St Vincent's Hospital Melbourne

2022-23 Annual Report

ST VINCENT'S HOSPITAL MELBOURNE

A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

ST VINCENT'S HOSPITAL MELBOURNE
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Contents

04 Message from the CEO
06 About St Vincent's
08 Year in Review
27 Our Supporters
36 Report of Operations
80 Financial Statements

Report of operations 2023
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 2023.

Paul McClintock AO
Chair
31 August 2023, Sydney

Nicole Tweddle
Chief Executive Officer
31 August 2023, Melbourne

Our vision

Outstanding care from outstanding people when and where you need it.
At St Vincent's, outstanding care means care that it is informed by leading research, patient-centric, and provided in accordance with our values.

Our 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 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 Sisters of Charity

Our 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

Parameswari, Clinical Nurse Specialist

Cover: Hazen, SVHM Clinical Nurse Specialist in the Intensive Care Unit (top), team members from Caritas Christi Hospice (centre) and Vincent, Medical Officer in the Emergency Department.

As a facility of St Vincent's Health Australia, St Vincent's Hospital Melbourne acknowledges Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the lands and waters where we live and work. We respect their historical and continuing spiritual connections to country and community and pay our respects to their Elders past, present and emerging. As a health and aged care ministry, we commit ourselves to the ongoing journey of Reconciliation.

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

MESSAGE FROM THE CEO

In 2022–23, St Vincent's Hospital Melbourne (SVHM) simultaneously delivered essential clinical services while innovating and collaborating to improve health outcomes across Victoria.

As the Victorian Government moved to COVID-19 recovery during this past financial year, at St Vincent's, we prioritised our ongoing contribution to the government's plan to deliver the best health for Victorians. This included establishing a second surgical site – the Rapid Access Hub at St Vincent's on the Park. We increased surgery volumes, held surgical blitzes and delivered a reformed elective surgery pathway. Collectively, this led to St Vincent's reducing its surgical waitlist by 600 patients in 2022–23.

We remained ready to respond to state-wide demands and assist our healthcare partners. We supported the colonoscopy recall program in early 2023, providing 241 patients with specialist review and colonoscopies, in collaboration with the Department of Health, Safer Care Victoria, Albury Wodonga Hospital and Austin Health.

We continued to demonstrate our ability and readiness to extend our care to outer metro-Melbourne and regional Victoria. This included increasing access to haematology care for patients in rural and remote areas, partnering with Goulburn Valley Health to support Intensive Care staffing and expertise, strengthening partnerships with regional cardiology referral centres and improving access to cancer care through building regional capacity.

St Vincent's continued demonstrating its commitment to caring for socially complex population groups. We established St Vincent's Better Health and Housing Program to help break the cycle of chronic homelessness and poor health. Our State-wide Hepatitis Program reached the milestone of commencing more than 3,340 hepatitis C treatments for people in prison.

Importantly, we also reaffirmed our commitment to providing high-quality, culturally safe care for our Aboriginal and Torres Strait Islander community through the signing a second Memorandum of Understanding with the Victorian Aboriginal Health Service.

In the Emergency Department (ED), our Mental Health and Alcohol and Other Drug Hub continued to simultaneously exemplify St Vincent's mission and clinical expertise. By aligning our commitment to providing high-quality care to vulnerable population groups with our clinical expertise in addiction medicine, we have improved patient outcomes by delivering care in a purpose-built environment and creating additional ED capacity.

We continued looking for ways to further ensure we are providing the right care to the right patients, focusing on patient flow throughout our hospital. To improve hospital capacity, we sought to deliver more care outside our hospital walls. St Vincent's delivered more care through the Department of Health's Better@Home Program, including establishing our Cancer@Home service, which grew to provide 25 episodes of care a month to patients at home.

Research remains core to the fabric of St Vincent's, with 518 clinical trials and 930 active research projects currently underway. Our clinician researchers are developing new solutions to complex health issues, including a ground-breaking study into treatment for multiple myeloma that investigates the use of CAR-T cells, and an innovative clinical trial that explores the use of artificial intelligence to improve breast cancer detection.

None of these achievements would have been possible without the dedication of our people. During another challenging year, our workforce remained steadfast in delivering excellent, innovative, patient-centred care.

St Vincent's also shared the challenges faced across the healthcare sector. We undertook a diligent approach to financial management, with a focus on making sustainable financial decisions.

As I approach the end of my first year as St Vincent's Hospital Melbourne's Chief Executive, I am incredibly proud to be leading our health service at this pivotal time. The past year has been full of change, collaboration, growth and hard work. It has been a privilege to see our people respond with courage and compassion.

On behalf of St Vincent's, I would like to thank and acknowledge members of our Executive Team who finished at SVHM during 2022–23 after making significant contributions to our organisation. Thank you Martin Smith, Dean Jones, Simon Craig and Hugh Tobin. During 2022–23, I was also delighted to welcome new Executive members: Jacqui Bilo, Chief Nursing Officer, and Craig Bosworth, Executive Director Strategy, Quality and Improvement, and to appoint Jonathan Prescott as our inaugural Chief Operating Officer from July 2023.

As we close out 2022–23 and look to the year ahead, we remain guided by our mission and values of integrity, excellence, justice and compassion, and inspired by the pioneering spirit of Mary Aikenhead and the Sisters of Charity. We are proud to continue their legacy by delivering compassionate care, underpinned by clinical excellence and world-leading innovation.

Warm regards,

Nicole Tweddle
Chief Executive Officer
St Vincent's Hospital Melbourne

ST VINCENT'S HOSPITAL MELBOURNE
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ABOUT ST VINCENT'S

Delivering innovative care with heart

Founded by the Sisters of Charity at a time when Fitzroy was one of the poorest parts of Melbourne, the Sisters instilled a culture to care for the most vulnerable in an increasingly challenging public health sphere.

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.

For 130 years, St Vincent's Hospital Melbourne (SVHM) has carried out this mission.

Today, SVHM provides a range of services across Melbourne including acute medical and surgical services, emergency and critical care, aged care, diagnostics, rehabilitation, allied health services and mental health services. SVHM also delivers sub-acute services including community care, residential care, palliative care, mental health services, correctional health services and drug and alcohol services.

Operating from 16 sites across greater Melbourne, SVHM includes a major teaching, research and tertiary referral centre situated in Fitzroy, a Rapid Access Hub at St Vincent's Hospital on The Park, St George's Health Service Kew, palliative care at Caritas Christi Hospice, as well as aged care, correctional health, mental health and community centres.

SVHM has more than **7,000** staff and **880** beds in daily use and continues to be at the forefront of care for Victoria's vulnerable communities.

In 2022-23, SVHM treated more than **71,000** inpatients, saw **208,500** outpatients through specialist clinics and treated **84,000** patients at home. The hospital attended to **49,409** Emergency Department presentations and performed **19,600** surgeries.

In 2022-23, SVHM delivered an operational gain of **$496,000** before capital income and expenses.

SVHM continues to help the healthcare system transition beyond the COVID-19 pandemic, through the implementation of initiatives to meet surgical targets and reduce waitlists, extend care beyond hospital walls, provide a better patient experience and deliver care to some of the most vulnerable groups in our community.

SVHM is a research-rich health service with **930** active research projects and **518** clinical trials underway. By participating in innovative, world-class research, we can translate the findings of our scientists into meaningful improvements in clinical care.

Jacqueline, SVHM Clinical Nurse Specialist

Governance

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

The responsible Minister for Health for the reporting period (1 July 2022 – 30 June 2023) was **The Hon Mary-Anne Thomas.**

The responsible Minister for Mental Health for the reporting period (1 July 2022 – 30 June 2023) was **The Hon Gabrielle Williams.**

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 St Vincent's Hospitals Chief Executive Officer, SVHA, Patricia O'Rourke. SVHM is led by Chief Executive Officer Nicole Tweddle and an executive team.

