ST VINCENT'S HOSPITAL
MELBOURNE

ST VINCENT'S CARES.

ALWAYS HAS. ALWAYS WILL.

Annual Report
2019-20

CONTENTS

63,208

Approximate number of inpatients treated

793

Beds available across all of St Vincent's services

REPORT OF OPERATIONS 2020

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 2020.

Paul McClintock AO
Chair

Dated 9 September 2020
Sydney

Angela Nolan
Chief Executive Officer

Dated 9 September 2020
Melbourne

MESSAGE FROM THE CEO

As I write, St Vincent's Hospital Melbourne and indeed the entire state of Victoria is facing a unique challenge unlike any we have seen before.

We watched as the COVID-19 pandemic had a devastating impact on many parts of the world and now we face our own battle to overcome this disease in the State of Victoria.

The past few months have been exceptionally challenging and it remains a very difficult time for the health sector and also the wider Victorian community. St Vincent's Hospital Melbourne, and indeed the whole of the SVHA community, are working in close partnership with the Victorian Department of Health and Human Services (DHHS) and continue to do all that we can in dealing with the COVID-19 pandemic.

We take this time to acknowledge not only the significant impact on our patients and their families suffering from this illness but also the challenges our staff face each and every day during this pandemic crisis. We thank them for their ongoing commitment and the care they provide to the most vulnerable and disadvantaged of our community. The expertise, commitment and compassion of our frontline healthcare workers is what will see us through these difficult times.

Of importance to note, in March, we opened our COVID-19 Fever Clinic to provide a safe and easy way to care for people in the community with suspected COVID-19. More than 9,800 people visited the clinic from March to early July and in that time 23,724 tests were conducted in our pathology laboratories.

To assist our homeless and vulnerable community, we were asked to lead the clinical responses in the four COVID-19 Isolation and Recovery Facilities (CIRFs) funded by the Victorian Government. These residential sites have been staffed with experienced health and housing teams, and provide a supportive place for those experiencing, or at risk of, homelessness to self-isolate, quarantine and recover from COVID-19.

St Vincent's was also called upon by the Victorian Government to recommission the former Peter MacCallum Cancer Centre to increase capacity and help respond to demand during the crisis. The facility was renamed St Vincent's Hospital on the Park.

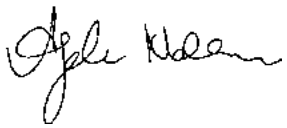
Like others we have also fast-tracked the adoption of such innovations such as virtual wards and simulation labs, increased telehealth activity, and other methods of remote working, and have improved outreach to our vulnerable populations.

And our St Vincent's Emergency Appeal raised almost $2 million dollars through community generosity and gifts to help those most in need. We are so very grateful to those donors who have supported St Vincent's to purchase the much needed equipment to save lives during these difficult times.

St Vincent's has prospered for over 125 years, because of our commitment to our community and our people. Our dedicated staff continue to show courage and compassion throughout this pandemic and we sincerely thank them.

It is this rich history, strong foundation and innovation that will empower us to overcome this public health emergency and continue to be a leader in compassionate, patient-centred care for the next 125 years.

We will continue to seek continuous improvement in all areas of our health service with the performance priorities set by the DHHS being a key area of focus.



Angela Nolan
Chief Executive Officer
St Vincent's Hospital Melbourne

"OUR DEDICATED STAFF CONTINUE TO SHOW COURAGE AND COMPASSION THROUGHOUT THIS PANDEMIC AND WE SINCERELY THANK THEM."

9,800+

People visited our COVID-19 Fever Clinic from March to early July

23,724

COVID-19 tests conducted in our pathology laboratories

$2M

Almost $2 million raised in our Emergency Appeal

ABOUT ST VINCENT'S

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 127 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 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 2019-20 St Vincent's treated approximately 63,208 inpatients; of which 59,524 were acute inpatients, 1,108 Geriatric Evaluative Medicine patients, 870 Rehabilitation patients and 502 Palliative Care patients. The Hospital also recorded 181,527 specialist clinic and health independence program appointments and attended to 49,971 presentations to the emergency department.

As at 30 June 2020, St Vincent's had 793 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 relevant ministers for the reporting period were:

- The Honourable Jenny Mikakos, Minister for Health and Minister for Ambulance Services 01/07/2019 – 30/06/2020
- The Honourable Martin Foley, Minister for Mental Health 01/07/2019 – 30/06/2020

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.

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.

OUR VISION

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

OUR CARE IS:

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

VALUES

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.

In all our activities we strive to demonstrate:

COMPASSION

INTEGRITY

JUSTICE

EXCELLENCE

YEAR IN REVIEW

ST VINCENT'S SHOWS SUPPORT FOR THE LGBTIQ+ COMMUNITY

In a show of solidarity with the LGBTIQ+ community, staff from St Vincent's proudly participated for the first time in the annual Midsumma Pride March on Sunday 2 February.

St Vincent's participation in this march was an important step in demonstrating the Hospital's commitment to being inclusive, affirmative and responsive to the needs of LGBTIQ+ consumers and staff.

LGBTIQ+ individuals still face more barriers when accessing health and wellbeing services and are at higher risk of poor mental health and suicide than their non-LGBTIQ+ peers. LGBTIQ+ employees also face high levels of workplace bullying, harassment and discrimination.

St Vincent's has developed Gender and Sexual Diversity Responsiveness Guidelines in partnership with LGBTIQ+ communities to ensure that everyone feels safe, welcome and free to express themselves.

"STAFF FROM ST VINCENT'S PROUDLY PARTICIPATED FOR THE FIRST TIME IN THE ANNUAL MIDSUMMA PRIDE MARCH"

110

Years since St Vincent's Clinical School was established

22

Final-year students received an MD with Distinction

25

Of the 2019 final year students returned to St Vincent's to undertake their intern year

CLINICAL SCHOOL

In 2020, St Vincent's Clinical School celebrates 110 years since it was established by Mother Mary Berchmans-Daly.

Last year was one of the most successful academic years for the Clinical School, and continues the school's track record of high academic achievement.

St Vincent's Clinical School achievements in 2019 include:

- The top final-year student across Melbourne Medical School
- The top Year 3 student
- The top research student
- 22 final-year students received an MD with Distinction, of which only 80 are awarded by Melbourne Medical School each year across seven clinical schools
- 9 Year 3 students awarded H1s, with 95% of the cohort achieving a result of H3 or above
- 20 Year 2 students awarded H1s, over 35% of the cohort. 97% of the cohort achieving a result of H3 or above

It was great to see 25 of the 2019 final year students return to St Vincent's to undertake their intern year.

RM Biggins and St Vincent's Institute prizes – Dr Rohan Navani

Surgical Prize – Dr Phillipa Trevella

Clinical Dean's Prize – Dr Thivagar Yogaparan

Billings Prize – Dr Rohan Navani

O'Brien Institute Research Prize – Dr Hannah Sawkins

Stephen Rosen Prize – Dr Kirstene Rimbaldo

LEADING THE WAY IN INNOVATION AND EXCELLENCE

St Vincent's Hospital Melbourne (SVHM) has excelled in the St Vincent's Health Australia (SVHA) Innovation & Excellence Awards, claiming four accolades.

The Awards were announced at a gala dinner on Tuesday 8 October, with representatives from across SVHA's 27 facilities and 20,000 staff. SVHM had the most number of award winners and the most number of finalists of any facility in the SVHA group. Melbourne was also the only health service across SVHA to have a finalist in each award category.

Andy Brigham received the inaugural Deadly Award, which recognises the inspiring story of an Aboriginal or Torres Strait Islander staff member whose contribution to the community and work at SVHA has been an exemplar of our mission and values.

Andy is an outstanding performer and a greatly valued member of the Aboriginal Health team. He is highly sought across the Hospital for his advocacy, knowledge and support in service of Aboriginal and Torres Strait Islander patients and their families.

Andy Brigham and Darlene Dreise

SVHA INNOVATION & EXCELLENCE AWARD WINNERS

Transformation Inspired by our Mission

Safe Haven Café – A Safe Haven For All

Clinical Improvement and Innovation

Prescription Opioid Practice Improvement

Digital Innovation

Enkey: Australia's first hospital-wide electronic drugs of dependence management system

The Deadly Award

Andy Brigham

4

Award winners from St Vincent's Hospital Melbourne at the SVHA Innovation & Excellence Awards

80

Aboriginal and Torres Strait Islander employees

"ANDY IS AN OUTSTANDING PERFORMER AND A GREATLY VALUED MEMBER OF THE ABORIGINAL HEALTH TEAM."

INCREASING OUR ABORIGINAL AND TORRES STRAIT ISLANDER WORKFORCE

St Vincent's has a long-standing history and commitment to the health and wellbeing of the Aboriginal and Torres Strait Islander community, and is the largest employer of indigenous staff of any Victorian metropolitan health service.

At the beginning of 2019-20, St Vincent's set an ambitious target to have 75 Aboriginal or Torres Strait Islander staff by 30 June 2020, an increase of 33%.

At the end of June, St Vincent's employed 80 Aboriginal and Torres Strait Islander employees, which represents 1.19% of our workforce of over 6,700 people.

St Vincent's is committed to improving the employment experience and opportunities for Australia's first people and has developed an Aboriginal and Torres Strait Islander Employment Strategy.

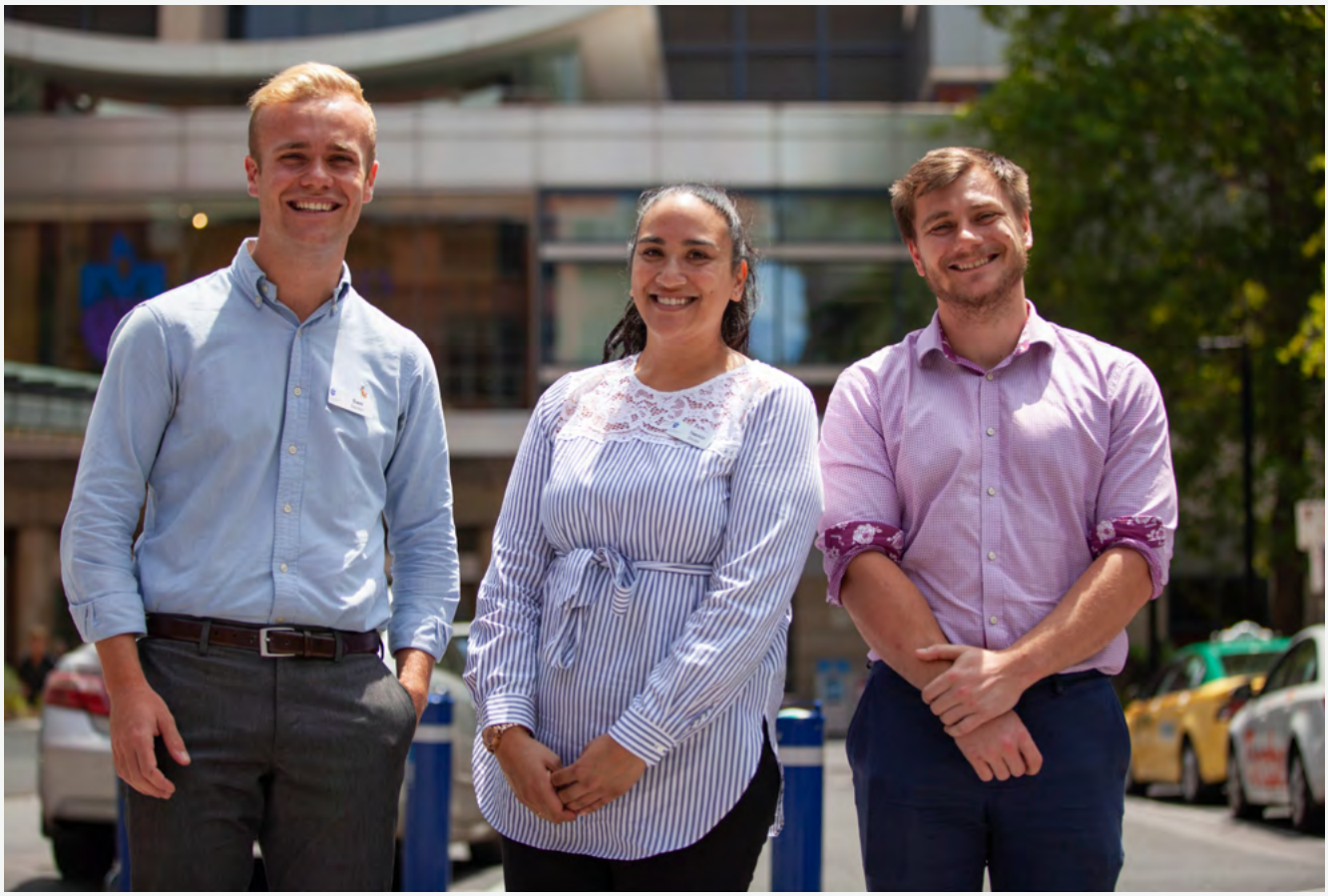
The emphasis within this plan is the introduction of new career pathways for Aboriginal and Torres Strait Islander employees that are sustainable and rewarding for both the individual and organisation.

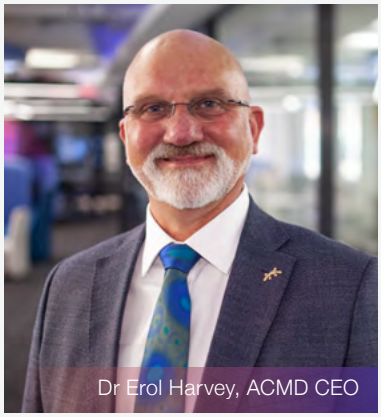
CARING FOR OUR JUNIOR MEDICAL STAFF

St Vincent's has made a major investment in Junior Medical Officer (JMO) roles to improve patient care and the learning and working experience of our youngest doctors.

A ward-by-ward analysis and investment has improved after-hours cover, increased discharge summary completion, reduced unplanned overtime, increased morale and vastly improved the experience of JMOs.

The investment also improved our AMA rating by JMOs improving in almost all categories in 2019. This has lifted our rating in the Recommendation category from C+ to A-. St Vincent's had the best result when compared to our peers.





Dr Erol Harvey, ACMD CEO

"THE ACMD WILL BE AUSTRALIA'S FIRST BIOMEDICAL ENGINEERING FACILITY LOCATED WITHIN A TERTIARY HOSPITAL"

ACMD CEO ANNOUNCEMENT

Following the announcement of state and federal funding in 2019, project works have been continuing for the $200 million Aikenhead Centre for Medical Discovery (ACMD).

The ACMD will be Australia's first biomedical engineering 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. It will bring together medicine, engineering, science and industry to yield powerful economic, patient and healthcare outcomes.

Dr Erol Harvey was appointed the new ACMD CEO to continue plans to bring this important project to fruition.

With the planning and design of the facility well underway, Dr Harvey will play a key role in progressing the operational model and partner collaboration agreement, while further developing industry partnerships and the ACMD brand.

Dr Harvey is a scientist, educator and entrepreneur who has made outstanding contributions to Australia through the world-leading microfluidic engineering company MiniFAB, his distinguished academic career, and his unwavering support for research commercialisation and entrepreneurship.

RESEARCH AND WORLD FIRSTS

Just in Time project

Just in Time is a new ACMD research project set to transform the way physicians surgically treat tumours and bone cancer.

Collaborators are using 3D printing, robotic surgery and advanced manufacturing to create tailored implants for patients with bone cancer, dramatically improving patient and healthcare outcomes.

The project aims to bring this technology to the operating theatre. While patients are having their cancer removed, an implant can be custom printed in the next room to precisely fill the space left after removing the diseased bone.

Just in Time implants will transform the delivery of care for people with bone cancer. This process will expand the surgical options available to patients and surgeons and increase the potential for limb-saving surgery.

6

Victorian patients have had a 'fitbit for the brain' implanted at St Vincent in a world-first trial

Fitbit for the brain

Six Victorian patients have had a 'fitbit for the brain' implanted at St Vincent's in a world-first trial of a device that aims to warn of impending epileptic seizures.

Taking inspiration from the Cochlear implant, the device is fitted under the scalp and continuously records brain activity to detect seizures occurring.

The device sends the data captured to a mobile phone, and from there to the cloud, where it can be analysed by sophisticated computers. This information is then sent back to the patient's phone.

With this, more accurate estimates can be made about the frequency of seizure activity and better decisions made about the treatment.

This information can also be linked to safety monitoring systems to notify others of emergencies and will ultimately uncover the unique signature of brain activity patterns so that seizures can be predicted.

It will allow patients to achieve independence and a better quality of life, desperately needed as medication and surgery were failing to help a third of the 250,000 Australians currently living with epilepsy.

One hundred engineers, neuroscientists and neurologists from St Vincent's, the Bionics Institute and University of Melbourne have worked for more than 15 years to make this bold plan a reality.

"THE ACMD WILL BE AUSTRALIA'S FIRST BIOMEDICAL ENGINEERING FACILITY LOCATED WITHIN A TERTIARY HOSPITAL"

100

Engineers, neuroscientists and neurologists worked for more than 15 years to make 'fitbit for the brain' a reality

Dr Helen Frazer, Clinical Director at SVHM's BreastScreen

Innovation in palliative care

An Australian-first medical trial being pioneered at St Vincent's Hospital Melbourne (SVHM), is prescribing psychedelic synthetic mushrooms to ease the paralysing anxiety felt by some palliative care patients.

Up to three in 10 palliative care patients can experience extreme distress in their final months.

The SVHM trial is for terminally ill patients who are experiencing depression or anxiety and will see 40 patients receive psilocybin (the psychoactive compound in magic mushrooms), as well as a short program of psychotherapy and clinical support.

This treatment has been shown to dramatically reduce symptoms of anxiety and depression in cancer patients and in many cases produces a substantial positive shift in their perspectives on life and death.

Beating breast cancer with Artificial Intelligence

In June, a groundbreaking study led by Dr Helen Frazer, Clinical Director at St Vincent's Hospital Melbourne's BreastScreen, received $2.26m to improve and transform breast screening for thousands of Australian women.

The project has the potential to not only tailor the program to meet each woman's individual needs, but also enhance the experience for women.

A woman who has a mammogram today would expect to get an all-clear result in about two weeks' time. With Artificial Intelligence (AI), this result could be delivered instantly.

A joint initiative between St Vincent's Hospital Melbourne and St Vincent's Institute of Medical Research, and also supported by BreastScreen Victoria, the project is funded by the Commonwealth Government's Medical Research Future Fund.

$2.26M

Received to improve and transform breast screening for thousands of Australian women

Dr Margaret Ross

VicHealth Award for BreastScreen

The St Vincent's BreastScreen Victoria team won the 2019 VicHealth Award for Improving Health Equity for the Aboriginal Breast Screening Shawl Project.

The project improved breast screening by responding to barriers preventing Aboriginal women from participating.

St Vincent's collaborated with BreastScreen Victoria and Aboriginal health organisations, trialling two screening sessions for Aboriginal women. Each woman received a shawl to wear during the session. Featuring colourful artwork by Aboriginal artist Aunty Lynette Briggs, the silk shawl is designed to make Aboriginal women more comfortable during a breast screen.

