \$'000
Not longer than one year		22,474	22,474
Longer than one year and not later than five years		89,895	89,895
Longer than five years		88,857	111,331
Minimum future PPP lease liability		201,226	223,700
Less unexpired finance expenses		(54,544)	(65,909)
Present value of PPP lease liability		146,682	157,791
Represented by:			
Current liabilities	6.1	11,994	11,110
Non-current liabilities	6.1	134,688	146,681
Total PPP lease liability		146,682	157,791

Note 6.1 Borrowings (continued)

Note 6.1(b) PPP lease liability (continued)

How we recognise commissioned public private partnerships (PPP)

The Royal Women's Hospital entered into a 25 year PPP arrangement between the State of Victoria and RW Health Partnership Pty Ltd on 13 June 2008. The project was initiated to construct and fit out a new hospital for women and newborn babies. Under the arrangement, the portion of total payments made to RW Health Partnership Pty Ltd that relate to The Royal Women's Hospital's right to use the asset is accounted for as a lease liability. Although the hospital has assumed the right-of-use assets and liabilities in its accounts, the payments made to the private provider are being made directly by the Department of Health on a monthly basis.

In addition, until the end of the PPP arrangement, the Department of Health is making monthly payments to RW Health Partnership Pty Ltd for the delivery of maintenance and ancillary services. The service charges have been brought to account in the operating result by recognising them as non-cash revenue and expenditure.

Refer to Note 6.3 for information regarding PPP operating commitments.

Such PPP's are not accounted for as a Service Concession Arrangement within the scope of AASB 1059 *Service Concession Arrangements: Grantors* as the public service criterion is not satisfied.

Initial measurement

PPP leases are recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the PPP lease.

Subsequent measurement

The leased assets under the PPP arrangement are accounted for as a non-financial physical asset and are depreciated over the term of the lease plus five years as per the contract except for, the building which is depreciated using the replacement cost method.

Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the Comprehensive Operating Statement.

Contingent rentals associated with leases are recognised as an expense in the period in which they are incurred.

Note 6.2 Cash and cash equivalents

	Total 2024 \$'000	Total 2023 \$'000
Cash on hand	4	4
Cash at bank	-	345
Cash at bank - CBS ⁱ	9,961	48,844
Term deposits < 3 months	-	350
Total cash and cash equivalents	9,965	49,543

ⁱ The Royal Women's Hospital utilises the Central Banking System (CBS), which is mandatory for government agencies, in accordance with the Standing Directions issued by the Assistant Treasurer under the *Financial Management Compliance Act 1994*.

Cash and cash equivalents include a salary packaging bank account which represent funds yet to be claimed by employees.

How we recognise cash and cash equivalents

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

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

Note 6.3 Commitments for expenditure

	Total 2024 \$'000	Total 2023 \$'000
Capital expenditure commitments		
Not longer than one year	405	1,931
Total capital expenditure commitments	405	1,931
Operating expenditure commitments		
Not longer than one year	752	3,222
Longer than one year and not later than five years	1,192	800
Longer than five years	-	34
Total operating expenditure commitments	1,944	4,056
Non-cancellable short-term and low value lease commitments		
Not longer than one year	287	255
Longer than one year and not later than five years	518	299
Total non-cancellable short-term and low value lease commitments	805	554
Commissioned public private partnership commitments ⁱ		
Not longer than one year	32,227	27,587
Longer than one year and not later than five years	152,602	146,042
Longer than five years	138,005	172,835
Total public private partnership commitments	322,834	346,464
Total commitments for expenditure (inclusive of GST)	325,988	353,005
Less GST recoverable from the Australian Tax Office	(29,635)	(32,091)
Total commitments for expenditure (exclusive of GST)	296,353	320,914

ⁱ The present values of the lease liability for commissioned PPPs are recognised on the Balance Sheet, refer to Note 6.1. Amounts disclosed here are for other commitments related to the PPP arrangement.

Note 6.3 Commitments for expenditure (continued)

How we disclose our commitments

The Royal Women's Hospital's commitments relate to expenditure, public private partnerships (PPP) 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 GST payable. In addition when 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

The Royal Women's Hospital discloses short-term and low value lease commitments which are excluded from the measurement of right-of-use assets and lease liabilities. Refer to Note 6.1 for further information.

Commissioned public private partnership (PPP)

Pursuant to the requirements of the Operating Deed signed by the State of Victoria and RW Health Partnership Pty Ltd on 13 June 2008, the Department of Health agrees to meet all payments (including leasing and operating) for which the State of Victoria is liable and which are associated with the project.

The Royal Women's Hospital has agreed to record and report all of the obligations of the State of Victoria reflecting The Royal Women's Hospital's position as the government agency that controls the assets.

Refer to Note 6.1 for further information.