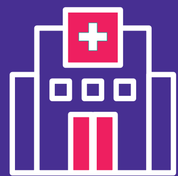
ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Year in Review

71,880
Inpatient admissions

172
Residents cared for

1,023
Mental health admissions



49,409
Emergency Department presentations

19,687
Surgeries performed

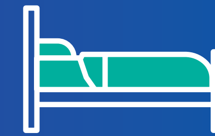
208,548
Outpatient appointments

84,087
Episodes of outpatient care

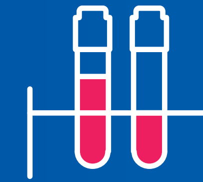
33,518
Telehealth appointments

145,798
Medical imaging procedures

16
Sites across Melbourne



880
Beds in daily use



518
Clinical trials underway

7,497
Staff

120
Volunteers

120+
Graduate nurse positions offered (in 2023)

ST VINCENT'S HOSPITAL MELBOURNE
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Purpose-built care in the Emergency Department

A dedicated facility established at St Vincent's Hospital Melbourne is providing a safe and supportive space for around 6,800 people who attend the Emergency Department (ED) each year with mental health and alcohol and other drug emergencies.

Co-located within St Vincent's ED at Fitzroy, the Mental Health and Alcohol and Other Drug (MHAOD) Hub was the first of its kind and one of six funded by the Victorian Government across the state.

Patients treated in the Hub have been seen by a doctor in a shorter time and have had a reduced length of stay in the ED. In addition to creating capacity in the ED, the Hub allows our team to deliver patient-centered care in a purpose-built environment that is calming, comfortable, secure and safe and away from the often busy and stressful ED setting.

Historically, patients with mental health, alcohol and other drug emergencies can wait extended times for care in the ED and have had that care provided in an environment that is not always conducive to their healing.

Through our new Mental Health and Alcohol and Other Drug Hub we can now provide excellence in patient care for these groups in a purpose-built environment that is patient and carer-centred. It is entirely focused on their specific needs.

The Hub has created capacity for an extra 20 patients to be seen daily in St Vincent's ED, representing a 15% increase, and is supporting more timely care for all ED patients.

SVHM Chief Executive, Nicole Tweddle, and Minister and for Mental Health, Gabrielle Williams, with Mental Health, Alcohol and Other Drugs Hub staff (below) and the purpose-built Mental Health, Alcohol and Other Drugs Hub (above)

Surgical blitzes

Following planned surgery delays and challenges throughout the pandemic, St Vincent's neurosurgery and orthopaedic teams demonstrated their dedication to our patients, undertaking surgical blitzes that saw the care of some of our longest-waiting planned surgery patients.

As a result, 32 planned neurosurgery patients were treated over two weeks and 52 elective patients were treated as part of the orthopedic surgery blitz week, including 20 robotic joint replacements (around 14 more than would typically occur in one week).

During the second half of 2022-23, we significantly reduced our number of long waiting patients. Waitlists peaked at 2,493 in December 2022 and had decreased by more than 650 patients in June 2023.

Despite the surgical backlog and challenges, St Vincent's was able to achieve strong results for both our 2022-23 ready for elective surgery (RFS) and admission targets.

2,912
Actual RFS
(99.7%)
Target: 2920

6,561
Actual Admissions
(98%)
Target: 6699

Rapid Access Hub

In February 2023, the first patients underwent surgery at the new Rapid Access Hub at St Vincent's Hospital on the Park.

The Rapid Access Hub is a day surgery service supporting St Vincent's to undertake more procedures for patients who had care and treatment postponed due to the COVID-19 pandemic. The Hub comprises of two surgical theatres and one endoscopy theatre, with plans to grow this throughout 2023-24.

The St Vincent's Hub is one of seven funded by the Department of Health, as part of Victoria's state-wide COVID-19 recovery plan. The Hub will increase our capacity and enable additional planned surgical activity. Protected from less predictable emergency work, the Hubs perform low complexity and high-volume procedures.

When fully operational, the St Vincent's Hub will treat up to 7,000 patients annually, including North East Metro Health Service Partnership patients.

Staff preparation at the Rapid Access Hub

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Care outside hospital walls

St Vincent's continues exploring new ways to deliver care to patients in their homes, improving the patient's care experience and overall hospital capacity.

Through the Department of Health's Better@Home Program, St Vincent's has continued supporting patients' care across several specialties, including our Cancer@ Home service.

This service is designed to provide anti-cancer treatments and supportive care therapies to eligible haematology and oncology patients in their home environment. The service aims to offer patients more choice in how, when and where they are treated. Home-based cancer care has been expanded to include a hybrid model to deliver admitted and non-admitted cancer care in consumers' homes.

St Vincent's PallCare@Home Program provides short-term specialist care to palliative care patients n their homes. St Vincent's is the first Victorian metropolitan hospital to pilot this type of multidisciplinary hospital in the home program for palliative care patients.

We are also proud to be a part of the Victorian Government's Pathways to Home Program that helps patients with a disability transition home or into home-like accommodation once they are medically fit for discharge from hospital.

PallCare@Home patient, John, and carer, Genevieve

New Acute Ambulatory Unit and transit lounge

In October 2022, St Vincent's Hospital Melbourne created the Acute Ambulatory Unit which includes our day infusion centre, dedicated procedural bays for our day medical and minor procedural capacity and the newly created transit lounge.

The aim of the transit lounge is to improve patient flow, through day prior to Estimated Discharge Date (EDD) planning, while improving visibility of daily bed capacity.

This is to help Emergency Department access targets, meet post-operative surgical demand and reduce pressures on direct admissions transiting into the organisation.

Since the inception of the transit lounge, more than 1,560 patients have transferred through the service, helping to improve timely access to beds for our patients.

Transitioning to COVID-normal

The period between July 2022 and June 2023 can be characterised as a gradual transition to COVID-normal activity.

In early July, subacute services, including our Rehabilitation and Geriatric Evaluation and Management (GEM) units, moved from St Vincent's Hospital on the Park (SVHOP) back into newly refurbished wards in their original Bolte Wing location. The ability to provide continuous care for some of our lower-acuity patients at SVHOP during the height of the pandemic allowed us to free up more beds to manage COVID-related admissions at our Fitzroy hospital, putting our hospital in a stronger position to respond to increased demand.

Following this relocation in early July, we began preparing to establish our Rapid Access Hub (RAH) at SVHOP, to deliver critical surgical and diagnostic procedures for more Victorians as part of the Government's commitment to the COVID catch up plan.

In August 2022, we transitioned to a 'care in place' model in line with state-wide and organisational COVID demand. This was supported by the establishment of an eight-bed isolation pod established on ward 9 East at St Vincent's Fitzroy hospital. The pod provides greater flexibility to manage fluctuating bed demands for patients requiring isolation. This purpose-built area provides enhanced ventilation for patients diagnosed with COVID, or other conditions that require isolation in times of low/no COVID demand.

With COVID-normal transition plans in place, we commenced planning to decommission our COVID workforce, including our Temperature Testing, Contact Tracing and COVID Vaccination teams, in July 2023. St Vincent's COVID controls continue to be governed by our dedicated Infection Prevention and Control team.

Emily, SVHM Registered Nurse

ST VINCENT'S HOSPITAL MELBOURNE
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World-first trial to improve treatment and care for diabetes patients

St Vincent's Hospital Melbourne is a lead clinical trial site in world-first research examining a new non-surgical treatment for Type 2 diabetes.