All the trial participants said the shawl increased their feelings of cultural safety and comfort by providing a culturally safe alternative to being naked from the waist up or asking for a standard screening gown. The success of the trial has led to shawls being created and rolled out across Victoria.

The VicHealth Awards are the State's highest accolade for health promotion.

"THE PROJECT IMPROVED BREAST SCREENING BY RESPONDING TO BARRIERS PREVENTING ABORIGINAL WOMEN FROM PARTICIPATING."

OUR COVID-19 PANDEMIC RESPONSE

HOSPITAL RESPONSE AND PLANNING

On Wednesday 11 March, St Vincent's Hospital Melbourne (SVHM) activated its Pandemic Plan in response to COVID-19.

A taskforce was established to coordinate how our workforce would operate including supply and logistics to manage and care for an influx of patients, clinical operations and communications.

The team created a 14-week model that forecasted the Hospital's future needs under COVID-19 conditions, which enabled a staged-response plan to be developed.

Part of this plan included creating a simulation ward at our Fitzroy site to allow frontline staff an opportunity to practise workflows and handling healthcare in a COVID-19 ward environment.

Staff also completed Personal Protective Equipment training conducted by the Nurse Education Team.

In addition to this, the Operational Response Team also developed a COVID-19 Capacity Plan, which is being regularly updated to cater for the constantly evolving demands on the Hospital as the pandemic unfolds.

"LABORATORY TESTING WAS BOOSTED FROM 200 TO 400 A DAY, WITH RESULTS PROVIDED IN 24 HOURS"

FEVER CLINIC AND MICROBIOLOGY LABS/ TESTING

St Vincent's Hospital Melbourne's Fever Clinic was formed to provide a safe and easy way to screen patients and staff for COVID-19.

Specialist clinic staff, together with members of the Emergency Department and Infection Control consultants set up the clinic in an isolated part of the hospital to manage patients who were previously attending the Emergency Department to be tested for COVID-19.

The Microbiology lab team has processed thousands of swabs since the clinic opened. To adequately manage service demand, laboratory testing was boosted from 200 to 400 a day, with results provided in 24 hours.

More than 9,800 people visited the clinic from March to early July and in that time over 23,700 lab tests were conducted. Testing is conducted at the clinic daily, from 8am to 8pm.

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

16,000+

Calls received so far by the St Vincent's Nurse Call Advice Line

15

Nurses on call

ADVICE LINE

More than 16,000 calls have been received so far by the St Vincent's Nurse Call Advice Line since COVID-19 gripped our state.

Staffed by a team of 15 nurses, the seven-day support service has been operating 12 hours a day since April. 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.

The Nurse Call Advice Line has been described as a quiet achiever in managing COVID-19. During this time the team has worked tirelessly to ensure the response needs are met.

Among the strategies they have implemented to provide prompt action is a text messaging service that delivers pathology results.

"THE NURSE CALL ADVICE LINE HAS BEEN DESCRIBED AS A QUIET ACHIEVER IN MANAGING COVID-19"

ISOLATIONS AND RECOVERY FACILITIES

St Vincent's Hospital Melbourne has played a lead role in establishing four pop-up facilities to support our state's most vulnerable as part of the Victorian Government's COVID-19 response.

Located in inner Melbourne, the facilities provide safe and supportive places for Victorians experiencing, or at risk of, homelessness to self-isolate, quarantine and recover from COVID-19 for up to two weeks to prevent virus transmission. The accommodation is for those who have undergone testing and are awaiting results, as well as those who have tested positive.

Homelessness service staff are there to provide 24-hour support, along with St Vincent's nursing staff who can assess and provide care for people as they recover.

Sumner House is one of the facilities being used and is a collaboration between SVHM, the Brotherhood of St Laurence and Launch Housing to provide a 43-bed temporary residential service for the poor.

HEALTH MONITOR INITIATIVE

A phone-based support service for those who are COVID-19 positive is providing a safe way to manage and monitor their health and wellbeing while they are self-isolating.

Designed by St Vincent's Hospital Melbourne HIP Complex Care Services, the Health Monitor program was originally developed to manage patients at a high risk of returning to hospital after being discharged.

It has now been successfully redirected to care for COVID positive patients isolating at home by offering them access to a multi-disciplinary team that can regularly assess their needs and progress during the illness.

The outreach program provides clinical monitoring of symptoms, reinforces isolation procedures and measures, coordinates short-term welfare needs and helps to rapidly escalate hospital care when health is deteriorating. Face-to-face support is available to address more complex health or social issues.

Through regular monitoring the care team can also identify and organise support for those struggling with isolation and experiencing feelings of anxiety.

"ST VINCENT'S HOSPITAL ON THE PARK WILL BE USED TO SUPPORT SOME LOWER-ACUITY PATIENTS"

ST VINCENT'S HOSPITAL ON THE PARK

St Vincent's Hospital Melbourne (SVHM) has played a key leadership role in supporting the Victorian Government through the global pandemic with the launch of St Vincent's Hospital on the Park.

The move is aimed at assisting our medical teams to manage the escalating numbers of COVID-19 patients needing hospital care and critical-response attention.

Located at the former Peter MacCallum Cancer Centre site in East Melbourne, St Vincent's Hospital on the Park will be used to support some lower-acuity patients. This move will free up beds to treat COVID-19 patients at St Vincent's main public hospital in Fitzroy.

The new site, which was commissioned in under three months, will provide 84 inpatient beds and be receiving patients from mid-August. This move reinforces SVHM's commitment to providing strong patient-care support.

St Vincent's Hospital on the Park will have a floor allocated for palliative care and one for a rehabilitation ward as well to support patients in a setting that is not acute care.

HEPARIN CLINICAL TRIAL

A global clinical trial led by St Vincent's Hospital Melbourne (SVHM) is using Heparin (a blood-thinning medication) to help improve breathing in critical-care COVID-19 patients and get them off ventilators sooner.

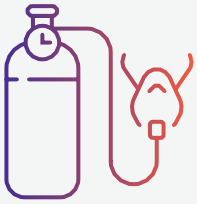
The trial aims to show how Heparin can reduce the damaging effects Coronavirus can have on a person's lungs by focusing on one of the virus's lesser-known symptoms – blood clots.

Rather than injecting Heparin to prevent blood clots in the body, this trial administers it as an inhaled gas to treat COVID-19 patients on ventilators in ICU.

An earlier study of patients with lung injury and pneumonia – similar to COVID-19 patients – found that giving people inhaled Heparin accelerated their recovery, which has prompted this trial.

About 206 patients are expected to form part of the COVID-19 Heparin trial. Patients from SVHM and hospitals overseas, including Galway, Barcelona and Liverpool are part of the mix.

"THE TRIAL AIMS TO SHOW HOW HEPARIN CAN REDUCE THE DAMAGING EFFECTS CORONAVIRUS CAN HAVE ON A PERSON'S LUNGS"



206

Approximate number of patients expected to form part of the COVID-19 Heparin trial

Prof Mandana Nikpour

"WE ARE TRULY GRATEFUL FOR THE GENEROUS SUPPORT WE RECEIVED FROM THE COMMUNITY TO SUPPORT OUR FRONTLINE STAFF."

COVID SHIELD RESEARCH

St Vincent's Hospital Melbourne (SVHM) has stepped up the fight against the COVID-19 through its involvement in the COVID Shield Research trial that aims to identify whether taking hydoroxychloquine can prevent COVID-19 in healthcare workers at risk of exposure while caring for COVID positive patients.

COVID Shield is a collaborative project led by the Walter and Eliza Institute of Medical Research in partnership with IQVIA and healthcare providers across the country.

SVHM rheumatologist Professor Mandana Nikpour is one of the lead principal investigators and our Intensive Care Unit is also closely involved.

2250 frontline and allied health workers are expected to take part in the randomised gold-standard clinical trial, where half the participants will be given hydoroxychloquine tablets over the course of four months and the other half will be given placebo tablets.

EMERGENCY APPEAL ADDRESSED URGENT NEED

On 18 March, just seven days after the COVID-19 pandemic announcement, St Vincent's Hospital Melbourne launched its Emergency Appeal.

The community responded rapidly to the urgent request for support. This surge of generosity resulted in the Appeal raising almost $2 million dollars for much needed hospital equipment, enabling the hospital to prepare for what was to come.

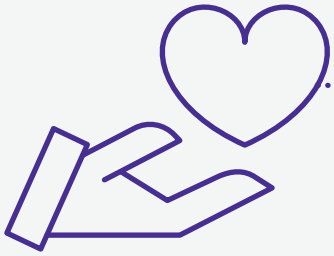
The Appeal was awarded first place in a major Australian and New Zealand peer reviewed fundraising competition. We are truly grateful for the generous support we received from the community to support our frontline staff.

$2M

Almost $2 million raised for much needed hospital equipment

2,250

Frontline and allied health workers expected to take part in the COVID Shield clinical trial



THANK YOU TO OUR COMMUNITY OF SUPPORTERS

The Hospital Executive and Staff sincerely appreciate all who have contributed over the past twelve months. We would like to particularly acknowledge the following significant contributors:

- Aged Persons Welfare Foundation
- And1 Australia
- Atlas D'Aloisio Foundation
- Australian Unity Trustees: Joyce Katherine Granger Sub Fund
- Australian Defence Forces
- Australian Jewellery Liquidators
- Big W
- Mr Andrew and Mrs Geraldine Buxton
- Ms Krystyna Campbell-Pretty AM
- Caulfield Grammar School
- Collier Charitable Fund
- Mrs Maureen Coomber
- Mr Peter and Mrs Patricia de Rauch
- Dry July Foundation
- Edith Jean Elizabeth Beggs Charitable Trust
- Erica Foundation Pty Ltd
- Estate of Alfred Dehnert
- Estate of Alice Catherine Byers
- Estate of Cyril Werner Lieschke
- Estate of Elizabeth Alice Rowe
- Estate of Elvira Francesca Lawson
- Estate of Francesco Albano
- Estate of Guenter Herbert Langhanns
- Estate of Henry Herbert Yoffa
- Estate of Horatio R C McWilliams
- Estate of Marion Alice Wakefield
- Estate of Mary Murray
- Estate of Mary Patricia Rivette
- Estate of Miles Vincent Geraghty
- Estate of Muriel Bradley
- Estate of Norma Ruth Atwell
- Estate of Stanko Milos
- Estate of Stella Conway
- Estate of Veronica Constance Manning
- Fox Family Foundation
- Mr Michael and Mrs Helen Gannon
- Mr Peter Gill AM and Ms Margaret Gill
- Mr Geoffrey Heeley
- Dr Andrew Horwood
- Mr Peter and Mrs Mandy Hui
- J & M Nolan Family Trust
- Mrs Dinah Krongold
- Ms Chelsea Loerand and Mr Brock McAvaney
- Mr Peter Lowings

- Mrs Karin MacNab
- Mrs Beverley Manzie
- Markarna Grazing Company Pty Ltd
- McKeage Cole Foundation
- Melbourne Academic Centre for Health
- Melbourne Catholic Archbishop's Charitable Fund
- Dr James Mitchell and Mr Jason Bright
- Ms Teresa Molella
- Mr John and Mrs Tanya Murphy & Family
- Mr Vincent Murphy
- Mr Allan Myers AC QC and Mrs Maria Myers AC
- Noel & Carmel O'Brien Family Foundation
- Park Hyatt
- Patricia Spry-Bailey Charitable Foundation
- Dr Thomas S Peat and Dr Janet Newman
- Pepe-Gurry Foundation
- Peter Sheppard Footwear
- Pfizer Australia
- Pinchapoo
- Qantas Airways Limited
- Mr John Ralph AC and Mrs Barbara Ralph
- Reddrop Group
- Robert Croft Fund (a charitable fund account of Lord Mayor's Charitable Foundation)
- Royal Australian and New Zealand College of Psychiatrists
- Mr Fergus Ryan AO and Mrs Judy Ryan
- Scanlon Foundation
- Schiavello Charitable Foundation
- Shepherd Foundation
- SOJO Pty Ltd
- St Vincent's Nurses Association
- Starcorp Textiles Pty Ltd
- Syd & Ann Wellard Perpetual Charitable Trust, managed by Equity Trustees
- The CASS Foundation
- The Eirene Lucas Foundation
- The F & E Bauer Foundation, managed by Equity Trustees
- The Gross Foundation
- The Harold and Cora Brennen Benevolent Trust, managed by Equity Trustees
- The Kel & Rosie Day Foundation
- The Killen Family Foundation, managed by Equity Trustees
- The Mary McGregor Trust
- The Sheehan-Birrell Foundation
- The William & Aileen Walsh Trust
- United Firefighters Union of Australia – Victorian Branch
- Victorian State Government
- Dr Mary Jo Waters
- Mr Kenneth and Mrs Gladys Watts
- Dr Ross and Dr Liz Wilkie
- William Joseph Payne Trust, managed by Equity Trustees
- Williamson's Foodworks
- Peter & Myra Wood & Family

SUMMARY FINANCIAL RESULTS

	2020* $'000s	2019* $'000s	2018* $'000s	2017* $'000s	2016* $'000s
Total revenue ^	851,125	790,084	771,242	763,833	688,534
Total expenses ^	835,202	787,863	771,165	765,061	690,837
Net result from transactions	15,923	2,221	77	(1,228)	(2,303)
Total other economic flows	(4,047)	(3,392)	(736)	(17)	(1,579)
Net result	11,876	(1,171)	(659)	(1,245)	(3,882)
Total assets	428,244	336,070	329,980	333,203	331,693
Total liabilities	328,440	248,486	241,209	342,752	241,009
Net assets/Total equity	**99,804**	**87,584**	**88,771**	**89,451**	**90,684**

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

	2020 $'000s
Net operating result	13,204
Capital and specific items	
Capital purpose income	31,466
COVID-19 state supply arrangements	
• Assets received free of charge or for nil consideration under the State Supply Arrangements	890
• State supply items consumed up to 30 June 2020	(422)
Assets provided free of charge	0
Assets received free of charge	2,827
Expenditure for capital purpose	(935)
Depreciation and amortisation	(29,843)
Impairment of non-financial assets	0
Finance costs (other)	(1,264)
Net result from transactions	**15,923**

SUMMARY OF SIGNIFICANT CHANGE IN FINANCIAL POSITION 2020

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 2020

St Vincent's Hospital Melbourne delivered an operational result of $13,204,000 before capital income and expenses. After including capital income expenses and other economic flows, the net entity result was a gain of $11,876,000. Movement in total equity includes the net equity result and a revaluation adjustment for cultural assets of $344,000.

SUBSEQUENT EVENTS

There has been no matter or circumstance which has arisen since 30 June 2020 that has significantly affected, or may affect:

a. The operations, in financial years subsequent to 30 June 2020, 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 2020, of St Vincent's Hospital Melbourne.

CONSULTANCIES

Details of consultancies (under $10,000)

In 2019-20, there were 11 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2019-20 in relation to these consultancies is $128,814 (excluding GST).

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

In 2019-20 there were ten consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2019-20 in relation to these consultancies is $552,149 (excluding GST). Details of individual consultancies are listed below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee $	Expenditure 2019-20 (Ex GST) $	Future expenditure $
Mirus Australia	Revenue optimisation	Jul-19	Aug-19	104,701	104,701	Nil
Mirus Australia	ACFI Advisory services	Sep-19	Feb-20	31,205	31,205	Nil
Aspex Consulting	Service Reform project	Dec-19	Jun-20	181,530	181,530	Nil
Paxton Partners	Pathology review	Jul-19	Dec-19	115,573	115,573	Nil
Paxton Partners	Review of SVHM Financial Improvement Strategies	Sep-19	Sep-19	24,213	24,213	Nil
STH	Feasibility study – New Operating Theatre 13	Nov-19	Feb-20	33,622	33,622	Nil
Narra Solutions	Workday discovery – findings and recommendations	Jan-20	Jun-20	61,305	61,305	Nil

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.

Labour Category	June Current Month FTE*		June YTD FTE**	
	2019	2020	2019	2020
Nursing Services	1613	1684	1596	1623
Admin & Clerical	625	640	620	630
Medical Support Services	262	291	254	276
Health & Allied Services	590	616	605	602
Hospital Medical Officer	144	164	155	159
Specialist Full Time	85	88	78	83
Specialist Sessional	145	156	143	152
Registrar	242	261	221	245
Allied Health	487	504	474	492
Total	**4,193**	**4,404**	**4,146**	**4,262**

* FTE – Full Time Equivalents
** Year to Date represents the average number of FTE throughout the year

OCCUPATIONAL HEALTH AND SAFETY (OHS) ACHIEVEMENT

The safety culture at St Vincent's Hospital Melbourne remains strong with safety a key part of the daily management system with an expansion into non-clinical areas in 2019-20. The increased reporting of hazards and near miss incidents leads to preventative programs and actions to reduce injuries. This was particularly evident in occupational violence and aggression (OVA) where an organsational wide review of OVA was approved.

The OHS Committees met quarterly to review reporting trends, policies and work on OHS issues that cannot be managed locally.

Some projects from the safety plan for 2019-20 have been delayed or postponed due to the COVID-19 pandemic. Achievements for 2019-20 included the completion of a project focussing on safety of our new graduates, investigation and problem solving approach for all percutaneous injuries and the introduction of an electronic Contractor Management System with a strong focus on safety. Many of the other projects have had work recommenced or the project altered due to COVID-19 restrictions.

To keep our staff safe during the COVID-19 pandemic the five key principles to prevent COVID-19 exposure in the workplace have been developed. These principles along with changes to our clinical management and the wearing of appropriate PPE are helping to keep our staff safe.

Incident and WorkCover statistics	2017-18	2018-19	2019-20	Comments on variance
Reported Hazards/ Incidents per 100 FTE	39.91	43.99	39.91	An increase in hazard reporting is seen as part of the positive safety culture program.
Standard lost time Claims per 100FTE	0.68	0.75	0.68	The reduction in the number of serious injuries has been sustained.
Average Claims Cost	$62,627	$55,219	$47,933	Claims costs includes the estimate for future costs. The nature of the claims from 18-19 have attracted high estimates.

OCCUPATIONAL VIOLENCE

Occupational violence statistics	2019-20
WorkCover accepted claims with an occupational violence cause per 100 FTE	0.09
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	0.55
Number of occupational violence incidents reported	661
Number of occupational violence incidents reported per 100 FTE	15.60
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	18.05%

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 & Human Services publication 'Maintenance Standards for Critical Areas in Victorian Health' as a guide.