Note 7 Risks, contingencies and valuation uncertainties

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

Structure

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Note 7.3	Contingent assets and contingent liabilities	118
Note 7.4	Fair value determination	119

Material judgements and estimates

This section contains the following material judgements and estimates:

Material judgements and estimates	Description
Measuring fair value of non-financial assets	<p data-bbox="576 376 1401 521">Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <hr/> <p data-bbox="576 548 1406 663">In determining the highest and best use, The Royal Women's Hospital has assumed the current use is its highest and best use. Accordingly, characteristics of the hospital's assets are considered, including condition, location and any restrictions on the use and disposal of such assets.</p> <hr/> <p data-bbox="576 689 1449 745">The Royal Women's Hospital uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul data-bbox="576 761 1458 1193" style="list-style-type: none"> <li data-bbox="576 761 1458 907">• Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of The Royal Women's Hospital's specialised land, non-specialised land, non-specialised building, investment properties and cultural assets are measured using this approach; <li data-bbox="576 922 1458 1093">• Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of The Royal Women's Hospital's specialised buildings, investment properties, plant and equipment, medical equipment, computers and communication equipment and furniture and fittings are measured using this approach; and <li data-bbox="576 1108 1458 1193">• Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. A non-specialised building is measured under this approach for The Royal Women's Hospital. <hr/> <p data-bbox="576 1220 1458 1335">The Royal Women's Hospital selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.</p> <hr/> <p data-bbox="576 1361 1390 1417">Subsequently, the hospital applies material judgement to categorise and disclose such assets within a fair value hierarchy, which includes:</p> <ul data-bbox="576 1433 1458 1809" style="list-style-type: none"> <li data-bbox="576 1433 1458 1518">• Level 1, using quoted prices (unadjusted) in active markets for identical assets that the hospital can access at measurement date. The Royal Women's Hospital does not categorise any fair values within this level; <li data-bbox="576 1534 1458 1648">• Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The Royal Women's Hospital categorises non-specialised land, non-specialised buildings, cultural assets and investment properties in this level; and <li data-bbox="576 1664 1458 1809">• Level 3, where inputs are unobservable. The Royal Women's Hospital categorises specialised land, specialised buildings, plant and equipment, medical equipment, computers and communication equipment, furniture and fittings, right-of-use concessionary land, right-of-use buildings, right-of-use plant, equipment and vehicles and investment properties in this level.

Note 7.1 Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Due to the nature of The Royal Women's Hospital's activities, certain financial assets and financial

liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

Note 7.1(a) Categorisation of financial instruments

	Note	Financial assets at amortised cost \$'000	Financial assets at fair value through net result \$'000	Financial liabilities at amortised cost \$'000	Total \$'000
30 June 2024					
Contractual financial assets					
Cash and cash equivalents	6.2	9,965	-	-	9,965
Receivables	5.1	27,223	-	-	27,223
Investments and other financial assets	4.1	-	18,000	-	18,000
Total financial assetsⁱ		37,188	18,000	-	55,188
Financial liabilities					
Payables	5.2	-	-	24,245	24,245
Borrowings	6.1	-	-	162,532	162,532
Total financial liabilitiesⁱ		-	-	186,777	186,777
30 June 2023					
Contractual financial assets					
Cash and cash equivalents	6.2	49,543	-	-	49,543
Receivables	5.1	22,226	-	-	22,226
Investments and other financial assets	4.1	150	17,890	-	18,040
Total financial assetsⁱ		71,919	17,890	-	89,809
Financial liabilities					
Payables	5.2	-	-	45,621	45,621
Borrowings	6.1	-	-	175,073	175,073
Total financial liabilitiesⁱ		-	-	220,694	220,694

ⁱ The carrying amount excludes statutory receivables (i.e. GST receivable) and contractual payables (i.e. deferred capital grant income).

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when The Royal Women's Hospital becomes party to the contractual provisions of an instrument. For financial assets, this is at the date The Royal Women's Hospital 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 the Comprehensive Operating Statement immediately.

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

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

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 The Royal Women's Hospital to solely 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.

The Royal Women's Hospital recognises the following assets in this category:

- Cash and cash equivalents;
- Receivables (excluding statutory receivables); and
- Term deposits.

Financial assets at fair value through net result

The Royal Women's Hospital designated all of its managed investment schemes as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income.

Categories of financial liabilities

Financial liabilities are recognised when The Royal Women's Hospital becomes a party to the contractual provisions of an 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 the Comprehensive Operating Statement 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 Royal Women's Hospital recognises the following liabilities in this category:

- Payables (excluding statutory payables and deferred capital grant income); and
- Borrowings.

Offsetting financial instruments

Financial instrument assets and liabilities are offset and the net amount presented in the Balance Sheet when, and only when, The Royal Women's Hospital has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Where The Royal Women's Hospital does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets

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

- The rights to receive cash flows from the asset have expired; or
- The Royal Women's Hospital retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- The Royal Women's Hospital 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 The Royal Women's Hospital has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of The Royal Women's Hospital'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 expired.

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, The Royal Women's Hospital's business model for managing its financial assets has changed such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Note 7.2 Financial risk management objectives and policies

As a whole, The Royal Women's Hospital's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including 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 are disclosed throughout the financial statements.