The Regent-1 study is investigating an endoscopic procedure that aims to regenerate cells in the duodenum to regulate blood sugar. The study investigators are also examining the procedure's potential as a therapy to reduce the need for insulin, and possibly even eliminate it.

The clinical trial at St Vincent's is being driven by the Endocrinology and Gastroenterology teams.

Phase 2 of the study was launched earlier this year with the trial opened to people in advanced stages of the disease; eligible Australians with Type 2 diabetes who are currently only able to manage their condition with daily insulin injections.

The new ReCET procedure being assessed involves resurfacing the small intestine's lining using a device that emits a series of soft electrical pulses across the duodenal wall. The novel approach hopes to destroy poorly performing cells and replace them with new healthy cells in days without surgery.

Professor David O'Neal, the study's lead co-Investigator and a Senior Endocrinologist explained that by regenerating the lining in the duodenum, we're pressing a 'reset' button in the small bowel, which we believe to be dysfunctional in people living with Type 2 diabetes, essentially restoring that function and reinstating healthier, functioning, signalling cells which allow the body to control sugar circulating in the blood.

Understanding the connection between homelessness and health outcomes

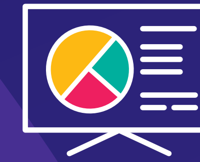
St Vincent's Dr Rachel Zordan and the University of Melbourne's Associate Professor Vijaya Sundararajan have undertaken a world-first study into homelessness, exploring the relationship between homelessness or marginal housing and premature death.

Using national death records, the study tracked the mortality outcomes of 6,290 patients who had presented at St Vincent's Emergency Department during 2003-04. The study tracked the patients over 16 years.

It found that people who experienced a single episode of homelessness are at a four times higher risk of premature death than the general population. People who are marginally housed are at a 2.6 times higher risk of premature death. There is marked inequality in the risk of death between the three groups at similar ages. The risk for a homeless patient dying at 55 years in this study is equal to the risk in the general Australian population for men at age 72 and women at age 77.

People experiencing homelessness have more health problems – often struggling with a range of co-morbidities – than the general population. Being homeless can exacerbate chronic health problems and create new ones.

The paper is the first study available in literature on mortality and causes of death to include homeless and marginally-housed patients over an extended follow-up period and using national mortality data.



Year in numbers

518
Active clinical trials underway

930
Active research projects underway

1,700
Publications produced in 2022-23

Examining the use of Car-T cells to treat multiple myeloma

Research focused on a ground-breaking treatment for multiple myeloma is currently underway at St Vincent's Hospital Melbourne through a global study investigating how Car-T cells could potentially be used to develop an operational cure.

In recent years, immune therapy has significantly changed the landscape and outlook for patients with multiple myeloma, which still remains an incurable disease. St Vincent's is one of five hospitals from across Australia, the US and Europe involved in this clinical study that is examining the use of Car-T cells for upfront treatment.

The research is trialling cutting-edge technology that engages a patient's own immune system to fight their cancer cells as the modified T cells are actually a trigger to a wider process within the immune system that leads to the outcome.

The therapy investigated through this study uses a frontline approach where the patient's immune system is healthy and not impacted by prior chemotherapy.

The study, led by Professor Hang Quach at St Vincent's Hospital Melbourne hopes to provide evidence for an operational cure for multiple myeloma – something that has never been a possibility in the past.

Professor Hang Quach

ST VINCENT'S HOSPITAL MELBOURNE
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Providing care to those most in need

St Vincent's Better Health and Housing Program (BHHP) is providing secure and safe accommodation for people experiencing chronic homelessness and associated poor health. St Vincent's partnered with Homes Victoria, Launch Housing and The Brotherhood of St Laurence to deliver this service.

Residents are supported over a period of three to six months, as staff work closely with them to address resident-identified goals related to their health, housing and broader life domains.

People experiencing chronic homelessness often also experience a range of overlapping physical and mental health issues which can make accessing or maintaining stable housing challenging.

The BHHP provides an integrated health and homelessness service for people who have experienced chronic homelessness including rough sleeping and staying in emergency or temporary accommodation and have complex health and psychosocial issues.

The BHHP commenced with 15 beds at Sumner House in Fitzroy, while the site was also providing a safe and secure place for people experiencing homelessness to isolate while they have COVID-19. Since its establishment in September 2022, the program has expanded to be able to provide 20 beds. The BHHP is trialling and evaluating a new approach to meet steadily increasing demand.

SVHM surgeons using the new exoscope

Surgery game changer

St Vincent's was Australia's first public hospital to install the Synaptive Modus V – a robotic exoscope powered by artificial intelligence voice control that provides surgical teams with 3D visualisation and hands-free operation.

This equipment forms a vital part of an eco-system of technology products that can be used to assist surgeons in pre-planning complex procedures and provides them with improved precision and 3D robotic visualisation as they navigate each surgery.

Surgery on the brain can take between 5 to 16 hours or more. Using the robotic exoscope, the surgeon has the ability to move the robotic arm of the device with ease, using voice commands to gain access to more challenging views. This permits the surgeon to maintain an ergonomic position throughout the procedure, while minimising time spent changing their visual perspective.

As a prominent education hub for medical advancement, St Vincent's is proud to be a global teaching site for the Asia-Pacific region in the use of this advanced robotic visualisation technology that enables improved precision and safety for brain surgery.

The commissioning of the new exscope was generously supported by a $170,000 donation from St Vincent's Foundation.

DataRobot helping more patients receive care at home

The St Vincent's At Home (SVAH) team has developed an algorithm, using artificial intelligence (AI), to help identify patients in the Emergency Department or on inpatient wards who may be suitable for Hospital In The Home (HITH).

The early identification and referral of patients to home-based care has traditionally been a manual and resource-intensive process. The DataRobot is supporting the SVAH Intake team to streamline their screening and identify patients for HITH earlier in their care journey.

The new AI algorithm scans a patient's live qualitative clinical data, including notes and handover documents. The algorithm uses key words to predict how likely a patient is to be suitable receive their care at home. The algorithm provides each patient with a score, helping to determine their suitability for care at home.

Identified patients are 'flagged' on live, point-of-care Electronic Patient Journey Boards, alerting the treating team and HITH team of a potentially suitable patient. Expedited referral and review enables more patients to be considered for HITH sooner, meeting consumer expectations and supporting hospital bed access and flow. Patients are then promptly referred, assessed, and where appropriate transferred to HITH care.

Preliminary findings from the DataRobot project include:

Timelier referrals: Average time from admission to referral decreasing from 6.0 to **2.5 days**

Reduced search time for clinical staff: Average search minutes per patient found has dropped from around 40 to **20 minutes**

Increased referrals and admissions: **160%** increase in total HITH referrals (compared to same time last year)

SVHM Intake Nurse, Kelly, using the DataRobot

EMBRACING DIVERSITY AND INCLUSION

Strengthening our First Nations commitment

Throughout 2022-23, St Vincent's continued to demonstrate a strong commitment to addressing disparities in health and wellbeing outcomes for Aboriginal and Torres Strait Islander peoples.

SVHM's inaugural First Nations Clinic Nurse, Lily

MoU with the Victorian Aboriginal Health Service

In June 2023, St Vincent's re-signed a Memorandum of Understanding with the Victorian Aboriginal Health Service (VAHS), reinforcing our shared commitment to improving the experiences of First Nations patients. St Vincent's has been working alongside VAHS for decades to improve the experience of Aboriginal and Torres Strait Islander people accessing both of our health services. The Memorandum signifies the strengthening of this long-standing partnership and outlines our shared commitment to improving the experiences of First Nations people.

Culturally safe Emergency Department

Our multidisciplinary Indigenous Health Equity Working Group (IHEWG) received national recognition for their work in making our Emergency Department a safer and more welcoming place for Aboriginal and Torres Strait Islander people.