- 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 DHHS 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 five-yearly Fire audit under DHHS Capital Guide lines 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 (formerly known as BEIMS) 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 programme 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 include:

- New chiller at Daly Wing $0.5M
- Upgrade of campus oxygen storage and capacity at $0.3M
- Underpinning works at Clarendon Clinic $0.45M
- Refurbishment of new Community Rehabilitation Clinic at Fairfield $0.25M
- New operating lights at Operating theatres 4,5&6 at $0.2M
- Main Hospital pan washer replacement strategy $0.2M
- Upgrade of building automation software and UPS system $0.2m
- Daly Wing fire (partial) upgrades $0.1M
- Building and renovation works in response to Covid19 $0.3M
- 5 Yearly Fire Audit
- Refurbishing Level 2 Building A Neurophysiology
- Refurbishing Level 6 Building A for Caritas Christi decant
- Refurbishing of Sterilised Processing Centre Decontamination room and replacement of washer disinfectors at $0.9M
- Refurbishment Mental Health entrance $0.4M
- Demolition of Caritas Christi Building
- New (2nd) CT scanner installation $0.9M
- Healy, L1 AHU replacement $0.2M
- Mental Health ECU upgrade $0.15M
- St Georges Health Service Lift 1 & 2 replacement $0.5M
- Breast Screen flooring replacement $0.1M
- Daly, L4, L7 Flooring replacement $0.2M
- Normanby House bathrooms upgrade $0.4M

Key projects commenced during 2019–20 and works in progress at 30 June 2020 include:

- 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 Fire upgrade (partial) $0.3M
- New generator connection points at Mental Health and St George's Hospital $0.4M
- Replacement of Clinical Science switchboard $0.35M
- New power supply and second chiller to Daly Wing $0.65M
- Refurbishment and replacement of Main Hospital Lift closers and doors $0.2M
- Replacement of electrical bus duct in Daly Wing at $0.4M
- Decanting of Aikenhead Building and subsequent demolition building (Ongoing)
- Refurbishment of equal access facilities at Bolte Wing Hydrotherapy at $0.65M
- Replacement of lift doors and controllers at Main Hospital $0.35
- Upgrading of 3rd lift at St George's Health Service at $0.2M
- St Georges Hospital 90 bed aged care facility
- Partial replacement of pan washers in Main Hospital and St George's Hospitals $0.17M
- Refurbishing of Auburn, Riverside and Cambridge Aged Care Homes Stage 1 at $0.9M
- Refurbishing of Auburn, Riverside and Cambridge Aged Care Homes Stage 2 at $0.5M
- St Georges Health Service Fire upgrade, design stage
- 5 Yearly fire audit recommendations, Fitzroy campus and St Georges 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 2019-20, 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 849 of 945 requests released in full.

	2019-20	2018-19
Applications	883	945
Released in full	832	849
Partially released	23	36
Denied in Full	1	2
Cancelled applications	8	8
Percentage requests fulfilled within 45 days	100%	100%
Application fees collected	$21,460.00	$20,836.40
Application fees waived	$4,676.00	$6,473.60
Charges collected	$4,570.00	$5,195.65
Charges waived	$2,280.00	$3,440.00

For more information please contact the Freedom of Information Officer on (03) 9231 2775. Additional information can also be 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 DHHS Hospital circular on car parking fees.

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 and St Vincent's Hospital (Melbourne) Limited (SVHM). St Vincent's Hospital Melbourne is pleased to publish its outcomes achieved during 2019-20.

PART A: STRATEGIC PRIORITIES FOR 2019-20

Goals	Strategy	Deliverable	Outcome
Better Health A system geared to prevention as much as treatment Everyone understands their own health and risks Illness is detected and managed early Healthy neighbourhoods and communities encourage healthy lifestyles	**Better Health** Reduce statewide risks Build healthy neighbourhoods Help people to stay healthy Target health gaps	Actively participate in the strategic development of the NorthEast Cardiac Network focusing on developing the Level 6 cardiac partnership with Austin Health to improve access and safety of care.	**Achieved** Development of a unified St Vincent's Fitzroy Precinct Cardiac service to support the North-East network collaboration, has progressed as a component of the COVID-19 response. A stakeholder group and activation plan have been formed to establish St Vincent's Heart. Multiple systems and processes have been established to support the relocation of cardiac surgery from St Vincent's Public Hospital Melbourne (SVHM) to St Vincent's Private Hospital Melbourne (SVHPM) as part of the Campus COVID-19 response.

Goals	Strategy	Deliverable	Outcome
		Expand telehealth as part of the SVHM Care Beyond Hospital Walls strategy to improve access for rural and regional patients.	**Achieved** SVHM has continued to exceed internal Telehealth targets. There was a significant peak increase in telehealth utilisation at SVHM in Q3 and 4 2020 with implementation of more video conferencing and telehealth phone call appointments to maintain an effective service, maximising community safety in a COVID-19 environment. SVHM delivered on average 2500 telehealth appointments per month between March and June 2020. The shared telehealth models with regional and rural partnerships during Q3 and Q4 were also maximised. Patients at St George's Hospital (SGHS) were supported and risks associate with cross campus patient transport minimised via providing telehealth access to specialist consultation. Evaluation and consumer consultation are underway to support maximisation of the benefits of the changes that have been implemented into business as usual practice. A SVHM telehealth strategy is in development and a steering group has been formed to progress this piece of work.

Goals	Strategy	Deliverable	Outcome
		Further develop and formalise a strategic and operational partnership with Goulburn Valley Health to contribute to improve health and wellbeing for our regional communities.	**In progress** Engagement with GVH Executive and key clinicians to strengthen the Service relationship continues. Active work on reducing the time for tertiary transfers to SVHM from GVH and supporting GVH with ED and ICU workforce capability, renal service development and improving the onsite GVH presence of some acute specialties has been delayed due to COVID -19. Work recommenced on these initiatives late in Q4. The partnership between GVH and SVHM has been further strengthened through participation in the Safer Care Victoria Timely Care Partnership initiative.
Better Access Care is always being there when people need it Better access to care in the home and community People are connected to the full range of care and support they need Equal access to care	**Better Access** Plan and invest Unlock innovation Provide easier access Ensure fair access	Complete the design and commence construction of the Mental Health and AOD hub to provide holistic care within the ED setting.	**In progress** Planning and implementation of decanting works continues. The main works tender process has commenced. Tender documents were released in January 2020. VHHSBA have appointed Johnstaff as Project Manager who have commenced the tender evaluation to appoint builders. This work has now been paused due to COVID-19.
		Work with the Department of Health and Human Services to plan a new facility for Addiction Medicine to improve the patient experience for this vulnerable population.	**Achieved** An alternative facility for the Department of Addiction Medicine has been identified as part of the Aikenhead Centre for Medical Discover (ACMD) development decant works project. Relocation of the Department of Addiction Medicine is scheduled for April 2021.

Goals	Strategy	Deliverable	Outcome
		Continue the development of Berengarra, the 90-bed aged care development at SGHS.	**Achieved** Building works have been completed and Icon are now working through defect rectification. Practical completion will be achieved in August 2020. SVHM continues to plan for commencement of operations in late 2020.
		Progress the Caritas Christi redevelopment including commencement of construction in partnership with SVHA Care Services	**Achieved** Work by the contractor ADCO is progressing on the Caritas Christi development which will deliver a new facility accommodating 26 public palliative care beds Completion forecast remains the end of May 2021.
		Deliver a Care Beyond the Hospital Walls Framework to support SVHM to transform the way care is provided and deliver more care closer to home for our patients.	**In progress** Development of a SVHM Care Beyond the Hospital Walls Strategy is underway and due to be delivered in Q2 2021. This builds on the work completed over the previous 12 months and will outline priority activities for implementation within the next 6 months. SVHM has introduced a contemporised Hospital in the Home (HITH) model of care delivering multidisciplinary, medically led care. SVHM has implemented a new organisational structure to support the focus on home and community services reform

Goals	Strategy	Deliverable	Outcome
		Partner with Safer Care Victoria to accelerate the implementation of continuous improvement and daily management system throughout the sector.	**Achieved** Prior to COVID-19 restrictions being implemented SVHM continued to host regular visits from Victorian health services to learn about the continuous improvement and daily management system structures in place at SVHM. SVHM is actively participating in the SCV Timely Care Partnership with five other services. The partnership timing is under review and is likely to recommence in early 2021. The SVHM Continuous Improvement Manager is participating in the SCV Improvement Advisor program to enable ongoing improvement capability building across the sector.
		Complete the capital and operational planning for an additional operating theatre to support improved access to surgical care.	**In progress** A Business Case was prepared for the development of an additional operating theatre in February 2020. This initiative is currently on-hold and will be revisited in 2021.
Better Care Target zero avoidable harm Healthcare that focusses on outcomes Patients and carers are active partners in care Care fits together around people's needs	**Better Care** Put quality first Join up care Partner with patients Strengthen the workforce Embed evidence Ensure equal care	Establish the "Improvement Movement" strategy and commence implementation to improve staff safety, increase patient access and quality outcomes.	**Achieved** The next phase of the Improvement Movement will broaden the focus through defining and launching the key organisational Principles and Behaviours that underpin the improvement culture at SVHM. Principles and Behaviours have been developed and these will be refined these in consultation with the senior leadership team.

Goals	Strategy	Deliverable	Outcome
		Continue to support SVHM clinicians in our response to Voluntary Assisted Dying Legislation, ensuring patients receive the best care.	**Achieved** Tailored training has been delivered for Mental Health, Aged Care Services and Correctional Health clinicians. Voluntary Assisted Dying (VAD) education has been incorporated into ongoing Advance Care Planning workshops and Palliative Care education programs. A staff survey has identified additional education requirements around ethics. In the COVID-19 environment where face to face training is not possible, training has been delivered for targeted groups virtually and a mini video on VAD developed as an educational resource for clinical staff developed.
		Respond to activities associated with the Mental Health Royal Commission.	**In progress** SVHM continues to be actively involved in monitoring the outputs of the Mental Health Royal Commission. There has been a hold on formal activities due to the impact of COVID-19, however roundtable discussions have been scheduled.
		Respond to activities associated with the Aged Care Royal Commission	**In progress** Activity continues in relation to responding to the Aged Care Royal Commission, aligned with the SVHA approach.
		Undertake a critical analysis of opportunities to actively include consumers in our strategic planning, improvement and clinical processes.	**Achieved** Consumer engagement has been nominated as a priority through annual quality planning. A new Health Consumer Representative remuneration model has been developed. This model was approved by SVHM Executive in Q4 for implementation in Q1 2021.

Goals	Strategy	Deliverable	Outcome
Specific 2019-20 priorities (mandatory)	**Supporting the Mental Health System** Improve service access to mental health treatment to address the physical and mental health needs of consumers.	Continue implementation of the SVHM Mental Health Service Plan 2018-2028, focusing on prioritisation of activities and resourcing.	**In progress** Key staff have been appointed to support the delivery of the Mental Health Services plan including; • Director, Community Psychiatry • Project Officer, fixed term for 12 months There have been some delays in implementation due to the impact of COVID-19, however this work is progressing with the community model of care as the first priority piece of work.
	Addressing Occupational Violence Foster an organisational wide occupational health and safety risk management approach, including identifying security risks and implementing controls, with a focus on prevention and improved reporting and consultation.	Implement the department's security training principles to address identified security risks.	**In progress** A security training program has been developed and piloted to provide annual refresher training for SVHM security officers. The pilot will now be formalised and be the base of education moving forward.
		Complete the continuous improvement project regarding serious injuries arising from occupational violence to ensure better staff safety.	**In progress** The continuous improvement project undertaken in the area of serious injuries arising from occupational violence (OVA) is focussed on the following aspects of OVA • OVA governance • Clinical management of aggression • Environment and response, and • Staff knowledge, skills and education Prior to the acute COVID-19 response focus, some Executive-led focus sessions were held with staff to identify current challenges faced by staff.

Goals	Strategy	Deliverable	Outcome
		Review the SVHM security training program using the department's pilot program to ensure our staff appropriately trained.	**Achieved** SVHM's program has been reviewed and benchmarked. SVHM participated in the Department's pilot training program. SVHM will continue to send new officers to courses offered by DHHS.
	Addressing Bullying and Harassment Actively promote positive workplace behaviours, encourage reporting and action on all reports. Implement the department's Framework for promoting a positive workplace culture: preventing bullying, harassment and discrimination and Workplace culture and bullying, harassment and discrimination training: guiding principles for Victorian health services.	Complete a gap analysis and implement actions to address gaps based on the department's framework to promote a positive workplace culture.	**Achieved** SVHM has undertaken a review of its 'Ethos' program and implemented modifications based on feedback received from staff. SVHM complies with the DHHS framework for Bullying and Harassment.

Goals	Strategy	Deliverable	Outcome
	Supporting Vulnerable Patients Partner with patients to develop strategies that build capability within the organisation to address the health needs of communities and consumers at risk of poor access to health care.	Deliver partnership initiatives that connect housing security to improved health outcomes for patients experiencing, or at risk of, homelessness.	**In progress** Recruitment of a Project Officer commenced however that resource was temporarily diverted to support development of the homeless response plan on behalf of DHHS for the COVID-19 pandemic. SVHA Inclusive Health Program funding has been confirmed for a homeless health peer support worker role to be trialled for 1 year across The Cottage and Health Independence Program – ALERT. A Partnership with Jesuit Social Services is focussing on embedding a Bolton Clarke Homeless Persons' Program Community Nurse within the 'ReConnect' case management team, for prisoners with complex transitional needs post-release. A range of activities have been undertaken to support homelessness during the COVID-19 pandemic including the establishment of Sumner House for accommodation and care.

Goals	Strategy	Deliverable	Outcome
		Implement the five objectives of the SVHM Gender and Sexual Responsiveness Guidelines: organisational capability, workforce development, consumer participation, a welcoming and accessible organisation, disclosure and documentation and culturally safe and accessible services.	**Achieved** A LGBTIQA+ Safety and Responsiveness Project Officer and a LGBTIQA+ Research and Evaluation Officer have been appointed and were funded through the SVHA Inclusive Health Fund LGBTIQA+ project. These roles, supported by the Mission Directorate, will oversee and evaluate implementation of the six objectives of the SVHM Gender and Sexual Responsiveness guidelines. St Vincent's has partnered with Thorne Harbour Health as a pilot site for delivery of their affirmative practice suicide prevention training for frontline staff within mental health and the emergency department.
	Supporting Aboriginal Cultural Safety Improve the health outcomes of Aboriginal and Torres Strait Islander people by establishing culturally safe practices across all parts of the organisation to recognise and respect Aboriginal culture and deliver services that meet the needs, expectations and rights of Aboriginal patients, their families, and Aboriginal staff.	Extend SVHM's Reconciliation Action Plan through the delivery of inclusive health funded projects in partnership with the Victorian Aboriginal Health Service and Victorian Aboriginal Community Controlled Health Organisation (Mission).	**In progress** The Aboriginal Health Unit has implemented a project funded by the SVHA Inclusive Health Program. The project entitled: *"Investigation into Aboriginal and Torres Strait Islander patients presenting to the Emergency Department at St Vincent's Hospital Melbourne and leaving before being seen."* commenced in Q3. Six months of data has been collected. Preparations are currently underway for the expansion of the Aboriginal Hospital Liaison Officer Service in ED to cover weekends.
		Monitor and report completion rate of mandatory online Aboriginal Cultural Safety Training program against organisational target.	**Achieved** SVHM has set the organisational target for completion of Cultural Awareness Training at 60%. Q4 completion rate was 89%.

Goals	Strategy	Deliverable	Outcome
		As part of the 'Improving Care for Aboriginal Patients Program", ensure that the SVHM Aboriginal and Torres Strait Islander Liaison Officer sees all Aboriginal and / or Torres Strait Islander patients within 24-48 hours of admission.	**Achieved** SVHM Aboriginal Hospital Liaison Officers identify admitted Aboriginal and Torres Strait Islander patients through a daily patient list that is generated from the patient administration system. Aboriginal Hospital Liaison Officers visit each identified patient daily, or on the next available business day, apart from when it is not clinically appropriate to do so (e.g. prisoners and acutely unwell patients).
	Addressing Family Violence Strengthen responses to family violence in line with the Multiagency Risk Assessment and Risk Management Framework (MARAM) and assist the government in understanding workforce capabilities by championing participation in the census of workforces that intersect with family violence.	Lead the implementation of policies and training packages for Strengthening Hospitals Response to Family Violence.	**Achieved** SVHM continues to implement policies and training packages to support the best care of those experiencing Family Violence. A flexible model of family violence training continues to be provided. In the 2019-20 FY 30% of staff received training. The number of Family Violence Identifications at SVHM over Q3 & 4 continue to be significant, with a total of 244 cases identified. Additional specialist training for clinical staff with a focus on vulnerable communities has included: • Responding to women experiencing Family Violence • LGBTIQA+ Family Violence • Perpetrators – Reflections on collusion • Family Violence and disabilities • Human trafficking and modern slavery

Goals	Strategy	Deliverable	Outcome
	Implementing Disability Action Plans Continue to build upon last year's action by ensuring implementation and embedding of a disability action plan which seeks to reduce barriers, promote inclusion and change attitudes and practices to improve the quality of care and employment opportunities for people with disability.	Implement the identified priorities for 2019-20 from the SVHM Accessibility and Inclusion Plan for People with Disabilities including: • Provision of training for selected staff on how to develop accessible written information for people with disabilities. • Ensuring all strategic and service planning activities explicitly consider optimal responses for enhancing accessibility and inclusion for people with disabilities.	**Achieved** The SVHM Diversity and Inclusion Governance Committee is established and meeting quarterly. This Committee includes a consumer representative. 'Engaging our consumers: providing accessible written information' training has informed the development and publication of all COVID-19 written public communications and signage. Capital development planning for ACMD and CCH includes amenities to facilitate accessibility and inclusion.
	Supporting Environmental Sustainability Contribute to improving the environmental sustainability of the health system by identifying and implementing projects and/or processes to reduce carbon emissions.	Develop and consult on an Environmental Sustainability Plan, targeting the following initiatives: • Replacement of refrigerant gasses that impact environment. • Modify heating, ventilation & air conditioning plant for increased efficiency and reduction of power consumption including for example installation of variable frequency drives.	**Achieved** An Environmental Sustainability Plan has been developed. Q4 progress includes: • PVC recycling implemented across wards with expansion to theatres in progress. • Replacement of refrigerants gasses is 20% complete across the organisation, and progress will continue into 2020/21. • Chiller optimisation plan has been completed. • LED lighting and atomization program has been completed. • Solar panel installation on the SVHM main inpatient building has been completed.