The Royal Women's Hospital's main financial risks include credit risk, liquidity risk, interest rate risk and equity price risk. The Royal Women's Hospital manages these financial risks in accordance with its financial risk management policy.

Primary responsibility for the identification and management of financial risks rests with the Hospital's Board.

Note 7.2(a) Credit risk

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

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

The Royal Women's Hospital does not engage in hedging for its contractual financial assets. The Royal Women's Hospital's policy is to only deal with banks with high credit ratings, as detailed under the standing Direction 3.7.2 Treasury Management and the Central Banking System.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that The Royal Women's Hospital will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor and default payments.

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents The Royal Women's Hospital's maximum exposure to credit risk.

There has been no material change to The Royal Women's Hospital's credit risk profile in the current financial year.

Impairment of financial assets under AASB 9 *Financial Instruments*

The Royal Women's Hospital records the allowance for expected credit loss for the relevant financial instruments, applying AASB 9 'Expected Credit Loss' approach. Subject to AASB 9, the impairment assessment includes The Royal Women's Hospital's contractual receivables.

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

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

On this basis, The Royal Women's Hospital determines the closing loss allowance at end of the financial year as follows:

	Note	Current \$'000	30 days \$'000	60 days \$'000	90 days \$'000	120 days \$'000	150 days ⁱ \$'000	365+ days \$'000	Total \$'000
30 June 2024									
Patient debtors									
Expected loss rate		4.0%	2.8%	5.4%	10.0%	30.0%	50.0%	100.0%	
Gross carrying amount of contractual receivables		591	892	1,056	132	155	255	66	3,147
Loss allowance	5.1	24	25	57	13	46	128	66	359

	Note	Current \$'000	30 days \$'000	60 days \$'000	90 days \$'000	120 days \$'000	150 days \$'000	365+ days \$'000	Total \$'000
30 June 2024									
Sundry debtors									
Expected loss rate		1.2%	1.6%	9.1%	5.4%	7.7%	60.0%	100.0%	
Gross carrying amount of contractual receivables		1,936	786	95	113	72	93	192	3,287
Loss allowance	5.1	23	12	9	6	6	56	192	304

	Note	Current \$'000	30 days \$'000	60 days \$'000	90 days \$'000	120 days \$'000	150 days \$'000	365+ days ⁱ \$'000	Total \$'000
30 June 2023									
Patient debtors									
Expected loss rate		2.7%	2.7%	7.0%	15.6%	30.9%	50.0%	100.0%	
Gross carrying amount of contractual receivables		830	459	347	41	130	166	48	2,021
Loss allowance	5.1	22	12	24	6	40	83	48	235

	Note	Current \$'000	30 days \$'000	60 days \$'000	90 days \$'000	120 days \$'000	150 days \$'000	365+ days \$'000	Total \$'000
30 June 2023									
Sundry debtors									
Expected loss rate		1.0%	1.1%	3.9%	4.0%	3.0%	60.0%	100.0%	
Gross carrying amount of contractual receivables		2,025	386	107	12	13	9	159	2,711
Loss allowance	5.1	21	4	4	-	-	6	159	194

ⁱ Credits are excluded when calculating the loss allowance provision.

Statutory receivables at amortised cost

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

Statutory receivables are considered to have low credit risk, considering the government's credit rating, risk of default and its capacity to meet contractual cash flow obligations in the near term. As a result, no credit loss allowance has been provided in the current financial year (2023: Nil).

Note 7.2 Financial risk management objectives and policies (continued)**Note 7.2(b) Liquidity risk**

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

The Royal Women's Hospital is exposed to liquidity risk mainly through the financial liabilities as disclosed in the Balance Sheet. The Royal Women's Hospital manages its liquidity risk by:

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

The Royal Women's Hospital'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 The Royal Women's Hospital's financial liabilities. For interest rates applicable to borrowings refer to Note 6.1.

	Note	Carrying amount \$'000	Nominal amount \$'000	Maturity dates				
				Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000	Over 5 years \$'000
30 June 2024								
Financial liabilities at amortised cost								
Payables	5.2	24,245	24,245	10,534	13,678	33	-	-
Borrowings	6.1	162,532	162,532	1,209	2,221	10,486	64,379	84,237
Total financial liabilitiesⁱ		186,777	186,777	11,743	15,899	10,519	64,379	84,237
30 June 2023								
Financial liabilities at amortised cost								
Payables	5.2	45,621	45,621	11,743	26,567	7,311	-	-
Borrowings	6.1	175,073	175,073	1,178	2,068	9,707	60,297	101,823
Total financial liabilitiesⁱ		220,694	220,694	12,921	28,635	17,018	60,297	101,823

ⁱ The ageing analysis of financial liabilities excludes contractual payables (i.e. deferred capital grant income).

Note 7.2(c) Market risk

The Royal Women's Hospital's exposures to market risk are 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

The Royal Women's Hospital's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period. The Royal Women's Hospital'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 0.75% down; and
- A change in the top ASX 200 index of 20% 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. The Royal Women's Hospital 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. The Royal Women's Hospital has minimal exposure to cash flow interest rate risks through cash and deposits and term deposits that are at floating rate. The hospital's loan has a fixed interest rate, therefore no interest rate risk.

