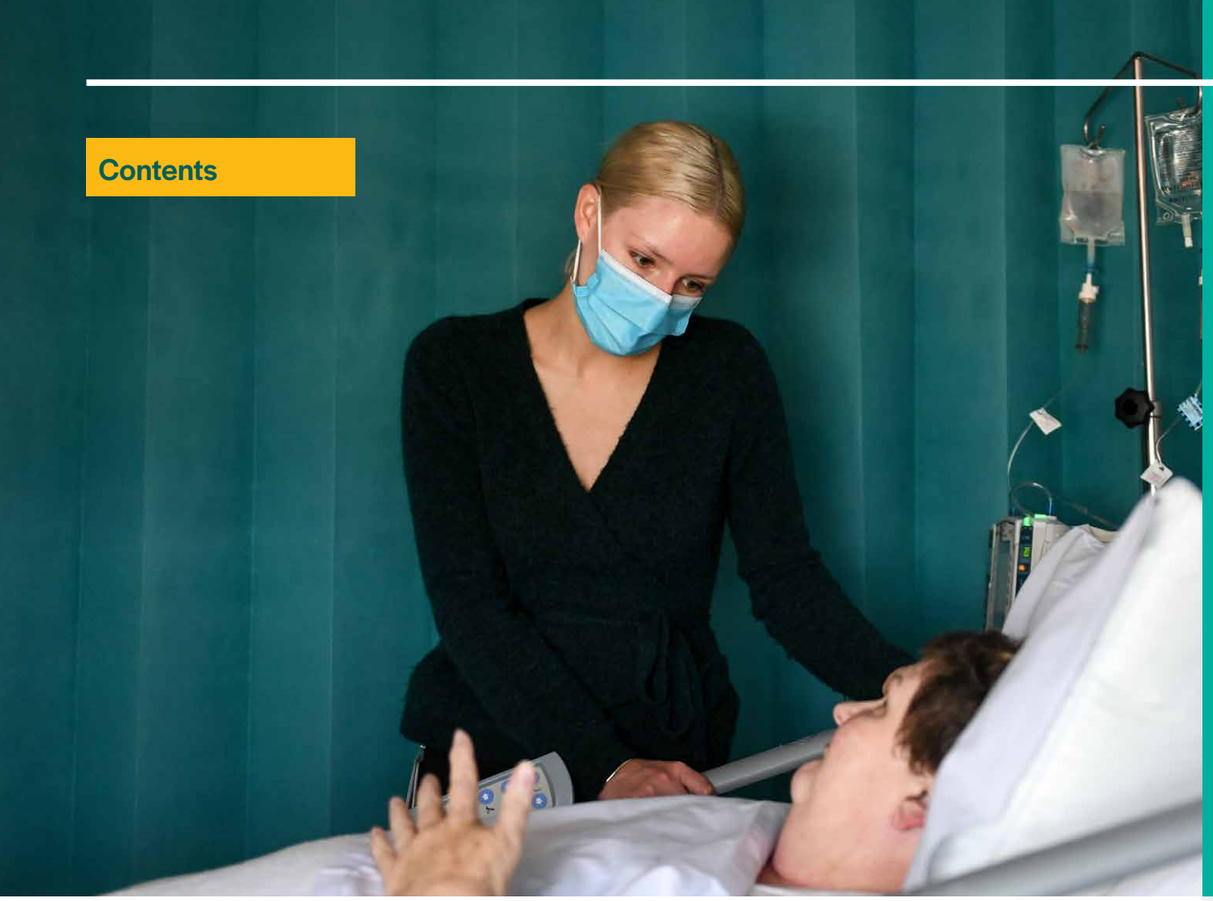
HEALTH CARE ON THE FRONT LINE

Annual Report 2020–2021
St Vincent's Hospital Melbourne

ST VINCENT'S HOSPITAL
MELBOURNE



Contents

ST VINCENT'S HOSPITAL MELBOURNE

128 YEARS OF TOTAL COMMITMENT TO OUR COMMUNITY

Report of Operations 2021

Responsible Bodies Declaration

In accordance with the *Financial Management Act 1994*, we are pleased to present the Report of Operations for St Vincent's Hospital (Melbourne) Limited for the year ending 30 June 2021.

Paul McClintock AO
Chair

30 August 2021
Sydney

Angela Nolan
Chief Executive Officer

30 August 2021
Melbourne

CARE ALWAYS HAVE, ALWAYS WILL

Our health service is playing a crucial role in supporting the COVID-19 vaccination program in Victoria, and helping to get our community vaccinated by the end of 2021.

Message from the CEO

In a year like no other, there is one thing that strongly underpins St Vincent's Hospital Melbourne's response to COVID-19 – our ongoing commitment to compassionate care

Despite being faced with a constant wave of uncertainty, our staff continued to push forward with positivity and resilience to spread hope during our response to the COVID-19 pandemic, which included a series of lockdowns in Victoria, caring for COVID-positive patients, restrictions on hospital visitors, increased testing, mass vaccinations and enhanced outreach services, particularly for our homeless community.

The past 18 months have been exceptionally challenging and St Vincent's Hospital Melbourne, and indeed the entire SVHA community, continue to work in close partnership with the Victorian Department of Health (DoH) and the Commonwealth Government to do all that we can in dealing with the COVID-19 pandemic.

A cornerstone of our COVID-19 response was the commissioning in record time of our newest facility – St Vincent's Hospital on the Park. Operating out of the former Peter MacCallum site in East Melbourne, this facility freed up more beds to treat COVID-positive patients at St Vincent's main Fitzroy site, putting the public hospital in a strong position to respond to any outbreaks.

St Vincent's also helped established pop-up facilities for Victorians experiencing, or at risk of, homelessness to safely self-isolate, quarantine and recover from COVID-19 for up to two weeks to prevent virus transmission. Sumner House was one of the facilities used, a collaboration between St Vincent's Hospital Melbourne, the Brotherhood of St Laurence and Launch Housing to provide a 43-bed temporary residential service.

Our health service is playing a crucial role in supporting the COVID-19 vaccination program in Victoria, and helping to get our community vaccinated by the end of 2021.

Over 100 years ago, as the Spanish influenza pandemic hit Victoria in late January 1919, the Royal Exhibition Building was transformed into a hospital to treat the patients overflowing from our hospitals. Fast forward 100 years and this magnificent building is again playing a key role in overcoming this pandemic, as Victoria's first mass vaccination clinic, operated by St Vincent's Hospital Melbourne.

Throughout the pandemic we have championed innovations such as virtual wards and simulation labs, increased telehealth activity, and other methods of remote working, and have improved outreach to our vulnerable populations. Following Victoria's tragic second wave, we undertook a formal lessons learned process, ensuring we are prepared for any future outbreaks.

It is the St Vincent's Mission and values that has brought our patients great comfort and reassurance, especially those who felt lost, troubled and scared.

St Vincent's has prospered for over 128 years, because of our commitment to our community and our people. Our dedicated staff continue to show courage and compassion in overcoming multiple waves of the pandemic, and for that we are all incredibly grateful.

Angela Nolan
Chief Executive Officer
St Vincent's Hospital Melbourne

A cornerstone of our COVID-19 response was the commissioning in record time of our newest facility – St Vincent's Hospital on the Park. Operating out of the former Peter MacCallum site in East Melbourne, this facility freed up more beds to treat COVID-positive patients at St Vincent's main Fitzroy site, putting the public hospital in a strong position to respond to any outbreaks.

About St Vincent's

In 2020–21 St Vincent's treated approximately 62,998 inpatients and saw 173,720 outpatients though specialist clinics

St Vincent's provides medical and surgical services, sub-acute care, cancer services, aged care, correctional health, mental health services and a range of community and outreach services.

Founded by the Sisters of Charity 128 years ago, at a time when Fitzroy was one of poorest parts of Melbourne, St Vincent's has been built on a foundation of caring for those in need. The Sisters were innovative and determined in their commitment to offering first-class healthcare to the community, especially the poor and vulnerable.

The Sisters of Charity and their pioneering work has had a profound effect on the health service we are today. They have instilled in our culture a Mission which has guided our work in the years since and has attracted a workforce of people deeply committed to the dignity and betterment of the human person through exceptional healthcare.

Today, St Vincent's operates from 16 sites across greater Melbourne, including a major teaching, research and tertiary referral centre situated in Fitzroy, sub-acute care at St Vincent's Hospital on The Park and St George's Health Service Kew, palliative care at Caritas Christi Hospice, as well as aged care, correctional health, mental health and community centres, pathology collection centres, general practice services and dialysis satellite centres.

In 2020-21 St Vincent's treated approximately 62,998 inpatients and saw 173,720 outpatients though specialist clinics. The Hospital attended to 45,604 emergency department presentations and 55,661 fever clinic presentations.

As at 30 June 2021, St Vincent's had 763 available beds across all of its services.

Governance

St Vincent's Hospital (Melbourne) Limited was incorporated as a company limited by guarantee on 19 June 1991. St Vincent's Hospital (Melbourne) Limited is a Denominational Hospital under Schedule 2 of the Health Services Act 1988 (Vic).

The responsible Ministers for Health for the reporting period were:

- From 1 July 2020 to 29 September 2020: Jenny Mikakos MP
  Minister for Health Minister for Ambulance Services
- From 29 Sept 2020 to 30 June 2021: The Hon Martin Foley MP
  Minister for Health Minister for Ambulance Services
  Minister for Equality

The responsible Ministers for Mental Health for the reporting period were:

- From 1 July 2020 to 26 September 2020: The Hon Martin Foley MP
  Minister for Mental Health
  Minister for Equality
- From 26 Sept 2020 to 30 June 2021: The Hon James Merlino MP
  Minister for Mental Health

St Vincent's Hospital (Melbourne) Limited is a private not-for-profit provider of public health services. The Hospital is part of the St Vincent's Health Australia group of companies and one of the Mary Aikenhead Ministries.

On 1 July 2009 Mary Aikenhead Ministries was established by the Congregation of Religious Sisters of Charity of Australia to succeed, continue and expand a number of the health and aged care, education and welfare ministries in which the Sisters of Charity have been engaged for over 150 years. Mary Aikenhead Ministries is both a tribute to, and reminder of, the extraordinary work of Mary Aikenhead, the Founder of the Sisters of Charity who dedicated her life to service of the poor.

St Vincent's Health Australia operates under the direction of Mary Aikenhead Ministries, providing leadership and governance of the health and aged care ministries in Victoria, New South Wales and Queensland.

As a national group, St Vincent's Health Australia is the nation's largest not-for-profit Catholic health and aged care provider encompassing public, private and aged care, research and clinical education. St Vincent's Health Australia has a single national board and executive leadership team. St Vincent's Hospital (Melbourne) Limited reports to the national St Vincent's Health Australia Board through the SVHA Chief Executive Officer of the Public Hospitals Division, Patricia O'Rourke.

St Vincent's Hospital (Melbourne) Limited is led by CEO Angela Nolan and an executive team.

Values

COMPASSION
INTEGRITY
JUSTICE
EXCELLENCE

Our values, which are based on the Gospel, act as a point of reference for our decision-making, and are fundamental to our Catholic identity.

Our values underpin all we do and are demonstrated through our everyday actions, giving our mission life.

Mission

As a Catholic health and aged care service our mission is to bring God's love to those in need through the healing ministry of Jesus. We are especially committed to people who are poor or vulnerable.

We draw on the talents of our people and collaborate with others who share our vision and values to continue the pioneering spirit of Mary Aikenhead and the Sisters of Charity. We are committed to providing compassionate and innovative care, enabling hope for those we serve.

Vision

To lead transformation in healthcare inspired by the healing ministry of Jesus.

Our care is:

- Provided in an environment underpinned by mission and values.
- High-quality, safe, and continuously improving to ensure best practice.
- Delivered by a team of dedicated, appropriately qualified people who are supported in continuing development of their skills and knowledge.
- Holistic and centred on the needs of each patient and resident.
- Innovative and informed by current research using contemporary techniques and technology.
- Committed to a respect for life in accordance with the tradition of Mary Aikenhead and the Sisters of Charity.

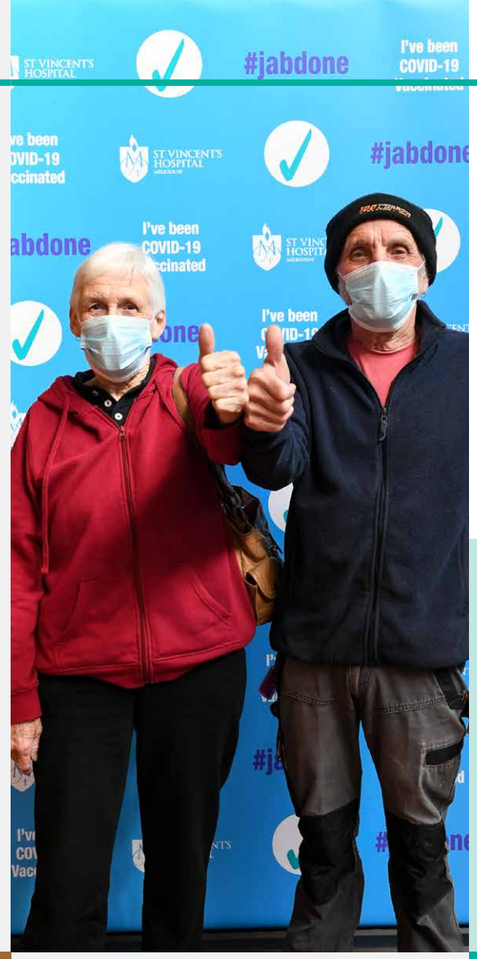
COVID-19 READY

COVID-19 Debrief

Every staff member across St Vincent's Hospital Melbourne answered the call to provide exceptional patient care during the unprecedented times ushered in by the COVID-19 pandemic, which included a series of lockdowns in Victoria, caring for COVID-positive patients, restrictions on hospital visitors, increased testing, mass vaccinations and enhanced outreach services.

45,291
presentations to Fever Clinic

135,983
COVID-19 tests analysed by our Pathology

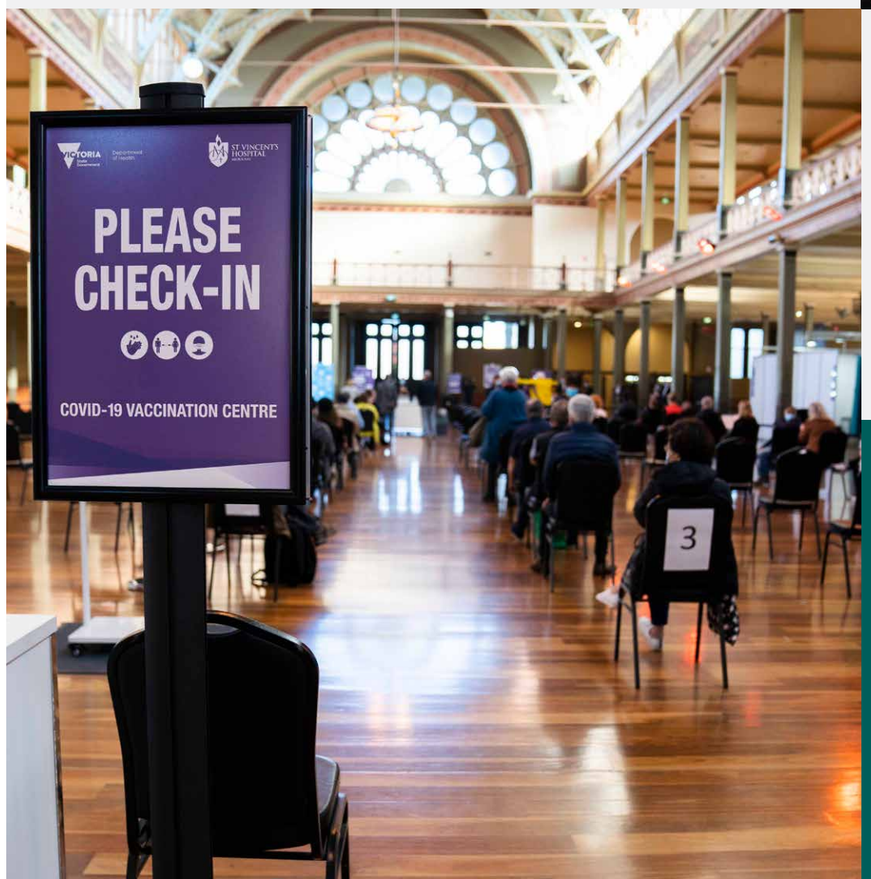


400+
new staff recruited to assist with the vaccination program

100,000
vaccinations administered to end of June 2021

69,762
calls to our advice line

35
aged care facilities supported across Victoria



46,610
telehealth appointments

460
elective procedures completed as part of the Department of Health's deferred care plan

ANSWERING THE CALL

Year in Review

TESTING TIMES FOR FEVER CLINIC

400

Up to 400 swabs tested a day with results provided in 24 hours

135,500

lab tests were conducted from 1 July 2020 to 30 June 2021

Fever Clinic

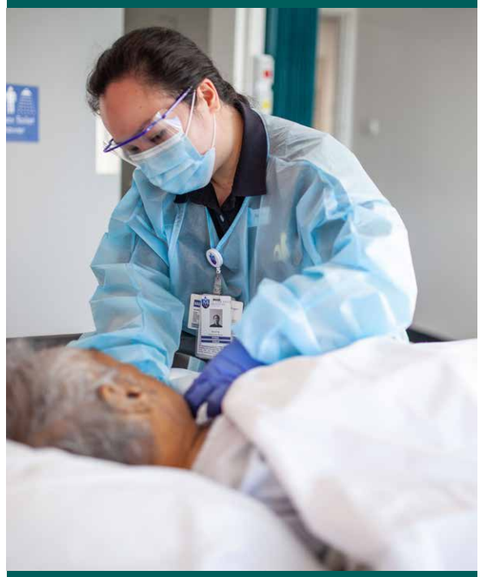
The staff in the Fever Clinic at St Vincent's Hospital Melbourne have been on the frontline of the COVID-19 response since March 2020.

The clinic provides a safe and easy way to screen patients and staff for COVID-19 and was set up in a separate part of the Hospital to manage patients who previously attended the emergency department for testing.

The microbiology lab team has processed thousands of swabs, testing up to 400 swabs a day with results provided in 24 hours.

More than 42,100 people visited the clinic and more than 135,000 lab tests were conducted from 1 July 2020 to 30 June 2021.

A Mobile Fever Clinic was also established in July 2020 to assist with testing residents in the Carlton, Richmond and Fitzroy housing estates.



St Vincent's Hospital on the Park

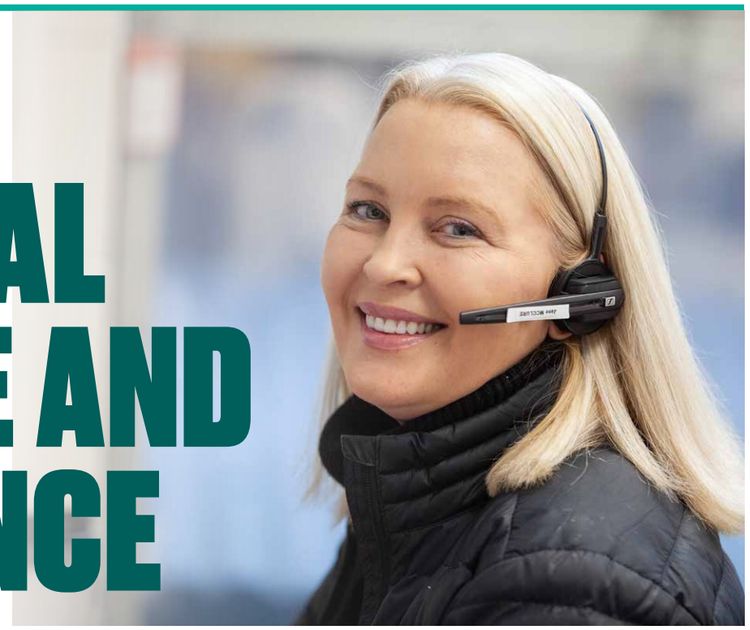
St Vincent's Hospital Melbourne has played a key role in supporting the Victorian Government through the global pandemic with the opening of St Vincent's Hospital on the Park in August 2020 after a record five-month refurbishment.

The Victorian Government called on St Vincent's to recommission the former Peter MacCallum Cancer Centre in East Melbourne to provide extra medical support during the state's growing health crisis.

As a result, the 84-bed St Vincent's Hospital on the Park was established to offer surge response by providing care for some of St Vincent's lower-acuity patients. Palliative care patients were the first to be admitted at the new facility, followed by rehabilitation and geriatric and evaluation and management (GEM) patients.

The strategic move freed up more beds to treat COVID-positive patients at St Vincent's main Fitzroy site, putting the public hospital in a strong position to offer ongoing care for those who need hospital and critical-response attention.

CRITICAL ADVICE AND GUIDANCE



Call Advice Line

The St Vincent's Nurse Call Advice Line has been described as a quiet achiever in managing the response to COVID-19.

Staffed by a team of 15 nurses, the support service operated 12 hours a day, seven days a week during the first and second waves of the pandemic, receiving 69,762 calls over the last financial year.

It was set up to respond to calls from the general public requesting acute clinical advice, mental health referrals, family violence referrals, help with social issues and financial advice.

The team has also provided much-needed support for staff wellbeing and set up a text messaging service to deliver pathology results.

69,762

calls over the last financial year.

Sleeves rolled up for jabs

More than a year since the COVID-19 pandemic hit our shores healthcare workers and the community are being vaccinated against the disease.

In addition to the COVID-19 staff vaccination clinic at the Hospital's Fitzroy campus, St Vincent's is also running one of Victoria's high volume vaccination sites at the Royal Exhibition Building.

St Vincent's had just under two weeks to set up the operation before critical worker groups in phase 1a arrived for their jabs.

With almost 100,000 vaccines administered to 30 June, it's an operation made possible by the tireless work of St Vincent's dedicated team. More than 400 staff – some newly graduated, others newly out of retirement – have been recruited for the program.

Year in Review

CALLING ALL NURSES

Victoria was particularly hard hit by the crippling effects of the pandemic. Frontline healthcare workers were pushed to the limit during the second wave of the pandemic, when the state's active cases peaked at more than 700 a day.

St Vincent's Hospital Melbourne experienced increased demand due to the huge spike in positive and suspected COVID-19 cases but staff still had to support the regular intake of patients.

In an unconventional move, the Hospital advertised online and on social media channels, calling for nurses across Australia and New Zealand who could join the team for a few months to provide support during this time of great need.

The campaign, which started in August 2020, resulted in 15 nurses recruited to join frontline staff. The nurses had their flights, accommodation and salary covered by St Vincent's and, in appreciation of their contribution, each was gifted a travel voucher to explore Victoria once travel restrictions were lifted.

Simulating frontline procedures

Practice makes perfect, so the saying goes, and that's exactly what Hospital staff did when they created a simulation ward at St Vincent's Fitzroy site for frontline workers to learn correct procedures and protocols in a COVID-19 environment.

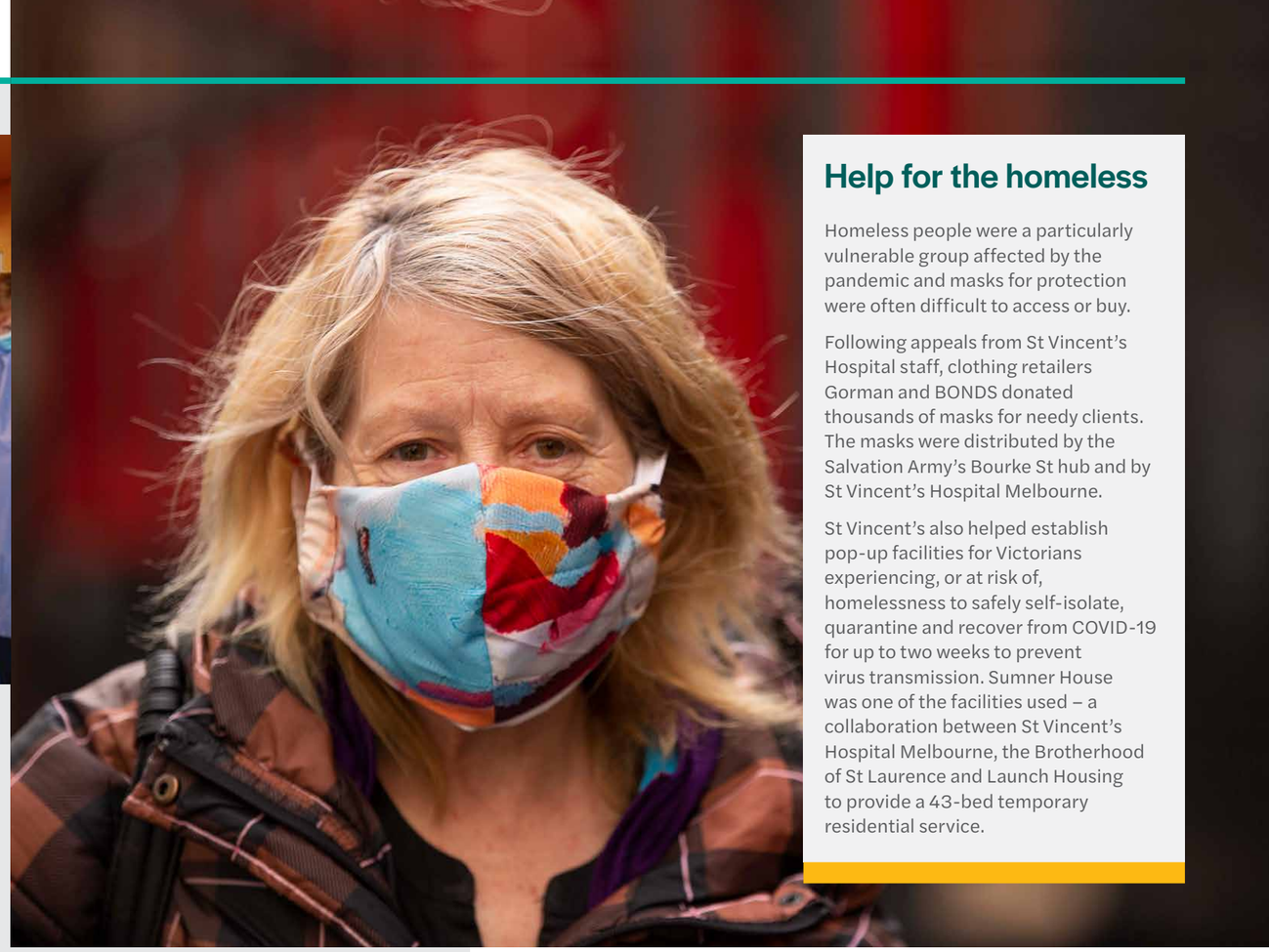
Early in the pandemic, in April 2020, a ward was established to train and orientate staff in the safe care and management of COVID-19 patients, using a multi-disciplinary model of care.