PART B:
PERFORMANCE PRIORITIES

High quality and safe care

Key Performance Indicator	Target	2019-20 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%	83.9%
Percentage of healthcare workers immunised for influenza	84%	88%
Patient experience		
Victorian Healthcare Experience Survey – data submission	Full compliance	Full compliance
Victorian Healthcare Experience Survey – percentage of positive patient experience Quarter 1	95% positive experience	98%
Victorian Healthcare Experience Survey – percentage of positive patient experience Quarter 2	95% positive experience	94.9%
Victorian Healthcare Experience Survey – percentage of positive patient experience Quarter 3	95% positive experience	93%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care Quarter 1	75% positive experience	70%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care Quarter 2	75% positive experience	71.1%
Victorian Healthcare Experience Survey – percentage of very positive responses to questions on discharge care Quarter 3	75% positive experience	82%
Victorian Healthcare Experience Survey – patients perception of cleanliness Quarter 1	70%	64%
Victorian Healthcare Experience Survey – patients perception of cleanliness Quarter 2	70%	74%
Victorian Healthcare Experience Survey – patients perception of cleanliness Quarter 3	70%	72.8%
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	0.9
Adverse Events		
Sentinel events – root cause analysis (RCA) reporting	All RCA reports submitted within 30 business days	Achieved
Unplanned readmission hip replacement	Annual rate ≤ 2.5%	1.33%

Key Performance Indicator	Target	2019-20 actuals
Mental health		
Percentage of adult inpatients who are readmitted within 28 days of discharge	14%	20%
Rate of seclusion events relating to an adult acute mental health admission	≤ 15/1,000	3.7
Rate of seclusion events relating to an aged acute mental health admission	≤ 15/1,000	0.7
Percentage of adult patients who have post-discharge follow-up within seven days	80%	94%
Percentage of aged patients who have post-discharge follow-up within seven days	80%	89%
Continuing care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.94

* SAB is Staphylococcus aureus bacteraemia

Timely access to care

Key Performance Indicator	Target	2019-20 actuals
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	76%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended times	80%	63%
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	1
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%	86%
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	25.3%
Number of patients on the elective surgery waiting list*	1,637	2,046
Number of Hospital Initiated Postponements per 100 scheduled admissions	≤ 7/100	5.88%
Number of patients admitted from the elective surgery waiting list	7,350	6,572
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	92%
Percentage of routine patients referred by a GP or external specialist who attended a first appointment within 365 days	90%	89%

* The target shown is the number of patients on the elective surgery waiting list as at 30 June 2019

Effective financial management

Key Performance Indicator	Target	2019-20 actuals
Finance		
Operating result ($m)	0	-$0.18m
Average number of days to paying trade creditors	< 60 days	56 days
Average number of days to receiving patient fee debtors	< 60 days	49 days
Public & Private WIES* performance to target	100%	92.66%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.92
Forecast number of days a health service can maintain its operations with unrestricted available cash (based on end of year forecast)	14 days	12.3 days
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	Not achieved
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	2019-20 Activity Achievement
Acute Admitted	
WIES Public	46,426
WIES Private	5,688
WIES DVA	220
WIES TAC	128
Acute Non-admitted	
Home Enteral Nutrition	2,030
Home Renal Dialysis	83
Specialist Clinics	202,938
Total Parenteral Nutrition	42
Subacute & Non-acute Admitted	
Subacute WIES – Rehabilitation Public	1,039
Subacute WIES – Rehabilitation Private	192
Subacute WIES – GEM Public	856
Subacute WIES – GEM Private	290
Subacute WIES – Palliative Care Public	288
Subacute WIES – Palliative Care Private	84
Subacute WIES – DVA	37
Transition Care – Bed days	10,032
Transition Care – Home day	12,280
Subacute Non-admitted	
Health Independence Program – Public	61,229
Aged Care	
Residential Aged Care	10,275
HACC	2,141
Mental Health and Drug Services	
Mental Health Ambulatory	69,120
Mental Health Inpatient – Available bed days	23,375
Mental Health Residential	21,960
Mental Health Subacute	10,980
Drug Services	2,807
Other	
NFC – Islet cell Transplantation	3

ATTESTATION ON DATA INTEGRITY

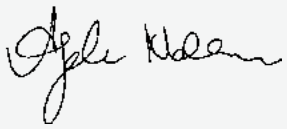
I, Angela Nolan, Chief Executive Officer certify that St Vincent's (Melbourne) Limited has put it place appropriate internal controls and processes to ensure that reported data accurately reflects actual performance. St Vincent's Hospital (Melbourne) Limited has critically reviewed these controls and 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) 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
Dated 9 September 2020
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.

COMPANY DIRECTORY

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 2019 to 30 June 2020, 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 2019 to 30 June 2020:

Mr Paul Robertson AO
Chair Retired 18 October 2019

Mr Paul McClintock AO
Chair Appointed 18 October 2019

Dr Michael Coote

Ms Anne Cross AM

Prof. Suzanne Crowe AO

Mr Brendan Earle
Retired 31 December 2019

Ms Anne McDonald

Ms Sheila McGregor
Appointed 1 December 2019

Ms Sandra McPhee AM

Mr Damien O'Brien
Appointed 1 November 2019

Mr Paul O'Sullivan
Appointed 1 August 2019

Ms Jill Watts
Appointed 1 August 2019

Sr Mary Wright IBVM
Retired 31 December 2019

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"

DIRECTORS' REPORT

The Directors present their report on the Hospital for the financial year ended 30 June 2020.

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 Robertson AO

QUALIFICATIONS

Bachelor of Commerce,
Fellow CPA Australia.

EXPERIENCE

Paul was appointed to the Board of SVHA on 1 October 2009 and to SVHA's subsidiaries Boards on 1 October 2010. He was appointed as Chair on 5 October 2012. Paul retired from the Board on 18 October 2019.

Paul is a former Executive Director of Macquarie Bank with extensive experience in banking, finance and risk management. Paul is Chair of the Trustees of St Vincent's Hospital Sydney and holds several private company directorships. Paul is Chair of Kinela, Social Ventures, Goodstart Early Learning, Tonic Health Media and a Director of Dementia Australia.

Paul was awarded an Order of Australia in 2018 for distinguished service to the community through ethical leadership and management of, and philanthropic contributions to health, social enterprise, research, education and arts organisations.

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.

He is Chair of I-MED Network and Laser Clinics Australia. He was appointed to the Board of Catholic Health Australia on 12 May 2020.

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.

SPECIAL RESPONSIBILITIES

Prior to his appointment as Chair in October 2019, Paul was Deputy Chair of the SVHA Board, Chair of the Finance & Investment Committee, and a member of the Research & Education Committee.

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. He has also deputised for Suzanne Crowe in her absence on the Royal Commissions Committee.

Ms Anne Cross AM

QUALIFICATIONS

Master of Social Work (Research) University of Queensland, Bachelor of Social Work University of Queensland, Fellow of Australian Institute of Company Directors, Member of Chief Executive Women

EXPERIENCE

Anne was appointed to the Board of SVHA and its subsidiaries Boards on 1 January 2019.

Anne concluded her executive career as Chief Executive of UnitingCare Queensland, one of Australia's largest not for profit health, aged care and community service organisations late in 2017. Currently she is a Director of the Australian Institute of Company Directors, a member of the Senate of the University of Queensland, Chair of Uniting Church in Australia Redress Ltd and a Director of Opera Queensland. Anne is an Adjunct Professor in the Faculty of Health and Behavioural Sciences University of Queensland.

She received recognition in the Queen's Birthday 2018 Honours List for significant service to the community and to women. She was named Telstra's National Businesswoman of the Year in 2014 and awarded the University of Queensland's Alumni Excellence Award in 2016.

SPECIAL RESPONSIBILITIES

Anne is a member of the Mission, Ethics & Advocacy Committee, the Clinical Governance & Experience Committee, the Audit & Risk Committee and a member of the ad hoc Royal Commissions 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 Royal Commissions Committee.

Mr Brendan Earle

QUALIFICATIONS

Bachelor of Laws (Hons); Bachelor of Arts, Barrister and Solicitor, Supreme Court of Victoria

EXPERIENCE

Brendan was appointed to the Board of SVHA and its subsidiaries Boards on 1 October 2010. Brendan retired on 31 December 2019.

Brendan was a partner with the international law firm, Herbert Smith Freehills and is now a partner with HWL Ebsworth. He has over 25 years' experience providing commercial legal advice across a range of industries and specialises in large or strategically important negotiated transactions including acquisitions, sales, joint ventures and corporate restructuring and acts as a relationship partner for several clients of the firm. Brendan has a long-standing interest in the Australian healthcare industry and has advised the Commonwealth Government, private insurers, aged care providers, private consulting practices and pharmaceutical manufacturers on a diverse range of projects.

SPECIAL RESPONSIBILITIES

Brendan was a member of the Finance & Investment Committee and the Audit & Risk 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 Director 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 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 senior partner at Gilbert + Tobin Lawyers and before that was a senior 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 & 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 and the Mission, Ethics & Advocacy 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. 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. 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.

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 Optus, Chair of the Western Sydney Airport Company, a Non-Executive Director of Coca Cola Amatil, ANZ Bank and the National Disability Insurance Agency.

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 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 and a member of the Finance & Investment Committee.

Sr Mary Wright IBVM

QUALIFICATIONS

Master of Science (University of Melbourne)

Dip. of Education (Monash Univ.), Bachelor of Divinity (Melb. College of Divinity), Ph. D. (JCD) in Canon Law (University Saint Paul, Ottawa, Canada)

EXPERIENCE

Sr. Mary was appointed to the Board of SVHA and its subsidiaries Boards on 1 October 2013. She retired from her role on 31 December 2019.

Sr Mary has extensive experience in leadership in Catholic Church institutions including the positions of School Principal Loreto College, Ballarat and Loreto College, Kirribilli, Australian Province Leader and International Leader of the Loreto Sisters. She has practiced in Church law (including lecturing at Yarra Theological Union) both in Australia and in Rome at the Congregation for Institutes of Consecrated Life and Societies of Apostolic Life in the Vatican. Her specialty is in institutional governance. Sr Mary is also a Director of Loreto Ministries Limited.

SPECIAL RESPONSIBILITIES

Sr Mary was Chair of the Mission, Ethics & Advocacy Committee, a member of the Audit & Risk Committee and a member of the People & Culture 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 30 years in the health industry. He is admitted as a Solicitor to the Supreme Court of NSW, Member of the Law Society of NSW, Associate 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 and Human Services.

TRADING RESULT

The result of the company for the financial year was a gain of $11,876,000

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:

	2020 $'000	2019 $'000
Total Revenue for the year	851,125	790,084
Results for the year	11,876	(1,171)

Revenue for the year increased, reflecting additional Department of Health and Human Services (DHHS) funding driven by indexation, additional 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, however consumables expenditure decreased due to a reduction in Hep C expenditure driven by decreased demand.

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 2020, the company had one member (2019: 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

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Hospital at the reporting date.

As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on 30 June 2020, its operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place.

There has been no matter or circumstance, which has arisen since 30 June 2020 that has significantly affected, or may affect:

a. The operations, in financial years subsequent to 30 June 2020, of St Vincent's Hospital (Melbourne)

b. Limited, or

c. The results of those operations, or

d. The state of affairs, in financial years subsequent to 30 June 2020, 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.

Protected Disclosure 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.

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 17 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 16 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 2019-20.

In 2019-20 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 Company Secretary

Mr Paul Fennessy
as Alternate Company Secretary

Mr Toby Hall
as Chief Executive Officer

Ms Ruth Martin
as Group Chief Financial Officer

Mr 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

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

Mr David Bryant
as Group General Manager People and Culture
(Resigned 28 August 2020)

Ms Annie Schmidt
as Group General Manager People and Culture
(Appointed 1 June 2020)

Ms Melanie Gow
Group Manager, Corporate Affairs

COMMITTEES

The SVHA Board has established The Friends of St Vincent's to advise and support its facilities in Victoria in the achievement of SVHA's Mission and strategic objectives. The Friends did not meet as a group during this period.

MEETINGS OF DIRECTORS

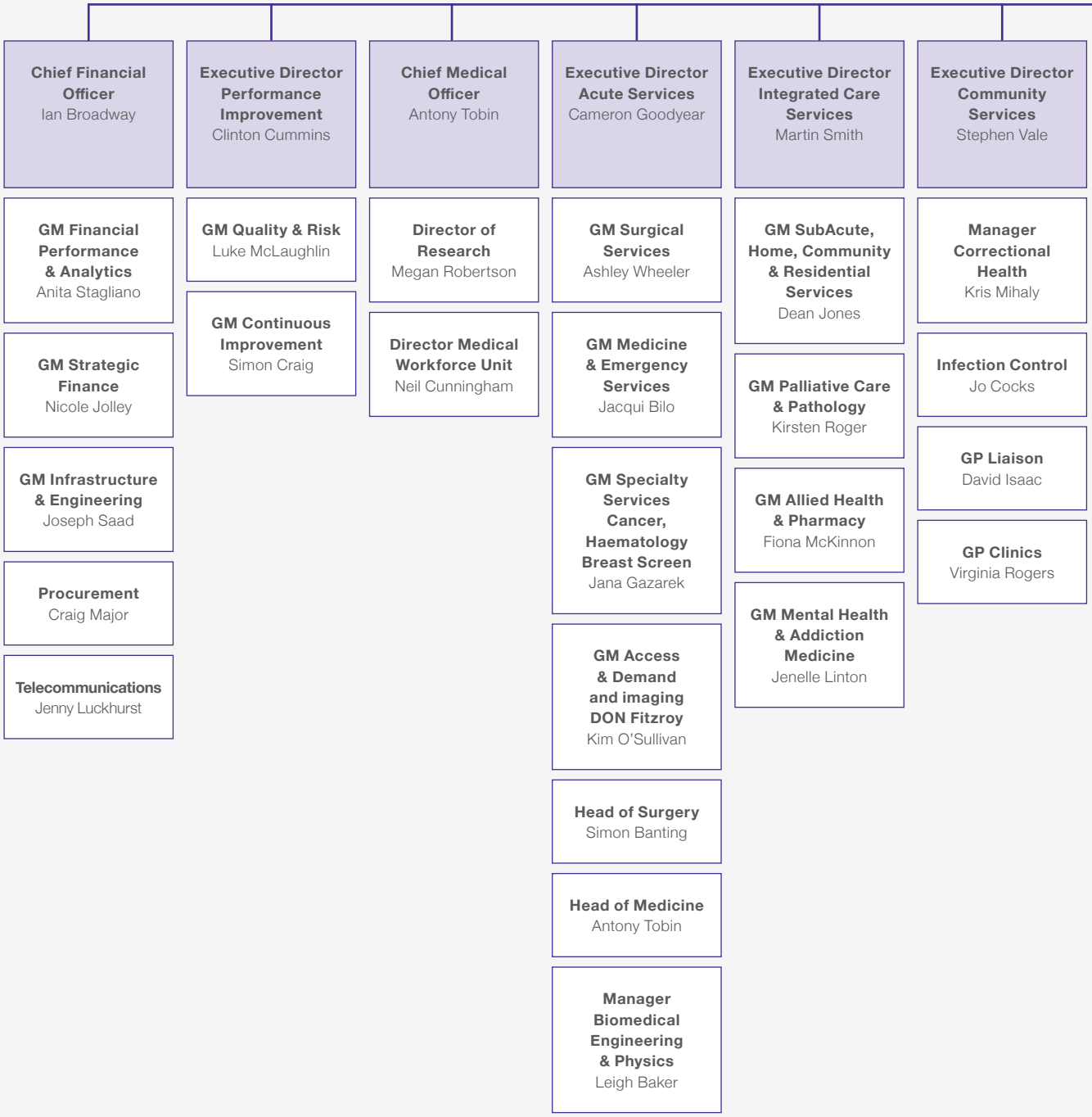
The numbers of meetings of the company's Board of Directors and of each Board committee held from 1 July 2019 to 30 June 2020, and the number of meetings attended by each director were:

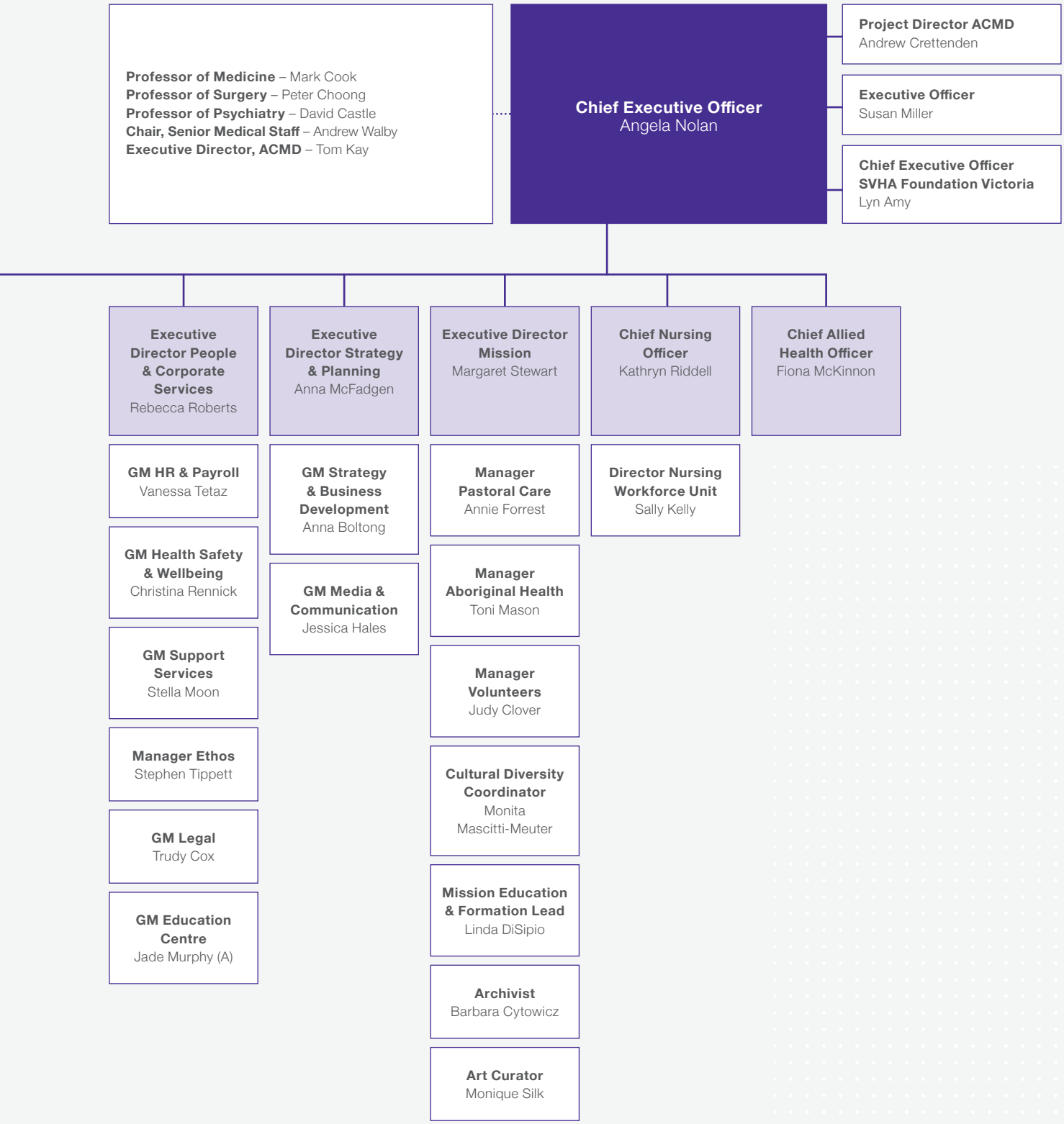
	Board	Audit & Risk	FI*	MEA**	People & Culture	CGS***	RE****	Ad hoc RC*****
Number of meetings:	7	6	9	6	4	6	4	4
Mr P Robertson AO	3/3							
Mr Paul McClintock AO	7/7		3/4				1/3	
Dr M Coote	6/7					5/6	4/4	1/1
Ms A Cross AM	7/7	2/2		6/6		5/6		3/4
Prof. S Crowe AM	7/7				2/2	6/6	4/4	2/4
Mr B Earle	4/4	4/4	4/4					
Ms A McDonald	6/7	6/6	8/9					
Ms Sheila McGregor	4/4			1/3			1/1	
Ms Sandra McPhee AM	7/7			2/3	4/4			
Mr Damien O'Brien	4/4	3/3		3/3				
Mr Paul O'Sullivan	6/7		7/8		2/2			
Ms Jill Watts	6/7		7/8		2/2			
Sr Mary Wright IBVM	4/4	3/4		2/3	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

2020 SVHM ORGANISATIONAL STRUCTURE



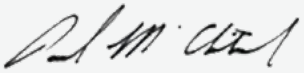

Professor of Medicine – Mark Cook
Professor of Surgery – Peter Choong
Professor of Psychiatry – David Castle
Chair, Senior Medical Staff – Andrew Walby
Executive Director, ACMD – Tom Kay
Chief Executive Officer
Angela Nolan
Project Director ACMD
Andrew Crettenden
Executive Officer
Susan Miller
Chief Executive Officer
SVHA Foundation Victoria
Lyn Amy
Executive Director People & Corporate Services
Rebecca Roberts
Executive Director Strategy & Planning
Anna McFadgen
Executive Director Mission
Margaret Stewart
Chief Nursing Officer
Kathryn Riddell
Chief Allied Health Officer
Fiona McKinnon
GM HR & Payroll
Vanessa Tetaz
GM Health Safety & Wellbeing
Christina Rennick
GM Support Services
Stella Moon
Manager Ethos
Stephen Tippett
GM Legal
Trudy Cox
GM Education Centre
Jade Murphy (A)
GM Strategy & Business Development
Anna Boltong
GM Media & Communication
Jessica Hales
Manager Pastoral Care
Annie Forrest
Manager Aboriginal Health
Toni Mason
Manager Volunteers
Judy Clover
Cultural Diversity Coordinator
Monita Mascitti-Meuter
Mission Education & Formation Lead
Linda DiSipio
Archivist
Barbara Cytowicz
Art Curator
Monique Silk
Director Nursing Workforce Unit
Sally Kelly

AUDITORS' INDEPENDENCE DECLARATION

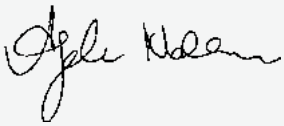
A copy of the auditor's independence declaration as required under the *Australian Charities and Not-for-Profits Commission Act 2012 (Cth)* is attached. Dated at Melbourne on 9 September 2020 in accordance with a resolution of the Board.