Central to this was the creation of the Rapid Identification and Engagement of First Nations People, so patients are correctly identified upon their arrival and provided with individualised care throughout their hospital experience. The Al Spilman award for Culturally Safe Emergency Departments, 2022 was presented by the Australasian College for Emergency Medicine to acknowledge the positive work being led in this area.

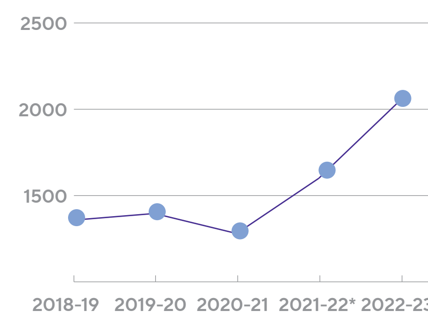
Introducing Wilam Ngarrang

After consultation with our First Nations community, we renamed our Aboriginal Health Unit to Wilam Ngarrang, a Woi Wurrung name meaning "Place of thought and reflection."

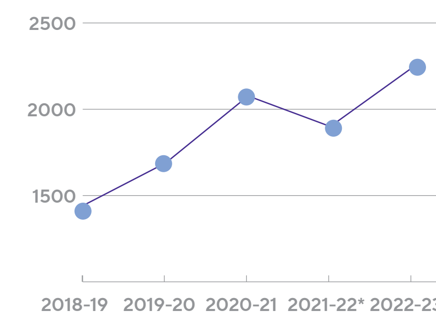
We also welcomed our inaugural First Nations Clinic Nurse to support Aboriginal and Torres Strait Islander patients coming through specialist clinics or the outpatient departments.

Presentations of Aboriginal and Torres Strait Islander patients

Inpatient admissions



Emergency Department admissions



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GROWING AND SUPPORTING OUR TEAM

Support Team Action Response program

During the last 12 months, 1,014 SVHM staff accessed the Support Team Action Response (STAR) program. The STAR program was established to help participants cope with stress and anxiety, stay connected with work both physically and emotionally following a stressful event, make employees feel valued by the organisation and help employees seek professional assistance if required.

Of the 1,014 staff who participated, about half of these were related to critical incidents (primarily in response to code blues, OVAs, patient deaths and code blacks), about a quarter were related to workplace stress and the rest were a combination of critical incidents, workplace stress and personal issues. The STAR program ensures that clinicians and other staff have someone they can turn to – someone who understands their work and someone who they can trust – at times when workplace stress, critical incident stress or the demands of personal life can become too much.

STAR Program graduates with Chief Executive Officer, Nicole Tweddle (front left) and Executive Director People and Culture, Fiona Prestedge (front right)

Nursing Education

Government-backed Nursing Refresher Program

SVHM was excited to welcome nine Refresher nurses who re-entered the workforce as part of the reimagined Refresher program, supported by the Victorian Government as part of the 'Making it free to study Nursing and Midwifery initiative'. The Refresher program supports participants with education and clinical training to refresh and build on their nursing skills and knowledge to successfully re-enter the workforce.

Postgraduate scholarship opportunities

Throughout 2023, 56 postgraduate nursing students are being financially supported for their out of pocket expenses to cover course fees via Department of Health scholarships.

This includes nine perioperative postgraduate students and a further 47 students who are undertaking studies in specialties including ICU, cardiac, emergency, medical, renal, medical imaging, diagnostic and interventional radiology, cancer, palliative care and gerontology. A further two palliative care postgraduate nursing students were awarded the Dame Quentin Bryce Scholarship in 2023.

Enrolled Nurse to Registered Nurse Transition Program

At SVHM, a cohort of enrolled nurses were financially supported by the Department of Health EN to RN Transition Scholarship Program. This group of enrolled nurses commenced their two-year course in 2023. Participants will study to become registered nurses and will receive $11,000 to support their studies.

St Vincent's Clinical School 2023 intake

St Vincent's Clinical School update

The Clinical School had a successful year, demonstrated by the retention of several high-calibre graduates into the St Vincent's internship program. The retention of our graduates reflects the excellent education programs St Vincent's has, spanning medical school to residency programs.

The course redesign for our Doctor of Medicine program is well underway. In our year 2 program, our revamped program starting in 2023 will have a new subject called discovery, and students can select an area of interest to pursue outside of placements. The course redesign will continue for year 3 and 4 and students, who will be able to select a clinical or research scholar pathway.

Plans to move to the new Aikenhead Centre for Medical Discovery (ACMD) are well underway, with the clinical school moving to dedicated facilities for students and staff over two floors. The simulation and skills room will be key to ensuring state-of-the-art training facilities for the medical students.

Volunteers

Xander, an Italian greyhound, has been volunteering at St Vincent's for four-and-a-half years. As part of our pet therapy program, volunteers bring companions like Xander into the hospital to spend quality time with patients.

Xander is accompanied by 14 other dogs in the program, as well as volunteers like Sonia (pictured), who has been volunteering at St Vincent's for more than seven years.

GROWING AND SUPPORTING OUR TEAM

Going green

Theatres

If there's a way to recycle something, our Theatre's team will find it!

Oxygen masks, disposable instrument tubing, fluid bags, device cables, anaesthetic bottles, suture packaging, polystyrene, batteries, pens and textas are among the wide array of items the team has implemented customised recycling processes for.

In partnership with St Vincent's Private Hospital Melbourne, the Theatre teams' sterilisation wraps are collected by an external provider, recycled and made into playground furniture. The St Vincent's public and private hospital's theatres team's sterile hand towels also go to an external company that provides employment opportunities for workers with a disability who wash, dry, repackage and sell these items, with all funds going towards building and funding breast cancer retreats through the Otis Foundation.

The team has implemented ways to be more sustainable including purchasing specific products in bulk packaging, reducing purchases of towels by using recyclable paper towels and increasing commingled recycling in their staffroom. Sustainability updates are proudly displayed on their "let's go green" board in the department.

Intensive Care Unit

The ICU sustainability group is made up of nursing, medical, support services and pharmacy staff and was established to make meaningful change to the unit's resource use and waste.

With a large amount of waste generated in ICU, the group focuses on recycling initiatives including implementing a PVC recycling scheme, piloting a soft plastic recycling program, auditing and eliminating unused items in procedure packs and minimising disposable items in their tea room. Following the pilot of the soft plastic recycling program, they are planning to support other areas of the hospital to implement a similar program during the coming months.

In addition to recycling projects, the team composts their coffee grounds and is planning projects to improve sustainability when travelling to and from work.

The team sees taking care of the environment as an important part of taking care of people and the community.

Pharmacy

St Vincent's Pharmacy team found a way to reduce pharmaceutical waste, sending off four months' worth of empty blister packs – approximately 26,000 packs – for recycling through Pharmacycle.

The blister packs were from dispensed medications being provided to our correctional facilities and would have otherwise ended up in landfill. Instead, the blister packs are transported to Pharmacycle's processing facility where specialised recycling processes separate the aluminium from the plastic. The aluminium is then combined with graphene to manufacture battery storage cells and the plastic is recycled into lower grade packaging.

The inaugural collection saw 39 kilograms of pharmaceutical waste collected from St Vincent's Fitzroy hospital for recycling.

SVHM Chief Pharmacist, Andrew Cording with Jason Rijnbeek from Pharmacycle

SVHM staff and community members are the 2023 Midsumma Pride March

Celebrating diversity and inclusion

St Vincent's is proud to provide a safe and inclusive place for people to work and receive care.