Caring for cancer patients

The Cancer Centre acted quickly to establish a nurse-led Symptom and Urgent Review Clinic, funded by a grant from the Department of Health.

Staff at the clinic can now assess over the phone or via telehealth, cancer patients who are having adverse reactions to their treatment.

This means patients can often avoid having to come in person to the Hospital where their exposure risk to COVID-19 may be increased. The Symptom and Urgent Review Clinic has become an ongoing service in cancer care.



Help for the homeless

Homeless people were a particularly vulnerable group affected by the pandemic and masks for protection were often difficult to access or buy.

Following appeals from St Vincent's Hospital staff, clothing retailers Gorman and BONDS donated thousands of masks for needy clients. The masks were distributed by the Salvation Army's Bourke St hub and by St Vincent's Hospital Melbourne.

St Vincent's also helped establish pop-up facilities for Victorians experiencing, or at risk of, homelessness to safely self-isolate, quarantine and recover from COVID-19 for up to two weeks to prevent virus transmission. Sumner House was one of the facilities used – a collaboration between St Vincent's Hospital Melbourne, the Brotherhood of St Laurence and Launch Housing to provide a 43-bed temporary residential service.

Lifeline for mental health clients

Food packages and vouchers for mobile phones provided a lifeline for clients of St Vincent's Community Mental Health Services.

The practical assistance, funded by a grant from St Vincent's Health Australia, helped maintain community connections between case managers and clients, who usually interact mainly about medication and treatment.

Food supplies were packaged up by clinics and provided to clients. Mobile phone vouchers allowed clients to maintain contact with family, friends and medical professionals during the isolation of lockdowns.

VIRTUAL REALITY IN THE WARDS

Virtual reality was used for the first time during the pandemic to bring comfort to patients who were unable to see their loved ones.

The Immersive Presence Project created personalised experiences for patients to connect with their families and homes. Family members advised on the subjects of the films, such as children, grandchildren, pets, gardens and familiar surroundings.

The project is led by St Vincent's Hospital doctors Justin Dwyer and Margaret Ross, in partnership with filmmaker Lynette Wallworth and virtual reality technical delivery from Phoria.

With the patient's permission, the team film the patient having their virtual reality experience so it can be later watched by family who get to see the impact of the footage.

Patients were selected based on their medical condition, mental health and cognitive capabilities. The team hopes to offer its learnings to other hospitals in Australia and internationally for use with isolated patients.

A MAGICAL LOVE STORY

The caring team at St Vincent's were the masterminds behind a wedding in the Hospital for patient Sarah Foster and her fiancé, Justin Tham, after their original plans were quashed by the pandemic.

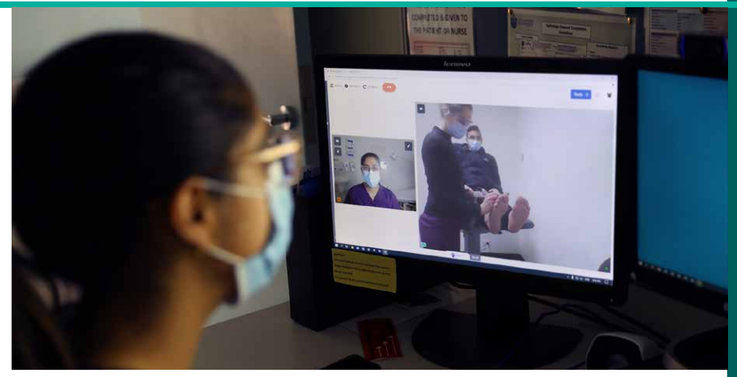
Staff treating Sarah for incurable bowel cancer knew how important the wedding was but with Victoria in Stage 4 lockdown midway through 2020 they also knew that Sarah was running out of time to be well enough to enjoy the moment.

Special permission was sought for the wedding to proceed on compassionate grounds. Nurses styled Sarah's hair and make-up and loaned her a wedding dress.

In late August Sarah walked with her father down a Hospital corridor transformed into a wedding aisle, scattered with rose petals and lined with electric candles.

Justin and Sarah were married in the Hospital's boardroom, which had been turned into a pop-up chapel draped in fairy lights and offering a stunning city backdrop.

Sarah's family could not be present in the room with the couple, due to the five-person limit on weddings, but they watched the ceremony on a screen in a nearby private room.



Record use of Telehealth

Patients welcomed the ability to access specialist care from the comfort of their own home as successive lockdowns in Victoria resulted in a surge in Telehealth consultations.

St Vincent's clinicians saw a record number of patients via telehealth in 2020-21, conducting 41,610 telehealth appointments.

With 11 per cent of St Vincent's patients living in rural and regional Victoria, telehealth had already been growing and the pandemic accelerated that growth.

Telehealth complements face-to-face care beyond the Hospital's walls, with benefits including reduced travel time, greater flexibility for appointments and easier access to specialist care.

Telehealth services are used across many specialties, including vascular, endocrinology, rehabilitation, podiatry, orthotics and nursing care to referred patients. It's also used to assist patients in residential aged care and clients using the Hospital in the Home program.

Safe health monitoring

HealthMonitor, a phone-based support service for people who tested positive to COVID-19, was used as a safe way to monitor their health while they self-isolated, and to reduce demand on the Hospital and minimise the risk of community transmission.

550+

More than 550 people with COVID-19 were successfully managed by the program 2020.

Designed by St Vincent's Health Independence Program Complex Care Services, the HealthMonitor program was originally trialled to manage older patients at high risk of returning to hospital after discharge.

With the onset of the pandemic, HealthMonitor staff were redirected to manage COVID-19 positive patients isolating at home by offering virtual access to a multidisciplinary team who regularly assessed their health and wellbeing.

HealthMonitor provided clinical monitoring of symptoms, reinforced isolation procedures, coordinated short-term welfare needs and provided rapid on-demand outreach support to vulnerable clients. More than 550 people with COVID-19 were successfully managed by the program in 2020.

CARE BEYOND HOSPITAL WALLS

Year in Review

Hospital in the Home

Medical staff were redirected to support the Hospital in the Home nursing team to provide care to COVID-19 positive patients and, where possible, avoid unnecessary hospital presentations.

The extra resources improved the ability of the Hospital in the Home program to action and accelerate issues for patients, strengthened lines of communication with inpatient units and reduced the need for patients to access the emergency department.

The program aims to transfer patients out of hospital sooner and maintain their care at home. It provides care for post-operative patients, such as antibiotic infusions and complex wound management.

The Hospital in the Home program established a dedicated medical team in February 2021 and is now expanding the multidisciplinary model of care and strengthening links with other community services.

Home environment for elderly

Berengarra, St Vincent's new public residential aged care facility in Kew, opened its doors to its first residents in March 2021. The $55 million facility is named after the local Aboriginal word for 'the land around Kew' and provides best-practice care and integrated health and wellbeing services in a home-like environment.

The facility is dementia-friendly and has 90 private rooms with ensuites, garden outlooks, natural light and common areas for socialising and leisure. Berengarra is committed to a person-centred model of care to put the residents and their families at the centre of decision-making.

Berengarra is a partnership with the Victorian Government and part of its plan to modernise public sector residential aged care in metropolitan Melbourne.

Our aged care response

As COVID-19 swept across Victoria's residential aged care sector, St Vincent's four public residential aged care facilities remained COVID-free.

St Vincent's was quick to lend a helping hand to other aged care facilities, taking the procedures and practices in place and imparting that knowledge to private facilities to ensure vulnerable residents got the care they needed, wherever they were.

Working as part of a broader support hub, St Vincent's rapidly mobilised a multi-faceted approach to meet the escalating demands, providing support to 35 aged care facilities during the crisis.

St Vincent's accepted unwell residents from impacted private residential aged care facilities, while St Vincent's Private Hospital accommodated residents who were COVID-positive and needed to leave their facility, but were not acutely unwell.

St Vincent's Residential In-Reach Service helped with on-the-ground assessment and care of COVID-positive residents to determine what treatment was necessary, how this aligned with the residents' goals of care and whether hospitalisation was appropriate.

St Vincent's also provided advice around infection control and daily operations, such as rostering and the logistics of helping organise resident transfers when required. In some cases, St Vincent's provided essential nursing workforce support, especially when staff at the facilities became infected or furloughed.

Person-centred care for over 65s

The GEM@Home program is an innovative approach to person-centred care for people aged over 65 who would otherwise be admitted to a sub-acute hospital bed for geriatric evaluation and management.

This service has been introduced across a number of Victorian hospitals, including St Vincent's which has grown and enhanced its program since 2018.

The aim is to provide earlier discharge of older patients with supported daily care outside the Hospital from a multi-disciplinary team that includes geriatricians, nurses, social workers, pharmacy, physiotherapists and occupational therapists.

Patients also have access to educational support to manage specific needs and 24/7 phone support. Telehealth was introduced to ensure patient needs were met during the pandemic, and will continue to be offered as an option in the future.

The GEM@Home program provided care to 207 patients in 2020 and doubled in size from an eight-bed to 16-bed service.

GAME CHANGER FOR INNOVATION

The new Aikenhead Centre for Medical Discovery (ACMD) is Australia's first collaborative biomedical engineering research facility located within a tertiary hospital – a medical epicentre of groundbreaking research, technology and solutions designed to reduce the burden of chronic disease for our patients.

ACMD will bring together medicine, engineering, science and industry to yield powerful economic, patient and healthcare outcomes, paving the way for Melbourne to become a global innovation hub in medical research, solutions and product development for complex and chronic health conditions.

Planning is underway to build the 11-storey centre at St Vincent's Hospital Melbourne, which will involve the redevelopment of the Hospital's Aikenhead Wing on the corner of Victoria Parade and Nicholson Street.

The ACMD building will form an integral part of the existing state-significant St Vincent's Health and Education Precinct, and will be built within the footprint of the original building.

ACMD has been operating since 2016 within the Clinical Sciences Building at the Fitzroy campus of St Vincent's Hospital Melbourne and will be relocated to the new site when building works are completed in 2024.

The $206 million centre is funded by the Victorian and Australian Governments, private enterprise and philanthropy groups.

Professor Mark Cook, Head of Neurology at St Vincent's Hospital Melbourne with patient Natalie Booth.

Epilepsy treatment trial

A world-first trial is helping people with epilepsy who suffer from drug-resistant focal seizures.

The trial involves a targeted delivery of anti-seizure medication straight to the brain via a long-term abdominal pump implant that eliminates previous issues experienced with drug absorption and uptake barriers.

Phase 1 of the trial led by Professor Mark Cook, Head of Neurology at St Vincent's Hospital Melbourne, was developed through the Aikenhead Centre for Medical Discovery in conjunction with Cerebral Therapeutics.

Phase 2B of the trial is now underway, building on the promising results of earlier testing and extending the treatment to larger groups of patients. The aim is to make the treatment routine for refractory epilepsy worldwide.

Supporting LGBTIQ+ communities

A more supportive environment for LGBTIQ+ patients and staff is a focus of St Vincent's Hospital Melbourne, with a number of initiatives underway and more planned for 2021.

Gender-neutral toilets were introduced as part of a pilot program at the Fitzroy hospital site in February 2021, and a Reflective Practice Space was established at the end of 2020 where staff can feel safe and supported to talk about delivery of care to LGBTIQ+ patients.

Standardised language in day-to-day operations is being incorporated in patient forms across various Hospital departments, encompassing pronouns, chosen name and titles that affirm trans and non-binary people.

The Rainbow Network, a LGBTIQ+ volunteer network, has been set up to represent the specific needs of LGBITQ+ communities.

Staff training has been expanded to enhance understanding of LGBITQ+ issues, including workplace discrimination, inclusive recruitment, social transition in the workplace, considerations for LGBTIQ+ family violence leave and gender affirmation leave.

Flexible working for staff

Throughout the COVID-19 pandemic, many staff took up flexible working arrangements such as working from home and changes to their patterns of work.

Flexible working includes job sharing, working part-time, when returning from parental or carer's leave, different start and finish times or working from home.

The work arrangements have benefits for both staff and the organisation. Staff have found they can balance work and home life better, support their own wellbeing and reduce commuting time.

Aboriginal Cultural Safety

St Vincent's Hospital Melbourne is committed to Closing the Gap between Indigenous and non-Indigenous Australians, and is working to deliver the actions and targets in the St Vincent's Health Australia Reconciliation Action Plan and our Cultural Safety Plan for the Victorian Government.

Aboriginal and Torres Strait Islander Cultural Training Package

SVHM has a goal to have 100% of staff complete the SVHA Aboriginal and Torres Strait Islander Cultural Training Package. Completion of this module currently sits at 86%, with a project currently underway to improve completion of this training to an interim goal of 95%. This module was developed under Aboriginal and Torres Strait Islander leadership, and in close collaboration with the local communities of each SVHA site.

Diversity and Inclusion cultural awareness sessions

SVHM's Aboriginal Health Unit has developed its own training on diversity and inclusion, tailored to SVHM's specific needs. The course is delivered over four sessions, with one session focusing on creating a safe environment for, and connecting with, Aboriginal and Torres Strait Islander staff and patients.

100%

SVHM's goal is to have 100% of staff complete the SVHA Aboriginal and Torres Strait Islander Cultural Training Package.

Practice Development Nurse

A part-time Practice Development Nurse role has been established to support Aboriginal Graduate Nurses. This role has had a positive impact on experiences of cultural safety and clinical support for Aboriginal Graduate Nurses. The role provides a leadership opportunity for Aboriginal nursing staff.

The Practice Development Nurse role is an Aboriginal identified position, in recognition of the importance of providing Aboriginal Graduate Nurses with culturally safe mentorship.

Creating a welcoming environment

SVHM has commenced a collaborative Aboriginal Cultural Safety Audit with two external Indigenous agencies: VACCHO and Karabena Consulting. The Aboriginal Cultural Safety Audit project has been developed to prioritise investigation of issues that are a priority to Aboriginal and Torres Strait Islander community members. The consultants engaged as auditors are Aboriginal and Torres Strait Islander people. This project is due to commence in the second half of 2021.

SVHA Employment Parity Initiative

SVHM has an Aboriginal Employment Plan, developed in line with the SVHA Employment Parity Initiative agreement with the Commonwealth. Aboriginal employment progress is reported weekly to embed employment parity as a shared goal across the organisation.

SVHM understands the employment of Aboriginal and Torres Strait Islander people to be integral to providing a culturally safe place for patients, staff and the broader Aboriginal community. Through its commitment to the Employment Parity Initiative, SVHM also acknowledges the positive social and economic impacts of employment for employees themselves and for their families and communities.

Through seeking to create a culturally safe environment, and promoting socio-economic equity, SVHM promotes self-determination.

Expansion of AHLO program

SVHM has made a commitment to expand its Aboriginal Health Liaison Officer (AHLO) Program to a seven day roster, with a special focus on after hours service. The expanded AHLO service aims to improve cultural safety and patient experience. Staffing of the full service is almost complete.

86%

of staff have completed SVHA Aboriginal and Torres Strait Islander Cultural Training Package to 30 June 2021.

THANK YOU TO ALL OF OUR SUPPORTERS

Love Your St Vincent's Campaign

A multi-campus campaign was launched in September 2020 to support St Vincent's Hospital's brilliant clinical teams.

Consistently glowing feedback from patients and their families about the exceptional and compassionate care they received at St Vincent's provided the inspiration for the Love Your St Vincent's Campaign.

The campaign is a celebration of the nurses, doctors, staff and volunteers who work across St Vincent's.

It highlights the importance of giving and philanthropy for our Hospital campuses in Victoria. It is also helping to raise the profile of St Vincent's by providing a constant reminder about our reputation for providing extraordinary healthcare. This reinforcement encourages individuals and corporations to think of us when they are making giving decisions.

SUPPORTERS CELEBRATING OUR NURSES

The challenges that our staff faced during 2020 provided us with a reminder of just how important our nurses are and to recognise and celebrate them as true heroes.

During the Year of the Nurse and Midwife, a spotlight was shone on the vital role nurses play in our community. We depend on them for so much and our admiration for them has never been greater.

Over the past 12 months, the community has demonstrated an impressive level of support for our nurses at St Vincent's by helping to raise vital funds to purchase essential equipment to ease nurses' burden and to support their work. Notably, St Vincent's breast health services received an outpouring of generous support to enable St Vincent's exceptional surgical and breast care team to treat thousands of women with breast cancer.

We were extremely proud to announce a very fitting recognition for the great work our nurses do, the Dame Quentin Bryce Palliative Care Nursing Postgraduate Scholarship. The scholarship will support the recipient to undertake studies in palliative care.

Former Governor-General of Australia Dame Quentin Bryce.

"I hope you will join me in congratulating the nursing staff at St Vincent's for their exceptional contribution this year and for their demonstration of true courage and commitment in the Hospital's proud tradition of compassionate care."

– Dame Quentin Bryce

ENGINEERING IS THE FUTURE OF MEDICINE

ACMD is Australia's first collaborative, hospital-based biomedical engineering research Centre.

The campaign to support the development of the ACMD Centre is the most nationally significant advocacy campaign for medical research ever undertaken. It is generating an enormous amount of interest from every state in Australia as it focuses on creating equitable health solutions for some of today's most important and costly health issues.

The ACMD Philanthropy Council is going from strength to strength, attracting an eminent group of philanthropists from across the country. The Council is led by two exceptional Co-Chairs, Clark Morgan and Krystyna Campbell-Pretty.

Clark has built a reputation as a respected leader in the wealth management and investment banking sectors and is Vice Chairman and Head of Strategy and Development at Crestone Wealth Management.

Krystyna is a highly respected and admired philanthropist who supports the arts, culture, education, social welfare and medical research. She has a hugely successful international business background and is a passionate advocate for women in philanthropy.

To find out more about ACMD, visit **www.acmd.org.au**.

ACMD™

Photo: ACMD Philanthropy Council Co-Chairs Krystyna Campbell-Pretty (top) and Clark Morgan (above)

Our Supporters

STAYING CONNECTED THROUGH COVID-19

Community champions

Members of the St Vincent's Foundation team are often moved by the stories we hear about the reasons why people choose to set up an online fundraising page to give in celebration or memory of a loved one.

Over the past year, fundraisers have included a family who are raising funds for St Vincent's Intensive Care Unit to thank the team who cared for their mother who was critically ill with COVID-19. Another person chose to fundraise for St Vincent's Safe Haven Cafe after experiencing her own struggles with mental health. And another family chose to ask for donations in lieu of flowers to celebrate the life of their beloved mother. St Vincent's is incredibly grateful for the generosity of our community.

Above: Community champion Mary Sawaya with granddaughter Elise.

Above: Professor David Castle.

Mental health series

There is no question that 2020 challenged us all. But it was reassuring to see an increased emphasis on community, reminding us just how important it is to support each other through tough times.

Sadly, the impact of the pandemic has seen many people struggle with their mental health. There has never been more demand on St Vincent's mental health programs, mental health nurses, psychologists and psychiatric staff.

Over eight weeks, St Vincent's Foundation shared a series of videos with donors and supporters that featured St Vincent's Hospital Melbourne's former Chair of Psychiatry, Professor David Castle. The mental health series focused on helpful tips and suggestions on how to cope during COVID-19.

Another way St Vincent's Foundation has been able to stay connected with our donors and supporters is through the creation of the Love Your St Vincent's webinar series.

The webinars feature regular presentations from St Vincent's Hospital specialists on a wide variety of fascinating topics, including sleep, exercise, eye health and 3D printing. Anyone can register for these events via the Foundation's website. Presentations include a question-and-answer session, giving attendees the chance to discover everything they want to know about each topic.

LEAVE AN ENDURING LEGACY

Each year, St Vincent's Hospital receives significant gifts in Wills generously donated by patients, former staff, and members of the community.

Leaving a gift in a Will helps St Vincent's to provide better resources, fund research and purchase new or specialised equipment, therefore enabling us to continue to provide the highest level of care for our patients.

Students unite to help those in need

In a strong show of generosity, Caulfield Grammar students volunteered their time during the Easter school holidays to lend a helping hand with the Wrapped in Kindness campaign.

The campaign was generously supported by local and national businesses that donated goods, including underwear, long pants, socks, mittens and toiletries.

The students helped fill over 2,000 care packages with these essential winter items. Packs were distributed to St Vincent's patients who are experiencing chronic disadvantage as well as to local charity groups across Victoria and Alice Springs.

"Wrapped in Kindness is about bringing the community together to provide a heartfelt gift to those who need it most," says Lyn Amy, CEO of St Vincent's Foundation.

Corporate support

Thanks to the generous support from our corporate partners, St Vincent's Hospital has been able to purchase state-of-the-art Halo masks for our frontline staff.

Halo masks provide a high level of protection for frontline workers who have struggled to find suitable, fitted N95 face masks, which are essential when treating patients with respiratory or infectious diseases.

Head Contractor Kane Constructions, together with their network of subcontractors on the St Vincent's Hospital on the Park project, raised $58,500 for the Halo masks.

Generous donations were made by Kane Constructions, A.G. Coombs Group, Anova Electrical, Rauland Australia, Wilson Plumbing and Drainage, STE Advantage and Coplan Interiors.

SUPPORTING EXCELLENCE IN PALLIATIVE CARE

St Vincent's is a leader in palliative care nationally. Caritas Christi Hospice in Kew is a well-known provider of palliative and supportive care in Victoria and is considered to be a centre of excellence in its field.

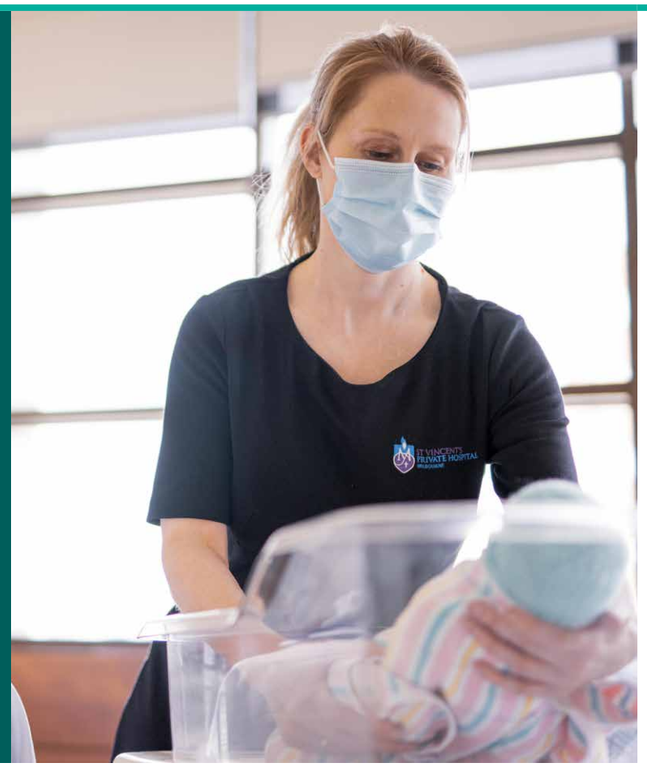
Since its inception 80 years ago, commitment, compassion and professionalism have been the hallmarks of the Caritas Christi experience. Families regularly express their gratitude for the exceptional care their loved ones received by providing significant gifts through donations and in their wills to support this cherished Victorian institution.

Due to an increasing demand for palliative care services at Caritas Christi and ageing infrastructure, there was an urgent need to rebuild the facilities. Thanks to the incredible generosity of families of past patients and the community we have been able to raise significant funds to undertake this project.