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

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 2020, 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
23 September 2020

Travis Derricott
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

FINANCIAL STATEMENTS

BOARD MEMBERS AND ACCOUNTABLE 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 2020 and the financial position of St Vincent's Hospital (Melbourne) Limited at 30 June 2020.

There are reasonable grounds to believe that St Vincent's Hospital (Melbourne) Limited will be able to pay its debts as and when they become due and payable.

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 9 September 2020.

Paul McClintock AO
Chair
Dated 9 September 2020
Sydney

Angela Nolan
Chief Executive Officer
Dated 9 September 2020
Melbourne

Ian Broadway
Chief Financial Officer
Dated 9 September 2020
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 2020 • 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 and accountable 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 2020 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.

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Other Information	The Board of the health service is responsible for the Other Information, which comprises the information in the health service's annual report for the year ended 30 June 2020, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.
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.

Auditor's responsibilities for the audit of the financial report (continued)	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
23 September 2020

Travis Derricott
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020 $'000	2019 $'000
Income from Transactions			
Operating Activities	2.1	834,872	787,867
Non-Operating Activities	2.1	16,253	2,217
Total Income from Transactions		**851,125**	**790,084**
Expenses from Transactions			
Employee Expenses	3.1	(596,749)	(547,312)
Supplies and Consumables	3.1	(117,515)	(129,170)
Finance Costs	3.1	(1,264)	(1,162)
Depreciation and Amortisation	4.4	(29,843)	(21,505)
Other Administrative Expenses	3.1	(55,687)	(54,918)
Other Operating Expenses	3.1	(34,144)	(33,796)
Total Expenses from Transactions		**(835,202)**	**(787,863)**
Net Result from Transactions – Net Operating Balance		**15,923**	**2,221**
Other Economic Flows included in Net Result			
Net gain/ (loss) on sale of non-financial assets	3.2	(28)	201
Net gain/ (loss) on financial instruments at fair value	3.2	(3,319)	(1,971)
Other gains/(losses) from other economic flows	3.2	(700)	(1,622)
Total Other Economic Flows Included in Net Result		**(4,047)**	**(3,392)**
Net Result for the Year		**11,876**	**(1,171)**
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in PPE Revaluation Surplus	4.2(b)	344	(16)
COMPREHENSIVE RESULT FOR THE YEAR		**12,220**	**(1,187)**

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

BALANCE SHEET AS AT 30 JUNE 2020

	Note	2020 $'000	2019 $'000
Assets			
Current Assets			
Cash and Cash Equivalents	6.2	41,175	11,286
Receivables and Contract Assets	5.1	37,461	27,868
Investments and Other Financial Assets	4.1	6,830	6,863
Inventories	4.6	8,776	7,416
Other Assets	5.4	1,958	1,591
Total Current Assets		**96,200**	**55,024**
Non-Current Assets			
Receivables	5.1	60,583	40,955
Investments and Other Financial Assets	4.1	70,157	71,574
Property, Plant and Equipment	4.2	178,251	145,657
Intangible Assets	4.3	20,253	20,026
Investment Property	4.5	2,800	2,834
Total Non-Current Assets		**332,044**	**281,046**
Total Assets		**428,244**	**336,070**
Liabilities			
Current Liabilities			
Payables and Contract Liabilities	5.2	68,938	69,266
Borrowings	6.1	52,042	6,409
Employee Provisions	3.4	140,197	125,810
Other Liabilities	5.3	8,740	7,864
Total Current Liabilities		**269,917**	**209,349**
Non-Current Liabilities			
Borrowings	6.1	26,311	9,252
Employee Provisions	3.4	32,212	29,885
Total Non-Current Liabilities		**58,523**	**39,137**
Total Liabilities		**328,440**	**248,486**
Net Assets		**99,804**	**87,584**
Equity			
General Purpose Surplus		120	69
Property, Plant & Equipment Revaluation Surplus		933	589
Restricted Specific Purpose Surplus		31,816	30,606
AIB Surplus		6,097	6,148
Funds Held in Perpetuity		250	250
Contributed Capital		25,850	25,850
Accumulated Surplus		34,738	24,072
Total Equity		**99,804**	**87,584**

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

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	General Purpose Reserve $'000	Asset Revaluation Reserve $'000	Restricted Specific Purpose Reserve $'000	AIB Reserve $'000	Funds Held in Perpetuity $'000	Contributed Capital $'000	Accum. Surpluses/ (Deficits) $'000	Total $'000
Balance at 30 June 2018	**8.1**	**165**	**605**	**30,591**	**6,067**	**250**	**25,850**	**25,243**	**88,771**
Net result for the Year		-	-	-	-	-	-	(1,171)	(1,171)
Other Comprehensive Income		-	(16)	-	-	-	-	-	(16)
Transfer to/(from) Surplus		-	-	-	-	-	-	-	-
Transfer to/(from) AIB Reserve		(81)	-	-	81	-	-	-	-
Transfer to/(from) Restricted Specific Purpose Reserve		(15)	-	15	-	-	-	-	-
Balance at 30 June 2019	**8.1**	**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) Surplus		-	-	1,210	-	-	-	(1,210)	-
Transfer to/(from) AIB Reserve		51	-	-	(51)	-	-	-	-
Transfer to/(from) Restricted Specific Purpose Reserve		-	-	-	-	-	-	-	-
Balance at 30 June 2020	**8.1**	**120**	**933**	**31,816**	**6,097**	**250**	**25,850**	**34,738**	**99,804**

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

CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	2020 $'000 Inflows/ (Outflows)	2019 $'000 Inflows/ (Outflows)
Cash Flows From Operating Activities			
Operating Grants from Government		655,461	607,017
Capital Grants from Government		26,365	19,207
Patient and Resident Fees Received		20,415	24,916
Private Practice and Pathology Fees Received		39,361	39,197
Donations and Bequests Received		7,238	4,666
Interest and Investment Income Received		2,019	2,276
Other Receipts		137,793	147,635
Total Receipts		**888,652**	**844,914**
Employee Expenses Paid		(573,915)	(524,051)
Payments for Supplies and Consumables		(140,286)	(152,876)
Payments for Repairs and Maintenance		(5,224)	(5,136)
Payments for Medical Indemnity Insurance		(6,642)	(6,583)
Finance Costs		(1,264)	(1,162)
Other Payments		(84,458)	(68,386)
GST Paid to ATO		(53,558)	(48,706)
Cash outflow for Leases		(60)	(10,674)
Total Payments		**(865,407)**	**(817,574)**
Net Cash Inflow from Operating Activities	**8.1**	**23,245**	**27,340**
Cash Flows From Investing Activities			
Purchase of Non-Financial Assets		(24,010)	(19,918)
Proceeds from Disposal of Non-Financial Assets		16	28
Purchase of Intangible Assets		(1,289)	(953)
Purchases of Investments		(1,041)	(1,433)
Capital Donations and Bequests Received		2,188	20
Other Capital Receipts		5,521	2,014
Net Cash Outflow from Investing Activities		**(18,615)**	**(20,242)**
Cash Flows From Financing Activities			
Proceeds from Borrowings		40,186	-
Repayment of Borrowings		(3,421)	(5,221)
Repayment of Finance Leases		(12,541)	(2,308)
Receipt of Accommodation Deposits		2,155	322
Repayment of Accommodation Deposits		(1,120)	(1,261)
Net Cash Inflow/(Outflow) From Financing Activities		**25,259**	**(8,468)**
Net Increase/(Decrease) In Cash and Cash Equivalents Held		29,889	(1,370)
Cash and Cash Equivalents at Beginning of the Financial Year		11,286	12,656
Cash and Cash Equivalents at End of the Financial Year	**6.2**	**41,175**	**11,286**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

Basis of Preparation

The financial statements are prepared in accordance with Australian Accounting Standards and relevant FRDs.

These financial statements are presented in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. Under the accrual basis, items are recognised as assets, liabilities, equity, income or expenses when they satisfy the definitions and recognition criteria for those items, that is they are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Note 1: Summary of Significant Accounting Policies

These annual financial statements represent the audited general purpose financial statements for St Vincent's Hospital (Melbourne) Limited ('Health Service') for the year ended 30 June 2020. The report provides users with information about the Health Services' stewardship of resources entrusted to it.

A) STATEMENT OF COMPLIANCE

These general-purpose statements have been prepared in accordance with the Australian Charities and Not-for-Profits Commission Act 2012 (Cth), the Financial Management Act 1994 and Accounting Standards issued by the Australian Accounting Standards Board. Accounting standards include Australian Accounting Standards (AAS's) and Interpretations. 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 "not-for-profit" Health Services under the AASs.

The annual financial statements were authorised for issue by the Board of the Health Service on 9 September 2020.

B) BASIS OF ACCOUNTING PREPARATION AND MEASUREMENT

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2020 and the comparative information presented in these financial statements for the year ended 30 June 2019. The going concern basis was used to prepare the financial statements (refer to Note 1 (c) and 8.9).

These financial statements are presented in Australian dollars, the functional and presentation currency of St Vincent's Hospital (Melbourne) Limited (the 'Hospital').

All amounts shown in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Minor discrepancies in tables between totals and sum of components are due to rounding.

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

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of cultural assets and investment property (refer to Note 4.2 and 4.5);
- employee benefit provisions are based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 3.4); and
- fair value of shares and other investments (refer to Note 4.1 and 7.1).

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID-19. A state of disaster was subsequently declared on 2 August 2020.

To contain the spread of the virus and to prioritise the health and safety of our communities various restrictions have been announced and implemented by the state government, which in turn has impacted the manner in which businesses operate, including the Hospital.

In response, the Hospital placed restrictions on non-essential visitors, implemented reduced visitor hours, deferred elective surgery and reduced activity, transferred inpatients to private health facilities, performed COVID-19 testing and implemented work from home arrangements where appropriate.

For further details refer to Funding delivery of our services (Note 2.1) and Property, plant and equipment (Note 4.2).

C) GOING CONCERN

The Hospital has a net asset position of $99.804m at 30 June 2020 (2019: $87.584m).

The Hospital's Balance Sheet shows an excess of current liabilities over current assets of $173.717m (2019: $154.325m). However, included within current liabilities are employee provisions of $140.197m (2019: $125.810m) which are presented as current even though it is probable that amounts will be paid out over several years. The Hospital has estimated in the twelve months following 30 June 2020, $49.317m (2019: $44.362m) may be paid out related to these employee provisions as disclosed in note 3.4. Also related to these provisions, the Hospital has a non-current receivable of $60.357m (2019: $40.673m) from the Department of Health and Human Services (DHHS) as disclosed in note 5.1 that may be called upon where required.

When preparing its financial statements, the Hospital has assessed DHHS funding and related costs for Public services to be provided in the twelve months following 30 June 2020. DHHS has committed to providing temporary cash flow support to enable the Hospital to meet its current and future operational obligations as and when they fall due for a period up to 30 September 2021 should it be required to enable continued trade in the short term for provision of health services to Victorians. DHHS support recognises the additional costs and cash implications associated with the Hospital managing the COVID-19 outbreak.

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

D) GOODS AND SERVICES TAX

Income, expenses and assets are recognised net of the amount associated GST, unless the GST incurred is not recoverable from the Australian Taxation office (ATO). In this case the GST payable is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. 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 presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flow.

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

E) REPORTING ENTITY

The financial statements include all the controlled activities of the Hospital.

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.

F) 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 Hospital 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 Hospital 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)

G) EQUITY

Contributed Capital
Consistent with the requirements of AASB 1004 Contributions (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 hospital.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Restricted Specific Purpose Surplus
The Specific Restricted Purpose Surplus is established where the hospital has possession or title to the funds but has no discretion to amend or vary the restriction and/or condition underlying the funds received.

Property, Plant and Equipment Revaluation Surplus
The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current physical assets.

H) COMPARATIVES

Where applicable, the comparative figures have been restated to align with the presentation in the current year. Figures have been restated at Notes 2.1, 3.1, 4. 2(a), 4.2 (b), 5.1, 5.2, 7.1(b) and 8.1.

I) CORONAVIRUS (COVID-19) PANDEMIC

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had on the Hospital based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Hospital operates. Other than addressed in specific notes, the hospital incurred substantial costs and reduced revenue related to Coronavirus which were covered by funding arrangements with the DHHS resulting in a nil impact on the overall result. With respect to events or conditions which may impact the Hospital unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic, this impact on costs and revenue is ongoing and may impact on the overall result depending on DHHS funding arrangements in the following period.

Note 2: Funding delivery of our services

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

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

Structure

2.1 Income from Transactions

2.1(a) Fair value of Assets Received Free of Charge or for Nominal Consideration

2.1(b) Other Income

Note 2.1: Income from Transactions

	Note	Total 2020 $'000	Total 2019 $'000
Government Grants (State) – Operating[1]		573,072	521,330
Government Grants (Commonwealth) – Operating		56,575	66,215
Government Grants (State) – Capital		26,365	19,207
Other Capital Purpose Income		5,084	2,011
Patient and Resident Fees		19,897	24,089
Commercial Activities[2]		77,498	83,065
Pathology		34,112	35,287
Diagnostic Imaging		12,645	13,178
Assets received Free of Charge or for Nominal Consideration	2.1(a)	3,295	38
Other Revenue from Operating Activities (including Non-Capital Donations)		26,329	23,447
Total Income from Operating Activities		**834,872**	**787,867**
Capital Interest	2.1(b)	17	20
Other Interest	2.1(b)	1,008	1,463
Dividends	2.1(b)	961	734
Other Income	2.1(b)	14,267	-
Total Income from Non-Operating Activities		**16,253**	**2,217**
Total Income from Transactions		**851,125**	**790,084**

[1] Government Grant (State) – Operating includes funding of $49.03m which was spent due to the impacts of COVID-19
[2] Commercial activities represent business activities which the hospital enter into to support their operations.

IMPACT OF COVID-19 ON REVENUE AND INCOME

As indicated at Note 1, the Hospital's response to the pandemic included the deferral of elective surgeries and reduced activity. This resulted in the Hospital incurring lost revenue as well as direct and indirect COVID-19 costs. The Department of Health and Human Services provided funding which was spent due to COVID-19 impacts on the Hospital. The Hospital also received essential personal protective equipment free of charge under the state supply arrangement.

REVENUE RECOGNITION

Income is recognised in accordance with either:

a. contributions by owners, in accordance with AASB 1004;

b. income for not-for-profit entities, in accordance with AASB 1058;

c. revenue or contract liability arising from a contract with a customer, in accordance with AASB 15;

d. a lease liability in accordance with AASB 16;

e. a financial instrument, in accordance with AASB 9; or

f. a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

GOVERNMENT GRANTS

Income from Capital Grants for the construction of an asset is recognised when the Hospital satisfies its obligations under the transfer. 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. Capital grants for specific assets are recognised upon purchase of the asset.

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for under AASB15 as revenue from contracts with customers, with revenue recognised as performance obligations are met.

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

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred. If the grant income is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised in contract liabilities whereas grant revenue in relation to the construction of capital assets which the health service controls has been recognised in accordance with AASB 1058 and recognised as deferred grant revenue (refer to Note 5.2a).

If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2019-20, the total grant revenue received would have been recognised in full.

PREVIOUS ACCOUNTING POLICY FOR 30 JUNE 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Hospital without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is back by the recipient of the grant to the provider). The Hospital recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, the Hospital recognises revenue when the grant is received.

Grants can be received as general purpose grants, which refer to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION POLICIES

Revenue is measured based on the consideration specified in the contract with the customer. The Hospital recognises revenue when it transfers control of a service to the customer i.e. revenue is recognised when, or as, the performance obligations for the sale of the service to the customer are satisfied.

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.
- Income from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises
- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.2). Where the performance obligation is satisfied but not yet billed, a contract asset is recorded (Note 5.1).

WIES AND SPECIFIED GRANTS

The types of grants recognised under AASB15 Revenue from Contracts with Customers includes:

- Activity Based Funding (ABF) paid as WIES casemix
- Specific purpose grants
- Other one-off grants if funding conditions contain enforceable and sufficiently specific performance obligations.