Equity risk

The Royal Women's Hospital is exposed to equity price risk through its investments in managed investment schemes. Such investments are allocated and traded to match the hospital's investment objectives.

The Royal Women's Hospital's sensitivity to equity price risk is set out below.

	Carrying amount \$'000	-20% Net result \$'000	20% Net result \$'000
30 June 2024			
Investments and other financial assets	18,000	(3,600)	3,600
Total impact	18,000	(3,600)	3,600

	Carrying amount \$'000	-20% Net result \$'000	20% Net result \$'000
30 June 2023			
Investments and other financial assets	17,890	(3,578)	3,578
Total impact	17,890	(3,578)	3,578

Note 7.3 Contingent assets and contingent liabilities

Details of maximum estimates for contingent assets or contingent liabilities are included in the following table:

	Total 2024 \$'000	Total 2023 \$'000
Contingent liabilities		
Quantifiable		
Contribution to Parkville facility	11,820	11,820
Total quantifiable contingent liabilities	11,820	11,820

How we measure and disclose contingent assets and contingent liabilities

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

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

Contingent assets

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

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

There were no contingent assets for The Royal Women's Hospital as at 30 June 2024 (2023: Nil).

Contingent liabilities

Contingent liabilities are:

- Possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the hospital; 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.

Contribution to Parkville facility

During the year ended 30 June 2008, The Royal Women's Hospital relocated to a new facility. The State of Victoria has an expectation that The Royal Women's Hospital will contribute \$61.40m (in cash or in kind) from the disposal of properties at the Carlton site to the cost of constructing the Parkville facility. Settlement of the contingent liability is dependent upon the timing and manner of the disposal of certain properties at the Carlton site.

Subsequent to 30 June 2008, the contingent liability to the Department of Health has reduced to \$11.82m, due to the disposal of properties at the Carlton site.

Note 7.4 Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through net result;
- Property, plant and equipment;
- Right-of-use assets; and
- Investment properties.

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

Valuation hierarchy

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

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

The Royal Women's Hospital 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.

The Royal Women's Hospital 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 The Royal Women's Hospital'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 Fair value determination (continued)**Note 7.4(a) Fair value determination of investments and other financial assets**

	Note	Total carrying amount \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
30 June 2024					
Financial assets at fair value through net result					
Managed investment schemes	4.1	18,000	48	17,952	-
Total investments and other financial assets at fair value		18,000	48	17,952	-
30 June 2023					
Financial assets at fair value through net result					
Managed investment schemes	4.1	17,890	45	17,845	-
Total investments and other financial assets at fair value		17,890	45	17,845	-

ⁱ There is no significant transfer between level 1 and level 2.

How we measure fair value of investments and other financial assets**Managed investment schemes**

The Royal Women's Hospital invests in managed funds of which a portion may not be quoted in an active market and which may be subject to restrictions on redemptions.

The Royal Women's Hospital 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.

The Royal Women's Hospital obtains from its Fund Managers, the fair value classification for each asset class of funds held within its portfolio. These funds are either Level 1 or 2.

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

	Note	Total carrying amount \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
30 June 2024					
Non-specialised land		3,050	-	3,050	-
Specialised land		13,300	-	-	13,300
Total land at fair value	4.2(a)	16,350	-	3,050	13,300
Non-specialised buildings		6,516	-	6,516	-
Total buildings at fair value		6,516	-	6,516	-
Plant and equipment	4.2(a)	834	-	-	834
Medical equipment	4.2(a)	11,010	-	-	11,010
Computers and communication equipment	4.2(a)	2,112	-	-	2,112
Furniture and fittings	4.2(a)	409	-	-	409
Cultural assets	4.2(a)	167	-	167	-
Total plant, equipment and cultural assets at fair value		14,532	-	167	14,365
Right-of-use concessionary land	4.3(a)	65,786	-	-	65,786
Right-of-use buildings	4.3(a)	959	-	-	959
Right-of-use plant, equipment and vehicles	4.3(a)	945	-	-	945
Right-of-use PPP building	4.3(a)	340,590	-	-	340,590
Right-of-use PPP plant and equipment	4.3(a)	2,558	-	-	2,558
Total right-of-use assets at fair value		410,838	-	-	410,838
Investment properties	4.6(a)	118,072	-	26,780	91,292
Total investment properties at fair value		118,072	-	26,780	91,292
Total non-financial physical assets at fair value		566,308	-	36,513	529,795

ⁱ Classified in accordance with the fair value hierarchy.