The St Vincent's Foundation is delighted there has been such a great response to the opportunity to purchase naming rights in the new building. These unique and very visible contributions continue to be taken up by people who want to show their appreciation for the truly memorable care they have received at St Vincent's.

Our Supporters

THANK YOU TO OUR FAMILY OF SUPPORTERS



We are so grateful for the support we receive from individuals, community groups and organisations. St Vincent's Hospital executive team and staff members sincerely appreciate everyone who has contributed over the past 12 months. We would like to particularly acknowledge the following significant contributors:

- A G Coombs Group Pty Ltd
- Alfred Noel Curphey Bequest
- Alpha Magnetics
- Anova Electrical Pty Ltd
- Atlas D'Aloisio Foundation
- Australian Philanthropic Services Foundation
- Australian Unity Trustees Foundation – Joyce Katherine Granger Sub-Fund
- Mr Ian Bainbridge
- Mr Paul Barnett
- Blackbaud Asia-Pacific Pty Ltd
- Mrs Krystyna Campbell-Pretty AM
- Mr Andrew and Mrs Therese Case
- Mrs Rose-Mary Cassin
- Mr Richard Chau
- Mr Jack Chen
- Yvonne Clements in memory of Alfred Hughes
- Mrs Maureen Coomber
- Coplan Interiors Pty Ltd
- Cue Clothing Co.
- Mr Peter Day
- Mr Peter de Rauch OAM and Mrs Patricia de Rauch
- Mrs Elisabeth DeGroot
- Mrs Blandine Dent
- Dry July Foundation
- Mr Peter Drysdale and Ms Jeanette Teychenne
- Mr John Earnshaw
- Edgar Foundation
- Edith Jean Elizabeth Beggs Charitable Trust
- Ernest and Letitia Wears Memorial Trust
- Estate of Alfred Dehnert
- Estate of Ambrose Galvin
- Estate of Brenda Cullinan
- Estate of Eileen Julia Beale
- Estate of Ernest James Brough
- Estate of Frank Albano
- Estate of Geoff Lawson Hook
- Estate of Gwendoline Freda La Torre
- Estate of Henry Herbert Yoffa
- Estate of Herbert Lindsay Dehn
- Estate of Herbert William Hampton
- Estate of Jane Tindale
- Estate of Jeffrey Metcalfe
- Estate of John Mackie
- Estate of Jovanka Marijanovic
- Estate of Keith Basil Beaton
- Estate of Marion Alice Wakefield
- Estate of Mary Javornik
- Estate of Muriel Bradley
- Estate of Noel Charles Belcher
- Estate of Olga Margaret Garson
- Estate of Patricia Mary White
- Estate of Pauline Maryanne Barritt
- Estate of Stanko Milos
- Estate of Stanley John Stephen Harrison
- Estate of Stella Conway
- Estate of Thomas Brian McCaffrey
- Estate of Valenia Frances Green
- Estate of Victor Leslie Dunn
- Father Kevin Broderick Memorial Trust
- Dr Daniel Fleming
- Mr Nicholas and Mrs Kerry Galante
- Mr Rene Gehrig
- Gilead Sciences
- Ms Geraldine Grimmett
- H & K Johnston Family Foundation
- Mr Clinton Hayes
- Mr Geoffrey Heeley
- Mrs Jane Hemstritch
- Henry & Cecilia Foundation
- Mr Peter and Mrs Mandy Hui
- Mr Alex Hutchinson
- Ian Rollo Currie Estate Foundation
- Ms Marjory Jones
- Mrs Mary-Jane Joscelyne OAM
- Mr Aashish Kanav
- Kane Constructions Pty Ltd
- Mr Boo Khoo
- Rev Dr Anthony Knauth
- Mr John Knowles and Ms Robyn Allen
- Mr Pat La Manna OAM and Mrs Helen La Manna
- Mr Win C. Lam
- Miss Thao Le
- Mr Ric and Mrs Susan Lenzi
- Mr Paul Lightfoot
- Lions Club of Melbourne Market
- Ms Chelsea Loerand and Mr Brock McAvaney
- Mr Sebastian and Mrs Nella Logiudice
- Mr Gerard Lynch
- Mrs Karin MacNab
- Mr Garry Manning and Ms Diane Brocklesby
- Dr Benjamin Marginson
- McKeage Cole Foundation
- Mrs Grazia McKinnon
- Med Gas Systems Pty Ltd
- Melbourne Academic Centre for Health
- Ms Teresa Molella
- Ms Patricia Montgomery
- Mrs Julie and Mr Mark Morrison
- Medical Research Future Fund (MRFF)
- Mr Vincent Murphy
- Professor Harshal and Mrs Dee Nandurkar
- Ms Kim Ngo
- Ms Claudia Nguyen
- Mr Huu Nguyen
- Mr Nam and Mrs Kim Cuc Nguyen
- North Western Melbourne Primary Health Network
- Mr Jack O'Connell AO
- Ms Genny Pashula
- Patricia Spry-Bailey Charitable Foundation
- Dr Thomas Peat and Dr Janet Newman
- Professor David Penington AC
- Pepe-Gurry Foundation
- Mr Russell Peters
- Mr Leon Pettifer
- Ms Pavla Pilcova and Mr Martin Simons
- Mr Bruno Pilotto
- Mr Peter Power OAM
- Mr John Ralph AC and Mrs Barbara Ralph
- Rauland Australia
- Richmond Hill Senior Citizens Club
- Robert Croft Fund (a charitable fund account of Lord Mayor's Charitable Foundation)
- Mr Tony Roberts and Ms Joanne Benney
- Mr Peter and Mrs Susan Rogan
- Mr Robert Ross
- Rotary Club of Ballarat West
- Mr Fergus Ryan AO and Mrs Judy Ryan
- Mrs Lois Saleeba
- Sanofi
- Seabrook Family
- Mrs Aileen and Mr Matthew Seaton
- Shepherd Foundation
- Mr Graeme Skene
- Mrs Edda Smrekar
- Mr Philip Spry-Bailey AO and Mrs Carolyn Spry-Bailey
- STE Advantage
- Mr Ray and Mrs Lelia Stella
- Syd & Ann Wellard Perpetual Charitable Trust, managed by Equity Trustees
- Symbion Hospital Services
- Mr David Taranto
- Ms Jenny Tatchell
- The Arthur A Thomas Trust, managed by Mr Peter Walsh and Equity Trustees
- The Doris and Rupert Joseph Charitable Trust
- The Eirene Lucas Foundation
- The Eugene and Janet O'Sullivan Memorial Fund
- The F & E Bauer Foundation, managed by Equity Trustees
- The Gross Foundation
- The Harold Mitchell Foundation
- The Ian Potter Foundation
- The Killen Family Foundation, managed by Equity Trustees
- The Mary McGregor Trust
- The William & Aileen Walsh Trust
- The William Angliss (Victoria) Charitable Fund
- Mr Nick Toll
- Mr Cuong Quoc Tran
- Mr Tuan and Mrs Dianne Tran
- Dr Livio Turecek
- Ms Leanne Vassallo
- Victoria Police Blue Ribbon Foundation
- Ms Mary Jo Waters
- Dr Amanda Watson
- Mr Denis Wheelahan
- Ms Margaret Whyte
- Dr Ross and Dr Liz Wilkie
- William Joseph Payne Trust, managed by Equity Trustees
- Mrs Maxine and Mr Ken Williams
- Wilson Plumbing and Drainage Pty Ltd

Corporate Supporters

- 13cabs
- Accor Reality
- Archies Footwear
- Designer Bums
- GIVIT
- Hanes Australasia
- MECCA Brands
- Monde Nissin
- Nandos Retail Store
- Pinchapoo
- Posh Josh
- Reckitt Benckiser (Australia) Ltd
- Williamson's Foodworks

VACCINATING VICTORIA 2021

Summary Financial Results

	2021* $'000s	2020* $'000s	2019* $'000s	2018* $'000s	2017* $'000s
Total revenue^	924,452	851,125	790,084	771,242	763,833
Total expenses^	904,800	835,202	787,863	771,165	765,061
Net result from transactions	19,652	15,923	2,221	77	(1,228)
Total other economic flows	12,280	(4,047)	(3,392)	(736)	(17)
Net result	31,932	11,876	(1,171)	(659)	(1,245)
Total assets	474,694	428,244	336,070	329,980	333,203
Total liabilities	342,900	328,440	248,486	241,209	243,752
Net assets/Total equity	**131,794**	**99,804**	**87,584**	**88,771**	**89,451**

^ For further detail, refer to Total Revenue and Total Expenses in the Comprehensive Operating Statement
* Incorporates share of Victorian Comprehensive Cancer Centre joint venture

	2021 $'000s
Net operating result	(213)
Capital and specific items	
Capital purpose income	56,840
COVID-19 state supply arrangements:	
Assets received free of charge or for nil consideration under the State Supply Arrangements	6,621
State supply items consumed up to 30 June 2021	(4,008)
Assets provided free of charge	0
Assets received free of charge	730
Expenditure for capital purpose	(1,060)
Depreciation and amortisation	(38,149)
Impairment of non-financial assets	0
Finance costs (other)	(1,109)
Net result from transactions	**19,652**

Summary of Significant Change in Financial Position 2021

There have been no significant changes in the Hospital's state of affairs during the financial year, with exception of the COVID-19 response.

Operational and Financial Performance 2021

St Vincent's Hospital Melbourne delivered an operational loss of $213,000 before capital income and expenses. After including capital income expenses and other economic flows, the net entity result was a gain of $31,932,000.

Movement in total equity includes the net equity result and a revaluation adjustment for cultural assets of $58,000.

Subsequent Events

There has been no matter or circumstance which has arisen since 30 June 2021 that has significantly affected, or may affect:

(a) The operations, in financial years subsequent to 30 June 2021, of St Vincent's Hospital Melbourne, or

(b) The results of those operations, or

(c) The state of affairs, in financial years subsequent to 30 June 2021, of St Vincent's Hospital Melbourne.

Consultancies

Details of consultancies (under $10,000)

In 2020-21, there were 11 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2020-21 in relation to these consultancies is $47,000 (excluding GST).

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

In 2020-21 there were 15 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2020-21 in relation to these consultancies is $734,469 (excluding GST). Details of individual consultancies are listed below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee $	Expenditure 2020-21 (Ex GST) $	Future expenditure $
BrandQ	Revenue optimisation	Jul-20	Jul-20	25,000	25,000	Nil
Calvary Health Care Bethlehem	ACFI Advisory services	Nov-20	Nov-20	24,000	24,000	Nil
Converge International	Service Reform project	Jul-20	Aug-20	19,698	19,698	Nil
Isaac Tandoh Simon	Pathology review	Oct-20	Oct-20	60,000	60,000	Nil
Kinnect Pty Ltd	Review of SVHM Financial Improvement Strategies	Jan-21	May-21	193,670	193,670	Nil
McGrathNicol	Feasibility study – New Operating Theatre 13	Jul-20	Dec-20	71,751	71,751	Nil
Narra Solutions	Workday discovery – findings and recommendations	Jul-20	Mar-21	36,720	36,720	Nil
Nicole Cassar	IPEPA Development, Community Engagement and Advisory for Victorian developments	Dec-20	Dec-20	48,500	48,500	Nil
NTC Architects	St Georges feasibility study	May-21	Jun-21	111,490	111,490	Nil
Paxton Partners	Pathology billings and debtor management	Jul-20	Aug-21	22,857	22,857	Nil
Paxton Partners	Pathology automation	Mar-21	Apr-21	43,076	43,076	Nil
Paxton Partners	Cost assumptions review of SVHM strategies	Dec-20	Jan-21	14,244	14,244	Nil
Presence of IT	Kronos upgrade consulting	Jul-20	Aug-20	37,613	37,613	Nil
SafeT Now Consulting Pty Ltd	Occupational Health and Safety Management Systems external review	Jun-21	Jun-21	11,950	11,950	Nil
STH	Theatre 13 feasibility study	Nov-20	Nov-20	14,500	14,500	Nil

Summary Financial Results

Workforce Data

St Vincent's Hospital Melbourne is an equal opportunity workplace. All staff can expect to be treated fairly on the basis of ability and merit. The Hospital has an Equal Opportunity (EEO) policy and program designed to reinforce workplace practices and behaviour that are consistent with this principle.

	June Current Month FTE*		June YTD FTE**	
Labour Category	**2020**	**2021**	**2020**	**2021**
Nursing Services	1,684	1,796	1,623	1,696
Admin. and Clerical	640	744	630	684
Medical Support Services	291	305	276	291
Health and Allied Services	616	643	602	637
Hospital Medical Officer	164	166	159	174
Specialist Full Time	88	78	83	83
Specialist Sessional	156	177	152	162
Registrar	261	265	245	254
Allied Health	504	511	492	502
Total	**4,404**	**4,685**	**4,262**	**4,483**

* FTE – Full Time Equivalents

** Year to Date represents the average number of FTE throughout the year

Occupational Health and Safety (OHS) Achievement

2020-21 was an unprecedented year for staff safety. Actions to prevent the spread of COVID-19 in the workplace evolved as information about the virus became available. The Wellbeing Strategy adopted during the pandemic provided support for infected, quarantined, frontline and home-based workers.

An updated safety reporting system was introduced, which is easier and quicker for staff to use and provides us with additional data to assist with preventative work. Incident reporting has increased since this system was introduced in May 2021.

An OHS Management System Audit against AS45001 was undertaken by an external auditor. St Vincent's Hospital Melbourne is compliant with all aspects of AS45001 and suggestions for further system enhancements form part of the 2021-22 safety plan.

Occupational Violence and aggression was the leading incident type reported and there was an increase in injuries reported from these incidents. An organisation-wide project is reviewing all aspects of factors that can prevent occupational violence.

Occupational violence statistics	2020-21
Workcover accepted claims with an occupational violence cause per 100 FTE	0.18
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	1.05
Number of occupational violence incidents reported	801
Number of occupational violence incidents reported per 100 FTE	17.87
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	15.36%

Definitions – For the purposes of the above statistics the following definitions apply.

- **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** – occupational health and safety incidents reported in the health service incident reporting system. Code Grey reporting is not included.
- **Accepted Workcover claims** – Accepted Workcover claims that were lodged in 2019-20
- **Lost time** – is defined as greater than one day.

Building and Maintenance Compliance

Essential Services Maintenance

Essential services are maintained in accordance with AS 1851-2005 by ARA Fire Protection Pty Ltd, as required by building regulations. Annual essential service records audits are completed on a quarterly basis by Philip Chun & Associates and an Annual Essential Safety Measures Report is issued.

The Hospital uses the Department of Health publication Maintenance Standards for Critical Areas in Victorian Health as a guide.

The auditors have assessed that:

- Each Essential Safety Measure is operating at the required level of performance to fulfil its purpose.
- Where applicable each Essential Safety Measure has been maintained in accordance with the occupancy permit or maintenance determination and generally fulfils its purpose.
- Since the last Annual Essential Safety Measure report, to the best of our knowledge, there has been no penetrations to required fire-resistant constructions, smoke curtains and the like, in buildings inspected other than those for which a building permit has been issued.

Buildings

St Vincent's Hospital Melbourne certifies the following compliance with its buildings:

- All existing buildings have valid approvals and certifications to operate based on their intended purposes;
- Works under planning and construction are subject to the standards, compliance and approvals of statutory authorities;
- The Hospital has an up-to-date management plan to address pre-existing asbestos and hazardous materials found within buildings;
- The Hospital is working with DoH to risk assess and cost the implications of non-compliant cladding materials on the main Hospital building. In the interim, the Hospital has ensured that all major risks are mitigated, and;
- St Vincent's has undertaken a five-yearly Fire Audit under DoH Capital Guidelines and is implementing recommendations to achieve required fire safety standard.

General Maintenance

SVHM certifies that there have been no notices issued or orders to cease occupancy in relation to:

- All renovations to existing buildings comply with regulations in force at the time of construction

St Vincent's Hospital Melbourne, through the Engineering Department, uses Pulse facilities management software to manage preventative and reactive maintenance activities. As far as practicable, all maintenance schedules and regimes are based on DA 19 and pertinent Australian Standards.

Independent reviews on the condition of the infrastructure and building fabric at Fitzroy campus buildings were completed in May 2016. The findings from the reviews which required immediate attention have been attended to while an implementation program is in place to address other recommendations over the subsequent five years, subject to the availability of implementation budgets.

St Vincent's Hospital Melbourne has a periodic regime in place to inspect the condition of the external building facades and to address any pressing issues that are subsequently found.

New projects completed at 30 June 2021

- Upgrading of fire systems Level 2 Daly Wing at $0.4m
- Additional second chiller Daly Wing at $0.5m
- New operating lights in operating theatres 3,7,8, 9 at $0.25m
- Renovations of Main Hospital patient ensuites at $0.125m
- New power supply and second chiller to Daly Wing at $0.65m
- Daly Wing Chill and Heated Hot Water pipe upgrades at $0.11m
- Main Hospital pan washer replacement strategy at $0.185m
- Building Automation System upgrade at $0.2m
- Replacement of fire panels and fire systems at multiple buildings at $0.3m
- New steriliser at Sterile Processing Centre at $0.4m
- Temporary ambulance bay – COVID-19 contingency at $0.1m
- COVID-19 Staff Vaccination clinic in Bolte Wing at $0.1m
- Building and renovation works in response to COVID-19 at $0.15m
- St Georges Health Service Lift 3 replacement at $0.25m
- Residential Aged Care Stage 2 Cambridge and Auburn Houses at $0.25m
- Riverside switchboard upgrade, flooring in non-communal areas at $0.1m
- Mental Health security upgrade, wayfinding signage at $0.1m as a part of Mental Health sexual safety program
- St George's Health Service Asset upgrade works at $0.4m
- Renal dialysis nurse call and flooring upgrade at $0.1m

Sustainability Performance

St Vincent's Hospital Melbourne is working to improve environmental sustainability by encouraging environmentally aware practice, investing in energy efficient infrastructure and maintaining targets for improved sustainability. An Environmental Sustainability Plan has been developed to support this work.

SVHM has adopted St Vincent's Health Australia's National Energy Action Plan (NEAP) to drive a cohesive and coordinated approach to delivering major reductions in our total electricity use, through selective application of energy efficiency technologies.

During the last 12 months SVHM has completed an upgrade of air conditioning units through government grants to improve the environmental efficiency of air handling units.

Other highlights in 2020-21 include a 3.93% reduction in emissions and a 0.5% increase in waste being diverted from landfill to recycling, to 30.7%.

This is in the context of an increase in clinical waste due to the COVID-19 pandemic and commissioning of several new sites, including the REB vaccination clinic and St Vincent's Hospital on the Park.

For more detailed information about our environmental performance, read our annual Sustainability Report at **svhm.org.au**.

Summary Financial Results

Key projects commenced during 2020–21 and works in progress at 30 June 2021:

- Alcohol and Other Drugs (AOD) and Behavioural Assessment Room (BAR) facilities at Emergency Department, Main Hospital – $5.9m
- Replacement of Aluminium Composite Panel (ACP) facade in Main Hospital and Ambulance Victoria Buildings Stage 2 – $1.8m
- Replacement of electrical bus duct at Main Hospital – $0.45m
- Daly Wing Fire upgrade (partial) – $0.3m
- New generator connection points at Mental Health and St George's Health Service – $0.4m
- Replacement of Clinical Sciences Building switchboard – $0.35m
- Replacement of electrical bus duct in Daly Wing – $0.4m
- Decanting of Aikenhead Building ($12m) and subsequent demolition building ($20m) (ongoing)
- Refurbishment of equal access facilities at Bolte Wing Hydrotherapy – $0.65m
- Replacement of lift doors and controllers at Main Hospital – $0.35m
- Upgrading of Lift 3 at St George's Health Service – $0.2m
- 90-bed Berengarra aged care facility at St Georges Health Service – DoH funded
- Partial replacement of pan washers in Main Hospital and St George's Health Service – $0.17m
- Refurbishing of Auburn, Riverside and Cambridge Aged Care Homes Stage 1 – $0.9m
- Refurbishing of Auburn, Riverside and Cambridge Aged Care Homes Stage 2 – $0.5m
- St Georges Health Service Fire upgrade – design stage
- Five-yearly Cap Fire Audit recommendations, Fitzroy campus and St George's Health Service campus – $0.8m
- Clarendon Clinic upgrade works – $0.2m

Freedom of Information

St Vincent's Hospital Melbourne complies with the Victorian Freedom of Information Act 1982. Members of the public can apply for access to information held by St Vincent's that is not publicly available by making a Freedom of Information request. A request must be in writing and sufficiently clear to enable a thorough search for documents. Applications become valid once the relevant officer receives either a $27.90 application fee or a copy of the patient's Health Care or Pension Card.

During 2020-21, the majority of requests were from law firms and insurance companies, followed by patients and relatives. The outcomes of the applications are listed below, with 837 of 912 requests released in full.

	2020-21	2019-20
Applications	912	883
Released in full	837	832
Partially released	22	23
Denied in Full	2	1
Cancelled applications	6	8
Percentage requests fulfilled within 45 days	100%	100%
Application fees collected	$21,637.00	$21,460.00
Application fees waived	$5,564.80	$4,676.00
Charges collected	$6,400.00	$4,570.00
Charges waived	$2,850.00	$2,280.00

For more information please contact the Freedom of Information Officer on (03) 9231 6918. Additional information can also be found at the Hospital's website www.svhm.org.au or the Office of the Victorian Information Commissioner www.ovic.vic.gov.au

Car Parking Fees

St Vincent's Hospital Melbourne complies with the Department of Health Hospital circular on car parking fees and details of car parking fees and concession benefits can be viewed at www.svhm.org.au/home/patients-and-visitors/campus-information/st-vincents-Hospital-melbourne.

Statement of Priorities

The Statement of Priorities (SOP) is the key document of accountability between the Department of Health and St Vincent's Hospital (Melbourne) Limited (SVHM). St Vincent's Hospital Melbourne is pleased to publish its outcomes achieved during 2020-21.

Part A: Strategic Priorities

Priorities	Response
Maintain robust COVID-19 readiness and response, working with the Department of Health to ensure the health services rapidly respond to outbreaks, if and when they occur, including providing testing for the community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of the COVID-19 vaccine immunisation program rollout, ensuring the local community's confidence in the program.	St Vincent's Hospital Melbourne has a robust COVID-19 Response Plan, which covers all facets of our response including operations, workforce, infection control, communication and logistics. This was updated following an in-depth lessons learnt exercise after the second COVID-19 wave in Victoria. SVHM has led two vaccination programs to assist in meeting the target of having as many Victorians vaccinated against COVID-19 as possible by the end of 2021. The COVID staff vaccination clinic commenced in February 2021, transforming a vacant ward into a functional and comfortable environment. In March, SVHM was enlisted to run one of Victoria's high-volume vaccination sites at Royal Exhibition Building. Working closely with the Department of Health (DoH) and Museums Victoria, the centre has administered up to 2,000 vaccinations per day to eligible Victorians. Over 400 staff have been recruited to operate the centre with almost 100,000 vaccinations administered to end of June 2021.
Engage with the community to address the needs of patients, especially vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary catch-up care to support them to get back on track.	Elective surgical activity during 2020-21 was significantly impacted by COVID-19. SVHM implemented a Deferred Care Elective Surgery Plan to complete additional elective procedures by the end of June 2022. Between February and June 2021, SVHM completed an additional 460 elective procedures as part of the deferred care plan.
Respond to the recommendations of the Royal Commission into Victoria's Mental Health System and the Royal Commission into Aged Care Quality and Safety.	SVHM actively participated in the consultation process for the Royal Commission into Victoria's Mental Health System (RCVMHS) and our feedback and suggestions were incorporated into a range of policy areas in the final report and recommendations. The organisation's RCVMHS Working Group continues to meet and is currently working to ensure a proactive approach to the implementation of the recommendations in partnership with DoH, including the new Mental Health and Wellbeing Division and other key stakeholders. Planning initiatives already underway include expansion of the Hospital Outreach Post suicide attempt Engagement (HOPE) Model, the development of a Co-Design Improvement Model with consumers and carers including a mental health consumer-led feedback loop trial, and planning for twelve additional Psychiatric Registrar training positions. In addition, SVHM has been co-designing an enhanced Adult Community Mental Health Model of Care which will become the foundation for enabling the mental health program to meet the RCVMHS recommended key areas of reform over coming years. Following the release of the findings and recommendations of the Royal Commission into Aged Care Quality and Safety, SVHM has completed a risk and opportunities analysis on key reform areas and is developing a roadmap to guide prioritisation of key improvement opportunities. Current key focus areas include governance and operations of our residential aged care facilities, and continuous improvement of services.