The performance obligations for ABF are the number and mix of patients admitted to hospital (casemix) in accordance with levels of activity agreed to with the Department of Health and Human Services (DHHS) in the annual Statement of Priorities (SoP). Revenue is recognised when a patient is discharged and in accordance with the WIES activity for each separation. The performance obligations have been selected as they align with funding conditions set out in the Policy and funding guidelines issued by the DHHS. WIES funding is recallable when the performance obligation is not met. Due to COVID19, remaining current year WIES revenue has been repurposed as block funded grant to support the business-as-usual activity of the hospital with no recall applied.

Specific Purpose Grants 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.

For other one-off grants with performance obligations, the Hospital exercises judgement over whether the performance obligations have been met, on a grant by grant basis.

PATIENT AND RESIDENT FEES

The performance obligation related to patient and resident fees is the provision of health and related services and accommodation. Revenue is recognised over time as services are provided.

PRIVATE PRACTICE FEES

The performance obligation related to private practice fees is the provision of medical consultations and services to privately admitted inpatients as well as outpatient services. The performance obligation has been selected as it aligns with the terms and conditions agreed with the private provider. Revenue is recognised as these performance obligations are met. Private practice fees may include recoupments from the private practice for the use of hospital facilities.

PATHOLOGY AND DIAGNOSTIC IMAGING

Pathology and Diagnostic Imaging fees are recognised as revenue as the service has been provided.

COMMERCIAL ACTIVITIES

Revenue from commercial activities includes items such as car park income, private diagnostic services, correctional health services and Breastscreen. Income is recognised once services related to the specific commercial activity are provided (parking, medical imaging, health and related services).

DONATIONS AND BEQUESTS

Donations and Bequests are recognised as revenue when received. If donations are for a special purpose they may be appropriated to a surplus, such as specific restricted purpose surplus.

NON-CASH CONTRIBUTIONS FROM THE DEPARTMENT OF HEALTH AND HUMAN SERVICES

The Department of Health and Human Services makes some payments on behalf the Hospital as follows:

- The Victorian Managed Insurance Authority non-medical indemnity insurance payments are recognised as revenue following advice from the Department of Health and Human Services
- Long Service Leave (LSL) revenue is recognised upon finalisation of movements in LSL liability in line with the arrangements set out in the Department of Health and Human Services Hospital Circular 04/2017.

Note 2.1(a): Fair Value of Assets Received Free of Charge or for Nominal Consideration

	Total 2020 $'000	Total 2019 $'000
During the reporting period, the fair value of assets received free of charge, was as follows:		
Capital Cash Donations	2,189	20
Cultural Assets	93	18
Plant and Equipment	123	-
Assets received free of charge under State supply arrangements	890	-
Total	**3,295**	**38**

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

The exception to this would be when the resource is received from another government department (or agency) as a consequence of a restructuring of administrative arrangements, in which case such a transfer will be recognised at its carrying value in the transferring department or agency as a capital contribution transfer.

In order to meet the State of Victoria's health network supply needs during the COVID-19 pandemic, arrangements were put in place to centralise the purchasing of essential personal protective equipment and essential capital items such as ventilators.

The general principles of the State Supply Arrangement were that Health Purchasing Victoria sourced, secured, and agreed terms for the purchase of the products, funded by the department, while Monash Health and the department took delivery and distributed the products to health services as resources provided free of charge.

Note 2.1(b): Other Income

	Total 2020 $'000	Total 2019 $'000
Dividends Received from Investments	961	734
Capital Interest	17	20
Other Interest	1,008	1,463
Other Income	14,267	-
Total Other Income	**16,253**	**2,217**

Interest and dividends are recognised as revenue when received as this income falls under AASB 1058. Other income of $14.267m is a commitment from DHHS to cover LSL liability.

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 Hospital's investments in Financial Assets.

DONATIONS AND BEQUESTS

Donations and Bequests are recognised as revenue when received. If donations are for a special purpose they may be appropriated to a surplus, such as specific restricted purpose surplus.

Note 3: The cost of delivering services

This section provides an account of the expenses incurred by the hospital 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

Note 3.1: Expenses from Transactions

	Note	Total 2020 $'000	Total 2019 $'000
Salaries and Wages		544,930	497,190
On-costs		44,288	40,684
Agency Expenses		3,503	5,327
Workcover Premium		4,028	4,111
Total Employee Expenses		**596,749**	**547,312**
Drug Supplies		51,680	62,525
Medical and Surgical Supplies		48,078	49,180
Diagnostic and Radiology Supplies		13,319	12,903
Other Supplies and Consumables		4,438	4,562
Total Supplies and Consumables		**117,515**	**129,170**
Finance Costs		1,264	1,162
Total Finance Costs		**1,264**	**1,162**
Fuel, Light, Power and Water		8,304	8,164
Repairs and Maintenance		5,224	5,164
Maintenance Contracts		12,979	12,252
Medical Indemnity Insurance		6,642	6,583
Expenses related to Short Term Leases		60	-
Other Administrative Expenses		55,687	54,918
Expenditure for Capital Purposes		935	1,633
Total Other Operating Expenses		**89,831**	**88,714**
Depreciation and Amortisation	4.4	29,843	21,505
Total Other Non-Operating Expenses		**29,843**	**21,505**
Total Expenses from Transactions		**835,202**	**787,863**

IMPACT OF COVID-19 ON EXPENSES

As indicated at Note 1(b), the Hospital's daily activities were impacted by the pandemic. This resulted in direct and indirect costs being incurred, such as purchasing consumables like gloves, drapes, gowns, pathology reagents, disinfectant and sanitisers.

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;
- Workcover premium.

SUPPLIES AND CONSUMABLES

Supplies and services costs which 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 finance 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
- Expenditure for capital purposes (represents expenditure related to the purchase of assets that are below the capitalisation threshold).

The Department of Health and Human Services also makes certain payments on behalf of the Hospital. 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.

OPERATING LEASE PAYMENTS

Operating lease payments up until 30 June 2019 (including contingent rentals) were recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than $10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

Note 3.2: Other Economic Flows

	Total 2020 $'000	Total 2019 $'000
Net gain/(loss) on non-financial assets		
Revaluation of Investment Property	(34)	195
Net gain/(loss) on disposal of Property, Plant and Equipment	6	6
Total net gain/(loss) on non-financial assets	**(28)**	**201**
Net gain/(loss) on financial instruments at fair value		
Allowance for impairment losses of contractual receivables	(827)	(1,971)
Net gain/(loss) on financial assets at fair value	(2.492)	-
Total net gain/(loss) on financial instruments at fair value	**(3,319)**	**(1,971)**
Other gains/(losses) from other economic flows		
Net gain(loss) arising from revaluation of long service liability	(700)	(1,622)
Total other gains/(losses) from other economic flows	**(700)**	**(1,622)**
Total gains/(losses) from Other Economic Flows	**(4,047)**	**(3,392)**

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:

- Impairment 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
- Revaluation gains/(losses) of investment property

NET GAIN/ (LOSS) ON FINANCIAL INSTRUMENTS AT FAIR VALUE

Net gain/ (loss) on financial instruments includes:

- impairment and reversal of impairment for financial instruments at amortised cost refer to Note 4.1 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 rate movements, inflation rate movements and the impact of changes in probability factors; and
- transfer of amounts from the reserves to accumulated surplus or net result due to disposal or derecognition or reclassification.

Note 3.3: Analysis of Expense and Revenue by Internally Managed and Restricted Specific Purpose Funds

	Expense		Revenue	
	Total 2020 $'000	Total 2019 $'000	Total 2020 $'000	Total 2019 $'000
Commercial Activities				
Diagnostic Imaging	8,716	8,478	8,657	8,969
Cafeteria	99	173	219	327
Car Park	1,099	1,126	5,925	6,355
Property	262	263	2,828	3,134
Correctional Health Services	14,404	17,791	18,943	22,358
Childcare	34	38	-	214
Breastscreen Clinic	4,739	4,877	4,654	4,921
Community Medical Centre	1,527	1,538	1,543	1,385
Specific Purpose Trust Funds	17,803	15,122	17,413	19,309
Other Business Units	144	191	1,730	2,118
Total Commercial Activities	**48,827**	**49,597**	**61,912**	**69,090**
Other Activities				
Fundraising & Donations	1,735	1,698	6,214	4,957
Research & Scholarship	9,787	9,753	9,371	9,018
Total Other Activities	**11,522**	**11,451**	**15,585**	**13,975**
Total	**60,349**	**61,048**	**77,497**	**83,065**

Note 3.4: Employee Benefits in the Balance Sheet

	Total 2020 $'000	Total 2019 $'000
Current Provisions		
Employee Benefits[i]		
Annual Leave		
• Unconditional and expected to be settled wholly within 12 months[ii]	35,485	31,683
• Unconditional and expected to be settled wholly after 12 months[iii]	6,040	4,050
Long Service Leave		
• Unconditional and expected to be settled wholly within 12 months[ii]	7,449	7,009
• Unconditional and expected to be settled wholly after 12 months[iii]	76,204	69,659
Accrued Days Off		
• Unconditional and expected to be settled wholly within 12 months[ii]	1,715	1,455
	126,893	**113,856**
Provisions related to Employee Benefit On-Costs		
• Unconditional and expected to be settled wholly within 12 months[ii]	4,668	4,215
• Unconditional and expected to be settled wholly after 12 months[iii]	8,636	7,739
	13,304	**11,954**
Total Current Provisions	**140,197**	**125,810**
Non-Current Provisions		
Conditional long service leave	29,151	27,045
Provisions related to Employee Benefit On-Costs	3,061	2,840
Total Non-Current Provisions	**32,212**	**29,885**
Total Provisions	**172,409**	**155,695**

[i] Employee benefits consist of amounts for accrued days off, annual leave and long service leave accrued by employees, not including on-costs.

[ii] The amounts disclosed are nominal amounts.

[iii] The amounts disclosed are discounted to present values

(A) EMPLOYEE BENEFITS AND RELATED ON-COSTS

	Total 2020 $'000	Total 2019 $'000
Current Employee Benefits and Related On-Costs		
Unconditional Long Service Leave Entitlements	92,437	84,718
Annual Leave Entitlements	45,865	39,485
Accrued Days Off	1,895	1,607
Total Current	**140,197**	**125,810**
Non-Current Employee Benefits and Related On-Costs		
Conditional Long Service Leave Entitlements	32,212	29,885
Total Non-Current	**32,212**	**29,885**
Total Employee Benefits and Related On-Costs	**172,409**	**155,695**

(B) MOVEMENT IN ON-COSTS PROVISION

	Total 2020 $'000
Movement in Employee Benefit On-Costs Provision	
Balance at start of year	14,795
Additional provisions recognised	2,501
Unwinding of discount and effect of changes in the discount rate	(87)
Reduction due to transfer out	(844)
Balance at End of Year	**16,365**

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

LONG SERVICE LEAVE

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

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

The components of this current LSL liability are measured at:

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

Conditional LSL is disclosed as a non-current liability. Any gain or loss followed 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.

Note 3.5: Superannuation

Employees of the Hospital are entitled to receive superannuation benefits and the Hospital contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary.

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 Hospital to the superannuation plans in respect of the services of current Hospital staff during the reporting period. Superannuation contributions are made to the plans based on the relevant rules of each plan, and are based upon actuarial advice.

The Hospital does not recognise any unfunded defined benefit liability in respect of the plan because the Hospital has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance discloses the 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 Hospital. The name, details and amounts expensed in relation to the major employee superannuation funds and contributions made by the Hospital are as follows:

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2020 $'000	Total 2019 $'000	Total 2020 $'000	Total 2019 $'000
Defined Benefit Plans:[i]				
First State Super	329	392	-	-
Government State Super Funds	153	207	4	45
Defined Contribution Plans:				
First State Super	25,087	24,966	852	1,857
HESTA	14,027	14,132	482	1,062
VicSuper	151	188	6	13
Other	4,488	3,643	174	249
Total	**44,235**	**43,528**	**1,518**	**3,226**

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

Note 4: Key Assets to support service delivery

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

Structure

Note 4.1: Investments and other financial assets

	Operating Fund		Specific Purpose Fund		AIB Reserve Fund		Total	Total
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Current								
Term Deposits	241	241	492	474	-	-	733	715
Guaranteed Bill Index Deposit in Escrow	-	-	-	-	6,097	6,148	6,097	6,148
Total Current	**241**	**241**	**492**	**474**	**6,097**	**6,148**	**6,830**	**6,863**
Non-Current								
Shares and Other Managed Investments	10,303	9,555	21,123	18,908	-	-	31,426	28,463
Fixed Interest Securities and Floating rate notes	12,267	14,032	25,151	27,766	-	-	37,418	41,798
Shares in Epi Minder	1,313	1,313		-	-	-	1,313	1,313
Total Non-Current	**23,883**	**24,900**	**46,274**	**46,674**	**-**	**-**	**70,157**	**71,574**
Total Investments and Other Financial Assets	**24,124**	**25,141**	**46,766**	**47,148**	**6,097**	**6,148**	**76,987**	**78,437**
Represented by: Health Service Investments	24,124	25,141	46,766	47,148	6,097	6,148	76,987	78,437
Total Investments and Other Financial Assets	**24,124**	**25,141**	**46,766**	**47,148**	**6,097**	**6,148**	**76,987**	**78,437**

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

INVESTMENT RECOGNITION

Refer to Note 7.1 for the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of investments and other financial assets.

Note 4.2: Property, Plant and Equipment

INITIAL RECOGNITION

Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment loss. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. The carrying amount of 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.

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.

The initial cost for non-financial physical assets under a lease (refer to Note 6.1) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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

RIGHT-OF-USE ASSET ACQUIRED BY LESSEES (UNDER AASB 16 – LEASES FROM 1 JULY 2019) – INITIAL MEASUREMENT

The Hospital recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- 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.

RIGHT-OF-USE ASSET – SUBSEQUENT MEASUREMENT

The Hospital depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment, other than where the lease term is lower than the otherwise assigned useful life.

(A) GROSS CARRYING AMOUNT AND ACCUMULATED DEPRECIATION

	Total 2020 $'000	Total 2019 $'000
Leasehold Improvements		
Leasehold Improvements at Cost	207,008	198,531
Less Accumulated Depreciation	(118,330)	(108,240)
Total Leasehold Improvements	**88,678**	**90,291**
Plant and Equipment		
Plant and Equipment at Cost	30,568	28,707
Less Accumulated Depreciation	(23,745)	(22,014)
Total Plant and Equipment	**6,823**	**6,693**
Medical Equipment		
Medical Equipment at Cost	93,282	85,064
Less Accumulated Depreciation	(74,411)	(67,710)
Total Medical Equipment	**18,871**	**17,354**
Computers and Communication		
Computers and Communication at Cost	14,439	12,100
Less Accumulated Depreciation	(10,113)	(9,190)
Total Computers and Communications	**4,326**	**2,910**
Furniture and Fittings		
Furniture and Fittings at Cost	3,811	3,612
Less Accumulated Depreciation	(3,021)	(2,843)
Total Furniture and Fittings	**790**	**769**
Motor Vehicles		
Motor Vehicles at Cost	4,075	3,777
Less Accumulated Depreciation	(3,256)	(3,361)
Total Motor Vehicles	**819**	**416**
Cultural Assets		
Cultural Assets at Fair Value^	3,713	3,276
Total Cultural Assets	**3,713**	**3,276**
Right of Use Assets		
Right of Use – Plant, Equipment and Motor Vehicles	19,483	24,569
Less Accumulated Depreciation	(15,803)	(18,721)
Total Right of Use – Plant, Equipment and Motor Vehicles	**3,680**	**5,848**
Right of Use – Buildings	37,219	-
Less Accumulated Depreciation	(9,564)	-
Total Right of Use – Buildings	**27,655**	**-**
Total Right of Use Assets	**31,335**	**5,848**
Works in Progress at Cost *	**22,896**	**18,100**
TOTAL PROPERTY PLANT AND EQUIPMENT	**178,251**	**145,657**

^ Cultural Assets were revalued at 30 June 2020 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	Leased Assets $'000	Right of Use – Buildings $'000	Works in Progress $'000	Total $'000
Balance at 1 July 2018	**94,304**	**7,440**	**16,621**	**2,223**	**641**	**346**	**3,256**	**-**	**9,868**	**-**	**13,606**	**148,305**
Additions	438	1,117	3,697	1,370	303	216	36	-	-	-	9,440	16,617
Transfers	3,094	41	1,454	344	-	-	-	-	-	-	(4,946)	(13)
Disposals	-	(5)	(14)	-	-	(2)	-	-	-	-	-	(21)
Revaluation	-	-	-	-	-	-	(16)	-	-	-	-	(16)
Depreciation	(7,545)	(1,900)	(4,404)	(1,027)	(175)	(144)	-	-	(4,020)	-	-	(19,215)
Balance at 30 June 2019	**90,291**	**6,693**	**17,354**	**2,910**	**769**	**416**	**3,276**	**-**	**5,848**	**-**	**18,100**	**145,657**
Recognition of Right-of-Use assets on initial application of AASB16	-	-	-	-	-	-	-	6,685	(5,848)	32,019	-	32,856
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 30 June 2020	**88,678**	**6,823**	**18,871**	**4,326**	**790**	**819**	**3,713**	**3,680**	**-**	**27,655**	**22,896**	**178,251**

(C) FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT 30 JUNE 2020

	Carrying amounts as at 30 June 2020	Fair value measurement at end of reporting period using (i)		
		Level 1	Level 2	Level 3
Cultural Assets at Fair Value	3,713		3,713	
Total	**3,713**		**3,713**	

Fair value measurement hierarchy for assets as at 30 June 2019

	Carrying amounts as at 30 June 2019	Fair value measurement at end of reporting period using (i)		
		Level 1	Level 2	Level 3
Cultural Assets at Fair Value	3,276		3,276	
Total	**3,276**		**3,276**	

(i) Classified in accordance with the fair value hierarchy

There have been no transfers between levels during the period.

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.

D) FAIR VALUE DETERMINATION

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.

Asset Class	Examples of types of assets	Expected fair value level	Likely valuation approach	Significant Inputs (Level 3 only)
Cultural assets	Items for which there is an active market and there are operational uses for the item	Level 2	Market approach	N/A

Note 4.3: Intangible Assets

A) GROSS CARRYING AMOUNT AND ACCUMULATED AMORTISATION

	Total 2020 $'000	Total 2019 $'000
Computer Software and Development at cost	36,712	31,584
Less Accumulated Amortisation	(21,685)	(19,643)
	15,027	**11,941**
Patent at Cost	11	11
Less Accumulated Amortisation	(2)	(1)
	9	**10**
Bed Licences at Cost	**3,375**	**3,375**
Intangible Work in Progress	**1,842**	**4,700**
Total Intangible Assets	**20,253**	**20,026**

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 2018	**11,627**	**3,032**	**-**	**3,375**	**18,034**
Additions	936	3,322	11	-	4,269
Transfers	1,667	(1,654)	-	-	13
Disposals	-	-	-	-	-
Depreciation/Amortisation	(2,289)	-	(1)	-	(2,290)
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 as at 30 June 2020	**15,027**	**1,842**	**9**	**3,375**	**20,253**

An independent valuation of the Aged Care bed licences was carried out by independent valuers Knight Frank as at 30th June 2020. The bed licences were valued at $10,800,000. However, no adjustment is made as they are carried at cost.