Throughout 2020-22, St Vincent's undertook an LGBTIQA+ Safety and Responsiveness Project, funded by St Vincent's Health Australia's Inclusive Health Program. Its purpose to was to enable detailed analysis of various elements that contribute to or detract from St Vincent's position as a safe and responsive healthcare provider and employer and to develop clear and tangible steps we can take to be a safer and more responsive healthcare provider and employer of LGBTIQA+ people.

The project saw the employment of a project officer and a research and evaluation officer, with research undertaken to understand the views and experiences of staff who are members of the LGBTIQA+ community and those who are allies.

The project's objective was to implement history-making initiatives tailored to this vulnerable priority population. This was to be achieved through improving equity, influencing policy, conducting research and evaluation, improving patient experience of care, and building workforce and organisational capacity in the context of LGBTIQA+ safety and responsiveness.

Achievements of the project included the establishment of our LGBTIQA+ Governance Committee, a successful IHP application for two LGBTIQA+ Peer Navigator roles, an inclusive amenities project to provide safe and inclusive use of bathrooms for trans and gender diverse community members, the continuation of the St Vincent's Hospital Melbourne Pride Network and the creation, updating and roll out of relevant training to staff. Members of our hospital community reinforced this commitment, joining the Midsumma Pride March in February 2023 and wearing St Vincent's pride shirts in celebration of diversity and inclusion.

To provide a more positive experience for all patients, an upgrade to our Patient Administration System that will provide the ability to record gender identity, pronouns and sex assigned at birth is ready for implementation and, in line with Department of Health guidance, will go live in 2024.

DELIVERING OUTSTANDING CARE

One of the world's best hospitals

St Vincent's Hospital Melbourne was named in Newsweek's World's Best Hospitals for 2023, placing sixth in Australia and 208th in the world. More than 2,300 hospitals, across 28 countries, are ranked according to recommendations from medical experts, results from patient surveys, hospital quality metrics and Patient Recorded Outcome Measures (PROMs) implementation surveys.

Sunil, SVHM Clinical Nurse Specialist

SVHM's new, purpose-built Berengarra facility

Excellence in aged care

St Vincent's new, purpose-built Berengarra aged care facility continued providing residents with best practice, person-centred care. The accommodation provides residents with a comfortable home-like environment with modern facilities, private rooms, garden views and access to domestic style kitchens.

In June 2022, St Vincent's Cambridge House facility closed its doors, after providing a home for many residents during the past 33 years, and residents and staff relocated to Berengarra. Following this, Riverside House staff and residents relocated to Berengarra in July 2022.

The relocation of Riverside House and Cambridge House staff and residents marked an exciting new chapter for the thriving community in Kew and is helping us to continue providing the highest quality of care in a modern environment, for our residents.

In 2023, the Berengarra facility underwent accreditation and received a four-star rating, a significant achievement that reflects a good quality of care, measured by resident experience, compliance, staffing and quality measures.

A project was also undertaken internally to review food service delivery models at St Vincent's residential aged care services and, in consultation with key stakeholders, develop a strategy for a person-centred approach to food and nutrition aligned to resident feedback and national and state standards and guidelines. The review of guidelines and standards, consultation with key stakeholders and quality assessments by subject matter experts assisted with the formation of recommendations to address the gaps identified and optimise resident wellbeing and quality of life.

Partnering with our consumers, carers and community

St Vincent's involves consumers and community members in overseeing consumer engagement through our peak Community Advisory Committee (CAC). This Committee is chaired by a consumer and comprises consumer and community members appointed by the CEO, along with SVHM management representatives. The role of the CAC is to increase consumer, carer and community participation while promoting a culture within SVHM that recognises the importance of consumer, carer and community involvement in the planning, delivery and evaluation of SVHM's services. Through partnering with consumers, we aim to improve the experience and healthcare outcomes of our patients.

In November 2022, St Vincent's conducted the first of a series of workshops attended by staff and consumers to develop a Consumer Engagement Strategy that will refine how we engage with consumers at an individual, service and system level. The strategy has been designed to reflect the needs of our diverse consumer population, including those who are marginalised and vulnerable. Six priorities have been proposed, and a detailed action plan is being finalised for implementation over the next three years. The Consumer Engagement Strategy will require endorsement by the CAC and the Executive Leadership Team and will support our vision and aim to provide outstanding person-centred care by prioritising and emphasising consumer engagement.

Angela, SVHM Consumer Advisory Committee member

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

CREATING THE NEW ACMD

Engineering the future of healthcare

In March 2023, construction commenced on a new $206 million biomedical engineering research facility at St Vincent's Hospital Melbourne.

The Aikenhead Centre for Medical Discovery (ACMD) will be a global leader in the use of new technologies including robotics, digital and data engineering to develop health care solutions with a positive life-changing impact.

The 11-storey building's unique position on the hospital's Fitzroy campus will also see it play a key part in the Victorian Government's 10-year plan for Melbourne's new biomedical precinct.

A multidisciplinary approach is at the heart of the ACMD vision, with its focus on breaking down existing barriers between research, engineering, development and clinical application.

ACMD projects aim to address complex health challenges with a core focus on prevention and early intervention, as well as creating an ability to fast-track clinical trials and device development, to benefit patients sooner. Some of the novel technologies being used by ACMD researchers to transform the future of health care are artificial intelligence, implantable digital devices, regenerative medicine and 3D-printing.

Strong collaborative partnerships that bring together leading universities, research institutes, a leading tertiary hospital within a national health care group and major industry partners underpin the valuable work being done through the ACMD.

The ACMD is home to a new $10.77 million education hub focused on growing skills and start-ups across the medtech industry. The new Victorian Medtech Skills and Device Hub will bring together businesses, universities and other education providers to develop training courses, degrees and internships in medical technology.

The Hub is delivered by a consortium led by the University of Melbourne and will be embedded in the new ACMD building. It will be used to help nurture future clinical, nursing, allied health and biomedical research innovators and leaders.

ACMD CEO, Dr Erol Harvey, Minister for Health, Mary-Anne Thomas, SVHM Chief Executive, Nicole Tweddle, and Premier Daniel Andrews at the ACMD ground-breaking

CELEBRATING OUR GENEROUS SUPPORTERS

A brother's legacy brings life to the ACMD

A bond with a sibling can be one of the strongest connections we make in our lives. For Yvonne Clements and her brother, Alf Hughes, their bond was unbreakable. He was more than her brother; he was her best friend. When Alf passed away suddenly, Yvonne chose to create a legacy to honour Alf's memory.

Yvonne chose to give a significant gift to the ACMD, as a direct legacy of Alf's estate. In honour of this generous donation, the ACMD's student collaboration lounge will be named 'The Alf Hughes and Yvonne Clements Lounge'. This lounge will be a place where students can discuss their learnings, brainstorm solutions and dream up new projects and ideas.

Yvonne Clements with Sue Parkes, CEO, St Vincent's Foundation Victoria in front of the ACMD building site

ACMD supporters make a tangible impact

A leading philanthropist once told Barry Janes to "give with a warm hand, not a cold one." This inspired Barry and his partner, Paul Cross, to make a conscious decision to support the causes they care about during their lifetimes. Inspired by medical research innovation they decided to donate $150,000 to the ACMD.

Their generous donation will go towards constructing three Faraday Rooms within ACMD. These rooms will be fitted with a shield used to block electromagnetic fields. This allows researchers to undertake experiments to develop hearing and vision devices without electrical, sound or light interference.

ACMD donors Paul Cross and Barry Janes with Dr Erol Harvey, CEO, ACMD

CELEBRATING OUR GENEROUS SUPPORTERS

Manager of The Cottage, Stephen Abiuso

A legacy gift brings new life to The Cottage

Established in 1995, Sister Francesca Healy Cottage or 'The Cottage', a five-bed former worker's cottage, offers healthcare and an opportunity for people who are homeless or at risk of homelessness to recuperate after their treatment in hospital.