Statement of Priorities

Priorities	Response
Develop and foster local health partner relationships, which have been strengthened during the pandemic response, to continue delivering collaborative approaches to planning, procurement and service delivery at scale. This extends to prioritising innovative ways to deliver healthcare through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform to deliver improved patient care through greater integration.	Throughout 2021 St Vincent's Hospital Melbourne was an active member of the North East Metro Cluster, now the North East Metro Health Services Partnership (HSP), and has worked closely with our HSP partners both during the COVID-19 response and subsequently on key health sector reform priorities, including elective surgery, mental health, aged care and home-based care. SVHM is the HSP lead for the Better@Home initiative, a program that is highly aligned to our Care Beyond Hospital Walls Strategy. The North East Metro HSP has an ambitious aim to enhance home and community-based care for the community of north east metropolitan Melbourne and SVHM is looking forward to working with our HSP partners to achieve this aim. During the pandemic response phase, SVHM partnered with several organisations to keep our community safe. Highlights include: – Rapidly establishing a COVID-19 Isolation and Recovery Facility (CIRF) to provide homeless and marginalised people with a safe place to isolate and receive medical and housing support if they were required to quarantine due to being COVID-19 positive or suspected, as well as implementing a Mobile Fever Clinic for COVID-19 testing of homeless people across greater Melbourne. – Partnering with the Burnet Institute and the Salvation Army 614 Bourke St site to establish a Mobile Immunisation, Harm Reduction and Health Service (MIHS) Program with the objective to provide low threshold, non-judgemental, place-based immunisation, harm reduction and health services to people experiencing homelessness and/or people who inject drugs in metropolitan Melbourne. – Partnering with private aged care facilities, commonwealth and state agencies and neighbouring health services to rapidly mobilise a seven day/week Residential Aged Care COVID-19 Response to support private residential aged care facilities in our region to manage COVID-19 outbreaks.

Part B: Performance Priorities

High quality and safe care

Key Performance Indicator	Target	2020-21 actuals
Accreditation		
Compliance with the Commonwealth's Aged Care Accreditation Standards	Full compliance	Full compliance
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	82%
Percentage of healthcare workers immunised for influenza	90%	92%
Patient experience		
Victorian Healthcare Experience Survey – data submission	Full compliance	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of positive patient experience Quarter 1	95% positive experience	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of positive patient experience Quarter 2	95% positive experience	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of positive patient experience Quarter 3	95% positive experience	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care Quarter 1	75% positive experience	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care Quarter 2	75% positive experience	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care Quarter 3	75% positive experience	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – patients' perception of cleanliness Quarter 1	70%	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – patients' perception of cleanliness Quarter 2	70%	No surveys conducted in 2020-2021
Victorian Healthcare Experience Survey – patients' perception of cleanliness Quarter 3	70%	No surveys conducted in 2020-2021
Healthcare associated infections (HAI's)		
Number of patients with surgical site infection	No outliers	Achieved
Number of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	Not achieved
Rate of patients with SAB* per occupied bed day	≤ 1/10,000	1.76
Mental health		
Percentage of adult inpatients who are readmitted within 28 days of discharge	14%	14%
Rate of seclusion events relating to an adult acute mental health admission	≤ 10/1,000	2.5
Rate of seclusion events relating to an aged acute mental health admission	≤ 5/1,000	0.7
Percentage of adult patients who have post-discharge follow-up within seven days	80%	89%
Percentage of aged patients who have post-discharge follow-up within seven days	80%	68%
Continuing care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.98

* SAB is Staphylococcus aureus bacteraemia

Statement of Priorities

Timely access to care

Key performance indicator	Target	2020-21 actuals
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	70%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended times	80%	58%
Percentage of Triage Category 1 emergency patients seen immediately	100%	100%
Percentage of emergency patients with a length of stay less than four hours	81%	67%
Number of patients with length of stay in the emergency department greater than 24 hours	0	0
Elective surgery		
Percentage of urgency category 1 elective surgery patients admitted within 30 days	100%	100%
Percentage of urgency category 1,2 and 3 elective surgery patients admitted within clinically recommended time	94%	75%
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	30%
Number of patients on the elective surgery waiting list*	1,637	2,635
Number of Hospital Initiated Postponements per 100 scheduled admissions	≤ 7/100	6.34
Number of patients admitted from the elective surgery waiting list	7,350	5,597
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	95%
Percentage of routine patients referred by a GP or external specialist who attended a first appointment within 365 days	90%	86%

* The target shown is the number of patients on the elective surgery waiting list as at 30 June 2020

Effective financial management

Key Performance Indicator	Target	2020-21 actuals
Finance		
Operating result ($m)	0	0.16
Average number of days to paying trade creditors	< 60 days	57
Average number of days to receiving patient fee debtors	< 60 days	48
Public and Private WIES* performance to target	100%	91%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.89
Actual number of days a health service can maintain its operations with unrestricted available cash, measured on the last day of each month	14 days	16.1
Measures the accuracy of forecasting the Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ $250,000	Not achieved

* WIES is a Weighted Inlier Equivalent Separation

Part C: Activity and Funding

Funding type	2020-21 Activity Achievement
Acute Admitted	
WIES Public	50,933
WIES DVA	155
WIES TAC	106
Acute Non-admitted	
Home Enteral Nutrition	2,066
Home Renal Dialysis	86
Specialist Clinics	103,916
Total Parenteral Nutrition	63
Subacute and Non-acute Admitted	
Subacute WIES – Rehabilitation Public	840
Subacute WIES – Rehabilitation Private	172
Subacute WIES – GEM Public	906
Subacute WIES – GEM Private	307
Subacute WIES – Palliative Care Public	208
Subacute WIES – Palliative Care Private	83
Subacute WIES – DVA	25
Transition Care – Bed days	8,045
Transition Care – Home day	16,426
Aged Care	
Residential Aged Care	37,872
HACC	2,448
Mental Health and Drug Services	
Mental Health Ambulatory	56,969
Mental Health Inpatient – Available bed days	23,103
Mental Health Residential	21,900
Mental Health Service System Capacity	1
Mental Health Subacute	10,950
Drug Services	2,636
Other	
NFC – Islet cell Transplantation	3

Report of Operations

Attestation on Data Integrity

I, Angela Nolan, Chief Executive Officer certify that St Vincent's (Melbourne) Limited has put it place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance.
St Vincent's Hospital (Melbourne) Limited has critically reviewed these controls and processes during the year.

Conflict of Interest

I, Angela Nolan, Chief Executive Officer certify that St Vincent's Hospital (Melbourne) Limited has put in place appropriate internal controls and processes to ensure that it has complied with the requirements of Hospital circular 07/2017 Compliance reporting in health portfolio entities (Revised). St Vincent's Hospital (Melbourne) Limited has in place the SVHA Code of Conduct, as well as the SVHA Gifts and Benefit Policy and SVHA Whistleblower Policy. Declaration of private interest forms have been completed by all executive staff within St Vincent's Hospital (Melbourne) Limited 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 Board meeting.

Integrity, Fraud and Corruption

I, Angela Nolan, certify that St Vincent's Hospital (Melbourne) Limited has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed at St Vincent's Hospital (Melbourne) Limited during the year.

Angela Nolan
Chief Executive Officer
30 August 2021
Melbourne

Additional information

In compliance with the requirements of FRD 22H Standard Disclosures in the Report of Operations, details in respect of the items listed below have been retained by St Vincent's Hospital (Melbourne) Limited 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) declarations of pecuniary interests have been duly completed by all relevant officers;

(b) details of shares held by senior officers as nominee or held beneficially;

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

(d) details of changes in prices, fees, charges, rates and levies charged by the Health Service;

(e) details of any major external reviews carried out on the Health Service;

(f) details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations;

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

(h) details of major promotional, public relations and marketing activities undertaken by the Health Service to develop community awareness of the Health Service and its services;

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

(j) a general statement on industrial relations within the Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations;

(k) a list of major committees sponsored by the Health Service, the purposes of each committee and the extent to which those purposes have been achieved;

(l) details of all consultancies and contractors including consultants/ contractors engaged, services provided, and expenditure committed for each engagement.

Report Availability

This report is readily available to Members of Parliament and the public at **www.svhm.org.au** or by calling the Office of the CEO on 03 9231 3938 to request a copy.

Disclosure index

The annual report of St Vincent's Hospital (Melbourne) Limited is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22I	Manner of establishment and the relevant Ministers	4
FRD 22I	Purpose, functions, powers and duties	4
FRD 22I	Nature and range of services provided	4
FRD 22I	Activities, programs and achievements for the reporting period	6
FRD 22I	Significant changes in key initiatives and expectations for the future	6
Management and structure		
FRD 22I	Organisational structure	40
FRD 22I	Workforce data/ employment and conduct principles	17
FRD 22I	Occupational Health and Safety	18
Financial information		
FRD 22I	Summary of the financial results for the year	16
FRD 22I	Significant changes in financial position during the year	16
FRD 22I	Operational and budgetary objectives and performance against objectives	16
FRD 22I	Subsequent events	16
FRD 22I	Details of consultancies under $10,000	17
FRD 22I	Details of consultancies over $10,000	17
FRD 22I	Disclosure of ICT expenditure	N/A
Legislation		
FRD 22I	Application and operation of *Freedom of Information Act 1982*	20
FRD 22I	Compliance with building and maintenance provisions of Building Act 1993	19
FRD 22I	Application and operation of *Public Interest Disclosure Act (Updated 2020-2021)*	37
FRD 22I	Statement on National Competition Policy	37
FRD 22I	Application and operation of *Carers Recognition Act 2012*	37
FRD 22I	Summary of the entity's environmental performance	20
FRD 22I	Additional information available on request	30
Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	37
SD 5.1.4	Financial Management Compliance attestation	45
SD 5.2.3	Declaration in report of operations	2
Attestations		
Attestation on Data Integrity		29
Attestation on managing Conflicts of Interest		29
Attestation on Integrity, fraud and corruption		29
Other reporting requirements		
Reporting of outcomes from Statement of Priorities 2020-2021		22
Occupational Violence reporting		18
Gender Equality Act		N/A
Asset Management Accountability Framework		N/A
Reporting obligations under the *Safe Patient Care Act 2015*		37
Reporting of compliance regarding Car Parking Fees		21

Company Directory

Directors
St Vincent's Hospital (Melbourne) Limited is part of the St Vincent's Health Australia group (SVHA).

SVHA is Australia's largest not-for-profit, non- government healthcare provider and is led by Board Chair Paul McClintock and SVHA Chief Executive Officer Toby Hall. As well as St Vincent's Hospital (Melbourne) Limited, SVHA comprises a number of health entities that are either operated solely by SVHA or in partnership with other Congregations.

During the period 1 July 2020 to 30 June 2021, the Trustees of Mary Aikenhead Ministries made all appointments and reappointments to the SVHA Board.

The following persons were Directors of SVHA during the period 1 July 2020 to 30 June 2021.

- Paul McClintock AO Chair
- Dr Michael Coote
- Ms Anne Cross
- Prof. Suzanne Crowe AO
- Ms Anne McDonald
- Ms Sheila McGregor
- Ms Sandra McPhee AM
- Mr Damien O'Brien
- Mr Paul O'Sullivan
- Ms Jill Watts

Secretary
Mr R Beetson
Mr P Fennessy

Chief Executive Officer
Angela Nolan

Registered office
Level 22, 100 William Street
Woolloomooloo NSW 2011

Auditor
HLB Mann Judd as agent of the Victorian Auditor General's Office

Bankers
National Australia Bank

Ultimate Parent
St Vincent's Hospital (Melbourne) Limited (the 'Company') is a public company limited by guarantee. The sole member of the Hospital is St Vincent's Health Australia Limited. The ultimate controlling entity of the Hospital is the Trustees of Mary Aikenhead Ministries.

SVHA is Australia's largest not-for-profit, non-government healthcare provider

St Vincent's Hospital Melbourne

Directors' Report

The Directors present their report on the Hospital for the financial year ended 30 June 2021.

The financial statements have been prepared pursuant to the provisions of the *Australian Charities and Not-for-Profits Commission Act 2012 (Cth) and the Financial Management Act 1994 (Vic)* with the exception of the application of FRD103F Non-Financial Physical Assets and FRD114A Financial Instruments.

Chair
Mr Paul McClintock AO

Qualifications
Graduated in Arts and Law from the University of Sydney and is an honorary fellow of the Faculty of Medicine of that University, Life Governor of the Woolcock Institute of Medical Research

Experience
Paul was appointed to the Board of SVHA and its subsidiaries Boards on 1 January 2013.

Paul is Chair of I-MED Network and Laser Clinics Australia. He is on the Board of Catholic Health Australia. He is also the Chair of Metcalfe Limited in New Zealand.

Paul served as the Secretary to Cabinet and Head of the Cabinet Policy Unit reporting directly to the Prime Minister as Chairman of Cabinet with responsibility for supervising Cabinet processes and acting as the Prime Minister's most senior personal adviser on strategic directions in policy formulation.

His former positions include Chairman of Medibank Private, the COAG Reform Council, the Committee for the Economic Development of Australia, Symbion Health, Sydney Health Partners, Affinity Health, the Woolcock Institute of Medical Research and Director of the Australian Strategic Policy Institute. He has also served as Commissioner of the Health Insurance Commission.

Dr Michael Coote

Qualifications
MB BS FRANZCO GAICD, Clinical Associate Professor University of Melbourne, Senior Consultant RVEEH, Lead Investigator Glaucoma Surgery Unit Centre for Eye Research Australia, Member of Australian Medical Association, Graduate of Australian Institute of Company Directors, Member of Royal Australian New Zealand College of Ophthalmology

Experience
Michael was appointed to the Board of SVHA and its subsidiaries Boards on 4 August 2016.

Michael is an Associate Professor and senior glaucoma consultant at the Royal Victorian Eye and Ear Hospital Melbourne and is the previous Clinical Director of Ophthalmology. He is the managing partner of Melbourne Eye Specialists – an academic private practice in Melbourne specialising in Glaucoma management.

Michael is an active researcher, mainly in glaucoma surgery research. He developed the CERA model of bleb porosity testing and has published 50 peer reviewed manuscripts, authored 8 book chapters and has given over 50 international lectures. He is currently on the Executive Board of the International Society for Glaucoma Surgery and was the program chair for the September 2018 International Congress in Glaucoma Surgery in Montreal.

Special responsibilities
Michael is Chair of the Research and Education Committee and is a member of the Clinical Governance & Experience Committee.

Directors' Report

Ms Anne Cross AM

Qualifications

Bachelor of Economics, Chartered Accountant, Fellow of the Institute of Chartered Accountants Australia and New Zealand, Graduate and Member of the Australian Institute of Company Directors

Experience

Anne was appointed to the Board of SVHA and its subsidiaries Boards on 1 June 2017. Anne had previously served on the Boards of several St Vincent's entities prior to 2010.

Anne is an experienced Non-Executive Director (NED) with a solid understanding of corporate governance. She has pursued a full-time career as a NED since 2006. She is currently a Director of ASX listed, Link Administration Group, Chair of State-Owned Corporation Water NSW and a Direct or of Transport Assets Holding Entity of NSW.

Anne has previously served as a Non-Executive Director on a range of public company, private company and state government Boards including The GPT Group, Spark Infrastructure, Specialty Fashion Group, Sydney Water and Health Super. Prior to her Non-Executive Director career she spent 15 years as a partner of EY.

Special responsibilities

Anne is Chair of the Audit & Risk Committee and a member of the Finance & Investment Committee.

Prof. Suzanne Crowe AO

Qualifications

MBBS (Honours), Monash University, Fellow, Royal Australasian College of Physicians, MD, Monash University, Fellow, Australian Institute of Company Directors

Experience

Suzanne, a physician-scientist was appointed to the Board of SVHA and its subsidiaries Boards on 1 January 2013.

Her current positions include Emeritus Professor of Medicine, Monash University, non-executive Director of Sonic Health Ltd, non-executive Director of Avita Medical Ltd. She recently retired after over 30 years of service as a Consultant Physician in Infectious Diseases at The Alfred (1988–2019), and in research leadership positions at the Burnet Institute (1988–2019) including Associate Director, NHMRC Principal Research Fellow, Director, Healthy Ageing Program, Director, Centre for Virology. Previous positions include Head of the World Health Organization (WHO) Regional Reference Laboratory for HIV Resistance, Advisor/ Consultant to the WHO Global Program on AIDS, Deputy Chair of the Board of the Australian India Council (Department of Foreign Affairs and Trade), Member of the Prime Minister's Science, Engineering and Innovation Council Asia Working Group and President of the Australasian Society for HIV Medicine.

She has authored over 300 published papers, five books and 85 book chapters in the field. She was appointed Fellow of the Australian Academy of Health & Medical Sciences (2015). In 2020 she was appointed as an Officer of the Order of Australia in recognition of her distinguished services to health and aged care administration, to clinical governance, biomedical research and to education.

Special responsibilities

Suzanne is Chair of the Clinical Governance & Experience Committee, a member of Research & Education Committee and a member of the ad hoc Aged Care Royal Commissions Committee.

Ms Sheila McGregor

Qualifications

BA (Hons), LLB (Sydney University), Graduate Australian Institute of Company Directors, Member of Chief Executive Women

Experience

Sheila was appointed a director of SVHA and its subsidiaries Boards on 1 December 2019.

Sheila is a partner at Gilbert + Tobin Lawyers and before that was a partner at Herbert Smith Freehills (then Freehills), and in those roles has advised private and public sector organisations on a range of complex legal and governance issues focused on information technology and data.

Sheila is on the Board of IAG Limited, and a member of each of the Audit, Risk & Nominations Committees. She also on the Boards of Crestone Holdings Limited and of the Sydney Writers' Festival. She is Chair of Sydney girls' school Loreto Kirribilli.

Special responsibilities

Sheila is a member of the Research & Education Committee, the Mission, Ethics & Advocacy Committee and the ad hoc Aged Care Royal Commission Committee.

Ms Anne McDonald

Qualifications

Bachelor of Economics, Chartered Accountant, Fellow of the Institute of Chartered Accountants Australia and New Zealand, Graduate and Member of the Australian Institute of Company Directors

Experience

Anne was appointed to the Board of SVHA and its subsidiaries Boards on 1 June 2017. Anne had previously served on the Boards of several St Vincent's entities prior to 2010.

Anne is an experienced Non-Executive Director (NED) with a solid understanding of corporate governance. She has pursued a full-time career as a NED since 2006. She is currently a Director of ASX listed, Link Administration Group, Chair of State-Owned Corporation Water NSW and a Direct or of Transport Assets Holding Entity of NSW.

Anne has previously served as a Non-Executive Director on a range of public company, private company and state government Boards including The GPT Group, Spark Infrastructure, Specialty Fashion Group, Sydney Water and Health Super. Prior to her Non-Executive Director career she spent 15 years as a partner of EY.

Special responsibilities

Anne is Chair of the Audit & Risk Committee and a member of the Finance & Investment Committee.

Ms Sandra McPhee AM

Qualifications

Diploma in Education, Fellow of the Australian Institute of Company Directors, Member of Chief Executive Women

Experience

Sandra was appointed to the Board of SVHA and its subsidiaries Boards on 1 October 2017. She has a long history with SVHA having served on the Sydney regional Boards prior to 2010 and as Chair of the Sydney Regional Advisory Committee.

Sandra is Chair of the NSW Public Service Commission. She is a member of the advisory council of J.P. Morgan, Chief Executive Women and Women Corporate Directors and Chancellor of Southern Cross University. In 2018 she was appointed by the Commonwealth Government to Chair the Employment Services – Expert Advisory Panel Review resulting in the I Want to Work – Employment Services 2020 Report.

Sandra has previously served as a Non-Executive Director on a diverse number of public company, state and federal government and not-for-profit Boards including Scentre Group, Westfield Retail Trust, AGL Energy, Fairfax Media, Coles Group, Kathmandu Holdings, Perpetual, Australia Post, Tourism Australia, South Australia Water, Care Australia and the Starlight Foundation.

Sandra has extensive global leadership experience in the airline and tourism industries in Australia, UK, Europe, SE Asia, the Indian sub-Continent and Africa. She has served as Chair of a number of Board People and Culture and Remuneration committees.

Special responsibilities

Sandra is Chair of the People & Culture Committee and a Member of the Mission, Ethics & Advocacy Committee.

Mr Damien O'Brien

Qualifications

Bachelor of Economics (UNSW), MBA (Columbia University), Diploma in Theology & Philosophy (St Columban's College)

Experience

Damien was appointed to the Board of SVHA and its subsidiaries Boards on 1 November 2019.

Damien is the former Chair and CEO of Egon Zehnder which is a leading global advisory firm specialising in Board advisory services and executive recruitment. During his career with Egon Zehnder he was based in Hong Kong, Sydney, Paris, London and Zurich. He served as Chairman between 2010 and 2018. Prior to that he was engaged by McKinsey & Company as an Associate Consultant.

He is currently a non-executive director at Ardagh Group, a New York Stock Exchange listed company, and he is a Member of the Supervisory Board of IMD Business School, Lausanne, Switzerland. In 2021 he was appointed to the Advisory Board of Conduit Capital – a private funds management group. He previously served on the Board of St Vincent's Private Hospital Sydney from 2002 to 2008 and the Advisory Board of Jesuits Australia from 2004 to 2007.

Special responsibilities

Damien is the Chair of the Mission, Ethics & Advocacy Committee and a Member of the Audit & Risk Committee.

Directors' Report

Mr Paul O'Sullivan

Qualifications

B.A. Economics, (First Class), Trinity College Dublin, Advanced Management Program, Harvard Business School

Experience

Paul was appointed to the Board of SVHA and its subsidiaries Boards on 1 August 2019.

Paul is an experienced chief executive with extensive domestic and international experience in ASX and SGX companies driving business transformation, growth and managing mergers and acquisitions as well as working with Board Remuneration and Audit Committees. Previous roles include Chief Executive Optus Australia and CEO Group Consumer Singel (SGP).

Paul is Chairman of Singtel Optus, Chair of the Western Sydney Airport Company, Chair of ANZ bank and a Non-Executive Director of Australian Tower Network Pty Ltd.

Special responsibilities

Paul is the Chair of the Finance & Investment Committee and a member of the People & Culture Committee.

Ms Jill Watts

Qualifications

Wharton Fellow, MBA, Grad Dip Health Admin & Information Systems; RM; RN

Experience

Jill was appointed to the Board of SVHA and its subsidiaries Boards on 1 August 2019. She has over 40 years' international business experience achieved through high profile executive and non-executive Board roles in Australia, UK, France, South Africa and South-East Asia.

Jill is currently Chair of Healthcare Logic and a non-executive director of the listed IHH Healthcare Berhad and the Nexus Hospitals groups. She is also a Governor with Sidra Medicine in Qatar.

Prior to establishing a non-executive Board portfolio, Jill was an advisor to Macquarie Capital and spent 10 years in the United Kingdom as Group CEO of two of the largest hospital groups, BMI Healthcare and Ramsay UK.

Jill has previously served on several high-profile Boards including the Australian Chamber of Commerce and the Royal Flying Doctor Service in the UK, Ramsay Santé in France and the Netcare Group in South Africa. Between 2008 and 2012 Jill was Chair of NHS Partners Network and in 2010 she was voted as the most influential leader in UK Private Health Care, and in 2013 as one of healthcare's most inspirational women.

Jill has a strong business, leadership and financial acumen, honed through executive roles where she actively led a number of major business transformations. In combination with over 12 years as a surveyor with the Australian College of Healthcare Standards, this has facilitated a unique knowledge base in managing both corporate and clinical risk.

Special responsibilities

Jill is a member of the People & Culture Committee, a member of the Finance & Investment Committee and a member of the ad hoc Aged Care Royal Commission Committee.

Company Secretary

Mr Robert Beetson

Qualifications

Bachelor of Laws/Bachelor of Arts (Macquarie), Grad Dip in Legal Practice, Master of Laws (UNSW) (Human Rights & Social Justice), Grad Dip in Humanities (Italian) (UNE)

Experience

Rob has worked for over 40 years in the health industry. He is admitted as a Solicitor to the Supreme Court of NSW, Member of the Law Society of NSW, Member of the Governance Institute of Australia, Member Australian Lawyers for Human Rights and a Member Australian Corporate Lawyers Association. Rob is also a graduate of the Australian Institute of Company Directors. He serves as an Executive in St Vincent's Health Australia in the position of Group General Manager Legal, Governance & Risk.

Alternate Company Secretary

Mr Paul Fennessy

Qualifications

Bachelor of Engineering (Civil) (Hons)/ Bachelor of Laws (Monash)

Experience

Paul was appointed as alternate Company Secretary on 11 February 2016 and has over 20 years' experience as a lawyer. He is admitted as a Solicitor to both the Supreme Court of NSW and the Supreme Court of Victoria and holds an unrestricted NSW Practicing Certificate. Paul is the Group General Counsel for St Vincent's Health Australia.

Principal activities

St Vincent's Hospital (Melbourne) Limited provides medical and surgical services, sub-acute care, aged care, correctional health, mental health services and a range of community and outreach services. St Vincent's Hospital (Melbourne) Limited is a major teaching, research and tertiary referral centre.

St Vincent's Hospital (Melbourne) Limited is part of the St Vincent's Health Australia Limited Group of not-for-profit companies. St Vincent's Health Australia is the nation's largest not-for-profit health and aged care provider.

Key objectives

St Vincent's Hospital (Melbourne) Limited has enunciated a number of key short and long-term objectives in the SVHA enVision 2025 strategic plan.

Some of the core objectives are to:

- Expand existing sites;
- Establish partnerships and expand into growth corridors;
- Increase St Vincent's impact among the poor and vulnerable through funding and service-partnership models, and;
- Develop Centres of Excellence to grow referral pathways.