Intangible assets represent identifiable non-monetary assets without physical substance such as Aged Care bed licences, computer software and development costs. Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Hospital.

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

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and 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.

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.

Note 4.4: Depreciation and Amortisation

	Total 2020 $'000	Total 2019 $'000
Depreciation		
Plant and Equipment	1,733	1,900
Medical Equipment	4,175	4,404
Computers and Communication	924	1,027
Furniture and Fittings	178	175
Motor Vehicles	128	144
Leasehold Improvements	7,696	7,545
Leased Assets	-	4,020
Right of Use – Plant and Equipment	3,399	-
Right of Use – Buildings	9,564	-
Total Depreciation – Property, Plant and Equipment	**27,797**	**19,215**
Amortisation		
Intangible Assets		
Computer Software & Development Costs	2,045	2,290
Patent	1	-
Total Amortisation – Intangible Assets	**2,046**	**2,290**
Total Depreciation and Amortisation	**29,843**	**21,505**

DEPRECIATION

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets (excluding items under operating leases, assets held for sale, land and investment properties) that have finite useful lives are depreciated.

Depreciation is generally calculated on 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 shorter of the asset's useful life and the lease term. Where the Hospital obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

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. 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. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Intangible assets with indefinite useful lives are not amortised. The useful lives of intangible assets that are not being amortised are reviewed each period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. In addition, the Hospital tests all intangible assets with indefinite useful lives for impairment by comparing their recoverable amounts with their carrying amounts:

- annually, and
- whenever there is an indication that the intangible asset may be impaired.

Any excess of the carrying amount over the recoverable amount is recognised as an impairment loss.

Assets with a cost in excess of $1,000 are capitalised and depreciation or amortisation has been provided on depreciable assets so as to allocate their cost (or valuation) over their estimated useful lives using the straight-line method. Estimates of the remaining useful lives and depreciation method for all assets are reviewed at least annually. This depreciation charge is not funded by the Department.

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

	2020	2019
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	-
Right of Use – Buildings	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 advising of the proposed usage of the Hospital for public hospital services beyond 2020 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 AS AT 30 JUNE 2020

	Total 2020 $'000	Total 2019 $'000
Balance at Beginning of Period	2,834	2,639
Net gain from Fair Value adjustments	(34)	195
Balance at End of Period	**2,800**	**2,834**

B) 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 (i)		
		Level 1	Level 2	Level 3
Investment properties	2,800		2,800	
Total	**2,800**		**2,800**	

FAIR VALUE MEASUREMENT HIERARCHY FOR INVESTMENT PROPERTIES AS AT 30 JUNE 2019

	Carrying amounts as at 30 June 2019	Fair value measurement at end of reporting period using (i)		
		Level 1	Level 2	Level 3
Investment properties	2,834		2,834	
Total	2,834		2,834	

(i) Classified in accordance with the fair value hierarchy

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 Hospital.

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 Hospital.

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 Hospital's property 26-28 Gertrude St at 30 June 2020 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 and is currently unoccupied. 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 2020.

Note 4.6: Inventories

	Total 2020 $'000	Total 2019 $'000
Current		
Drug Supplies	2,789	2,961
Medical and Surgical Lines	5,620	4,181
Food Supplies	93	81
Biomedical Supplies	274	193
Total	**8,776**	**7,416**

Inventories include goods held for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets. Inventories held for distribution are measured at the lower of cost and net realisable value. Cost for all inventories is measured on the basis of weighted average cost.

Note 5: Other assets and liabilities

This note sets out those assets and liabilities that arose from the hospital'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

Note 5.1: Receivables and Contract Assets

	Total 2020 $'000	Total 2019 $'000
Current – Contractual		
Trade Debtors	13,915	9,243
Patient Fees	5,883	5,646
Doctors' Fee Revenue	5,371	5,791
Accrued Revenue		
• Department of Health and Human Services	6,108	1,836
• Other	7,855	7,319
Loan – St Vincent's Healthcare Ltd (refer note 8.4)	56	49
Sub-Total	**39,188**	**29,884**
Less: Allowance for impairment losses of contractual receivables		
Trade Debtors	(448)	(245)
Patient Fees	(941)	(807)
Other Debtors	(338)	(964)
Sub-Total	**(1,727)**	**(2,016)**
Total Current	**37,461**	**27,868**
Non-Current – Contractual		
Loan – St Vincent's Healthcare Ltd (refer note 8.4)	226	282
Sub-Total	**226**	**282**
Non-Current – Statutory		
Department of Health and Human Services – Long Service Leave	60,357	40,673
Sub-Total	**60,357**	**40,673**
Total Non-Current	**60,583**	**40,955**
TOTAL RECEIVABLES	**98,044**	**68,823**

(A) MOVEMENT IN THE ALLOWANCE FOR IMPAIRMENT LOSSES OF CONTRACTUAL RECEIVABLES

	Total 2020 $'000	Total 2019 $'000
Balance at beginning of year	2,016	1,715
Reversal of allowance written off during the year as uncollectable	(1,116)	(1,670)
Increase in allowance recognised in the net result	827	1,971
Balance at end of the year	**1,727**	**2,016**

(B) CONTRACT ASSETS

	Total 2020 $'000
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	9,155
Add: Additional costs incurred that are recoverable from the customer	13,963
Less: Transfer to trade receivable or cash at bank	(9,155)
Less: Impairment Allowance	-
Total Contract Assets	**13,963**

RECEIVABLES RECOGNITION

Receivables consist of:

- Contractual receivables, which includes mainly debtors in relation to goods and services, loans to third parties and accrued investment income. 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 hospital holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.
- Statutory receivables, which predominantly includes amounts owing from the Victorian Government and Goods and Services Tax ("GST") input tax credits 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 hospital applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Trade debtors are carried at 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 hospital 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 hospital's contractual impairment losses.

Note 5.2: Payables and Contract Liabilities

	Note	Total 2020 $'000	Total 2019 $'000
Current – Contractual			
Trade Creditors		16,274	32,976
Accrued Expenses		15,870	9,778
Accrued Salaries and Wages		21,055	16,673
Deferred Capital Grant Revenue	5.2(a)	3,238	-
Contract Liabilities – Income Received in Advance			
• Department of Health and Human Services	5.2(b)	4,208	4,238
• Other	5.2(b)	4,249	4,106
		64,894	**67,771**
Current – Statutory			
GST Payable		4,044	1,495
		4,044	**1,495**
Total Current Payables		**68,938**	**69,266**

Payables consist of:

- contractual payables are classified as financial instruments and measured at amortised cost. Accounts payable representing liabilities for goods and services provided to the Hospital prior to the end of the financial year that are unpaid; and
- 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 a contract.

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

Maturity analysis of payables
Please refer to Note 7.1(b) for the ageing analysis of payables

A) DEFERRED CAPITAL GRANT REVENUE

	Total 2020 $'000
Grant consideration for capital works/acquisitions recognised that was included in the deferred grant liability balance (adjusted for AASB 1058) at the beginning of the year	-
Grant consideration for capital works/acquisitions received during the year	18,273
Grant revenue for capital works/acquisitions recognised consistent with the works/purchases undertaken during the year	(15,035)
Closing balance of Deferred Capital Grant Revenue	**3,237**

Grant revenue is recognised progressively as the asset is constructed, since this is the time when the Hospital 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 (see note 2.1). As a result the Hospital has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.

B) CONTRACT LIABILITIES

	Total 2020 $'000
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	8,344
Add: Payments received for performance obligations yet to be completed during the period	3,610
Add: Grant consideration for sufficiently specific performance obligations received during the year	572,829
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(3,467)
Less: Grant revenue for sufficiently specific performance obligations recognised consistent with performance obligations met during the year	(572,859)
Total Contract Liabilities	**8,457**

Note 5.3: Other Liabilities

	Total 2020 $'000	Total 2019 $'000
Monies held in Trust		
• Security Deposits	250	250
• Salary Packaging Employees	2,354	2,407
• Patient Monies held in Trust	89	84
• Refundable Accommodation Deposits	6,039	5,004
• Other Monies Held in Trust	8	119
Total Current	**8,740**	**7,864**
Total Monies Held in Trust Represented by the following assets:		
Cash and Cash Equivalents	8,740	7,864
	8,740	**7,864**

REFUNDABLE ACCOMMODATION DEPOSIT ("RAD")/ACCOMMODATION BOND LIABILITIES

RADs/accommodation bonds are non-interest-bearing deposits made by some aged care residents to the Group 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 2020 $'000	Total 2019 $'000
Current		
Prepayments	1,958	1,591
Total	**1,958**	**1,591**

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 hospital during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the hospital.

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

Note 6.1: Borrowings

	Total 2020 $'000	Total 2019 $'000
Current		
• Department of Health and Human Services	40,186	-
• Lease Liability[(i)]	9,477	3,005
• St Vincent's Healthcare Ltd	1,314	2,362
• St Vincent's Health Australia	1,065	1,042
Total Current	**52,042**	**6,409**
Non-Current		
• Lease Liability[(i)]	22,648	3,209
• St Vincent's Healthcare Ltd	-	1,314
• St Vincent's Health Australia	3,663	4,729
Total Non-Current	**26,311**	**9,252**
Total Interest Bearing Liabilities	**78,353**	**15,661**

[(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.

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

The Hospital has two related party loans with St Vincent's Healthcare Ltd for which quarterly principle and interest payments were made. Interest charged is at arm's length basis at 3.20% and 3.50% and the loans will mature on 20th June 2021 and 28th December 2020, respectively.

The Hospital 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 3.38% and 3.50% and the loans will mature on 30th June 2022 and 30th June 2032, respectively.

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

Finance costs of the Hospital incurred during the year are accounted for as finance costs recognised as expenses were $1,264,000 (2019: $1,162,000).

MATURITY ANALYSIS OF BORROWINGS

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

Repayments in relation to leases are payable as follows:

	Minimum future lease payments (i)		Present value of minimum future lease payments	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Not later than one year	10,178	3,290	9,477	3,005
Later than one year but not later than five years	21,183	3,403	20,143	3,209
Later than five years	2,588	-	2,505	-
Minimum future lease payments	**33,949**	**6,693**	**32,125**	**6,214**
Less future finance charges	(1,824)	(479)	-	-
TOTAL	**32,125**	**6,214**	**32,125**	**6,214**
Included in the Financial Statements as:				
Current Borrowings – Lease Liability	9,477	3,005	9,477	3,005
Non-Current Borrowings – Lease Liability	22,648	3,209	22,648	3,209
Total	**32,125**	**6,214**	**32,125**	**6,214**

(i) The weighted average interest rate implicit in leases is 2.62% (2019 – 5.51%)

LEASES

A lease is a right to use an asset for an agreed period of time in exchange for payment. 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 HOSPITAL'S LEASING ACTIVITIES

For any new contracts entered into on or after 1 July 2019, the Hospital considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the hospital assesses whether the contract meets three key evaluations which are whether:

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

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

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.

RECOGNITION AND MEASUREMENT OF LEASES AS A LESSEE (UNDER AASB 16 FROM 1 JULY 2019) LEASE LIABILITY – 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 Hospital's incremental borrowing rate.

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

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

LEASE LIABILITY – 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.

SHORT-TERM LEASES AND LEASES OF LOW VALUE ASSETS

The Hospital has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

PRESENTATION OF RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Hospital 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. Lease liabilities are presented as 'borrowings' in the balance sheet.

RECOGNITION AND MEASUREMENT OF LEASES (UNDER AASB 117 UNTIL 30 JUNE 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

The Hospital determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where the Hospital as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

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

Assets held under other leases were classified as operating leases and were not recognised in the Hospital's balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

The impact of initialling applying AASB15 *Revenue from Contracts with Customers* and AASB 1058 *Income of not-for-profit entities* to the Hospital's grant revenue is described in Note 8.13. Under application of the modified retrospective transition method chosen in applying AASB 15 and AASB 1058 for the first time, comparative information has not been restated to reflect the new requirements. The adoption of AASB 15 and AASB 1058 did have an impact on Other Comprehensive Income and the Statement of Cash flows for the financial year.

Operating lease payments up until 30 June 2019 (including contingent rentals) are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than $10,000.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occur.

ENTITY AS LESSEE

Leases are recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. Minimum lease payments are apportioned between reduction of the outstanding lease liability, and the periodic finance expense which is calculated using the interest rate implicit in the lease, and charged directly to the Comprehensive Operating Statement. Contingent rentals associated with leases are recognised as an expense in the period in which they are incurred.

BORROWINGS

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 Hospital has categorised its borrowings as either, financial liabilities designated at fair value through profit or loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowings using the effective interest method. The classification depends on the nature and purpose of the borrowing. The Hospital determines the classification of its borrowing at initial recognition.

Note 6.2: Cash and Cash Equivalents

	Total 2020 $'000	Total 2019 $'000
Cash at Bank and on Hand		
Cash on Hand	37	34
Cash at Bank	41,138	11,252
Cash at 30 June	**41,175**	**11,286**
Represented by:		
Cash for Operations	32,435	3,422
Cash for Monies Held in Trust	8,740	7,864
Cash at 30 June	**41,175**	**11,286**

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.

Note 6.3: Commitments for expenditure

	Total 2020 $'000	Total 2019 $'000
Capital Expenditure Commitments		
Less than 1 year	6,795	3,770
Longer than 1 year but not longer than 5 years	4,287	4,555
Total Capital Commitments	**11,082**	**8,325**
Operating Expenditure Commitments		
Less than 1 year	1,457	3,300
Total Operating Commitments	**1,457**	**3,300**
Non-cancellable Operating Lease Commitments		
Less than 1 year	-	9,483
Longer than 1 year but not longer than 5 years	-	20,627
5 years or more	-	5,309
Total Non-cancellable Operating Lease Commitments	**-**	**35,419**
Total Commitments for Expenditure (inclusive of GST)	**12,539**	**47,044**
Less GST recoverable from the Australian Taxation Office	**(1,140)**	**(4,277)**
Total Commitments for Expenditure (exclusive of GST)	**11,399**	**42,767**

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

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.

The Hospital has entered into commercial leases on certain medical equipment and property where it is not in the interest of the Hospital to purchase these assets. These leases have an average life of between 1 and 20 years with renewal terms included in the contracts. Renewals are at the option of the Hospital. There are no restrictions placed upon the lessee by entering into these leases.

Note 7: Risks, contingencies & valuation uncertainties

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

Structure

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 Hospital's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Note 7.1 (a) Categorisation of Financial Instruments

2020	Note	Financial Assets at Amortised Cost $'000	Financial Assets at Fair Value Through Net Result $'000	Financial Assets at Fair Value Through Other Comprehensive $'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	23,668	-	-	-	23,668
Other Receivables	5.1	14,019	-	-	-	14,019
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]		**79,595**	**76,254**	**-**	**-**	**155,849**
Financial Liabilities						
Payables	5.2	-	-	-	53,199	64,894
Borrowings	6.1	-	-	-	78,353	78,353
Other financial liabilities	5.3	-	-	-	8,740	8,740
Total Financial Liabilities		**-**	**-**	**-**	**140,292**	**151,987**

2019	Note	Financial Assets at Amortised Cost $'000	Financial Assets at Fair Value Through Net Result $'000	Financial Assets at Fair Value Through Other Comprehensive $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets						
Cash and Cash Equivalents	6.2	11,286	-	-	-	11,286
Receivables						
Trade Debtors	5.1	18,946	-	-	-	18,946
Other Receivables	5.1	9,204	-	-	-	9,204
Investments and other Financial Assets						
Term Deposits	4.1	715	-	-	-	715
Guaranteed Bill Index Deposit in Escrow	4.1	-	6,148	-	-	6,148
Shares and Other Managed Investments	4.1	-	71,574	-	-	71,574
Total Financial Assets[i]		**40,151**	**77,722**	**-**	**-**	**117,873**
Financial Liabilities						
Payables	5.2	-	-	-	59,427	59,427
Borrowings	6.1	-	-	-	15,661	15,661
Other financial liabilities	5.3	-	-	-	7,864	7,864
Total Financial Liabilities		**-**	**-**	**-**	**82,952**	**82,952**

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

CATEGORIES OF FINANCIAL ASSETS

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 hospital 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 hospital 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

Debt investments are measured at fair value through other comprehensive income 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 hospital to achieve its objective both by collecting the contractual cash flows and by selling the financial assets, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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

These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income. Upon disposal of these debt instruments, any related balance in the fair value reserve is reclassified to profit or loss.

However, upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings.

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, the hospital may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The hospital recognises listed equity securities as mandatorily measured at fair value through net result and designated all of its managed investment schemes as fair value through net result.

CATEGORIES OF FINANCIAL LIABILITIES

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 hospital recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

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 Hospital retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

the Hospital has transferred its rights to receive cash flows from the asset and either:

- has transferred substantially all the risks and rewards of the asset; or
- has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Derecognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or 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: Subsequent to initial recognition reclassification of financial liabilities is not permitted. 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 Hospital's business model for managing its financial assets has changes such that its previous model would no longer apply.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Note 7.1 (b) Maturity analysis of Financial Liabilities as at 30 June

The following table discloses the contractual maturity analysis for the hospital'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
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**
2019 Financial Liabilities *At amortised cost*								
Payables	5.2	59,427	59,427	38,959	20,468	-	-	-
Borrowings	6.1	15,661	15,661	746	1,074	4,589	7,081	2,171
Other financial liabilities								
• Accommodation Deposits	5.3	5,004	5,004	5,004	-	-	-	-
• Other	5.3	2,860	2,860	2,860	-	-	-	-
Total Financial Liabilities		**82,952**	**82,952**	**47,569**	**21,542**	**4,589**	**7,081**	**2,171**

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

Note 7.1 (c) Contractual receivables at amortised cost

	30-Jun-20	Current	Less than 1 month	1-3 months	3 months - 1 Year	1-5 years	Total
Expected loss rate		1.13%	3.80%	8.59%	9.30%	0%	
Gross carrying amount of contractual receivables		20,101	5,124	1,971	12,218	-	39,414
Loss Allowance		227	195	169	1,136	-	1,727

	01-Jul-19	Current	Less than 1 month	1-3 months	3 months - 1 Year	1-5 years	Total
Expected loss rate		0.13%	13.97%	18.17%	6.26%	0%	
Gross carrying amount of contractual receivables		10,779	5,597	3,000	10,790	-	30,166
Loss Allowance		14	782	545	675	-	2,016

IMPAIRMENT OF FINANCIAL ASSETS UNDER AASB 9 FINANCIAL INSTRUMENTS

The Hospital 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 hospital'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. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

CONTRACTUAL RECEIVABLES AT AMORTISED COST

The hospital applies AASB 9 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 hospital has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the hospital's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, the hospital determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as disclosed above.

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.

In prior years, a provision for doubtful debts was recognised when there was objective evidence that the debts may not be collected and bad debts were written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

STATUTORY RECEIVABLES

The hospital'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: Contingent assets and contingent liabilities

The Hospital has no contingent assets as at 30 June 2020 (2019: nil).