A recent bequest was left to The Cottage and will fund an upgrade to improve facilities for both clients and staff. Thanks to this gift we'll be able to improve accessibility, renovate the bathrooms and renew the client kitchen area.

Ellen Lew with her parents Les and Joanna

Generous donor honours her parents' memory

Caritas Christi in Kew has a special meaning for Ellen Lew and her family. After being diagnosed with terminal pancreatic cancer, Caritas was where Ellen's mother, Joanna, spent her final days.

Ellen's father, Les, passed away five years after his wife. Ellen and her husband James wanted to create a lasting legacy for them both, while also donating to an organisation they felt provided a valuable service to the community.

Ellen and her family have generously donated to Caritas Christi, where a room has been named in memory of her parents – Joanna and Les Youie OAM.

A tribute to a beloved brother

Dominic Bonadino and his brother Ralph were as close as brothers could be. They spent 40 years as business partners running restaurants together including Il Duca Restaurant in East Melbourne, until 2019 when Ralph sadly passed.

A few years ago, Dom became inspired to write a book to document his family's story. It was during this time that Ralph became unwell. After receiving a kidney transplant at St Vincent's Hospital Melbourne, he spent the next five years in and out of hospital, eventually developing terminal cancer. Ralph was 68 when he died.

Dom decided to donate the proceeds of his book to St Vincent's. Since its release, Dom's loyal customers, family and friends have snapped up the book raising a phenomenal $39,000! The funds will go towards purchasing equipment for the renal department, in Ralph's honour.

Ralph and Dom Bonadino

Some of the 400 plus attendees at the Sisterhood of St Vincent's Lunchtime Gala

Sisterhood of St Vincent's Lunchtime Gala

The Sisterhood of St Vincent's is a network of women dedicated to supporting women's health issues and women in health, science and engineering.

At this year's 10th anniversary Lunchtime Gala, a total of $50,000 was raised to enable an emergency fund to be created by St Vincent's Mental Health and Addiction Medicine team to support their clients.

The new fund will ensure that up to 1,000 at-risk patients a year can receive clothes, a supply of healthy food or other essentials.

A partnership spanning almost 70 years

Philanthropy has a direct and powerful impact on St Vincent's Foundation's work and the community. Grants from trusts and foundations play a critical role in providing support for St Vincent's.

The Collier Charitable Fund and St Vincent's Hospital Melbourne are looking back on a 69-year partnership, driven by closely aligned values and a shared desire to provide excellent healthcare to all.

The Collier Charitable Fund's most recent grant of $50,000 enabled the creation of a patient information database for the Hospital's Breast Surgery Unit. The new portal, called BRENDA, collates patient medical information including a routine collection of patient-reported outcomes. Its holistic approach promises to improve breast surgery treatment and outcomes.

BRENDA Database team (from left to right): Suraya Roslan, Dr Jocelyn Lippey, Miss Christina Foley, Miss Caroline Baker, Annabelle Motteram, Rafaela Anja

Generous gift will fast-track the future of breast screening

St Vincent's Foundation received a generous gift from MECCA M-POWER. This gift provided support for St Vincent's BreastScreen Clinical Director and Adjunct Associate Professor Helen Frazer for her globally unique research project, BRAIx. The project uses artificial intelligence technologies to improve the accuracy and efficiency of breast cancer screening.

A social change movement formed to champion equality and opportunity for women and girls, M-POWER's mission is to help create a world in which the next generations can thrive.

This generous support will fast track the development of a technology that will provide women with access to more accurate and personalised breast screening.

MECCA M-POWER gift recipient St Vincent's BreastScreen Clinical Director and Adjunct Associate Professor Helen Frazer (above)

CELEBRATING OUR GENEROUS SUPPORTERS

Donor-funded nursing scholarship fund transforms lives

Patients often ask us how they can thank the nurses who have cared for them. This expression of gratitude means a great deal to our nurses.

To encourage this expression of gratitude and to provide the best opportunities for our nurses, we have established a Nursing Excellence Scholarship Fund.

The Fund means St Vincent's hard-working nurses can continue their training and education without having to worry about working extra shifts or finding the money to pay for their education. With our donors generosity, we can invest in nurses and give them the training they need to lift up our whole community.

Ivan, SVHM Nurse

ST VINCENT'S HOSPITAL MELBOURNE
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Thank you to our generous donors

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- Melbourne BMW
- Nelson Alexander Pty Ltd – Fitzroy Office
- News Corp Australia
- SmartSalary
- Soniq Australia
- The Cupcake Queens
- The Ministry of Chocolate
- Donors of art to the St Vincent's-Leonard Joel Art Auction

Report of Operations

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Summary financial results

	2023*	2022*	2021* $'000s	2020* $'000s	2019* $'000s
Operating result					
Total revenue^	1,066,199	1,001,436	924,452	851,125	790,084
Total expenses^	1,040,748	980,157	904,800	835,202	787,863
Net result from transactions	25,451	21,279	19,652	15,923	2,221
Total other economic flows	2,739	(2,459)	12,280	(4,047)	(3,392)
Net result	28,190	18,820	31,932	11,876	(1,171)
Total assets	668,052	548,810	474,694	428,244	336,070
Total liabilities	488,305	397,736	342,900	328,440	248,486
Net assets/Total equity	**179,747**	**151,074**	**131,794**	**99,804**	**87,584**

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

	2023 $'000s
Net operating result	496
Capital and specific items	-
Capital purpose income	65,303
COVID-19 State supply arrangements *Assets received free of charge or for nil consideration under the State supply arrangements*	4,096
Assets provided free of charge	-
Assets received free of charge	1,763
Expenditure for capital purpose	(7,378)
Depreciation and amortisation	(33,823)
Impairment of non-financial assets	-
Finance costs (other)	(892)
Net result from transactions	**25,451**

Summary of significant change in financial position

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

Operational and financial performance

St Vincent's Hospital Melbourne delivered an operational gain of $496,000 before capital income and expenses. After including capital income and expenses and other economic flows, the net entity result was a gain of $28,190,000. Movement in total equity includes the net equity result and a revaluation adjustment for cultural assets of $483,000.

Subsequent events

There have been no material transactions or events occurring subsequent to year end that require adjustment to, or disclosure in the financial statements.

Consultancies

Details of consultancies (under $10,000)

In 2022-23, there were 13 consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure incurred during 2022-23 in relation to these consultancies is $60,120 (excluding GST).

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

In 2022-23 there were 11 consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2022-23 in relation to these consultancies is $1,056,579 (excluding GST). Details of individual consultancies are listed below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee $	Expenditure 2022-23 (ex GST) $	Future expenditure $
A Montage Unique Pty Ltd T/A Ellis Jones Consulting	ACMD compaign proposal	Feb 23	Mar 23	17,650	17,650	-
Karabena Consulting	Aboriginal Cultural Safety Project	Jul 22	Jun 23	255,641	255,641	-
Labflow	Consultation engagement: data entry workflow process review (including implementation recommendations)	May 23	Jun 23	88,560	88,560	-
Lincoln Consulting Group	ACMD	Sep 22	Jun 23	100,000	100,000	-
Linda Espie	Staff counselling sessions (Workforce Wellbeing Program)	Aug 22	Jun 23	49,844	49,844	-
Mary Pearce	Foundation and trust	Sep 23	Jun 23	31,160	31,160	-
Rivor Advisory Pty Limited	Payroll compliance review	May 23	Jun 23	94,870	94,870	-
Xponential	Prospect Research Profiles and Trusts & Foundations Scoping Study	May 23	Jun 23	70,500	70,500	-
NTT Australia Pty Ltd	Windows End Of Life Project	Jan 23	Jun 23	125,409	125,409	-
Intelerad Medial Systems	Data Migration Project	Feb 23	Apr 23	119,241	119,241	-
King & Wood Mallesons	St Vincent's Fitzroy Commercial Co-Development	Jul 22	Dec 22	103,705	103,705	-