The manner in which these objectives are to be achieved is set in detail in the SVHA envision 2025 strategic plan.

St Vincent's Hospital (Melbourne) Limited measures its performance in detailed monthly Finance and Activity reports that are issued to the Senior Executive, SVHA Board and Department of Health.

Trading result

The result of the company for the financial year was a gain of $31,932,000.

Review of operations

A review of the operations of St Vincent's Hospital (Melbourne) Limited during the financial year and the result of those operations are set out below:

	2021 $'000	2020 $'000
Total Revenue for the year	924,452	851,125
Results for the year	31,932	11,876

Revenue for the year increased, reflecting additional Department of Health funding driven by indexation, additional grants, COVID-19 grants and growth in both government and non-government funded activities.

Overall expenditure increased for the year in line with revenue. Employee related expenditure increased due to pay award increases and service growth. Consumables expenditure increased due to COVID-19 impact.

Members' guarantee

The company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of $100 towards meeting any outstanding obligations of the company. At 30 June 2021, the company had one member (2020: one member).

Significant changes in the state of affairs

There were no significant changes in the State of Affairs of St Vincent's Hospital (Melbourne) Limited.

Subsequent events

There has been no matter or circumstance, which has arisen since 30 June 2021 that has significantly affected, or may affect:

(a) The operations, in financial years subsequent to 30 June 2021, of St Vincent's Hospital (Melbourne) Limited, or

(b) The results of those operations, or

(c) The state of affairs, in financial years subsequent to 30 June 2021, of St Vincent's Hospital (Melbourne) Limited

Legislative compliance

St Vincent's Hospital (Melbourne) Limited is committed to promoting a culture of legislative compliance as a core component of the organisation's overall risk-management strategy. Legislative Compliance is reported to the SVHA Board annually. Any serious or non-compliant issues are managed in a proactive and transparent manner and at an appropriate level of seniority. In particular, St Vincent's Hospital (Melbourne) Limited notes its compliance with the following legislation:

Financial Management Act 1994. This Act relates to the financial administration, accountability and annual reporting requirements for the public sector and publicly funded entities. St Vincent's has complied with all relevant sections of the Act.

Public Interest Disclosures Act 2012. The purpose of the Act is to encourage and facilitate the making of disclosures of corrupt or improper conduct by public officers and public bodies, its employees and members, without the fear of reprisal. Disclosures under the Act about improper conduct of, or detrimental action taken in reprisal for a protected disclosure by, St Vincent's Hospital (Melbourne) Limited or its employees and directors, must be made to the Victorian Independent Broad-based Anti-corruption Commission (IBAC). St Vincent's Hospital (Melbourne) Limited is not aware of any disclosures under the Act during the reporting period.

Directors' Report

Carers Recognition Act 2012. The purpose of the Act is to recognise people in care relationships and the role of carers in our community. The Act sets out principles that recognise and support people in care relationships and includes obligations for organisations such as St Vincent's Hospital (Melbourne) Limited that are funded by the State Government to develop and provide policies, programs or services that affect people in care relationships.

National Competition Policy. In accordance with the Competition Principles Agreement (CPA) the State of Victoria is obliged to apply competitive neutrality policy and principals to all significant business activities undertaken by government agencies. St Vincent's Hospital (Melbourne) Limited has regard to this policy in relevant significant business activities.

Freedom of Information Act 1982. The purpose of the Act is to give members of the public rights of access to official documents of the Government of Victoria and its agencies. See page 30 of this report for details of St Vincent's Hospital (Melbourne) Limited compliance.

The building and maintenance provisions of the *Building Act 1993 and Minister for Finance Guideline Building Act 1993/Standards for Publicly Owned Buildings/November 1994)* to the extent that these provisions are applicable noting that not all St Vincent's Hospital (Melbourne) Limited Buildings are publicly owned. See page 29 of this report.

The Victorian Industry Participation Policy Act 2003 and Guidelines. The purpose of the Act is to require agencies to consider opportunities for competitive local suppliers when awarding certain contracts. St Vincent's Hospital (Melbourne) Limited complies with this policy. St Vincent's Hospital (Melbourne) Limited however had no contract that fell within the ambit of the Act in 2020-21.

In 2020-21 there were no contracts requiring disclosure under the *Local Jobs First Policy*.

Safe Patient Care Act 2015

St Vincent's Hospital (Melbourne) Limited has nil reports in relation to its obligations under clause 40 of the *Safe Patient Care Act 2015*.

Indemnifying officer or auditor

St Vincent's Hospital (Melbourne) Limited has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the cost or expenses to defend legal proceedings; with the exception of the following matter:
  - During or since the end of the financial year the company has paid premiums to insure directors and officers against liabilities for costs or expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director or officer of the company, other than conduct involving a wilful breach of duty in relation to the company.

The amount of the premium was paid as part of an overall insurance charge.

Rounding of amounts

St Vincent's Hospital (Melbourne) Limited is an entity of the kind referred to in Legislative Instrument 2016/191 issued by ASIC, dated 24 March 2016, and in accordance with that Legislative Instrument amounts in the Directors' Report and the financial statements are rounded to the nearest thousand dollars.

Board committees

SVHA Board is supported by six standing Committees and one ad hoc Committee:

- Audit & Risk
- Finance & Investment Mission, Ethics & Advocacy People & Culture
- Clinical Governance & Safety Committee Research & Education Committee
- Ad hoc Royal Commission Committee

Remuneration

SVHA directors receive payment for their roles as Directors.

In attendance

The following members of the SVHA Group Executive attended Board meetings for that part of the agenda agreed by the Board:

- Mr Robert Beetson, as Group General Manager Legal, Governance and Risk and Company Secretary
- Mr Paul Fennessy, as Alternate Company Secretary
- Mr Toby Hall, as Group Chief Executive Officer
- Ms Ruth Martin, as Group Chief Financial Officer
- Ms Lisa McDonald, as Group Mission Leader
- Mr David Swan, as Chief Executive Officer of St Vincent's Health Australia Private Hospitals Division
- Mr Lincoln Hooper, as Chief Executive Officer of St Vincent's Health Australia Care Services Division
- A/Prof Patricia O'Rourke, as Chief Executive Officer of St Vincent's Health Australia Public Hospitals Division
- Dr Erwin Loh, as Group General Manager Clinical Governance and Chief Medical Officer
- Ms Annie Schmidt, as Group General Manager People and Culture

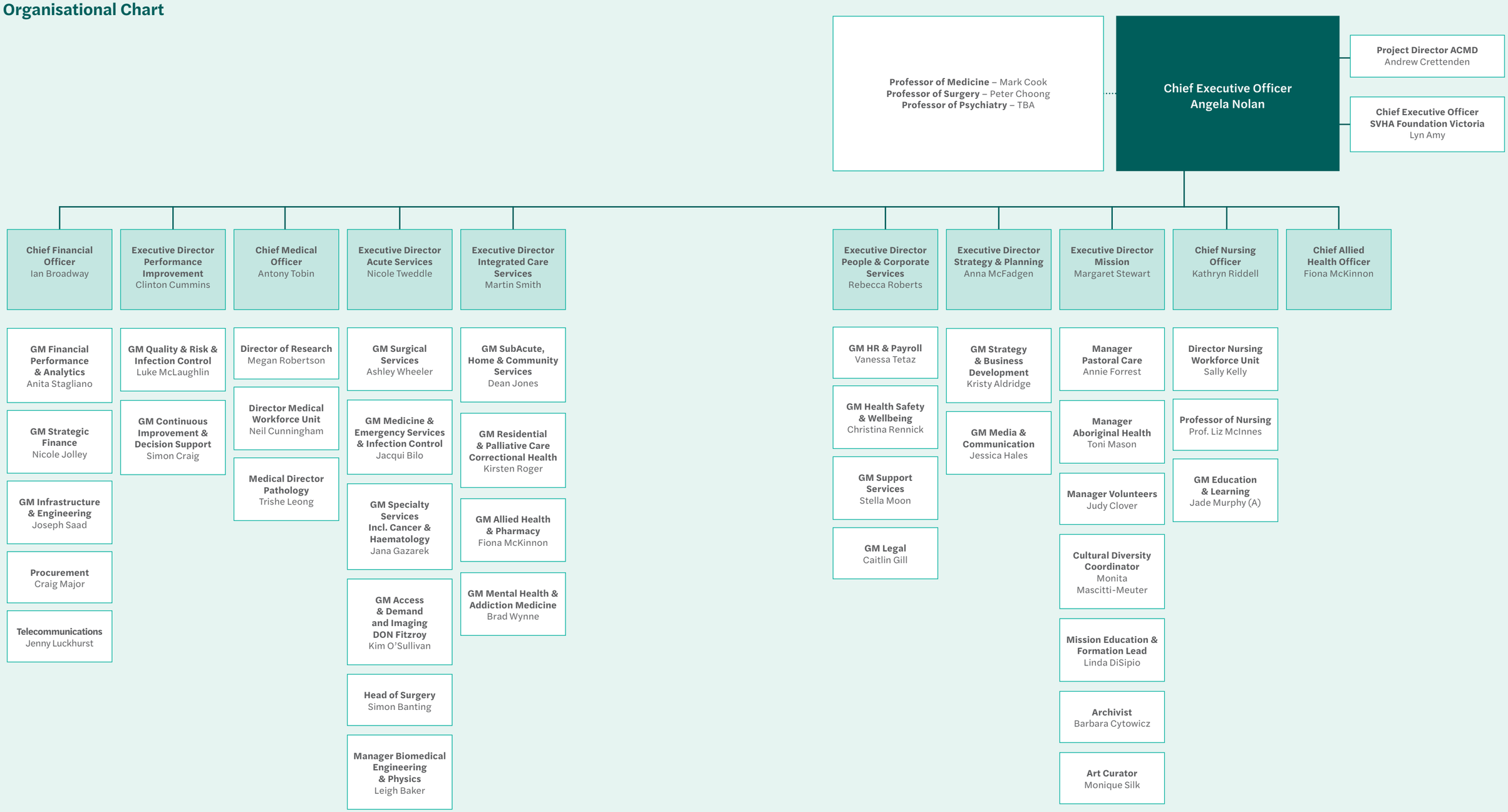
Meetings of Directors

The numbers of meetings of the company's Board of Directors and of each Board committee held from 1 July 2020 to 30 June 2021, and the number of meetings attended by each director were:

	Board	Audit & Risk	FI*	MEA**	People & Culture	CGS***	RE****	Ad hoc RC*****
Number of meetings:	**7**	**7**	**9**	**4**	**6**	**6**	**6**	**2**
Mr Paul McClintock AO	7/7							
Dr M Coote	7/7					6/6	6/6	
Ms A Cross AM	7/7	7/7				6/6		2/2
Prof. S Crowe AM	7/7					6/6	6/6	2/2
Ms A McDonald	7/7	7/7	9/9					
Ms Sheila McGregor	6/7			4/4			6/6	2/2
Ms Sandra McPhee AM	7/7			4/4	6/6			
Mr Damien O'Brien	6/7	7/7		4/4				
Mr Paul O'Sullivan	7/7		9/9		6/6			2/2
Ms Jill Watts	7/7		9/9		2/2			

Note: Format is 'number of meetings attended/numbers of meetings eligible to attend'
* Finance & Investment
** Mission, Ethics & Advocacy
*** Clinical Governance & Safety
**** Research & Education
***** Ad Hoc Royal Commission

Organisational Chart



FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under the *Australian Charities and Not-for-Profits Commission Act 2012 (Cth)* is attached. Dated at Melbourne on 30 August in accordance with a resolution of the Board.

Financial Management Compliance

I, Paul McClintock, on behalf of the Responsible Body, certify that St Vincent's Hospital (Melbourne) Limited has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

Paul McClintock AO
Chair

Angela Nolan
Chief Executive Officer

As at 30 June 2021, St Vincent's had 763 available beds across all of its services.

VAGO
Victorian Auditor-General's Office

Auditor-General's Independence Declaration

To the Board, St Vincent's Hospital (Melbourne) Limited

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for St Vincent's Hospital (Melbourne) Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
13 September 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

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

Board members', Accountable Officer's and Chief Finance Officer's declaration

We declare that:

The attached financial statements for St Vincent's Hospital (Melbourne) Limited 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, Australian Charities and Not-for-Profits Regulation 2013 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 2021 and the financial position of St Vincent's Hospital (Melbourne) Limited at 30 June 2021.

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

We authorise the attached financial statements for issue on 30 August 2021.

Paul McClintock AO
Chair
30 August 2021
Sydney

Angela Nolan
Chief Executive Officer
30 August 2021
Melbourne

Ian Broadway
Chief Financial Officer
30 August 2021
Melbourne

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of St Vincent's Hospital (Melbourne) Limited

Opinion

I have audited the financial report of St Vincent's Hospital (Melbourne) Limited (the health service) which comprises the:

- Balance Sheet as at 30 June 2021
- 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 significant accounting policies
- Board members, Accountable officer's and Chief finance officer's declaration.

In my opinion the financial report is in accordance with Part 7 of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012,* including:

- giving a true and fair view of the financial position of the health service as at 30 June 2021 and of its financial performance and its cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013.*

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the health service in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Board's responsibilities for the financial report

The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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.

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

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the health service'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.

I also provide the Board with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
13 September 2021

Dominika Ryan
as delegate for the Auditor-General of Victoria

Comprehensive Operating Statement for the Financial Year Ended 30 June 2021

	Note	2021 $'000	2020 $'000
Revenue and Income from Transactions			
Operating Activities	2.1	923,429	834,872
Non-Operating Activities	2.1	1,023	16,253
Total Revenue and Income from Transactions		**924,452**	**851,125**
Expenses from Transactions			
Employee Expenses	3.1	(644,856)	(596,749)
Supplies and Consumables	3.1	(120,867)	(117,515)
Finance Costs	3.1	(1,109)	(1,264)
Depreciation and Amortisation	4.4	(38,149)	(29,843)
Other Administrative Expenses	3.1	(64,207)	(55,687)
Other Operating Expenses	3.1	(35,612)	(34,144)
Total Expenses from Transactions		**(904,800)**	**(835,202)**
Net Result from Transactions – Net Operating Balance		**19,652**	**15,923**
Other Economic Flows included in Net Result			
Net gain/(loss) on sale of non-financial assets	3.4	321	(28)
Net gain/(loss) on financial instruments at fair value	3.4	9,542	(3,319)
Other gains/(losses) from other economic flows	3.4	2,417	(700)
Total Other Economic Flows Included in Net Result		**12,280**	**(4,047)**
Net Result for the Year		**31,932**	**11,876**
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in PPE Revaluation Surplus	4.2(b)	58	344
Comprehensive Result For The Year		**31,990**	**12,220**

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

Balance Sheet as at 30 June 2021

	Note	2021 $'000	2020 $'000
Assets			
Current Assets			
Cash and Cash Equivalents	6.2	60,093	41,175
Receivables and Contract Assets	5.1	28,622	37,461
Investments and Other Financial Assets	4.1	6,861	6,830
Inventories	4.6	8,346	8,776
Prepaid Expenses	5.4	1,615	1,958
Total Current Assets		**105,537**	**96,200**
Non-Current Assets			
Receivables and Contract Assets	5.1	64,399	60,583
Investments and Other Financial Assets	4.1	81,967	70,157
Property, Plant and Equipment	4.2	204,144	178,251
Intangible Assets	4.3	15,547	20,253
Investment Property	4.5	3,100	2,800
Total Non-Current Assets		**369,157**	**332,044**
Total Assets		**474,694**	**428,244**
Liabilities			
Current Liabilities			
Payables and Contract Liabilities	5.2	110,775	68,938
Borrowings	6.1	9,721	52,042
Employee Benefits	3.2	157,012	140,197
Other Liabilities	5.3	11,823	8,740
Total Current Liabilities		**289,331**	**269,917**
Non-Current Liabilities			
Borrowings	6.1	22,564	26,311
Employee Benefits	3.2	31,005	32,212
Total Non-Current Liabilities		**53,569**	**58,523**
Total Liabilities		**342,900**	**328,440**
Net Assets		**131,794**	**99,804**
Equity			
General Purpose Surplus	SCE	113	120
Property, Plant & Equipment Revaluation Surplus	SCE	991	933
Restricted Specific Purpose Surplus	SCE	36,293	31,816
AIB Surplus	SCE	6,104	6,097
Funds Held in Perpetuity	SCE	250	250
Contributed Capital	SCE	25,850	25,850
Accumulated Surplus	SCE	62,193	34,738
Total Equity		**131,794**	**99,804**

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

Statement of Changes in Equity for the Financial Year Ended 30 June 2021

	Note	General Purpose Surplus $ '000	Property, Plant & Equipment Revaluation Surplus $ '000	Restricted Specific Purpose Surplus $ '000	AIB Surplus $ '000	Funds Held in Perpetuity $ '000	Contributed Capital $ '000	Accum. Surpluses/ (Deficits) $ '000	Total $ '000
Balance at 30 June 2019	**8.9**	**69**	**589**	**30,606**	**6,148**	**250**	**25,850**	**24,072**	**87,584**
Net result for the Year		-	-	-	-	-	-	11,876	11,876
Other Comprehensive Income		-	344	-	-	-	-	-	344
Transfer to/(from) Accum Surplus		-	-	1,210	-	-	-	(1,210)	-
Transfer to/(from) AIB Surplus		51	-	-	(51)	-	-	-	-
Transfer to/(from) Restricted Specific Purpose Surplus		-	-	-	-	-	-	-	-
Balance at 30 June 2020	**8.9**	**120**	**933**	**31,816**	**6,097**	**250**	**25,850**	**34,738**	**99,804**
Net result for the Year		-	-	-	-	-	-	31,932	31,932
Other Comprehensive Income		-	58	-	-	-	-	-	58
Transfer to/(from) Accum Surplus		-	-	4,477	-	-	-	(4,477)	-
Transfer to/(from) AIB Surplus		(7)	-	-	7	-	-	-	-
Transfer to/(from) Restricted Specific Purpose Surplus		-	-	-	-	-	-	-	-
Balance at 30 June 2021	**8.9**	**113**	**991**	**36,293**	**6,104**	**250**	**25,850**	**62,193**	**131,794**

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

Cash Flow Statement for the Financial Year Ended 30 June 2021

	Note	2021 $'000 Inflows/ (Outflows)	2020 $'000 Inflows/ (Outflows)
Cash Flows From Operating Activities			
Operating Grants from Government		753,242	655,461
Capital Grants from Government		38,344	26,365
Patient and Resident Fees Received		18,809	20,415
Private Practice and Pathology Fees Received		41,728	39,361
Donations and Bequests Received		5,844	7,238
Interest and Investment Income Received		419	2,019
Other Receipts		130,074	137,793
Total Receipts		**988,460**	**888,652**
Employee Expenses Paid		(622,754)	(573,915)
Payments for Supplies and Consumables		(145,543)	(140,286)
Payments for Repairs and Maintenance		(6,065)	(5,224)
Payments for Medical Indemnity Insurance		(6,801)	(6,642)
Finance Costs		(1,109)	(1,264)
Other Payments		(70,739)	(84,458)
GST Paid to ATO		(61,880)	(53,558)
Cash outflow for Leases		(41)	(60)
Total Payments		**(914,932)**	**(865,407)**
Net Cash Inflow from Operating Activities	**8.1**	**73,528**	**23,245**
Cash Flows from Investing Activities			
Purchase of Non-Financial Assets		(45,780)	(24,010)
Proceeds from Disposal of Non-Financial Assets		87	16
Purchase of Intangible Assets		(2,581)	(1,289)
Purchases of Investments		(498)	(1,041)
Capital Donations and Bequests Received		1,765	2,188
Other Capital Receipts		2,983	5,521
Net Cash Outflow from Investing Activities		**(44,024)**	**(18,615)**
Cash Flows from Financing Activities			
Proceeds from Borrowings		712	40,186
Repayment of Borrowings		(2,394)	(3,421)
Repayment of Finance Leases		(11,891)	(12,541)
Receipt of Accommodation Deposits		3,851	2,155
Repayment of Accommodation Deposits		(864)	(1,120)
Net Cash Inflow/(Outflow) from Financing Activities		**(10,586)**	**25,259**
Net Increase/(Decrease) In Cash and Cash Equivalents Held		18,918	29,889
Cash and Cash Equivalents at Beginning of the Financial Year		41,175	11,286
Cash and Cash Equivalents at End of the Financial Year	**6.2**	**60,093**	**41,175**

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

Notes to the financial statements for the financial year ended 30 June 2021

Note 1: Basis of Preparation

These financial statements represent the audited general purpose financial statements for St Vincent's Hospital (Melbourne) Limited ('Health Service') for the year ended 30 June 2021. The report provides users with information about the Health Services' stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements and identifies the key accounting estimates and judgements.

Note 1.1 Basis or 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 and relevant Standing Directions (SDs) authorised by the Assistant Treasurer.

The Health Service 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 Health Service operates on a fund accounting basis and maintains three funds: Operating, Specific Purpose and Capital Funds.

The financial statements, except for cash flow information, have been prepared on an accrual 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.

The financial statements are 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 Health Service on 30 August 2021.

Note 1.2 Impact of Covid-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. Since this date, to contain the spread of COVID-19 and prioritise the health and safety of our community, the Health Service was required to comply with various directions announced by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Health Service operates.

Health Service introduced a range of measures in both the prior and current year, including:

- introducing restrictions on non-essential visitors;
- greater utilisation of telehealth services;
- implementing the COVID-19 Advice Line;
- implementing reduced visitor hours;
- deferring elective surgery and reducing activity;
- transferring inpatients to private health facilities;
- partnering with St Vincent's Private Hospital Melbourne to perform surgery on public patients;
- setting up a fever clinic to perform COVID-19 testing for patients, staff and the community;
- administering COVID-19 vaccinations for both staff, and the public at the Royal Exhibition Building;
- implementing work from home arrangements, where appropriate;
- establishment of Sumner House, in partnership with the Brotherhood of St Laurence and Launch Housing, to accommodate people requiring a safe place to isolate, for respite and recovery and to provide a mobile fever clinic;
- establishment of a front-line worker quarantine hotel;
- establishment of an in-house contact tracing team;
- establishment of COVID-19 Simulation Wards and in-house PPE training and fit testing;
- creation and roll-out of a number of online COVID 19 specific training packages for staff;
- redeployment of at-risk staff;
- establishment of HealthMonitor program for people who tested positive to COVID-19 to safely monitor their health while they are self-isolated at home;
- additional support for residential aged-care facilities;
- introduction of different staffing models in various departments to ensure compliance with capacity restrictions whilst maintaining sufficient patient care; and
- establishment of Matilda unit at Port Philip Prison to isolate and quarantine COVID 19 prisoners/inmates.

As restrictions eased throughout the year in line with reduced community transmissions, the Health Service revised some measures where appropriate including:

- reintroduction of category 2 and 3 elective surgery;
- easing of visitor restrictions;
- de-commissioning of Sumner House and the front-line worker quarantine hotel; and
- staged transition back to office based work.

Further information on the impacts of the pandemic are disclosed at:

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering our services
- Note 4: Key assets to support service delivery
- Note 5: Other assets and liabilities
- Note 6: How we finance our operations.

Note 1.3 Abbreviations and terminology used in the financial statements

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

Ref.	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
SD	Standing Direction
VAGO	Victorian Auditor General's Office
WIES	Weighted Inlier Equivalent Separation

Note 1.4 Jointly controlled operations

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

In respect of any interest in joint operations, the Health Service recognises in the financial statements:

- its assets, including its share of any assets held jointly;
- any liabilities including its share of liabilities that it had incurred;
- its revenue from the sale of its share of the output from the joint operation;
- its share of the revenue from the sale of the output by the operation; and
- its expenses, including its share of any expenses incurred jointly.

The Health Service is a member of the Victorian Comprehensive Cancer Centre Joint Venture and retains joint control over the arrangement, which it has classified as a joint operation (refer to Note 8.8 Jointly Controlled Operations).

Note 1.5 Key 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 information and assume any reasonable expectation of future events. Actual results may differ.

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

The accounting policies and significant management judgements and estimates used, and any changes thereto, are identified at the beginning of each section where applicable and are disclosed in further detail throughout the accounting policies.

Note 1.6 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 Health Service and their potential impact when adopted in future periods is outlined below:

Standard	Adoption Date	Impact
AASB 17: *Insurance Contracts*	Reporting periods on or after 1 January 2023	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods on or after 1 January 2022	Adoption of this standard is not expected to have a material impact.
AASB 2020-3: *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*	Reporting periods on or after 1 January 2022	Adoption of this standard is not expected to have a material impact.
AASB 2020-8: *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*	Reporting periods on or after 1 January 2021	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 Health Service in future periods.

Note 1.7 Goods and Services Tax (GST)

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

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

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

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

Note 1.8 Reporting Entity

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

Its principal place of business is:
St Vincent's Hospital (Melbourne) Limited
41 Victoria Parade
Fitzroy, Victoria 3065

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

Note 1.9 Going Concern

The Health Service has a net asset position of $131.794m at 30 June 2021 (2020: $99.804m).