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

	Note	Total carrying amount \$'000	Fair value measurement at end of reporting period using:		
			Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
30 June 2023					
Non-specialised land		2,795	-	2,795	-
Specialised land		13,920	-	-	13,920
Total land at fair value	4.2 (a)	16,715	-	2,795	13,920
Non-specialised buildings		1,750	-	1,750	-
Specialised buildings		17,663	-	-	17,663
Total buildings at fair value		19,413	-	1,750	17,663
Plant and equipment	4.2 (a)	844	-	-	844
Medical equipment	4.2 (a)	7,009	-	-	7,009
Computers and communication equipment	4.2 (a)	2,672	-	-	2,672
Furniture and fittings	4.2 (a)	262	-	-	262
Cultural assets	4.2 (a)	147	-	147	-
Total plant, equipment and cultural assets at fair value		10,934	-	147	10,787
Right-of-use concessionary land	4.3(a)	66,578	-	-	66,578
Right-of-use buildings	4.3(a)	1,235	-	-	1,235
Right-of-use plant, equipment and vehicles	4.3(a)	1,079	-	-	1,079
Right-of-use PPP building	4.3(a)	256,212	-	-	256,212
Right-of-use PPP plant and equipment	4.3(a)	2,741	-	-	2,741
Total right-of-use assets at fair value		327,845	-	-	327,845
Investment properties	4.6(a)	117,796	-	40,062	77,734
Total investment properties at fair value		117,796	-	40,062	77,734
Total non-financial physical assets at fair value		492,703	-	44,754	447,949

ⁱ Classified in accordance with the fair value hierarchy.

How we measure fair value of non-financial physical assets

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

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

The Royal Women's Hospital has assumed the current use of a non-financial physical asset is its highest and best use unless market or other factors suggest that a different use by market participants would maximise the value of the asset.

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

Non-specialised land, non-specialised buildings, investment properties and cultural assets

Non-specialised land, non-specialised buildings, investment properties and cultural assets 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.

One non-specialised building is valued under the income capitalisation approach. Under this valuation method, the asset is compared to recent comparable sales and rental evidence. The fair value of the land has been deducted to derive the fair value of the building. This valuation technique was used for the first time in the current financial year.

For non-specialised land and non-specialised buildings and investment properties, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for shape, 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 was 30 June 2024.

For cultural assets, Menzies Fine Art Auctioneers and Valuers is The Royal Women's Hospital's independent valuer. Cultural assets were revalued as at 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, The Royal Women's Hospital 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 The Royal Women's Hospital, the current replacement cost method is used for the specialised leased PPP building, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of The Royal Women's Hospital's specialised land and specialised buildings were performed by the Valuer-General Victoria. The effective date of the valuation was 30 June 2024.

Vehicles

The Royal Women's Hospital acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the hospital which 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).

Plant and equipment and furniture and fittings

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

Except for the change in the valuation technique noted above, there were no other changes in the valuation techniques throughout the period to 30 June 2024.

Note 7.4 Fair value determination (continued)**Note 7.4(b) Fair value determination of non-financial physical assets (continued)****Reconciliation of level 3 fair value measurement ⁱ**

	Note	Land \$'000	Buildings \$'000	Plant, equipment, furniture and fittings \$'000
Balance at 1 July 2022		13,920	-	8,814
Additions/(disposals)		-	17,321	3,855
Assets provided free of charge		-	-	(155)
Net transfers between classes		-	349	961
<i>Gains/(losses) recognised in net result</i>				
Depreciation and amortisation		-	(196)	(2,688)
Net loss from fair value adjustment		-	-	-
<i>Items recognised in other comprehensive income</i>				
Revaluation		-	189	-
Balance at 30 June 2023	7.4(b)	13,920	17,663	10,787
Additions/(disposals)		-	-	6,275
Assets received free of charge		-	-	41
Net transfers between classes		-	(17,663)	152
Transfer to non-financial physical assets held for sale		-	-	-
Transfer from level 2 to level 3 fair value hierarchy		-	-	-
<i>Gains/(losses) recognised in net result</i>				
Depreciation and amortisation		-	-	(2,885)
Net loss from fair value adjustment		-	-	-
Discontinued joint arrangement		-	-	(5)
<i>Items recognised in other comprehensive income</i>				
Revaluation		(620)	-	-
Balance at 30 June 2024	7.4(b)	13,300	-	14,365

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

Right-of-use concessionary land \$'000	Right-of-use buildings \$'000	Right-of- use plant, equipment and vehicles \$'000	Right-of-use PPP building \$'000	Right-of-use PPP plant and equipment \$'000	Investment properties \$'000
67,371	248	1,329	236,916	2,925	81,825
-	1,321	161	-	-	-
-	-	-	-	-	-
-	-	-	(349)	-	-
(793)	(334)	(411)	(9,678)	(184)	-
-	-	-	-	-	(4,091)
-	-	-	29,323	-	-
66,578	1,235	1,079	256,212	2,741	77,734
-	73	321	5,633	-	29
-	-	-	-	-	-
-	-	-	18,007	-	-
-	-	(20)	-	-	-
-	-	-	-	-	17,630
(792)	(349)	(435)	(12,969)	(183)	-
-	-	-	-	-	(4,101)
-	-	-	-	-	-
-	-	-	73,707	-	-
65,786	959	945	340,590	2,558	91,292

Note 7.4 Fair value determination (continued)**Note 7.4(b) Fair value determination of non-financial physical assets (continued)****Fair value determination of level 3 fair value measurement**