However, upon taking into account the Victorian Government policy in identifying non-compliant cladding, the Hospital has inspected its buildings and has identified that it needs to rectify cladding issues related to the main hospital inpatient building in Fitzroy. As such the cladding works have given rise to a contingent liability as the proposed works are subject to great uncertainty in relation to the nature and timing of the works required, the cladding product to be utilised, and the ultimate funding source. The contingent liability is estimated to be in the range of $10m – $17m.

Discussions are being held with the Department of Health and Human Services to seek funding for the works.

Note 8: Other Disclosures

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

Structure

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

	Total 2020 $'000	Total 2019 $'000
Net Result for the Year	**11,876**	**(1,171)**
Non-cash Movements:		
Depreciation and Amortisation	29,843	21,505
Revaluation of Investment Property	34	(195)
Net movement in Finance Lease	677	(1,252)
Allowance for impairment losses of contractual receivables	827	301
Revaluation of Long Service Leave	700	-
Assets Received Free of Charge	(3,295)	(38)
Net (Gain)/Loss on Financial Assets at Fair Value	2,492	-
Income from Investments Reinvested	(1,353)	(1,513)
Management Fees for Managed Investments	30	30
Movements included in Investing and Financing Activities:		
Net (Gain)/Loss on Disposal of Non-Current Assets	(6)	(6)
Capital Receipts	(5,520)	(2,014)
Movements in Operating Assets and Liabilities:		
(Increase)/Decrease in Inventories	(1,362)	(418)
Increase/(Decrease) in Creditors	(12,881)	639
Increase/(Decrease) in Employee Entitlements	16,715	17,088
Increase/(Decrease) in Accrued Expenses	10,474	(3,528)
Increase/(Decrease) in Prepaid Revenue	3,351	3,510
(Increase)/Decrease in Patient Fees Receivable	(237)	360
(Increase)/Decrease in Receivables	(28,751)	(5,742)
(Increase)/Decrease in Prepaid Expenses	(369)	(216)
Net Cash Inflow from Operating Activities	**23,245**	**27,340**

Note 8.2: Responsible Persons Disclosures

A) RESPONSIBLE PERSONS

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

RESPONSIBLE MINISTERS

The Hon Jenny Mikakos, Minister for Health and Minister for Ambulance Services	01/07/2019 – 30/06/2020
The Hon Martin Foley, Minister for Mental Health	01/07/2019 – 30/06/2020
The Hon Luke Donnellan, Minister for Child Protection, Minister for Disability, Ageing and Carers	01/07/2019 – 30/06/2020

GOVERNING BOARD

The Directors of the Hospital during the year were:

Mr P Robertson AM (Chair – retired 18/10/2019)	01/07/19 – 18/10/19
Mr P McClintock AO (Chair – appointed 18/10/2019)	01/07/19 – 30/06/20
Ms A McDonald	01/07/19 – 30/06/20
Prof S Crowe AM	01/07/19 – 30/06/20
Mr B Earle	01/07/19 – 31/12/19
Sr M Wright IBVM	01/07/19 – 31/12/19
Dr M Coote	01/07/19 – 30/06/20
Ms S McPhee AM	01/07/19 – 30/06/20
Ms A Cross AM	01/07/19 – 30/06/20
Mr P O'Sullivan	01/08/19 – 30/06/20
Ms J Watts	01/08/19 – 30/06/20
Mr D O'Brien	01/11/19 – 30/06/20
Ms S McGregor	01/12/19 – 30/06/20

ACCOUNTABLE OFFICER

Ms A Nolan (Chief Executive Officer)	01/07/19 – 30/06/20

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 Hospital and those directors, who received remuneration for their management or professional duties, are shown in the relevant income bands below.

	Total Remuneration	
	2020 No.	2019 No.
$0 - $9,999		
$10,000 - $19,999	1	
$30,000 - $39,999		1
$40,000 - $49,999	2	1
$60,000 - $69,999	2	3
$70,000 - $79,999	3	2
$80,000 - $89,999		3
$90,000 - $99,999	4	
$110,000 - $119,000		
$140,000 - $149,999	1	1
$200,000 - $209,000		
$210,000 - $219,999		
$220,000 - $229,000		
$250,000 - $259,000		
$390,000 - $399,000		
$410,000 - $419,999		1
$450,000 - $459,000	1	
Total	**14**	**12**
Total Remuneration $'000	**1,385**	**1,272**

C) RETIREMENT BENEFITS OF RESPONSIBLE PERSONS

There were no retirement benefits paid by the Hospital 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	2020 $'000	2019 $'000
Short-term employee benefits	2,761	2,179
Post-employment benefits	221	183
Other long-term benefits	428	27
Termination benefits	-	118
Total	**3,410**	**2,507**
Total Number of Executives (i)	**15**	**11**
Total Annualised Employee Equivalent (ii)	11.5	10.1

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the Hospital 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 hospital is a wholly owned and controlled entity of the St Vincent's Health Australia group. Related parties of the hospital 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; 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 hospital include the Portfolio Ministers and Cabinet Ministers and KMP as determined by the hospital. The Board of Directors and the Executive Directors of the Hospital are deemed to be KMPs.

KEY MANAGEMENT PERSONNEL OF THE HOSPITAL

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 Robertson AM	Chair of the Board (retired 18 October 2019)
St Vincent's Health Australia	Mr P McClintock AO	Chair of the Board (appointed 18 October 2019)
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	Mr B Earle	Director of the Board (retired 31 December 2019)
St Vincent's Health Australia	Ms A Cross AM	Director of the Board
St Vincent's Health Australia	Sr M Wright IBVM	Director of the Board (retired 31 December 2019)
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
St Vincent's Hospital Melbourne	Mr C Goodyear	Executive Director Acute Services
St Vincent's Hospital Melbourne	Mr M Smith	Executive Director Integrated Care Services
St Vincent's Hospital Melbourne	Ms R Roberts	Executive Director People & Corporate Services (maternity leave 27th January 2020 to 22nd June 2020)
St Vincent's Hospital Melbourne	Mr C Cummins	Executive Director Performance Improvement (retired 13th January 2020)
St Vincent's Hospital Melbourne	Mr C Cummins	Acting Executive Director People & Corporate Services (appointed 13th January 2020)
St Vincent's Hospital Melbourne	Mr S Craig	Acting Executive Director Performance Improvement (appointed 13th January 2020)
St Vincent's Hospital Melbourne	Mr A Crettenden	Executive Director Strategy & Planning (retired 2nd September 2019)
St Vincent's Hospital Melbourne	Mr A Crettenden	Project Director Aikenhead Centre for Medical Discovery (appointed 2nd September 2019)
St Vincent's Hospital Melbourne	Ms A McFadgen	Executive Director Strategy & Planning (appointed 2nd September 2019)
St Vincent's Hospital Melbourne	Ms M Stewart	Executive Director Mission
St Vincent's Hospital Melbourne	Ms W Beswick	Chief Medical Officer (retired 29th March 2020)
St Vincent's Hospital Melbourne	Mr A Tobin	Chief Medical Officer (appointed 31st March 2020)
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 (appointed 6th April 2020)

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	2020 $'000	2019 $'000
Short-term employee benefits	7,025	6,052
Post-employment benefits	410	361
Other long-term benefits	442	42
Termination benefits	-	118
Total	**7,877**	**6,573**

Total Compensation of $7.87 million (2019: $6.57 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 Hospital received funding from the Department of Health and Human Services of $615.72 million (2019: $540.06 million).

Other significant transactions with government related entities were with Victorian Managed Insurance Authority (VMIA) $5.58 million (2019: $5.30 million), WorkSafe Victoria $4.10 million (2019: $4.37 million) and Department of Health and Human Services for borrowing of $40.19 million (2019: $0) and for long service leave debtor adjustment of $19.68 million (2019: $8.18 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 2020 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

	2020 $'000	2019 $'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	17,565	15,192
Campus Lease charge by St Vincent's Healthcare Ltd	888	954
Interest revenue received from St Vincent's Healthcare Ltd	17	20
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	825	344
Non-Current receivables due from St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	226	282
Current payables owing to St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	3,231	8,967
Non-current payable owing to St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	3,663	6,043
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	4,234	5,213
Costs charged for the provision of other health services by St Vincent's Private Hospitals Ltd	589	648
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	1,056	260
Current Payables to St Vincent's Private Hospitals Ltd	63	354

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. Accordingly, no profit or loss has been recorded on this transaction and an interest free loan has been established between St Vincent's Hospital (Melbourne) Limited and St Vincent's Healthcare Ltd. Due to the introduction of A-IFRS this transaction had a significant impact on reported assets and the on-going operational result.

This arises because of the requirement to discount the interest free loan to an arm's length market value and to treat the non-cash loan repayments from St Vincent's Healthcare Ltd as comprising separately identifiable interest and principal components.

Note 8.5: Remuneration of Auditors

	2020 $'000	2019 $'000
Victorian Auditor-General's Office		
Audit fees paid or payable for audit of the St Vincent's Hospital (Melbourne) Limited's financial statements	100	93
Other Service Providers		
HLB Mann Judd	1	1
Total Remuneration	**101**	**94**

Note 8.6: Ex-gratia expenses

	2020 $'000	2019 $'000
Payments made to terminated employees	277	1,190
Ex gratia expenses	**277**	**1,190**

Note 8.7: Events occurring after the balance sheet date

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Hospital at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on 30 June 2020, its operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place.

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

Note 8.8: Jointly Controlled Operations

Name of Entity	Principal Activity	Ownership interest	
		2020	2019
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 Hospital's interest in assets employed in the above jointly controlled operations and assets is detailed below. The amounts are included in the Hospital's financial statements for the year ended 30 June 2020 under respective asset categories.

	Total 2020 $'000	Total 2019 $'000
Current Assets		
Cash and Cash Equivalents	1,057	1,457
Receivables	24	16
Prepayments	34	122
Total Current Assets	**1,115**	**1,595**
Non-Current Assets		
Financials Assets	2	2
Property, Plant and Equipment	17	22
Total Non-Current Assets	**19**	**24**
Total Assets	**1,134**	**1,619**
Current Liabilities		
Accrued Expenses	64	38
Payables	60	89
Prepaid Revenue	21	2
Provisions – LSL and Annual Leave	32	25
Total Current Liabilities	**177**	**154**
Non-Current Liabilities		
Provisions – LSL	10	11
Total Non-Current Liabilities	**10**	**11**
Total Liabilities	**187**	**165**
Net Assets	**947**	**1,454**

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

	Total 2020 $'000	Total 2019 $'000
Revenue		
Grants and Other Revenue	965	876
Interest	14	32
Total Revenue	**979**	**908**
Expenses		
Employee Benefits	502	410
Other Expenses from Continuing Operations	977	688
Depreciation and Amortisation	7	5
Total Expenses	**1,486**	**1,103**
Net Result	**(507)**	**(195)**

INVESTMENTS IN JOINTLY CONTROLLED ASSETS AND OPERATIONS

In respect of any interest in jointly controlled assets, the Hospital 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 hospital 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: Economic dependency

When preparing financial statements, management made an assessment of the Hospital's ability to continue as a going concern. The Hospital is wholly dependent on the continued financial support of the State Government and in particular, the Department of Health and Human Services.

The Department of Health and Human Services has provided confirmation that it will continue to provide the Hospital adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to 30th September 2021. On that basis, the financial statements have been prepared on a going concern basis.

Note 8.10: Changes in accounting policy, revision of estimates and corrections of prior period errors

CHANGES IN ACCOUNTING POLICY

Leases

This note explains the impact of the adoption of AASB 16 *Leases* on the Hospital's financial statements.

The Hospital has applied AASB 16 with a date of initial application of 1 July 2019. The Hospital has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, the Hospital determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 – *'Determining whether an arrangement contains a Lease'*. Under AASB 16, the Hospital assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.1.

On transition to AASB 16, the Hospital has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Leases classified as operating leases under AASB 117

As a lessee, the Hospital previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Hospital. Under AASB 16, the Hospital recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, the Hospital recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Hospital's incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

The Hospital has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

Leases as a Lessor

The Hospital is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor. The Hospital accounted for its leases in accordance with AASB 16 from the date of initial application.

Impacts on financial statements

On transition to AASB 16, the Hospital recognised $38.704m of right-of-use assets and $39.070m of lease liabilities.

When measuring lease liabilities, the Hospital discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 2.28%.

	1 Jul 19
Total Operating Lease Commitments disclosed at 30 June 2019	**35,419**
Discounted using the incremental borrowing rate at 1 July 2019	32,856
Finance lease liabilities as at 30 June 2019	6,214
Recognition exemption for:	
Short-term leases	-
Leases of low-value assets	-
Lease liabilities recognised at 1 July 2019	**39,070**

Revenue from Contracts with Customers

In accordance with FRD 121 requirements, the Hospital has applied the transitional provision of AASB 15, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, the Hospital applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application. The Hospital has not applied the fair value measurement requirements for right-of-use assets arising from leases with significantly below-market terms and conditions principally to enable the entity to further its objectives as allowed under temporary option under AASB 16 and as mandated by FRD 122. Comparative information has not been restated.

Note 2.1 – Income from Transactions includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions.

Income of Not-for-Profit Entities

In accordance with FRD 122 requirements, the Hospital has applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, the Hospital applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application. Comparative information has not been restated.

Note 2.1.2 – Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

Transition impact on financial statements.

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 *Revenue from Contracts with Customers*;
- AASB 1058 *Income of Not-for-Profit Entities;* and
- AASB 16 Leases.

Impact on Balance Sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards (AASB 15 and AASB 16) at 1 July 2019:

Balance Sheet	Note	Before new accounting standards Opening 1 July 2019	Impact of new accounting standards – AAS 16, 15 & 1058	After new accounting standard Opening 1 July 2019
Property, Plant and Equipment	4.2	145,657	32,856	178,513
Total Assets		**145,657**	**32,856**	**178,513**
Borrowings	6.1	15,661	32,856	48,517
Total Liabilities		**15,661**	**32,856**	**48,517**

Note 8.11: AASBs Issued that are not yet Effective

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. Department of Treasury and Finance assesses the impact of all these new standards and advises the Hospital of their applicability and early adoption where applicable.

As at 30 June 2020, the following standards and interpretations had been issued by the AASB but were not yet effective:

- **AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material***

  This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. The Hospital has not earlier adopted the Standard.

  The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

  The Hospital is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

- **AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current***

  This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* with the intention to defer the application by one year to periods beginning on or after 1 January 2023. The Hospital will not early adopt the Standard.

  The Hospital is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Hospital's reporting.

- AASB 17 *Insurance Contracts*.
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*.
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business.*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework.*
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform.*
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.*
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*

Note 8.12: Glossary of terms and style convention

ACTUARIAL GAINS OR LOSSES ON SUPERANNUATION DEFINED BENEFIT PLANS

Actuarial gains or losses are changes in the present value of the superannuation defined benefit liability resulting from:

a. experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and

b. the effects of changes in actuarial assumptions.

AMORTISATION

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset.

COMPREHENSIVE RESULT

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

COMMITMENTS

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

DEPRECIATION

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense reduces the 'net result for the year'.

EMPLOYEE BENEFITS EXPENSES

Employee benefits expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

EX GRATIA EXPENSES

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability, or claim against the entity.

FINANCIAL ASSET

A financial asset is any asset that is:

a. cash;

b. an equity instrument of another entity;

c. a contractual or statutory right:

- to receive cash or another financial asset from another entity; or
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

d. a contract that will or may be settled in the entity's own equity instruments and is:

- a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

FINANCIAL INSTRUMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

FINANCIAL LIABILITY

A financial liability is any liability that is:

a. A contractual obligation:

i. to deliver cash or another financial asset to another entity; or

ii. to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

b. A contract that will or may be settled in the entity's own equity instruments and is:

i. a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or

ii. a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

FINANCIAL STATEMENTS

A complete set of financial statements comprises:

a. A statement of financial position as at the end of the period;

b. A statement of profit or loss and other comprehensive income for the period;

c. A statement of changes in equity for the period;

d. A statement of cash flows for the period;

e. Notes, comprising a summary of significant accounting policies and other explanatory information;

f. Comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements; and

g. A statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

GRANTS AND OTHER TRANSFERS

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes. Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

INTEREST EXPENSE

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and short-term and long-term liabilities, amortisation of discounts or premiums relating to liabilities, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

INTEREST INCOME

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

JOINT VENTURES

Joint ventures are contractual arrangements between the Hospital and one or more other parties to undertake an economic activity that is subject to joint control. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

NET ACQUISITION OF NON-FINANCIAL ASSETS (FROM TRANSACTIONS)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. It includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

NET RESULT

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other comprehensive income'.

Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets.

NET WORTH

Assets less liabilities, which is an economic measure of wealth.

NON-FINANCIAL ASSETS

Non-financial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

PAYABLES

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

RECEIVABLES

Includes amounts owing from government through appropriation receivable, short and long term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

SALES OF GOODS AND SERVICES

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

SUPPLIES AND SERVICES

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Hospital.

TRANSACTIONS

Revised Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows in an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

STYLE CONVENTIONS

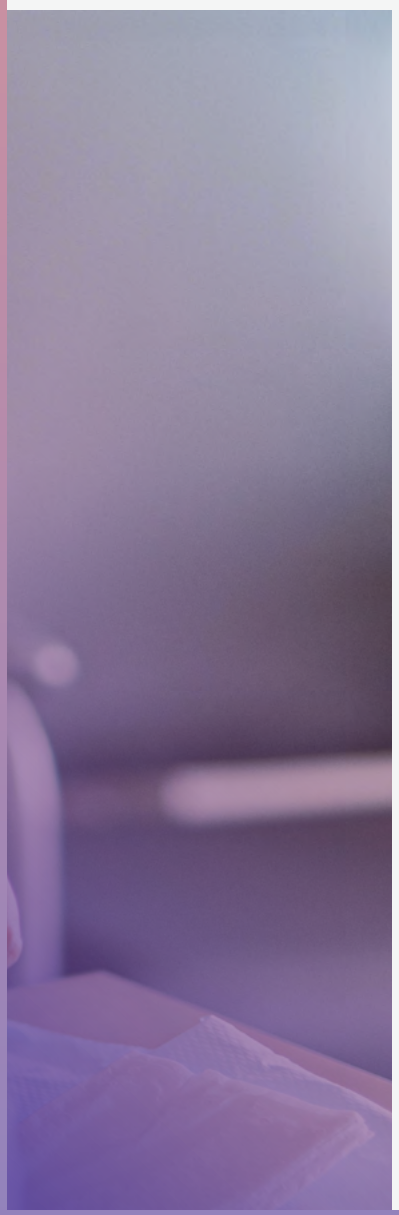
Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

- zero, or rounded to zero (xxx.x)
negative numbers 200x year period

200x-0x year period

ST VINCENT'S HOSPITAL
MELBOURNE



CONTACT US

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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 health care for Indigenous Australians.