The Health Service's Balance Sheet shows an excess of current liabilities over current assets of $183.794m (2020: $173.717m). However, included within current liabilities are employee provisions of $157.012m (2020: $140.197m) which are presented as current even though it is probable that amounts will be paid out over several years. The Health Service has estimated in the twelve months following 30 June 2021, $56.583m (2020: $49.317m) may be paid out related to these employee provisions as disclosed in note 3.2. Also related to these provisions, the Health Service has a non-current receivable of $64.239m (2020: $60.357m) from the Department of Health as disclosed in note 5.1 that may be called upon where required.

When preparing its financial statements, the Health Service has assessed Department of Health funding and related costs for Public services to be provided in the twelve months following 30 June 2021. Department of Health has committed to providing temporary cash flow support to enable the Health Service to meet its current and future operational obligations as and when they fall due for a period up to 30th September 2022 should it be required to enable continued trade in the short term for provision of health services to Victorians. Department of Health support recognises the additional costs and cash implications associated with the Health Service managing the COVID-19 outbreak.

Accordingly, the financial statements have been prepared on a going concern basis.

Note 2: Funding delivery of our services

The Health Service's overall objective is to provide quality health services that support and enhance the wellbeing of all Victorians.

The Health Service is predominantly funded by accrual based grant funding for the provision of outputs. The Health Service also receives income from the supply of services.

Structure

2.1 Revenue and income from transactions

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

2.3 Other income

Revenue recognised to fund the delivery of our services decreased during the financial year due to the impact of the COVID-19 coronavirus pandemic. During this period, the Health Service has collaborated closely with the Department of Health to reduce the risk of infection to our staff, patients and the community. The Health Service commissioned St. Vincent's Hospital on the Park (SVHOP) to meet potential demands of COVID-19 and other Government priorities, and established the Royal Exhibition Building vaccination clinic (REB), the Sumner House COVID recovery facility, and a fever clinic.

Activity Based Funding decreased as the level of activity agreed in the Statement of Priorities was unable to be delivered due to reductions in the number of patients being treated at various times throughout the financial year. This was offset by funding provided by the Department of Health to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs.

Funding provided included:

- COVID-19 grants to fund additional staffing and non staffing costs, and to compensate for third party revenue shortfalls;
- State repurposed grants to fund shortfalls against activity based funding as noted above;
- Better @ home funding to provide alternative patient services;
- Additional elective surgery funding to enable a catch up of surgery that could not be undertaken during the pandemic;
- Mental health capacity funding to address additional mental health demand evident during the pandemic such as, expanded hours clinics, additional acute capacity, secondary consultation liaison, assertive assessment outreach, remaining connected project;
- Capital works funding for the pathology laboratory; and
- Funding to cover additional COVID-19 related services including SVHOP, vaccinations at REB, Sumner House, the fever clinic and to support laboratory testing.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 2.1: Revenue and Income from Transactions

	Note	Total 2021 $'000	Total 2020 $'000
Operating Activities			
Revenue from Contracts with Customers			
Government Grants (State) – Operating		456,450	447,695
Government Grants (Commonwealth) – Operating		54,889	56,575
Patient and Resident Fees		18,689	19,897
Commercial Activities[1]		76,154	77,498
Pathology		35,434	34,112
Diagnostic Imaging		12,450	12,645
Total Revenue from Contracts with Customers		**654,066**	**648,422**
Other Sources of Income			
Government Grants (State) – Operating		178,358	125,376
Government Grants (State) – Capital		38,422	26,365
Other Capital Purpose Income		16,638	5,084
Assets received Free of Charge or for Nominal Consideration	2.2	5,109	3,295
Other Revenue from Operating Activities (including Non-Capital Donations)		30,836	26,330
Total Other Sources of Income		**269,363**	**186,450**
Total Revenue and Income from Operating Activities		**923,429**	**834,872**
Capital Interest	2.3	14	17
Other Interest	2.3	279	1,008
Dividends	2.3	730	961
Other Income	2.3	-	14,267
Total Income from Non-Operating Activities		**1,023**	**16,253**
Total Income from Transactions		**924,452**	**851,125**

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

How We Recognise Revenue and Income from Transactions

Government Operating Grants

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

When both these conditions are satisfied, the health service:

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

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

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

The types of government grants recognised under AASB 15: Revenue from Contracts with Customers includes:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	The performance obligations for ABF are the number and mix of patients admitted to Health Service (defined as 'casemix') in accordance with the levels of activity agreed to, with the Department of Health in the annual Statement of Priorities. Revenue is recognised at a point in time, which is when a patient is discharged, in accordance with the WIES activity when an episode of care for an admitted patient is completed. WIES activity is a cost weight that is adjusted for time spent in Health Service, and represents a relative measure of resource use for each episode of care in a diagnosis related group.
Specific Purpose Grants	These are paid for a particular purpose or project and are recognised over time as the specific performance obligations and/or conditions regarding their use are met. Example of specific purpose grants: – Mental Health – Adult Continuing Care and Treatment – Drug Services – Adult residential drug withdrawal
Other one-off grants	The health service exercises judgement over whether the performance obligations have been met, on a grant by grant basis. Example of other one-off grants: – Mental Health – Early Intervention Psychosocial Response – COVID-19 Mental Health – Secondary Consultation Liaison

Capital Grant

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

Patient and Resident Fees

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

Private Practice Fees

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

Pathology and Diagnostic Imaging

Pathology and Diagnostic Imaging fees are recognised as revenue at a point in time, upon provision of the service to the customer.

Commercial Activities

Revenue from commercial activities includes items such as car park income, private diagnostic services, correctional health services and Breast screen. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

Non-cash contributions from the Department of Health

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

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for the Health Service 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 LSL liability in line with the long service leave funding arrangements set out in the relevant Department of Health Hospital Circular.

Note 2.2: Fair Value of Assets Received Free of Charge or for Nominal Consideration

	Total 2021 $'000	Total 2020 $'000
During the reporting period, the fair value of assets received free of charge, was as follows:		
Capital Cash Donations	1,766	2,189
Cultural Assets	339	93
Plant and Equipment	391	123
Assets received free of charge under State supply arrangements	2,613	890
Total	**5,109**	**3,295**

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 Health Service usually obtained control of the asset) as they do not contain sufficiently specific and enforceable performance obligations. Where sufficiently specific and enforceable performance obligations exist, revenue is recorded as and when the performance obligation is satisfied.

State Supply Arrangements

In order to meet the State of Victoria's health system supply needs during the COVID-19 pandemic, the purchasing of essential personal protective equipment (PPE) and other essential plant and equipment was centralised.

Generally, the State Supply Arrangement stipulates that Health Purchasing Victoria (trading as HealthShare Victoria) sources, secures and agrees terms for the purchase of PPE. The purchases are funded by the Department of Health, while Monash Health takes delivery and distributes an allocation of the products to health services. The Health Service received these resources free of charge and recognised them as income.

Contributions

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

On initial recognition of the asset, the Health Service recognises related amounts being contributions by owners, lease liabilities, financial instruments, provisions and revenue or contract liabilities arising from a contract with a customer.

The Health Service recognises income immediately in the profit or loss as the difference between the initial fair value of the asset and the related amounts.

Voluntary Services

Contributions by volunteers, in the form of services, are only recognised when fair value can be reliably measured, and the services would have been purchased if they had not been donated. The Health Service has considered the services provided by volunteers and has determined the value of volunteer services cannot be readily determined and therefore it has not recorded any income related to volunteer services.

Note 2.3: Other Income

	Total 2021 $'000	Total 2020 $'000
Dividends Received from Investments	730	961
Capital Interest	14	17
Other Interest	279	1,008
Other Income[(i)]	-	14,267
Total Other Income	**1,023**	**16,253**

[(i)] Other Income of $14.267M in FY2020 is a commitment from the Department of Health to cover LSL liability.

How We Recognise Other Income

Interest Revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield of the financial asset, which allocates interest over the relevant period.

Dividend Revenue

Dividend revenue is recognised when the right to receive payment is established. Dividends represent the income arising from the Health Service's investments in Financial Assets.

Note 3: The cost of delivering services

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

Structure

3.1 Expenses from Transactions

3.2 Employee benefits in the balance sheet

3.3 Superannuation

3.4 Other Economic Flows

Expenses incurred to deliver our services increased during the financial year with $47.8m of additional cost being attributable to the impact of COVID-19 coronavirus pandemic.

Additional costs were incurred to:

- establish facilities within Health Service for the isolation and treatment of suspected and admitted COVID-19 patients including in the emergency department, the intensive care unit and on inpatient wards resulting in an increase in employee costs, additional equipment purchases, and additional pathology testing;
- implement COVID safe practices throughout the Health Service including increased cleaning, increased security, temperature testing of staff and visitors, consumption of personal protective equipment, that was in part provided as resources free of charge, COVID-19 simulation training, PPE training, working from home arrangements for staff;
- assist with COVID-19 case management, contact tracing and outbreak management contributing to an increase in employee costs;
- establish a fever clinic for staff, patient and community COVID-19 testing;
- manage increased patient acuity, high levels of nursing sick leave and to supplement the nursing workforce which was burdened by the impact of the vaccination program and hotel quarantine across the sector;
- establish a call centre hotline to provide information to staff and patients;
- process COVID-19 pathology tests;
- provide support to private residential aged care facilities;
- backfill staff required to quarantine or isolate;
- provide staffing to support public surgical activity performed at private hospitals;
- establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in employee costs, additional equipment and consumables purchases; and
- establish infrastructure, i.e. make physical changes to facilities, to enable staff to work while maintain social- distancing.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	The Health Service applies significant judgment when measuring and classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if the Health Service 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 Health Service 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. The Health Service also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the Health Service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.

Note 3.1: Expenses from Transactions

	Note	Total 2021 $'000	Total 2020 $'000
Salaries and Wages		587,607	544,930
On-costs		47,898	44,288
Agency Expenses		5,493	3,503
Workcover Premium		3,858	4,028
Total Employee Expenses		**644,856**	**596,749**
Drug Supplies		49,964	51,680
Medical and Surgical Supplies		50,281	48,078
Diagnostic and Radiology Supplies		16,281	13,319
Other Supplies and Consumables		4,341	4,438
Total Supplies and Consumables		**120,867**	**117,515**
Finance Costs		1,109	1,264
Total Finance Costs		**1,109**	**1,264**
Fuel, Light, Power and Water		8,325	8,304
Repairs and Maintenance		6,065	5,224
Maintenance Contracts		13,320	12,979
Medical Indemnity Insurance		6,801	6,642
Expenses related to Short Term Leases		41	60
Other Administrative Expenses		64,207	55,687
Expenditure for Capital Purposes		1,060	935
Total Other Operating Expenses		**99,819**	**89,831**
Total Operating Expense		**866,651**	**805,359**
Depreciation and Amortisation	4.4	38,149	29,843
Total Depreciation and amortisation		**38,149**	**29,843**
Total Expenses from Transactions		**904,800**	**835,202**

How We Recognise Expenses from Transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

Supplies and consumables 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 are recognised as expenses in the period in which they are incurred. Finance costs include:

- Interest on bank overdrafts and short-term and long-term borrowings;
- Amortisation of discounts or premiums relating to borrowings;
- Amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- Finance charges in respect of leases recognised in accordance with AASB 16 Leases.

Other operating expenses

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

- Fuel, light and power;
- Repairs and maintenance;
- Other administrative expenses; and
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold of $1,000).

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

Non-operating expenses

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

Note 3.2: Employee Benefits in the Balance Sheet

	Total 2021 $'000	Total 2020 $'000
Current Provisions		
Employee Benefits		
Annual Leave		
– Unconditional and expected to be settled wholly within 12 months[i]	41,151	35,485
– Unconditional and expected to be settled wholly after 12 months[ii]	6,972	6,040
Long Service Leave		
– Unconditional and expected to be settled wholly within 12 months[i]	7,799	7,449
– Unconditional and expected to be settled wholly after 12 months[ii]	83,882	76,204
Accrued Days Off		
– Unconditional and expected to be settled wholly within 12 months[i]	2,070	1,715
	141,874	**126,893**
Provisions related to Employee Benefit On-Costs		
– Unconditional and expected to be settled wholly within 12 months[i]	5,563	4,668
– Unconditional and expected to be settled wholly after 12 months[ii]	9,575	8,636
	15,138	**13,304**
Total Current Employee Benefits	**157,012**	**140,197**
Non-Current Provisions		
Conditional long service leave	28,059	29,151
Provisions related to Employee Benefit On-Costs	2,946	3,061
Total Non-Current Employee Benefits	**31,005**	**32,212**
Total Employee Benefits	**188,017**	**172,409**

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

How We Recognise Employee Benefits

Employee Benefits Recognition

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

Provisions

Provisions are recognised when the Health Service has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

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 Health Service does not have an unconditional right to defer settlements of these liabilities.

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

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

The components of this current LSL liability are measured at:

- Nominal value – if the Health Service expects to wholly settle within 12 months; or
- Present value – if the Health Service does not expect to wholly settle within 12 months.

Conditional LSL is measured at present value and disclosed as a non-current liability. Any gain or loss from 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 accepts voluntary redundancy in exchange for these benefits.

Liabilities for termination benefits are recognised when a detailed plan for the termination has been developed and a valid expectation has been raised with those employees affected that the terminations will be carried out. The liabilities for termination benefits are recognised in other creditors unless the amount or timing of the payments is uncertain, in which case they are recognised as a provision.

On-Costs related to Employee Benefits

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

(a) Employee Benefits and Related On-Costs

	Total 2021 $'000	Total 2020 $'000
Current Employee Benefits and Related On-Costs		
Unconditional Long Service Leave Entitlements	101,308	92,437
Annual Leave Entitlements	53,416	45,865
Accrued Days Off	2,288	1,895
Total Current	**157,012**	**140,197**
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements	31,005	32,212
Total Non-Current	**31,005**	**32,212**
Total Employee Benefits and Related On-Costs	**188,017**	**172,409**
Carrying amount at start of year	**172,409**	**155,695**
Additional provisions recognised	23,388	25,243
Amounts incurred during the year	(7,780)	(8,529)
Balance at End of Year	**188,017**	**172,409**

Note 3.3: Superannuation

	Paid Contribution Contribution		Outstanding for the Year at Year End	
	Total 2021 $'000	Total 2020 $'000	Total 2021 $'000	Total 2020 $'000
Defined Benefit Plans[i]:				
Aware Super	325	329	-	-
Government State Super Funds	140	153	2	4
Defined Contribution Plans:				
Aware Super	25,979	25,087	869	852
HESTA	14,686	14,027	451	482
Host Plus	934	642	35	27
STA Super	876	564	39	28
UniSuper	702	296	27	14
Other	5,586	3,137	138	111
Total	**49,228**	**44,235**	**1,561**	**1,518**

[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 Health Service are entitled to receive superannuation benefits and the Health Service contributes to both defined benefit and defined contribution plans.

Defined contribution superannuation plans

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

Defined benefit superannuation plans

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Health Service to the superannuation plans in respect of the services of current Health Service 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 defined benefit plan provides benefits based on years of service and final average salary.

The Health Service does not recognise any unfunded defined benefit liability in respect of the plan because the Health Service has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the Victorian State's defined benefit liabilities in its disclosure for administered items.

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Health Service.

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

Note 3.4: Other Economic Flows

	Total 2021 $'000	Total 2020 $'000
Net gain/(loss) on non-financial assets		
Revaluation of Investment Property	300	(34)
Net gain/(loss) on disposal of Property, Plant and Equipment	21	6
Total net gain/(loss) on non-financial assets	**321**	**(28)**
Net gain/(loss) on financial instruments at fair value		
Allowance for impairment losses of contractual receivables	(1,217)	(827)
Net gain/(loss) on financial assets at fair value	10,759	(2.492)
Total net gain/(loss) on financial instruments at fair value	**9,542**	**(3,319)**
Other gains/(losses) from other economic flows		
Net gain(loss) arising from revaluation of long service liability	2,417	(700)
Total other gains/(losses) from other economic flows	**2,417**	**(700)**
Total gains/(losses) from Other Economic Flows	**12,280**	**(4,047)**

How We Recognise Other Economic Flows

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

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

- revaluation gains/(losses) of non-financial physical assets (refer to Note 4.2 Property, plant and equipment);
- net gain/ (loss) on disposal of non-financial assets;
- any gain or loss on the disposal of non-financial assets is recognised at the date of disposal; and
- revaluation gains/(losses) of investment property.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments at fair value includes:

- realised and unrealised gains and losses from revaluations of financial instruments at fair value;
- impairment and reversal of impairment for financial instruments at amortised cost (refer to Note 7.1 Investments and other financial assets); and
- disposals of financial assets and de-recognition of financial liabilities.

Amortisation of non-produced intangible assets

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

Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Refer to Note 4.3 Intangibles.

Other gains/(losses) from other economic flows

Other gains/(losses) include:

- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates; and
- transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

Note 4: Key Assets to support service delivery

The Health Service 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 Health Service to be utilised for delivery of those outputs.

Structure

The measurement of assets used to support delivery of our services were impacted during the financial year which was partially attributable to the COVID-19 coronavirus pandemic. As a result of the pandemic, majority of the Health Service's assets that were used for a COVID-19 patients' care were received from the Department of Health free of charge or reimbursed by the Department of Health.
St Vincent's Health Australia also provided some assets free of charge to the Health Service.

The following key assets were impacted that were used predominately at the Intensive care unit, the emergency department and the newly established COVID-19 wards:

- Ventilators;
- Humidifiers;
- Patient monitors;
- Heart-lung bypass equipment;
- Infusion pumps;
- Syringe pumps; and
- Dialysis prismax

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of investment properties	The Health Service obtains independent valuations for its non-current assets at least once every five years. If an independent valuation has not been undertaken at balance date, the Health Service estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices. Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.
Estimating useful life and residual value of property, plant and equipment	The Health Service assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset. The Health Service reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.
Estimating useful life of right-of-use assets	The useful life of each right-of-use asset is typically the respective lease term, except where the health service is reasonably certain to exercise a purchase option contained within the lease (if any), in which case the useful life reverts to the estimated useful life of the underlying asset. The Health Service applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.
Estimating restoration costs at the end of a lease	Where a lease agreement requires the Health Service to restore a right-of-use asset to its original condition at the end of a lease, the Health Service 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.
Estimating the useful life of intangible assets	The Health Service assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.
Identifying indicators of impairment	At the end of each year, Health Service assesses impairment by evaluating the conditions and events specific to the health service that may be indicative of impairment triggers. Where an indication exists, the health service tests the asset for impairment. The Health Service considers a range of information when performing its assessment, including considering: – 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 health service 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 – If the performance of the asset is or will be worse than initially expected. Where an impairment trigger exists, the Health Service applies significant judgement and estimate to determine the recoverable amount of the asset.

Note 4.1: Investments and other financial assets

	Operating Fund		Specific Purpose Fund		AIB Reserve Fund		Total	Total
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Current								
Term Deposits	274	241	483	492	-	-	757	733
Guaranteed Bill Index Deposit in Escrow	-	-	-	-	6,104	6,097	6,104	6,097
Total Current	**274**	**241**	**483**	**492**	**6,104**	**6,097**	**6,861**	**6,830**
Non-Current								
Managed Investment Schemes	29,023	22,570	51,131	46,274	-	-	80,154	68,844
Shares in Epi Minder	1,813	1,313	-	-	-	-	1,813	1,313
Total Non-Current	**30,836**	**23,883**	**51,131**	**46,274**	**-**	**-**	**81,967**	**70,157**
Total Investments and Other Financial Assets	**31,110**	**24,124**	**51,614**	**46,766**	**6,104**	**6,097**	**88,828**	**76,987**
Represented by:								
Health Service Investments	31,110	24,124	51,614	46,766	6,104	6,097	88,828	76,987
Total Investments and Other Financial Assets	**31,110**	**24,124**	**51,614**	**46,766**	**6,104**	**6,097**	**88,828**	**76,987**

As a result of current global economic uncertainty due to COVID-19, the current valuation of the Health Service's managed investments and shares could be subject to significant volatility.

How We Recognise Investments and Other Financial Assets

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

Investments held by the Health Service do not fall in the scope of the Standing Directions as they are not public entity funds (i.e. not controlled by the government). However, such investments are consolidated into the financial statements of the Health Service as the Health Service has control over these investments.

Investments are recognised when the Health Service 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 Health Service 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.

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

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

Note 4.2: Property, Plant and Equipment

(a) Gross carrying amount and accumulated depreciation

	Total 2021 $'000	Total 2020 $'000
Leasehold Improvements		
Leasehold Improvements at Fair Value	219,048	207,008
Less Accumulated Depreciation	(130,684)	(118,330)
Total Leasehold Improvements	**88,364**	**88,678**
Plant and Equipment		
Plant and Equipment at Fair Value	32,312	30,568
Less Accumulated Depreciation	(24,900)	(23,745)
Total Plant and Equipment	**7,412**	**6,823**
Medical Equipment		
Medical Equipment at Fair Value	99,118	93,282
Less Accumulated Depreciation	(77,203)	(74,411)
Total Medical Equipment	**21,915**	**18,871**
Computers and Communication		
Computers and Communication at Fair Value	7,591	14,439
Less Accumulated Depreciation	(3,248)	(10,113)
Total Computers and Communications	**4,343**	**4,326**
Furniture and Fittings		
Furniture and Fittings at Fair Value	3,879	3,811
Less Accumulated Depreciation	(3,205)	(3,021)
Total Furniture and Fittings	**674**	**790**
Motor Vehicles		
Motor Vehicles at Fair Value	3,991	4,075
Less Accumulated Depreciation	(3,258)	(3,256)
Total Motor Vehicles	733	819
Cultural Assets		
Cultural Assets at Fair Value^	4,110	3,713
Total Cultural Assets	**4,110**	**3,713**
Right of Use Assets		
Right of Use – Plant, Equipment and Motor Vehicles Fair Value	15,206	19,483
Less Accumulated Depreciation	(11,306)	(15,803)
Total Right of Use – Plant, Equipment and Motor Vehicles	**3,900**	**3,680**
Right of Use – Buildings at Fair Value	42,520	37,219
Less Accumulated Depreciation	(19,434)	(9,564)
Total Right of Use – Buildings	**23,086**	**27,655**
Total Right of Use Assets	**26,986**	**31,335**
Works in Progress at Cost*	**49,607**	**22,896**
Total Property Plant and Equipment	**204,144**	**178,251**

^ Cultural Assets were revalued at 30 June 2021 by Dwyer Fine Arts.

* Long term capital projects of leasehold improvements and plant and equipment are initially costed to "Works in Progress". When the project is completed and the new asset commissioned for use, the cost of the project is re-classified to the appropriate class of asset.

(b) Reconciliations of the carrying amounts of each class of asset

	Leasehold Improvement $'000	Plant & Equipment $'000	Medical Equipment $'000	Computers & Comms $'000	Furniture & Fittings $'000	Motor Vehicles $'000	Cultural Assets $'000	Right of Use – PE, MV $'000	Right of Use – Buildings $'000	Works in Progress $'000	Total $'000
Balance at 1 July 2019	**90,291**	**6,693**	**17,354**	**2,910**	**769**	**416**	**3,276**	**6,685**	**32,019**	**18,100**	**178,513**
Additions	1,262	1,047	5,118	2,340	199	531	93	394	5,200	10,875	27,059
Transfers	4,821	818	582	-	-	-	-	-	-	(6,079)	142
Disposals	-	(2)	(8)	-	-	-	-	-	-	-	(10)
Revaluation	-	-	-	-	-	-	344	-	-	-	344
Depreciation	(7,696)	(1,733)	(4,175)	(924)	(178)	(128)	-	(3,399)	(9,564)	-	(27,797)
Balance at 1 July 2020	**88,678**	**6,823**	**18,871**	**4,326**	**790**	**819**	**3,713**	**3,680**	**27,655**	**22,896**	**178,251**
Additions	1,553	1,292	6,382	1,516	45	99	339	2,345	4,434	37,778	55,783
Transfers	7,674	855	1,282	24	23	-	-	-	-	(11,067)	(1,209)
Disposals	-	(7)	(49)	(11)	-	-	-	-	(81)	-	(148)
Revaluation	-	-	-	-	-	-	58	-	1,064	-	1,122
Depreciation	(9,541)	(1,551)	(4,571)	(1,512)	(184)	(185)	-	(2,125)	(9,986)	-	(29,655)
Balance at 30 June 2021	**88,364**	**7,412**	**21,915**	**4,343**	**674**	**733**	**4,110**	**3,900**	**23,086**	**49,607**	**204,144**

How We Recognise Property, Plant and Equipment

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

Initial Recognition

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

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

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 revalued at fair value less accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is considered to equate to the fair value of these assets given their short useful lives.

Cultural assets are initially measured at cost and subsequently valued at fair value with increments and decrements being reflected through a reserve where decrements have not previously been recognised through the profit and loss. Decrements that offset previous increments in the same class of asset are charged against an asset revaluation reserve directly in equity and other decreases are charged to the net result.

Impairment

At the end of each financial year, Health Service assesses if there is any indication that an item of property, plant and equipment may be impaired by considering internal and external sources of information. If an indication exists, Health Service estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. An impairment loss of a revalued asset is treated as a revaluation decrease as noted above.

The Health Service has concluded that the recoverable amount of property, plant and equipment which are regularly revalued is expected to be materially consistent with the current fair value. As such, there were no indications of property, plant and equipment being impaired at balance date.