Asset class	Likely valuation approach	Significant inputs (level 3 only)
Specialised land - Crown land	Market approach	Community service obligations adjustments ⁱ
Specialised buildings	Current replacement cost approach	Cost per square metre Useful life of specialised buildings
Plant and equipment	Current replacement cost approach	Cost per unit Useful life of plant and equipment
Medical equipment	Current replacement cost approach	Cost per unit Useful life of medical equipment
Computers and communication equipment	Current replacement cost approach	Cost per unit Useful life of computers and communication equipment
Furniture and fittings	Current replacement cost approach	Cost per unit Useful life of furniture and fittings
Vehicles	Current replacement cost approach	Cost per unit Useful life of vehicles
Investment properties	Market approach (land), current replacement cost approach (building)	Community service obligations adjustments ⁱ

ⁱ A Community Service Obligation (CSO) of 25% or 30% was applied to The Royal Women's Hospital's specialised land and 20% or 30% to a portion of investment land held.

Note 8 Other disclosures

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

Structure

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

	Note	Total 2024 \$'000	Total 2023 \$'000
Net result for the year		(1,726)	5,787
Non-cash movements:			
Depreciation and amortisation of non-financial assets	4.5	21,385	18,111
Amortisation of intangible non-produced assets	3.2	980	979
Net loss from disposal of non-financial assets	3.2	17	667
Net loss from disposal of financial assets	3.2	58	-
Revaluation of financial instruments at fair value through net result	3.2	(1,167)	(633)
Net gain/(loss) on revaluation of investment properties	3.2	(247)	4,690
Allowance for impairment losses of contractual receivables		234	(530)
Revaluation of long service leave liability	3.2	(17)	2,037
Discontinued joint arrangement of non-financial assets		51	-
Department of Health non-cash grants		(2,689)	(2,132)
Victorian State Government non-cash capital grant		-	(16,435)
Net movement in PPP lease liability ⁱ		(11,110)	(10,347)
Income from managed funds reinvested		(390)	(773)
Consumables received free of charge under state supply arrangements	2.1(b)	(179)	(559)
Consumables provided free of charge under state supply arrangements		179	559
Assets received free of charge or for nominal consideration	2.1(b)	(41)	-
Assets provided free of charge or for nominal consideration	3.1	-	155
Movements in assets and liabilities:			
(Increase)/decrease in receivables		(3,539)	(520)
(Increase)/decrease in prepaid expenses		(4,931)	820
Increase/(decrease) in payables		(28,249)	40,662
Increase/(decrease) in contract liabilities		403	1,092
Increase/(decrease) in employee benefits and related on-costs		7,037	2,641
(Increase)/decrease in inventories		(37)	(69)
Increase/(decrease) in other provisions		90	165
Net cash flow from operating activities		(23,888)	46,367

ⁱ Funded by and payments made by the Department of Health to Royal Women's Health Partnership Pty Ltd.

Note 8.2 Responsible persons

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

	Period
The Honourable Mary-Anne Thomas MP:	
Former Minister for Medical Research	1 Jul 2023 - 2 Oct 2023
Minister for Health	1 Jul 2023 - 30 Jun 2024
Minister for Health Infrastructure	1 Jul 2023 - 30 Jun 2024
Minister for Ambulance Services	2 Oct 2023 - 30 Jun 2024
The Honourable Gabrielle Williams MP:	
Former Minister for Mental for Health	1 Jul 2023 - 2 Oct 2023
Former Minister for Ambulance Services	1 Jul 2023 - 2 Oct 2023
The Honourable Ingrid Stitt MP:	
Minister for Mental Health	2 Oct 2023 - 30 Jun 2024
Governing Board	
Ms Cath Bowtell (Chair of the Board)	1 Jul 2023 - 30 Jun 2024
Ms Naomi Johnston	1 Jul 2023 - 30 Jun 2024
Ms Rosie Batty AO	1 Jul 2023 - 30 Jun 2024
Adjunct Professor Alan Lilly	1 Jul 2023 - 30 Jun 2024
Mr Ken Parsons	1 Jul 2023 - 30 Jun 2024
Professor Marie Bismark	1 Jul 2023 - 30 Jun 2024
Ms Marianne Walker	1 Jul 2023 - 30 Jun 2024
Adjunct Professor Glen Noonan	1 Jul 2023 - 30 Jun 2024
Ms Jane Canaway	1 Jul 2023 - 30 Jun 2024
Dr Janine Mohamed	1 Jul 2023 - 30 Jun 2024
Accountable Officer	
Professor Sue Matthews (Chief Executive Officer)	1 Jul 2023 - 30 Jun 2024

Remuneration of responsible persons

The number of responsible persons are shown in their relevant income bands:

	Total 2024 No.	Total 2023 No.
Income band		
\$20,000 - \$29,999	9	9
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	1	-
\$520,000 - \$529,999	-	1
\$540,000 - \$549,999	1	-
Total	11	11

	Total 2024 \$'000	Total 2023 \$'000
Total remuneration received or due and receivable by responsible persons from the reporting entity amounted to	850	821