Information and communication technology (ICT) expenditure

The total information and communication technology (ICT) expenditure incurred during 2022-23 is $21.7m (excluding GST). Details shown below:

Business as Usual ICT expenditure	Non-Business as Usual ICT expenditure		
Total (excluding GST)	Total = operational expenditure and capital expenditure (excluding GST)	Operational expenditure (excluding GST)	Capital expenditure (excluding GST)
$15.6m	**$6.1m**	**$0.4m**	**$5.7m**

Workforce data

SVHM 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**	
	2022	2023	2022	2023
Nursing	1,842	1,853	1,848	1,816
Administration and Clerical	738	717	771	709
Medical Support	292	306	301	296
Hotel and Allied Services	657	668	653	658
Medical Officers	78	86	79	83
Hospital Medical Officers	476	488	461	479
Sessional Clinicians	187	188	183	185
Ancillary Staff (Allied Health)	508	531	506	529
Total	**4,778**	**4,837**	**4,802**	**4,755**

** FTE - full-time equivalent positions*
*** YTD FTE - Year to Date represents the average number of FTE throughout the year*

Employees have been correctly classified in workforce data collections.

Occupational health and safety (OHS)

SVHM continued to prevent the transmission of COVID-19 using five key factors. There was a continued focus on the provision of psychological support for staff as we transitioned through the pandemic.

The actions from the 2021-22 internal WHS Management System audit have been completed and the results of the 2022-23 audit indicate a strong health and safety system.

Incidents related to occupational violence were the highest reported, with high reporting of mental health first aid post incident. Injuries related to manual handling continued to be the highest number of WorkCover claims. A project, in collaboration with Latrobe University, using the APHIRM tool, is nearing completion with our environmental services team. The results from this look positive.

Incident and WorkCover statistics	2022-23	2021-22	2020-21	Comments on variance
The number of reported hazards/ incidents for the year per 100 FTE	36.05	34.39	46.13	Small variance from 2021-22 as the business adjusted post pandemic.
The number of 'lost time' standard WorkCover claims per 100 FTE	0.78	0.82	0.89	Small variance from 2021-22 as the business adjusted post pandemic, with fewer LTIs in the second six months of the year.
The average cost of WorkCover claims for the year '000	$126,686	$111,914	$57,900	There has been an increase in the number and cost of psychological claims in the previous two years.

Occupational violence statistics	2022-23
Workcover accepted claims with an occupational violence cause per 100 FTE	0.16
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	1.0
Number of occupational violence incidents reported	444
Number of occupational violence incidents reported per 100 FTE	9.13
Percentage of occupational violence incidents resulting in a staff injury, illness or condition This includes a high number of first aid injuries where mental health first aid was provided following an incident	31.30%

Definitions of occupational violence

Occupational violence
Any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.

Incident
An event or circumstance that could result in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident is included.

Accepted WorkCover claims
Accepted WorkCover claims that were lodged in 2022-23.

Lost time
Defined as greater than one day.

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

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Building and maintenance compliance

Essential services maintenance

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

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

- 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 have 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

SVHM 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 the Department of Health to risk assess and cost the implications of non-compliant cladding materials on the main hospital building. In the interim, the hospital has ensured that all major risks are mitigated, and;
- St Vincent's has undertaken a five-yearly fire audit under the Department of Health Capital Guidelines and is implementing recommendations to achieve required fire safety standards.

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.

SVHM, 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 and Department guidelines.

An independent review and update of Asset Condition and Building and Fabric 2016 report has commenced. The findings will identify and prioritise Asset, Building and Fabric elements and assist with the ongoing management of the Asset Renewal program.

SVHM 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:

- *COVID Response ISOPOD, level 9 ($0.2M)*
- *COVID Response negative fan unit installation throughout the Emergency Department and HDU ($0.55M)*
- *COVID Response isolation installation of glass partitions ($0.2M)*
- *Cambridge and Riverside - decommissioning of aged care sites – VHSBA/DH initiative*
- *Bolte Wing level 2 refurbishment and relocation of Rehab and GEM into Bolte Wing from St Vincent's on the Park ($0.65M)*
- *MRI 2 installation in Healy Wing ($0.4M)*
- *Renovations of IPS patient ensuites ($0.15M)*
- *Lift door controller update at IPS ($0.25M)*
- *Daly Wing fire upgrade works ($0.2M)*
- *New hydraulic lift in MRI ($0.082M)*
- *Staged replacement of operating theatre lights ($0.15M)*
- *Five-yearly fire audit ($0.7M)*
- *Replacement of major backup electrical switch (ATS 3) in IPS ($0.15M)*
- *Stem cell facility ($0.3M)*
- *Mental health sexual safety improvement ($ 0.4M)*

Key projects commenced during 2022–23 and works in progress at 30 June 2023 include:

- *New ACMD building main works ($140M)*
- *New generator room and system in IPS basement ($2.8M)*
- *Cogeneration decommissioning – VHSBA/DH initiative ($0.45M)*
- *Replacement of fire panel and fire services infrastructure in 55 Victoria Parade building ($0.2M)*
- *Replacement of second Bolte Wing chiller ($0.47M)*
- *Daly Wing fire upgrade works level 4 to level 8 ($0.55M)*
- *Bolte Wing upgrade of HVAC system for pandemic mode ($0.65M)*
- *Mechanical switchboard replacement program ($0.3M)*
- *Pathology laboratory reconfiguration at L2 IPS ($0.3M)*
- *SVHAT IT Network upgrade implementation interfacing ($0.15M)*
- *St Georges Hospital fire upgrade work ($0.5M)*
- *Mental Health and Normanby Acute ICUs ($4.1M)*
- *Mental Health PS1 nurses station upgrade ($0.3M)*
- *St Vincent's on the Park level 1 theatres upgrade ($3.5M)*
- *Prague House upgrade ($0.67M)*

Sustainability and environmental performance

A key strategic focus and priority for SVHM is a renewed Environmental Sustainability Strategy to meet our obligations to Government and our aspiration to be an environmentally sustainable health service. The renewed Environmental Sustainability Strategy has five focus areas centred around:

- Organisational culture and leadership
- Energy efficiency and emissions
- Waste management
- Procurement, transport and travel
- Building and infrastructure

A new sustainability governance framework will provide guidance for embedding environmentally sustainable practices at SVHM, to maximise the impact of new initiatives and support our staff to implement meaningful change. Localised initiatives are supported and implemented through the Sustainability Interest Group, that currently consists of approximately 125 members and is open to all staff.

Reporting requirements

This report has been prepared to fulfil obligations of the Victorian Government's Financial Reporting Directions (FRD) 24.

SVHM is required to report on environmental metrics to the Victorian Government each financial year for public sites including the following within the organisational boundary for FY23:

- St Vincent's Hospital Melbourne - public hospital campus, Fitzroy;
- St George's Hospital, 253 Cotham Rd, Kew;
- St Vincent's on the Park, 11 Cathedral Place, East Melbourne; and
- Caritas Christi Hospice, 104 Studley Park Road, Kew.

Sustainable procurement

All products are reviewed by the clinical resource and product manager in procurement and are viewed from several different lenses, one being environmental and sustainable. Procurement also closely ties to the broader SVHA approach of reviewing changes via the Product Evaluation Committee, which also focuses on environmental and sustainable initiatives. Currently SVHM is pursuing:

- Reusable gowns where possible – linen isolation gown.
- Biodegradable denture cups, medicine cups, drinking and drinking cups.
- Trialling the Sequential Compression Devices (SCDs) for recycling via the supplier.