How We Recognise Right-of-use Assets

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

Unless the lease is considered a short-term lease or a lease of a low-value asset (refer to Note 6.1 for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. The Health Service presents its right-of-use assets as part of property, plant and equipment as if the asset was owned by the health service. Right-of-use assets and their respective lease terms include:

Class of right-of-use asset	Lease term
Leased buildings	1 to 7 years
Leased plant, equipment, furniture, fittings and vehicles	1 to 5 years

Presentation of right-of-use assets

The Health Service presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet.

Initial Recognition

When a contract is entered into, the Health Service assesses if the contract contains or is a lease. If a lease is present, a right-of-use asset and corresponding lease liability is recognised. The definition and recognition criteria of a lease is disclosed at Note 6.1.

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 Health Service's medical equipment lease agreements contain purchase options which the Health Service is reasonably certain to exercise at the completion of the lease.

Subsequent measurement

Right-of-use assets are subsequently measured at fair value less accumulated depreciation and accumulated impairment losses where applicable. Right-of-use assets are also adjusted for certain re-measurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Impairment

At the end of each financial year, Health Service assesses if there is any indication that a right-of-use asset may be impaired by considering internal and external sources of information. If an indication exists, Health Service estimates the recoverable amount of the asset. Where the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised.

Health Service performed an impairment assessment and noted there were no indications of its right-of-use assets being impaired at balance date.

(c) Fair value measurement hierarchy for assets

	Note	Consolidated carrying amount 30 June 2021 $ '000	Fair value measurement at end of reporting period using: Level 1[i] $ '000	Level 2[i] $ '000	Level 3[i] $ '000
Leasehold improvements at fair value	4.2(a)	88,364			88,364
Plant and equipment at fair value	4.2(a)	7,412			7,412
Medical Equipment at fair value	4.2(a)	21,915			21,915
Computer Equipment at fair value	4.2(a)	4,343			4,343
Furniture and fittings at fair value	4.2(a)	674			674
Motor Vehicles at fair value	4.2(a)	733			733
Cultural assets at fair value	4.2(a)	4,110		4,110	
Right of Use Assets at fair value	4.2(a)	26,986			26,986
Total Property, Plant & Equipment at Fair Value		**154,537**	**-**	**4,110**	**150,427**

	Note	Consolidated carrying amount 30 June 2021 $ '000	Fair value measurement at end of reporting period using: Level 1[i] $ '000	Level 2[i] $ '000	Level 3[i] $ '000
Leasehold improvements at fair value	4.2(a)	88,678			88,678
Plant and equipment at fair value	4.2(a)	6,823			6,823
Medical Equipment at fair value	4.2(a)	18,871			18,871
Computer Equipment at fair value	4.2(a)	4,326			4,326
Furniture and fittings at fair value	4.2(a)	790			790
Motor Vehicles at fair value	4.2(a)	819			819
Cultural assets at fair value	4.2(a)	3,713		3,713	
Right of Use Assets at fair value	4.2(b)	31,335			31,335
Total Property, Plant & Equipment at Fair Value		**155,355**	**-**	**3,713**	**151,642**

[i] Classified in accordance with the fair value hierarchy. There have been no transfers between levels during the period.

Vehicles

The Health Service acquires new vehicles and at times disposes of them before completion of their economic life. The process of acquisition, use and disposal in the market is managed by the Health Service who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Furniture, fittings, plant and equipment

Furniture, fittings, plant and equipment (including medical equipment, computers and communication equipment) are held at carrying amount (depreciated cost). When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, the depreciated replacement cost is used to estimate 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 depreciated replacement cost will be materially different from the existing carrying amount.

Cultural Assets

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. For artwork, an independent valuation was performed by independent valuers "Dwyer Fine Arts" to determine the fair value using the market approach. Valuation of the assets is determined by a comparison to similar examples of the artist's work in existence throughout Australia and research on price paid for similar examples offered at auction or through art galleries in recent years.

To the extent that artworks do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

There were no changes in valuation techniques throughout the period to 30 June 2021.

(d) Reconciliation of level 3 fair value measurement

	Note	Leasehold Improvement $'000	Plant & Equipment $'000	Medical Equipment $'000	Computers & Comms $'000	Furniture & Fittings $'000	Motor Vehicles $'000	Cultural Assets $'000	Right of Use – PE, MV $'000	Right of Use – Buildings $'000
Balance at 1 July 2019	**4.2(b)**	**90,291**	**6,693**	**17,354**	**2,910**	**769**	**416**	**3,276**	**6,685**	**32,019**
Additions/(Disposals)	4.2(b)	1,262	1,045	4,096	2,340	199	531	-	394	5,200
Assets provided free of charge		-	-	1,014	-	-	-	93	-	-
Net transfers between classes		4,821	818	582	-	-	-	-	-	-
Gains/(Losses) recognised in net result										
– Depreciation and amortisation	4.4	(7,696)	(1,733)	(4,175)	(924)	(178)	(128)	-	(3,399)	(9,564)
Items recognised in other comprehensive income										
– Revaluation		-	-	-	-	-	-	344	-	-
Balance at 1 July 2020	**4.2(c)**	**88,678**	**6,823**	**18,871**	**4,326**	**790**	**819**	**3,713**	**3,680**	**27,655**
Additions/(Disposals)	4.2(b)	1,553	1,285	3,450	1,505	45	99	-	2,345	4,353
Assets provided free of charge		-	-	2,883	-	-	-	339	-	-
Net transfers between classes	4.2(b)	7,674	855	1,282	24	23	-	-	-	-
Gains/(Losses) recognised in net result										
– Depreciation and amortisation	4.4	(9,541)	(1,551)	(4,571)	(1,512)	(184)	(185)	-	(2,125)	(9,986)
Items recognised in other comprehensive income										
– Revaluation		-	-	-	-	-	-	58	-	1,064
Balance at 30 June 2021	**4.2 (c)**	**88,364**	**7,412**	**21,915**	**4,343**	**674**	**733**	**4,110**	**3,900**	**23,086**

① Classified in accordance with the fair value hierarchy, refer to Note 4.2(c)

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.

e) Fair Value Determination

Asset Class	Valuation Hierachy	Likely Valuation Approach	Likely valuation Significant Inputs (Level 3 only)
Plant and equipment	Level 3	Current replacement cost approach	– Cost per unit – Useful life
Medical equipment	Level 3	Current replacement cost approach	– Cost per unit – Useful life
Computers and communication	Level 3	Current replacement cost approach	– Cost per unit – Useful life
Furniture and fittings	Level 3	Current replacement cost approach	– Cost per unit – Useful life
Motor Vehicles	Level 3	Current replacement cost approach	– Cost per unit – Useful life
Leasehold Improvements	Level 3	Current replacement cost approach	– Cost per unit – Useful life
Cultural assets	Level 2	Market approach	N/A

Note 4.3: Intangible Assets

a) Gross carrying amount and accumulated amortisation

	Total 2021 $'000	Total 2020 $'000
Computer Software and Development at cost	41,204	36,712
Less Accumulated Amortisation	(30,178)	(21,685)
	11,026	**15,027**
Patent at Cost	11	11
Less Accumulated Amortisation	(3)	(2)
	8	**9**
Bed Licences at Cost	3,375	3,375
Intangible Work in Progress	1,138	1,842
Total Intangible Assets	**15,547**	**20,253**

b) Reconciliation of the carrying amounts of intangible assets

	Computer Software & Development $'000	Intangible WIP $'000	Patent $'000	Bed Licences $'000	Total $'000
Balance at 1 July 2019	**11,941**	**4,700**	**10**	**3,375**	**20,026**
Additions	1,289	2,637	-	-	3,926
Transfers	3,842	(5,495)	-	-	(1,653)
Disposals	-	-	-	-	-
Depreciation/Amortisation	(2,045)	-	(1)	-	(2,046)
Balance at 1 July 2020	**15,027**	**1,842**	**9**	**3,375**	**20,253**
Additions	367	2,213	-	-	2,580
Transfers	4,125	(2,917)	-	-	1,208
Disposals	-	-	-	-	-
Depreciation/Amortisation	(8,493)	-	(1)	-	(8,494)
Balance as at 30 June 2021	**11,026**	**1,138**	**8**	**3,375**	**15,547**

No valuation was performed on aged care bed licences for year ended 30 June 2021.

How We Recognise Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as Aged Care bed licences, computer software and development costs.

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 recognised if, and only if, all of the following are demonstrated:

a. the technical feasibility of completing the intangible asset so that it will be available for use or sale;

b. an intention to complete the intangible asset and use or sell it;

c. the ability to use or sell the intangible asset;

d. the intangible asset will generate probable future economic benefits;

e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

f. 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

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

Impairment

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

Note 4.4: Depreciation and Amortisation

	Total 2021 $'000	Total 2020 $'000
Depreciation		
Plant and Equipment	1,551	1,733
Medical Equipment	4,571	4,175
Computers and Communication	1,512	924
Furniture and Fittings	184	178
Motor Vehicles	185	128
Leasehold Improvements	9,541	7,696
Right of Use – Plant and Equipment	2,125	3,399
Right of Use – Buildings	9,986	9,564
Total Depreciation – Property, Plant and Equipment	**29,655**	**27,797**
Amortisation		
Intangible Assets		
Computer Software & Development Costs	8,493	2,045
Patent	1	1
Total Amortisation – Intangible Assets	**8,494**	**2,046**
Total Depreciation and Amortisation	**38,149**	**29,843**

How We Recognise Depreciation

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

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

How We Recognise Amortisation

Amortisation is allocated to intangible assets with finite useful lives and is the systematic allocation of the depreciable amount of an asset over its useful life.

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

	2021	2020
Leasehold Improvements	10 to 40 years	10 to 40 years
Plant and Equipment	4 to 15 years	4 to 15 years
Medical Equipment	4 to 10 years	4 to 10 years
Computers and Communications	4 to 10 years	4 to 10 years
Motor Vehicles	6.6 years	6.6 years
Furniture and Fittings	6 to 18 years	6 to 18 years
Leased Assets	4 to 10 years	4 to 10 years
Computer Software	4 to 10 years	4 to 10 years
Right of Use – Plant and Equipment	1 to 5 years	1 to 5 years
Right of Use – Buildings	1 to 9 years	1 to 9 years

The basis for leasehold improvements amortisation is determined in accordance with the receipt of letters from:

i. the parent company advising of extension of the ground lease; and

ii. The Department of Health advising of the proposed usage of the Health Service for public hospital services beyond 2021 and has allowed continuing application of the above expected useful lives of non-current assets.

Note 4.5: Investment Properties

a) Movements in carrying value for investment properties

	Total 2021 $'000	Total 2020 $'000
Balance at Beginning of Period	2,800	2,834
Net gain from Fair Value adjustments	300	(34)
Balance at End of Period	**3,100**	**2,800**

b) Fair value measurement hierarchy for investment properties as at 30 June 2021

	Carrying amounts as at 30 June 2021	Fair value measurement at end of reporting period using: Level 1(i)	Level 2(i)	Level 3(i)
Investment properties	3,100		3,100	
Total	**3,100**		**3,100**	

c) Fair value measurement hierarchy for investment properties as at 30 June 2020

	Carrying amounts as at 30 June 2020	Fair value measurement at end of reporting period using: Level 1(i)	Level 2(i)	Level 3(i)
Investment properties	2,800		2,800	
Total	**2,800**		**2,800**	

(i) Classified in accordance with the fair value hierarchy

How We Recognise Investment Properties

Investment properties represent properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the Health Service.

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 Health Service.

Subsequent measurement

Subsequent to initial recognition at cost, investment properties are revalued to fair value, determined annually by independent valuers. Fair values are determined based on a market comparable approach that reflects recent transaction prices for similar properties. Investment properties are neither depreciated nor tested for impairment.

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

The fair value of the Health Service's property 26-28 Gertrude St at 30 June 2021 has been arrived on the basis of an independent valuation carried out by independent valuers Egan National Valuers. The valuation was determined by reference to market evidence of transaction process for similar properties with no significant unobservable adjustments, in the same location and condition and subject to similar lease and other contracts.

The Gertrude Street investment property is held for the purposes of long term capital gain. At balance date there is no commitment for expenditure relating to this property.

There have been no transfers between levels during the period. There were no changes in valuation techniques throughout the period to 30 June 2021.

Note 4.6: Inventories

	Total 2021 $'000	Total 2020 $'000
Current		
Drug Supplies	3,188	2,789
Medical and Surgical Lines	4,843	5,620
Food Supplies	90	93
Biomedical Supplies	225	274
Total	**8,346**	**8,776**

How We Recognise Inventories

Inventories include goods and other property held either for sale, consumption or for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets. Inventories are measured at the lower of cost and net realisable value.

Note 5: Other assets and liabilities

This note sets out those assets and liabilities that arose from the Health Service's operations.

Structure

5.1 Receivables and Contract Assets

5.2 Payables and Contract Liabilities

5.3 Other liabilities

5.4 Other non-financial assets

Other assets and liabilities used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 coronavirus pandemic.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	The Health Service 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	The Health Service applies significant judgement to determine if a sub-lease arrangement, where the health service is a lessor, meets the definition of an operating lease or finance lease. The Health Service considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if: – 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. All other sub-lease arrangements are classified as an operating lease.
Measuring deferred capital grant income	Where the Health Service 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. The Health Service applies significant judgement when measuring the deferred capital grant income balance, which references the estimated stage of completion at the end of each financial year.
Measuring contract liabilities	The Health Service applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the Health Service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include the Health Service's obligation to restore leased assets to their original condition at the end of a lease term. The Health Service applies significant judgement and estimate to determine the present value of such restoration costs.

Note 5.1: Receivables and Contract Assets

	Note	Total 2021 $'000	Total 2020 $'000
Current Receivables and Contract Assets			
Contractual			
Trade Debtors		11,607	13,915
Patient Fees		4,642	5,883
Doctors' Fee Revenue		4,667	5,371
Provision for Impairment		(1,725)	(1,727)
Contract assets – Accrued Revenue			
– Department of Health	5.1(b)	-	6,108
– Other	5.1(b)	9,361	7,855
Loan – St Vincent's Healthcare Ltd (refer note 8.4)	8.4	70	56
Total Contractual Receivables		**28,622**	**37,461**
Total Current Receivables and Contract Assets		**28,622**	**37,461**
Non-Current Receivables and Contract Assets			
Contractual			
Department of Health – Long Service Leave		64,239	60,357
Loan – St Vincent's Healthcare Ltd (refer note 8.4)	8.4	160	226
Total Contractual Receivables		**64,339**	**60,583**
Total Non-Current Receivables and Contract Assets		**64,399**	**60,583**
Total Receivables and Contract Assets		**93,021**	**98,044**
(i) Financial assets classified as receivables and contract assets			
Total receivables and contract assets		93,021	98,044
Contract assets		(9,361)	(13,963)
Total Financial Assets	7.1(a)	**83,660**	**84,081**

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

	Total 2021 $'000	Total 2020 $'000
Balance at beginning of year	1,727	2,016
Reversal of allowance written off during the year as uncollectable	(1,219)	(1,116)
Increase in allowance recognised in the net result	1,217	827
Balance at end of the year	**1,725**	**1,727**

How We Recognise Receivables

Receivables consist of:

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

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

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.

The Health Service is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Impairment losses of contractual receivables

Refer to Note 7.1(c) Contractual receivables at amortised costs for the Health Service's contractual impairment losses.

Note 5.1 (b) Contract Assets

	Total 2021 $'000	Total 2020 $'000
Opening balance	13,963	9,155
Add: Additional costs incurred that are recoverable from the customer	9,650	13,963
Less: Transfer to trade receivable or cash at bank	(14,252)	(9,155)
Total Contract Assets	**9,361**	**13,963**

How We Recognise Contract Assets

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

Note 5.2: Payables and Contract Liabilities

	Note	Total 2021 $'000	Total 2020 $'000
Current – Contractual			
Trade Creditors		11,665	16,274
Department of Health		13,857	-
Accrued Expenses		26,929	15,870
Accrued Salaries and Wages		29,741	21,055
Deferred Capital Grant Revenue	5.2(a)	12,883	3,238
Contract liabilities – Income Received in Advance			
– Department of Health	5.2(b)	9,604	4,208
– Other	5.2(b)	2,757	4,249
		107,436	**64,894**
Current – Statutory			
GST Payable		3,339	4,044
		3,339	**4,044**
Total Current Payables		**110,775**	**68,938**
(i) Financial liabilities classified as payables and contract liabilities			
Total payables and contract liabilities		110,775	68,938
Deferred capital grant revenue		(12,883)	(3,238)
Contract liabilities		(12,361)	(8,457)
GST Payable		(3,339)	(4,044)
Total Financial Liabilities	**Note 7.1(a)**	**82,192**	**53,199**

How We Recognise Payables and Contract Liabilities

Payables consist of:

- **Contractual payables**, which mostly includes payables in relation to goods and services. These payables are classified as financial instruments and measured at amortised cost. Accounts payable and salaries and wages payable represent liabilities for goods and services provided to the Health Service prior to the end of the financial year that are unpaid.
- **Statutory payables**, which most includes amount payable to the Victorian Government and Goods and Services Tax (GST) payable. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

The normal credit terms for accounts payable are 30 days after end of month.

Note 5.2 (a) Deferred capital grant revenue

	Total 2021 $'000	Total 2020 $'000
Opening balance of deferred grant revenue	3,238	-
Grant consideration for capital works received during the year	28,167	18,273
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(18,522)	(15,035)
Closing balance of Deferred Capital Grant Revenue	**12,883**	**3,238**

How We Recognise Deferred Capital Grant Revenue

Grant revenue is recognised progressively as the asset is constructed, since this is the time when the Health Service satisfies its obligations under the transfer by controlling the asset as and when it is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done. As a result the Health Service has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

b) Contract Liabilities

	Total 2021 $'000	Total 2020 $'000
Opening balance	8,457	8,344
Add: Payments received for performance obligations yet to be completed during the period	3,021	3,610
Add: Grant consideration for sufficiently specific performance obligations received during the year	17,564	572,829
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(6,130)	(3,467)
Less: Grant revenue for sufficiently specific performance obligations recognised consistent with performance obligations met during the year	(10,551)	(572,859)
Total Contract Liabilities	**12,361**	**8,457**

How We Recognise Contract Liabilities

Contract liabilities include consideration received in advance from customers in respect of clinical research trials and department funded health programs. The balance of contract liabilities was significantly higher than the previous reporting period due to the COVID-19 coronavirus pandemic impacting on the Health Service's ability to fulfil the specific performance obligations associated with this revenue.

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

Maturity analysis of payables

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

Note 5.3: Other Liabilities

	Total 2021 $'000	Total 2020 $'000
Monies held in Trust		
– Security Deposits	247	250
– Salary Packaging Employees	2,364	2,354
– Patient Monies held in Trust	182	89
– Refundable Accommodation Deposits	9,027	6,039
– Other Monies Held in Trust	3	8
Total Current	**11,823**	**8,740**
Total Monies Held in Trust Represented by the following assets:		
Cash and Cash Equivalents	11,823	8,740
	11,823	**8,740**

How We Recognise Other Liabilities

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

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

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

Note 5.4: Other non-financial assets

	Total 2021 $'000	Total 2020 $'000
Current		
Prepayments	1,615	1,958
Total	**1,615**	**1,958**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

The level of cash required to finance our operations was impacted during the financial year which was attributable to the COVID-19 Coronavirus pandemic. This was offset by funding provided by the Department of Health to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	The Health Service applies significant judgement to determine if a contract is or contains a lease by considering if the Health Service: – has the right-to-use an identified asset – has the right to obtain substantially all economic benefits from the use of the leased asset and – can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	The Health Service applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The Health Service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the Health Service applies the low-value lease exemption. The Health Service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the Health Service applies the short-term lease exemption.
Discount rate applied to future lease payments	The Health Service discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the Health Service's lease arrangements, the Health Service uses its incremental borrowing rate, which is the amount the Health Service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if the Health Service is reasonably certain to exercise such options. The Health Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: – If there are significant penalties to terminate (or not extend), the Health Service is typically reasonably certain to extend (or not terminate) the lease. – If any leasehold improvements are expected to have a significant remaining value, the health service is typically reasonably certain to extend (or not terminate) the lease. – The Health Service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Note	Total 2021 $'000	Total 2020 $'000
Current			
– Department of Health		-	40,186
– Lease Liability[(i)]	6.1(a)	8,854	9,477
– St Vincent's Healthcare Ltd		131	1,314
– St Vincent's Health Australia		736	1,065
Total Current		**9,721**	**52,042**
Non-Current			
– Lease Liability[(i)]	6.1(a)	19,056	22,648
– St Vincent's Healthcare Ltd		580	-
– St Vincent's Health Australia		2,928	3,663
Total Non-Current		**22,564**	**26,311**
Total Interest Bearing Liabilities		**32,285**	**78,353**

[(i)] Secured by the assets leased. Leases are effectively secured as the rights to the leased asset 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 Department of Health and other funds raised through lease liabilities and other interest bearing arrangements.

The Department of Health represents cash flow in advance from the 2020/21 funding to assist with COVID-19 shortfall.

The Health Service had three related party loans with St Vincent's Healthcare Ltd. Quarterly principle and interest payments were made on two of the loans. Interest charged was at arm's length basis at 3.20% and 3.50% and during the financial year the loans matured on 20th June 2021 and 28th December 2020, respectively. The third loan commenced on 30th June 2021 with quarterly principle and interest payments to be made. Interest charged is at arm's length basis at 3.9% and the loan will mature on 4th June 2026.

The Health Service has two related party loans with St Vincent's Health Australia for which interest payments were made in the current financial year. The interest charged is at arm's length basis at 3.08% and 3.50% and the loans will mature on 30th April 2022 and 30th June 2032, respectively.

Refer to Note 8.4 for more detail on transactions with related parties.

Initial Recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Health Service has categorised its liability as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

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 7.1 (b) for maturity analysis of Interest bearing liabilities.

Defaults and breaches

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

a) Lease Liabilities

The Health Service's lease liabilities are summarised below:

	Minimum future lease payments[1]		Present value of minimum future lease payments	
	Total 2021 $'000	Total 2020 $'000	Total 2021 $'000	Total 2020 $'000
Not later than one year	9,379	10,178	8,854	9,477
Later than one year but not later than five years	17,966	21,183	17,267	20,143
Later than five years	1,826	2,588	1,789	2,505
Minimum future lease payments	**29,171**	**33,949**	**27,910**	**32,125**
Less future finance charges	(1,261)	(1,824)	-	-
Total	**27,910**	**32,125**	**27,910**	**32,125**
Included in the Financial Statements as:				
Current Borrowings – Lease Liability			8,854	9,477
Non-Current Borrowings – Lease Liability			19,056	22,648
Total			**27,910**	**32,125**

[1] The weighted average interest rate implicit in leases is 2.19% (2020 – 2.62%)

How We Recognise Lease Liabilities

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

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

The Health Service's lease arrangements consist of the following:

Type of asset leased	Lease term
Leased buildings	1 to 7 years
Leased plant, equipment, furniture, fittings and vehicles	1 to 5 years

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

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

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Health Service's incremental borrowing rate. Our lease liability has been discounted by rates of between 0.83% to 2.66%.

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

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

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

- Property leases for pathology collections centres, option to extend leases for further terms
- Property leases for office space, option to extend leases for further terms

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

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).

During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of $3.376m.

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 profit and loss if the right of use asset is already reduced to zero.

Note 6.2: Cash and Cash Equivalents

	Total 2021 $'000	Total 2020 $'000
Cash at Bank and on Hand		
Cash on Hand	37	37
Cash at Bank	60,056	41,138
Cash at 30 June	**60,093**	**41,175**
Represented by:		
Cash for Operations	48,270	32,435
Cash for Monies Held in Trust	11,823	8,740
Cash at 30 June	**60,093**	**41,175**

How We Recognise Cash and Cash Equivalents

Cash and cash equivalents recognised on the Balance Sheet comprise cash on hand and in banks and short-term deposits which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

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

Note 6.3: Commitments for expenditure

	Total 2021 $'000	Total 2020 $'000
Capital Expenditure Commitments		
Less than 1 year	8,557	6,795
Longer than 1 year but not longer than 5 years	4,350	4,287
Total Capital Commitments	**12,907**	**11,082**
Operating Expenditure Commitments		
Less than 1 year	1,997	1,457
Total Operating Commitments	**1,997**	**1,457**
Total Commitments for Expenditure (inclusive of GST)	**14,904**	**12,539**
Less GST recoverable from the Australian Taxation Office	**(1,355)**	**(1,140)**
Total Commitments for Expenditure (exclusive of GST)	**13,549**	**11,399**

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

How We Disclose Our Commitments

Expenditure commitments

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

Short term and low value leases

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

Note 7: Risks, contingencies & valuation uncertainties

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

Structure

Note 7.1: Financial Instruments

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

2021	Note	Financial Assets at Amortised Cost $'000	Financial Assets at Fair Value Through Net Result $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	60,093	-	-	60,093
Receivables					
Trade Debtors	5.1	83,430	-	-	83,430
Other Receivables	5.1	230	-	-	230
Investments and other Financial Assets					
Term Deposits	4.1	757	-	-	757
Guaranteed Bill Index Deposit in Escrow	4.1	-	6,104	-	6,104
Shares and Other Managed Investments	4.1	-	81,967	-	81,967
Total Financial Assets[i]		**144,510**	**88,071**	**-**	**232,581**
Financial Liabilities					
Payables	5.2	-	-	82,192	82,192
Borrowings	6.1	-	-	32,285	32,285
Other financial liabilities	5.3	-	-	11,823	11,823
Total Financial Liabilities		**-**	**-**	**126,300**	**126,300**

2020	Note	Financial Assets at Amortised Cost $'000	Financial Assets at Fair Value Through Net Result $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	41,175	-	-	41,175
Receivables					
Trade Debtors	5.1	83,799	-	-	83,799
Other Receivables	5.1	282	-	-	282
Investments and other Financial Assets					
Term Deposits	4.1	733	-	-	733
Guaranteed Bill Index Deposit in Escrow	4.1	-	6,097	-	6,097
Shares and Other Managed Investments	4.1	-	70,157	-	70,157
Total Financial Assets[i]		**125,989**	**76,254**	**-**	**202,243**
Financial Liabilities					
Payables	5.2	-	-	53,199	53,199
Borrowings	6.1	-	-	78,353	78,353
Other financial liabilities	5.3	-	-	8,740	8,740
Total Financial Liabilities		**-**	**-**	**140,292**	**140,292**

[i] The carrying amount excludes statutory receivables (i.e. GST receivable and Department of Health receivable) and statutory payables (i.e. Revenue in Advance and Department of Health payable).