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

	Total 2024 \$'000	Total 2023 \$'000
Remuneration of executive officers (including key management personnel disclosed in Note 8.4)		
Short-term benefits	2,539	2,438
Post-employment benefits	269	262
Other long-term benefits	67	55
Total remunerationⁱ	2,875	2,755
Total number of executives	9	9
Total annualised employee equivalent ⁱⁱ	9.0	9.0

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

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

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

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Note 8.4 Related parties

The Royal Women's Hospital is a wholly owned and controlled entity of the State of Victoria. Related parties of the hospital include:

- All key management personnel (KMP) and their close family members and personal business interest;
- Cabinet ministers (where applicable) and their close family members;
- Joint Arrangements - A member of the Victorian Comprehensive Cancer Centre Joint Venture (derecognised 31 October 2023); and

- All hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

KMPs are those people with the authority and responsibility for planning, directing and controlling the activities of The Royal Women's Hospital, directly or indirectly.

The Board of Directors and the Executive Directors of The Royal Women's Hospital are deemed to be KMPs.

Entity	KMPs	Position title
The Royal Women's Hospital	Ms Cath Bowtell	Chair of the Board
The Royal Women's Hospital	Ms Naomi Johnston	Board Member
The Royal Women's Hospital	Ms Rosie Batty AO	Board Member
The Royal Women's Hospital	Adjunct Professor Alan Lilly	Board Member
The Royal Women's Hospital	Mr Ken Parsons	Board Member
The Royal Women's Hospital	Professor Marie Bismark	Board Member
The Royal Women's Hospital	Ms Marianne Walker	Board Member
The Royal Women's Hospital	Adjunct Professor Glen Noonan	Board Member
The Royal Women's Hospital	Ms Jane Canaway	Board Member
The Royal Women's Hospital	Dr Janine Mohamed	Board Member
The Royal Women's Hospital	Professor Sue Matthews	Chief Executive Officer
The Royal Women's Hospital	Mr Sam Garrasi (resigned May 2024)	Chief Financial Officer
The Royal Women's Hospital	Mrs Sophie Dixon (appointed June 2024)	Chief Financial Officer
The Royal Women's Hospital	Ms Lisa Lynch	Chief Operating Officer
The Royal Women's Hospital	Dr Mark Garwood	Chief Medical Officer
The Royal Women's Hospital	Ms Laura Bignell	Chief Midwifery and Nursing Officer
The Royal Women's Hospital	Ms Tania Angelini	Chief Communications Officer
The Royal Women's Hospital	Ms Sherri Huckstep	Chief Experience Officer
The Royal Women's Hospital	Mr Damian Gibney	Executive Director Clinical Excellence and Systems Improvement
The Royal Women's Hospital	Mr George Cozaris	Chief Information Officer, Executive Director Digital Innovation
The Royal Women's Hospital	Mr Jason Smith	Executive Director Philanthropy and Community Investment

Note 8.4 Related parties (continued)

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

	Total 2024 \$'000	Total 2023 \$'000
Compensation - KMPs		
Short-term employee benefits	3,310	3,189
Post-employment benefits	332	315
Other long-term benefits	83	70
Total compensation¹	3,725	3,574

¹KMPs are also reported in Note 8.2 or Note 8.3.

Significant transactions with government related entities

The Royal Women's Hospital received funding from the Department of Health of \$351m (2023: \$323m) and indirect contributions of \$3m (2023: \$2m). Balance outstanding as at 30 June 2024 is nil payable (2023: \$21.7m payable).

Expenses incurred by The Royal Women's Hospital 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 Victorian Managed Insurance Authority.

The Standing Directions of the Assistant Treasurer require The Royal Women's Hospital to hold cash (in excess of working capital) in accordance with the State's centralised banking arrangements. All borrowings are required to be sourced from Treasury Corporation Victoria unless an exemption has been approved by the Minister for Health and the Treasurer. The Royal Women's Hospital holds investment funds with the Victorian Funds Management Corporation, in accordance with the Standing Directions.

Transactions with KMPs and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Employment 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 and the Victorian Government Purchasing Board requirements.

Outside of normal citizen type transactions with The Royal Women's Hospital, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

There were no related party transactions with Cabinet Ministers required to be disclosed in 2024 (2023: Nil).

The Chief Information Officer and Executive Director Digital Innovation of The Royal Women's Hospital is also the Chief Information Officer and Executive Director Digital Innovation at The Royal Melbourne Hospital during the 2024 financial year.

The transactions between the two entities are for reimbursement of salary related costs paid to The Royal Women's Hospital. All dealings are in the normal course of business and are on normal commercial terms and conditions.

There were no other related party transactions required to be disclosed for The Royal Women's Hospital Board of Directors, Chief Executive Officer and Executive Directors in 2024.

Joint arrangements related party transactions

The CEO of The Royal Women's Hospital was a Director of the Victorian Comprehensive Cancer Centre up to 31 October 2023.

The transactions between the two entities relate to membership fees paid by The Royal Women's Hospital. All dealings are in the normal course of business and are on normal commercial terms and conditions.

	Total 2024 \$'000	Total 2023 \$'000
Payments by The Royal Women's Hospital for membership fees	54	160

Note 8.5 Remuneration of auditors

	Total 2024 \$'000	Total 2023 \$'000
Victorian Auditor-General's Office		
Audit of financial statements	84	84
Total remuneration of auditors	84	84

Note 8.6 Ex-gratia expenses

	Total 2024 \$'000	Total 2023 \$'000
The Royal Women's Hospital has made the following ex-gratia expenses:		
Compensation for economic loss	-	276
Total ex-gratia expenses	-	276

Includes ex-gratia for both individual items and in aggregate that are greater than or equal to \$5,000.

Note 8.7 Events occurring after the balance sheet date

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of The Royal Women's Hospital, the results of the operations or the state of affairs of The Royal Women's Hospital in the future financial years.

Note 8.8 Joint arrangements

Name of entity	Principal activity	Ownership interest	
		2024 ⁱ %	2023 %
Victorian Comprehensive Cancer Centre Limited	The member entities have committed to the establishment of a world leading comprehensive cancer centre in Parkville, Victoria, through the joint venture, with a view to saving lives through the integration of cancer research, education and training and patient care.	10.0%	10.0%

ⁱ The Victorian Comprehensive Cancer Centre was formed under a joint arrangement where its constitution required unanimous consent for all decisions. The joint venture's governance was unanimously altered by its members with effect from 31 October 2023 by appointing independent directors and not requiring unanimous consent for all decisions. As a consequence of the change in constitution, joint control ceased and the joint arrangement was derecognised by its members.

The Royal Women's Hospital interest in revenues and expenses of the above joint arrangement are detailed below. The amounts are included in The Royal Women's Hospital financial statements under their respective categories:

	Note	2024 \$'000 ⁱ	2023 \$'000 ⁱⁱ
Revenue and income from transactions			
Operating activities		549	1,339
Non-operating activities		11	33
Total revenue and income from transactions		560	1,372
Expenses from transactions			
Employee expenses		215	608
Other operating expenses		422	768
Depreciation and amortisation		6	10
Total expenses from transactions		643	1,386
Net result from transactions - net operating balance		(83)	(14)
Other economic flows included in net result			
Net assets derecognised for discontinued joint arrangement	3.2	(736)	-
Total other economic flows included in net result		(736)	-
Net result for the year		(819)	(14)
Other comprehensive income		-	-
Comprehensive result for the year		(819)	(14)

ⁱ For the period ended 31 October 2023.

ⁱⁱ Figures obtained from the unaudited Victorian Comprehensive Cancer Centre Joint Venture annual report.

The Royal Women's Hospital interest in assets and liabilities of the above joint arrangement are detailed below. The amounts are included in The Royal Women's Hospital financial statements under their respective categories:

	2024 \$'000 ⁱ	2023 \$'000 ⁱⁱ
Current assets		
Cash and cash equivalents	-	695
Investments and other financial assets	-	150
Receivables	-	41
Prepaid expenses	-	63
Total current assets	-	949
Non-current assets		
Property, plant and equipment	-	11
Intangible assets	-	44
Total non-current assets	-	55
Total assets	-	1,004
Current liabilities		
Payables	-	80
Contract liabilities	-	32
Employee benefits and related on-costs	-	38
Total current liabilities	-	150
Non-current liabilities		
Employee benefits and related on-costs	-	35
Total non-current liabilities	-	35
Total liabilities	-	185
Net assets	-	819
Equity		
Accumulated surpluses	-	819
Total equity	-	819

ⁱ At 31 October 2023.

ⁱⁱ Figures obtained from the unaudited Victorian Comprehensive Cancer Centre Joint Venture annual report.

Note 8.8 Joint arrangements (continued)

Net assets were derecognised by The Royal Women's Hospital on 31 October 2023 as follows:

	Note	2024 \$'000
Cash and cash equivalents		786
Receivables		52
Prepaid expenses		10
Property, plant and equipment	4.2(b)	9
Intangible assets	4.4(b)	42
Total assets derecognised		899
Payables		85
Employee benefits and related on-costs		78
Total liabilities derecognised		163
Net assets derecognised		736
Accumulated surpluses		
Balance at beginning of year		819
Net result from transactions		(83)
Net assets derecognised for discontinued joint arrangement	3.2	(736)
Balance at end of year		-

Note 8.9 Equity

How we recognise equity on the Balance Sheet

Contributed capital

Contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of The Royal Women's Hospital.

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

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

Property, plant and equipment revaluation surplus

The property, plant and equipment revaluation surplus arises on the revaluation of infrastructure, land and buildings. When an asset is derecognised, the revaluation surplus is not normally transferred to the accumulated surplus/(deficit).

Restricted specific purpose surplus

Restricted specific purpose reserves are funds where The Royal Women's Hospital has possession or title to the funds, but has no discretion to amend or vary the restriction and/or condition underlying the funds.

Note 8.10 Economic dependency

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

The Royal Women's Hospital

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