How We Categorise Financial Instruments

Categories of Financial Assets

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

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

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

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

Financial assets at amortised cost

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

- the assets are held by the Health Service to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

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

The Health Service recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables);
- term deposits; and
- certain debt securities.

Financial assets at fair value through other comprehensive income

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

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

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

Financial assets at fair value through net result

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

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

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

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

Categories of Financial Liabilities

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

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

The Health Service recognises the following liabilities in this category:

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

Derecognition of financial assets

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

- the rights to receive cash flows from the asset have expired; or
- the Health Service 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 Health Service 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 Health Service has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of Health Service's continuing involvement in the asset.

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Health Service's business model for managing its financial assets has changes 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 Health Service's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

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

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

Note 7.2(a) Credit risk

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

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

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

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Health Service will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debtors that are more than 90 days overdue, and changes in debtor credit ratings.

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

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

There has been no material change to the Health Service's credit risk profile in 2020-21.

Impairment of financial assets under AASB 9 Financial Instruments

The Health Service records the allowance for expected credit loss for the relevant financial instruments, in accordance with AASB 9 Financial Instruments Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Health Service's contractual and statutory 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 impairment assessment under AASB 9.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contractual receivables at amortised cost

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

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

		Less than			3 months	
30-Jun-21	**Current**	**1 month**	**1–3 months**	**1 Year**	**1–5 years**	**Total**
Expected loss rate	0.55%	1.48%	4.97%	4.54%	0%	
Gross carrying amount of contractual receivables	44,445	12,763	3,174	25,003	-	85,385
Loss Allowance	**244**	**189**	**158**	**1,134**	**-**	**1,725**

		Less than			3 months	
30-Jun-20	**Current**	**1 month**	**1–3 months**	**1 Year**	**1–5 years**	**Total**
Expected loss rate	0.51%	1.51%	5.29%	4.51%	0%	
Gross carrying amount of contractual receivables	44,665	12,827	3,190	25,126	-	85,808
Loss Allowance	**227**	**195**	**169**	**1,136**	**-**	**1,727**

Statutory receivables

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

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses.

Note 7.2 (b) Liquidity Risk

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

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

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowings 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 Health Service's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.

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

	Note	Carrying Amount $'000	Nominal Amount $'000	Maturity Dates: Less than 1 Month $'000	1–3 Months $'000	3 Months to 1 Year $'000	1–5 Years $'000	Over 5 Years $'000
2021								
Financial Liabilities								
At amortised cost								
Payables	5.2	82,192	82,192	50,353	31,839	-	-	-
Borrowings	6.1	32,285	32,285	738	1,508	7,475	18,880	3,684
Other financial liabilities								
– Accommodation Deposits	5.3	9,027	9,027	9,027	-	-	-	-
– Other	5.3	2,796	2,796	2,796	-	-	-	-
Total Financial Liabilities		**126,300**	**126,300**	**62,914**	**33,347**	**7,475**	**18,880**	**3,684**
2020								
Financial Liabilities								
At amortised cost								
Payables	5.2	53,199	53,199	31,456	21,743	-	-	-
Borrowings	6.1	78,353	78,353	8,360	36,487	7,194	21,635	4,677
Other financial liabilities								
– Accommodation Deposits	5.3	6,039	6,039	6,039	-	-	-	-
– Other	5.3	2,701	2,701	2,701	-	-	-	-
Total Financial Liabilities		**140,292**	**140,292**	**48,556**	**58,230**	**7,194**	**21,635**	**4,677**

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

Note 7.2 (c) Market Risk

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

- a change in interest rates of 1% up or down
- a change in the top ASX 200 index of 15% 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 Health Service 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 Health Service has minimal exposure to cash flow interest rate risk through cash and deposits and bank overdrafts that are at floating rate.

Equity risk

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

	Carrying Amount	-15% Net result	15% Net result
2021			
Investments and other contractual financial assets	81,967	(12,295)	12,295
Total Impact	81,967	(12,295)	12,295
2020			
Investments and other contractual financial assets	70,157	(10,523)	10,523
Total Impact	70,157	(10,523)	10,523

Note 7.3: Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

Level 1 – the fair value of financial instruments with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Health Service currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2020-21 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Receivables:	– For supplies and services
– Sale of goods and services	– Amounts payable to government and agencies
– Accrued investment income	– Other payables
– Other receivables	Borrowings:
Investments and other contractual financial assets:	– St Vincent's Health Australia
– Term deposits	
– Guaranteed bill index deposit in escrow	
– Managed investments	
– Unlisted shares	

Financial assets and liabilities measured at fair value

2021	Carrying amount as at 30 June $'000	Fair value measurement at end of reporting period Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial assets at FVTPL				
Guaranteed Bill Index Deposit in Escrow	6,104	6,104	-	-
Shares and Managed Investment Schemes	81,967	-	81,967	-
Total	**88,071**	**6,104**	**81,967**	**-**

2020	Carrying amount as at 30 June $'000	Fair value measurement at end of reporting period Level 1 $'000	Level 2 $'000	Level 3 $'000
Financial assets at FVTPL				
Guaranteed Bill Index Deposit in Escrow	6,097	6,097	-	-
Shares and Managed Investment Schemes	70,157	-	70,157	-
Total	**76,254**	**6,097**	**70,157**	**-**

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value.

Guaranteed Bill Index Deposit in Escrow

The Guaranteed bill index deposit in escrow is the excess of the Business Occupancy Allowance over payments to AIB Bondholders at the time for financing the IPS building at 41 Victoria Parade, Fitzroy which ceased in November 2017. This amount is held in escrow pending release to the Health Service for repayment of debt or future capital projects. The Health Service classifies these funds as Level 1.

Mantaged investment and unlisted shares

The Health Service invests in managed funds, which are not quoted in an active market and which may be subject to restrictions on redemptions. The Health Service 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 and therefore the net asset value (NAV) of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading of the Health Service, the Health Service classifies these funds as either Level 2 or Level 3.

Note 7.4: Contingent assets and contingent liabilities

The Health Service has no contingent assets as at 30 June 2021 (2020: nil).

However, upon taking into account the Victorian Government policy in identifying non-compliant cladding, the Health Service has inspected its buildings and has identified that it needs to rectify cladding issues related to the main Health Service inpatient building in Fitzroy. As such, the cladding works that have been partially delayed by the COVID-19 pandemic have given rise to a contingent liability as the proposed works remain subject to great uncertainty in relation to the nature and timing of the works required, the nature of cladding product to be utilised, and the ultimate funding source. The contingent liability is estimated to be in the range of $8m – $12m. Discussions are being held with the Department of Health to seek funding for the works.

How We Measure and Disclose Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 8: Other Disclosures

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

Structure

8.1 Reconciliation of net result for the year to net cash inflow/ (outflow) from operating activities

8.2 Responsible persons disclosures

8.3 Executive officer disclosures

8.4 Related parties

8.5 Remuneration of auditors

8.6 Ex-gratia expenses

8.7 Events occurring after the balance sheet date

8.8 Jointly Controlled Operations

8.9 Equity

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic and its impact on our economy and the health of our community.

Note 8.1: Reconciliation of Net Result for the Year to Net Cash Inflow/(Outflow) from Operating Activities

	Total 2021 $'000	Total 2020 $'000
Net Result for the Year	**31,932**	**11,876**
Non-cash Movements:		
Depreciation and Amortisation	38,149	29,843
Revaluation of Investment Property	(300)	34
Net movement in Finance Lease	-	677
Allowance for impairment losses of contractual receivables	1,217	827
Revaluation of Long Service Leave	(2,417)	700
Assets Received Free of Charge	(3,343)	(3,295)
Net (Gain)/Loss on Financial Assets at Fair Value	(10,759)	2,492
Income from Investments Reinvested	(588)	(1,353)
Management Fees for Managed Investments	12	30
Movements included in Investing and Financing Activities:		
Net (Gain)/Loss on Disposal of Non-Current Assets	(21)	(6)
Capital Receipts	(4,748)	(5,520)
Movements in Operating Assets and Liabilities:		
(Increase)/Decrease in Receivables and Contract Assets	5,023	(28,988)
(Increase)/Decrease in Inventories	430	(1,362)
(Increase)/Decrease in Prepaid Expenses	343	(369)
Increase/(Decrease) in Payables and Contract Liabilities	34,092	944
Increase/(Decrease) in Employee Entitlements	15,608	16,715
Increase/(Decrease) in Other Liabilities	(31,102)	-
Net Cash Inflow from Operating Activities	**73,528**	**23,245**

Note 8.2: Responsible Persons Disclosures

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

Responsible Ministers	Period
The Honourable Martin Foley:	
Minister for Mental Health	01 Jul 2020 – 29 Sep 2020
Minister for Health	26 Sep 2020 – 30 Jun 2021
Minister for Ambulance Services	26 Sep 2020 – 30 Jun 2021
Minister for the Coordination of Health and Human Services: COVID-19	26 Sep 2020 – 09 Nov 2020
The Honourable Jenny Mikakos:	
Minister for Health	01 Jul 2020 – 26 Sep 2020
Minister for Ambulance Services	01 Jul 2020 – 26 Sep 2020
Minister for the Coordination of Health and Human Services: COVID-19	01 Jul 2020 – 26 Sep 2020
The Honourable Luke Donnellan:	
Minister for Child Protection	01 Jul 2020 – 30 Jun 2021
Minister for Disability, Ageing and Carers	01 Jul 2020 – 30 Jun 2021
The Honourable James Merlino:	
Minister for Mental Health	29 Sep 2020 – 30 Jun 2021

Governing Board

The Directors of the Health Service during the year were:

Mr P McClintock AO	01/07/20 – 30/06/21
Ms A McDonald	01/07/20 – 30/06/21
Prof S Crowe AM	01/07/20 – 30/06/21
Dr M Coote	01/07/20 – 30/06/21
Ms S McPhee AM	01/07/20 – 30/06/21
Ms A Cross AM	01/07/20 – 30/06/21
Mr P O'Sullivan	01/07/20 – 30/06/21
Ms J Watts	01/07/20 – 30/06/21
Mr D O'Brien	01/07/20 – 30/06/21
Ms S McGregor	01/07/20 – 30/06/21

Accountable Officer

Ms A Nolan (Chief Executive Officer)	01 Jul 2020 – 30 Jun 2021

b) Remuneration of Responsible Persons

Directors of the St Vincent's Health Australia Board (also sitting as the St Vincent's Hospital (Melbourne) Board), received payment for their roles as Directors. These amounts were paid and accounted for by St Vincent's Health Australia Limited and not St Vincent's Hospital (Melbourne) Limited.

Those Responsible persons who held Executive positions within the Health Service and those directors, who received remuneration for their management or professional duties, are shown in the relevant income bands below.

	Total Remuneration	
	2021 No.	2020 No.
$10,000 – $19,999		1
$40,000 – $49,999		2
$60,000 – $69,999	2	2
$70,000 – $79,999	1	3
$80,000 – $89,999	6	
$90,000 – $99,999		4
$130,000 – $139,000	1	
$140,000 – $149,999		1
$400,000 – $409,999	1	
$450,000 – $459,000		1
Total	**11**	**14**
Total Remuneration $'000	**1,209**	**1,385**

c) Retirement Benefits of Responsible Persons

There were no retirement benefits paid by the Health Service in connection with the retirement of Responsible Persons of St Vincent's Hospital (Melbourne) Limited.

Note 8.3: Executive Officer Disclosures

Executive Officer Remuneration

The number of Executive Officers, other than the Ministers and the Accountable Officer, and their total remuneration during the reporting period is shown in the table below.

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 paid or payable on a discrete basis when employment has ceased.

Other Long-term Benefits

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

Termination Benefits

Termination of employment payments, such as severance packages.

Total remuneration payable to executives during the year included additional executive officers and a number of executives who received bonus payments during the year. These bonus payments depend on the terms of individual employment contracts.

Compensation	2021 $'000	2020 $'000
Short-term employee benefits	2,653	2,761
Post-employment benefits	225	221
Other long-term benefits	320	428
Termination benefits	117	-
Total	**3,315**	**3,410**
Total Number of Executives [(i)]	**16**	**13**
Total Annualised Employee Equivalent [(ii)]	**11.7**	**10.5**

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

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

Note 8.4: Related parties

The Health Service is a wholly owned and controlled entity of the St Vincent's Health Australia group. Related parties of the Health Service include:

- all key management personnel and their close family members;
- all cabinet ministers and their close family members;
- all other entities within the wholly-owned group;
- all jointly controlled operations; and
- all hospitals and public sector entities that are controlled and consolidated into the State of Victoria financial statements.

All related party transactions have been entered into on an arm's length basis.

Key management personnel (KMP) of the Health Service include the Portfolio Ministers and Cabinet Ministers and KMP as determined by the Health Service. The Board of Directors and the Executive Directors of the Health Service are deemed to be KMPs.

Key management personnel of the Health Service

Entity	KMPs	Position Title
St Vincent's Health Australia	Mr T Hall	Group Chief Executive Officer
St Vincent's Health Australia	Ms R Martin	Group Chief Financial Officer
St Vincent's Health Australia	Mr R Beetson	Group General Manager, Legal, Governance & Risk
St Vincent's Health Australia	Prof P O'Rourke	Chief Executive Officer, Public Hospitals Division
St Vincent's Health Australia	Mr P McClintock AO	Chair of the Board
St Vincent's Health Australia	Ms A McDonald	Director of the Board
St Vincent's Health Australia	Prof S Crowe AM	Director of the Board
St Vincent's Health Australia	Ms A Cross AM	Director of the Board
St Vincent's Health Australia	Dr M Coote	Director of the Board
St Vincent's Health Australia	Ms S McPhee AM	Director of the Board
St Vincent's Health Australia	Mr P O'Sullivan	Director of the Board
St Vincent's Health Australia	Ms J Watts	Director of the Board
St Vincent's Health Australia	Mr D O'Brien	Director of the Board
St Vincent's Health Australia	Ms S McGregor	Director of the Board
St Vincent's Hospital Melbourne	Ms A Nolan	Chief Executive Officer
St Vincent's Hospital Melbourne	Mr I Broadway	Chief Financial Officer
St Vincent's Hospital Melbourne	Mr S Vale	Executive Director Community & Correctional Services (retired 30th September 2020)
St Vincent's Hospital Melbourne	Mr C Goodyear	Executive Director Acute Services (retired 31st January 2021)
St Vincent's Hospital Melbourne	Ms J Gazarek	Acting Executive Director Acute Services (appointed 1st January 2021 & retired 25th April 2021)
St Vincent's Hospital Melbourne	Ms N Tweddle	Executive Director Acute Services (appointed 19th April 2021)
St Vincent's Hospital Melbourne	Mr M Smith	Executive Director Integrated Care Services
St Vincent's Hospital Melbourne	Mr E Harvey	Chief Executive Officer, Aikenhead Centre for Medical Discovery (appointed 1st July 2020)
St Vincent's Hospital Melbourne	Mr A Crettenden	Project Director, Aikenhead Centre for Medical Discovery
St Vincent's Hospital Melbourne	Ms A Mcfadgen	Executive Director Strategy & Planning
St Vincent's Hospital Melbourne	Ms R Roberts	Executive Director People & Corporate Services
St Vincent's Hospital Melbourne	Mr C Cummins	Acting Director People & Corporate Services (retired 23rd August 2020)
St Vincent's Hospital Melbourne	Mr C Cummins	Executive Director Performance Improvement (appointed 23rd August 2020)
St Vincent's Hospital Melbourne	Mr S Craig	Acting Director Performance Improvement (retired 23rd August 2020)
St Vincent's Hospital Melbourne	Ms M Stewart	Executive Director Mission
St Vincent's Hospital Melbourne	Mr A Tobin	Chief Medical Officer
St Vincent's Hospital Melbourne	Ms K Riddell	Chief Nursing Officer
St Vincent's Hospital Melbourne	Ms C Douglas	Executive Director St Vincent's Hospital on the Park (retired 31st July 2021)

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 Department of Parliamentary Services' Financial Report.

Compensation	2021 $'000	2020 $'000
Short-term employee benefits	6,890	7,025
Post-employment benefits	407	410
Other long-term benefits	333	442
Termination benefits	117	-
Total	**7,747**	**7,877**

Total Compensation of $7.75 million (2020: $7.87 million) includes remuneration of St Vincent's Hospital Melbourne's Executives and St Vincent's Health Australia's Executive Leadership Team, Board Members and Directors.

Transactions with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the Public Administration Act 2004 and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with the department, there were no related party transactions that involved key management personnel and their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

Significant transactions with government-related entities

The Health Service received funding from the Department of Health of $707.47 million (2020: $615.72 million).

Other significant transactions with government related entities were with Victorian Managed Insurance Authority (VMIA) $5.71 million (2020: $5.58 million), WorkSafe Victoria $3.78 million (2020: $4.36 million) and Department of Health for borrowing of $nil million (2020: $40.19million) and for long service leave debtor adjustment of $3.35 million (2020: $19.68 million).

Transactions with entities in the wholly-owned group

St Vincent's Hospital (Melbourne) Limited is part of a wholly owned group. Transactions between St Vincent's Hospital (Melbourne) Limited and other entities in the wholly owned group during the year ended 30 June 2021 consist of:

i. Recoveries by St Vincent's Hospital (Melbourne) Limited for the provision of management and administrative services
ii. Recoveries by St Vincent's Hospital (Melbourne) Limited for the provision of other health services at cost
iii. Payment to St Vincent's Health Australia Limited Group levy and other service costs
iv. Repayment of loans (including interest) and payment of a car park lease to St Vincent's Healthcare Ltd

Transactions with entities in the wholly-owned group

	2021 $'000	2020 $'000
Aggregate amounts included in the determination of operating profit that resulted from transactions with entities in the wholly-owned group:		
Health Service carpark, group levy, ICT shared services and costs charged by St Vincent's Health Australia Ltd and St Vincent's Healthcare Limited	18,855	17,565
Campus Lease charge by St Vincent's Healthcare Ltd	825	888
Interest revenue received from St Vincent's Healthcare Ltd	14	17
Facility Lease charge by St Vincent's Healthcare Ltd	66	66
Aggregate amounts receivable from, and payable to, entities in the wholly owned group at Statement of Financial Position date:		
Current receivables due from St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	400	825
Non-Current receivables due from St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	160	226
Current payables owing to St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	1,314	3,231
Non-current payable owing to St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	3,508	3,663
Aggregate amounts included in the determination of operating profit that resulted from transactions with each class of other related parties:		
Recoveries for the provision of management and administrative services to St Vincent's Private Hospitals Ltd	4,570	4,234
Costs charged for the provision of other health services by St Vincent's Private Hospitals Ltd	586	589
Aggregate amounts receivable from, and payable to, with each class of other related parties, at Statement of Financial Position date:		
Current receivables from St Vincent's Private Hospitals Ltd	1,125	1,056
Current Payables to St Vincent's Private Hospitals Ltd	124	63
Costs charged for lease of property by St Vincent's Care Services – VIC	39	-
Costs charged for Aged Care account services by St Vincent's Care Services – QLD	36	-
Current Payables to St Vincent's Care Services – QLD	5	-

Pursuant to a Loan and Restructure Agreement between the Trustees of the Sisters of Charity and St Vincent's Healthcare Ltd, land and building assets, including leasehold improvements, have been transferred to St Vincent's Healthcare Ltd as at 1 January 2003 at written down value.

Note 8.5: Remuneration of Auditors

	2021 $'000	2020 $'000
Victorian Auditor-General's Office		
Audit fees paid or payable for audit of the St Vincent's Hospital (Melbourne) Limited's financial statements	90	100
Other Service Providers		
HLB Mann Judd	-	1
Total Remuneration	**90**	**101**

Note 8.6: Ex-gratia expenses

	2021 $'000	2020 $'000
Payments made to terminated employees	476	277
Ex gratia expenses	**476**	**277**

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 Health Service, the results of the operations or the state of affairs of the Health Service in the future financial years.

Note 8.8: Jointly Controlled Operations

		Ownership Interest	
Name of Entity	**Principal Activity**	**2021**	**2020**
Victorian Comprehensive Cancer Centre	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%

The Health Service's interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the Health Service's financial statements under respective asset categories.

	Total 2021 $'000	Total 2020 $'000
Current Assets		
Cash and Cash Equivalents	559	1,057
Receivables	13	24
Prepayments	8	34
Total Current Assets	**580**	**1,115**
Non-Current Assets		
Financials Assets	-	2
Property, Plant and Equipment	17	17
Total Non-Current Assets	**17**	**19**
Total Assets	**597**	**1,134**
Current Liabilities		
Accrued Expenses	18	64
Payables	25	60
Prepaid Revenue	15	21
Provisions – LSL and Annual Leave	34	32
Total Current Liabilities	**92**	**177**
Non-Current Liabilities		
Provisions – LSL	9	10
Total Non-Current Liabilities	**9**	**10**
Total Liabilities	**101**	**187**
Net Assets	**496**	**947**

The Health Service's interest in revenue and expenses resulting from jointly controlled operations and assets is detailed below:

	Total 2021 $'000	Total 2020 $'000
Revenue		
Grants and Other Revenue	687	965
Interest	2	14
Total Revenue	**689**	**979**
Expenses		
Employee Benefits	537	502
Other Expenses from Continuing Operations	597	977
Depreciation and Amortisation	6	7
Total Expenses	**1,140**	**1,486**
Net Result	**(451)**	**(507)**

Investments in jointly controlled assets and operations

In respect of any interest in jointly controlled assets, the Health Service recognises in the financial statements:

- its share of jointly controlled assets;
- any liabilities that it has incurred;
- its share of liabilities incurred jointly by the joint venture;
- any income earned from the selling or using of its share of the output from the joint venture; and
- any expenses incurred in relation to being an investor in the joint venture.

The Health Service holds a one tenth interest in the Victorian Comprehensive Cancer Centre joint venture (VCCC). The VCCC has been established to bring together experts in cancer to build on and strengthen collaborations in cancer research, cancer education and training and cancer treatment and care to ensure the best possible outcomes for the benefit of people affected by cancer.

Contingent liabilities and capital commitments

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

Note 8.9: Equity

General purpose surplus

The general purpose surplus is established where the Health Service has generated funds internally for a specific purpose for future certain or uncertain obligation that may arise.

Property, plant and equipment revaluation surplus

The property, plant and equipment revaluation surplus arises on the revaluation of cultural assets. The revaluation surplus is not normally transferred to accumulated surpluses/(deficits) on de-recognition of the relevant asset.

Restricted specific purpose reserves

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

AIB surplus

The AIB (Annuity index bonds) surplus is a specific surplus used for deposit made to Treasury Corporation of Victoria. Annually, the Health Service recognises capitalised interest received as a surplus in this account.

Funds held in perpetuity

Funds held in perpetuity are funds held by the Health Service to cover the cash flow gap between payments made and recovered on behalf of St Vincent's Institute of medical research.

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 Health Service.

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.

Accumulated surpluses/(Deficits)

Accumulated Surplus is where accumulated excess of revenues over expenses from prior years which has not been set aside for specific purposes. Accumulated Deficit arise where accumulated excess of expenses over revenue from prior years which has not been set aside for specific purposes.

ST VINCENT'S
HOSPITAL
MELBOURNE

CONTACT US

St Vincent's
Hospital Melbourne

PO Box 2900
Fitzroy VIC 3065, Australia
(03) 9231 2211

svhm.org.au

St Vincent's acknowledges the traditional owners of the land, the members of the Kulin nations.

We pay our respects to their Elders, past and present. St Vincent's continues to develop our relationship with the Aboriginal and Torres Strait Islander community and are proud to be acknowledged as a centre of excellence for healthcare for Indigenous Australians.