FY23 data is a faithful representation of technical information available at the time of publication.

Environmentally sustainable design in new buildings and infrastructure	
B1	**Discuss how environmentally sustainable design is incorporated into newly completed entity-owned buildings** Planning is underway for buildings to be completed in future years. These include: – Aikenhead Centre for Medical Discovery (ACMD); and – The adjacent Druid's Development to be built by ISPT – SVHA will occupy five floors (not yet commenced). ACMD's design includes ESD principles expected to deliver a building classified as Best Practice by the BESS (Building Environment Sustainability Scorecard).
B2	**Green Leases** **Discuss how new entity leases meet the requirement to preference higher-rated office buildings and those with a Green Lease Schedule** Clauses in contracts include reference to obligations relating to National Greenhouse and Energy Reporting. For example, the tenant must do all other things reasonably necessary or desirable to assist the landlord to comply with the landlord's obligations under the *NGER Act 2007.*
B3 - list	**NABERS Energy ratings of newly completed/occupied entity-owned office buildings and substantial tenancy fit-outs** In FY23, St Vincent's Hospital Melbourne at Fitzroy received a 6-star NABERS Water rating and 2.5-star Energy rating which is valid until December 2023.
B4 - list	**Environmental performance ratings of newly completed entity-owned non-office building or infrastructure projects or upgrades with a value over $1 million, where these ratings have been conducted** N/A
B5 - number summarised	**Environmental performance ratings achieved for entity-owned assets portfolio segmented by rating scheme and building, facility, or infrastructure type, where these ratings have been conducted** N/A

Electricity use

	Jul 22–Jun 23	Jul 21–Jun 22	Jul 20–Jun 21
EL1 Total electricity consumption segmented by source [MWh]			
Purchased	38,577	28,747	27,630
Self-generated	4,683	3,218	-
EL1 Total electricity consumption [MWh]	**43,259**	**31,965**	**27,630**
EL2 Onsite electricity generated [MWh] segmented by:			
Consumption behind-the-meter			
Solar electricity	552	-	-
Cogeneration electricity	4,131	3,218	-
Total consumption behind-the-meter [MWh]	**4,683**	**3,218**	**-**
Exports			
Solar electricity	-	-	-
Cogeneration electricity	548	881	-
Total electricity exported [MWh]	548	881	-
EL2 Total onsite electricity generated [MWh]	**5,231**	**4,099**	**-**
EL3 Onsite installed generation capacity [kW converted to MW] segmented by:			
Cogeneration plant	6	6	6
Diesel generator	5	5	5
Solar system	-	-	-
EL3 Total onsite installed generation	**11**	**11**	**11**
EL4 Total electricity offsets [MWh]			
LGCs voluntarily retired on the entity's behalf	-	-	-
GreenPower	-	-	-
RPP (Renewable Power Percentage in the grid)	7,252	5,344	5,230
Certified climate active carbon neutral electricity purchased	-	-	-
EL4 Total electricity offsets [MWh]	**7,252**	**5,344**	**5,230**

Stationary energy

	Jul 22–Jun 23	Jul 21–Jun 22	Jul 20–Jun 21
F1 Total fuels used in buildings and machinery segmented by fuel type [MJ]			
Natural gas	267,875,501	207,711,847	66,624,150
Diesel	322,086	84,441	119,560
F1 Total fuels used in buildings [MJ]	**268,197,587**	**207,796,288**	**66,743,710**
F2 Greenhouse gas emissions from stationary fuel consumption segmented by fuel type [Tonnes CO2-e]			
Natural gas	13,804	10,703	3,433
Diesel	23	6	8
F2 Greenhouse gas emissions from stationary fuel consumption [Tonnes CO2-e]	**13,826**	**10,709**	**3,442**

Transport energy

	Jul 22–Jun 23	Jul 21–Jun 22	Jul 20–Jun 21
T1 Total energy used in transportation (vehicle fleet) within the entity, segmented by fuel type [MJ]			
**Executive fleet - gasoline	4,374,532	23,023	-
Non-executive fleet - gasoline	-	4,225,782	4,274,586
Petrol	**4,374,532**	**4,248,806**	**4,274,586**
Executive fleet - E10	13,914	-	-
Non-executive fleet - E10	-	10,065	13,520
Petrol (E10)	**13,914**	**10,065**	**13,520**
Executive fleet - diesel	320,770	67,948	-
Non-executive fleet - diesel	-	220,645	289,083
Diesel	**320,770**	**288,593**	**289,083**
Executive fleet - LPG	30,132	-	-
Non-executive fleet - LPG	-	25,540	34,301
LPG	**30,132**	**25,540**	**34,301**
Total energy used in transportation (vehicle fleet) [MJ]	**4,739,348**	**4,573,004**	**4,611,490**
T2 Number and proportion of vehicles in the organisational boundary segmented by engine/fuel type and vehicle category	**No.**	**%**	
Hybrid/petrol	158	95%	-
Diesel	7	4%	-
LPG	1	1%	-
Total	**166**	**100%**	**-**

Transport energy (continued)

	Jul 22–Jun 23	Jul 21–Jun 22	Jul 20–Jun 21
T3 Greenhouse gas emissions from transportation (vehicle fleet) segmented by fuel type [tonnes CO2-e]			
**Executive fleet - gasoline	296	2	-
Non-executive fleet - gasoline	-	286	289
Petrol	**296**	**287**	**289**
Executive fleet - E10	1	-	-
Non-executive fleet - E10	-	1	1
Petrol (E10)	**1**	**1**	**1**
Executive fleet - diesel	23	5	-
Non-executive fleet - diesel	-	16	20
Diesel	**23**	**20**	**20**
Executive fleet - LPG	2	-	-
Non-executive fleet - LPG	-	2	2
LPG	**2**	**2**	**2**
Total Greenhouse gas emissions from transportation (vehicle fleet) [tonnes CO2-e]	**321**	**310**	**312**
T4 Total distance travelled by commercial air travel (passenger km travelled for business purposes by entity staff on commercial or charter aircraft)			
Total distance travelled by commercial air travel	**226,507**	**-**	**-**

Total energy use

	Jul 22–Jun 23	Jul 21–Jun 22	Jul 20–Jun 21
E1 Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]			
Total energy usage from stationary fuels (F1) [MJ]	268,197,587	207,796,288	66,743,710
Total energy usage from transport (T1) [MJ]	4,739,348	4,573,004	4,611,490
Total energy usage from fuels, including stationary fuels (F1) and transport fuels (T1) [MJ]	**272,936,935**	**212,369,292**	**71,355,200**
E2 Total energy usage from electricity [MJ]			
Total energy usage from electricity [MJ]	155,733,465	115,075,623	99,468,231
E3 Total energy usage segmented by renewable and non-renewable sources [MJ]			
Renewable	28,095,756	19,239,658	18,830,688
Non-renewable (E1 + E2 - E3 renewable)	400,574,643	308,205,257	151,992,743
E4 Units of stationary energy used normalised: (F1+E2)/normaliser			
Energy per unit of aged care OBD [MJ/aged care OBD]	12,360	11,733	5,431
Energy per unit of LOS [MJ/LOS]	1,913	1,546	817
Energy per unit of separations [MJ/separations]	5,998	4,866	2,658
Energy per unit of floor space [MJ/m2]	1,931	1,513	779

Water use

	Jul 22–Jun 23	Jul 21–Jun 22	Jul 20–Jun 21
W1 Total units of metered water consumed by water source (kl)			
Potable water [kL]	197,463	145,275	144,497
Total units of water consumed [kl]	**197,463**	**145,275**	**144,497**
W2 Units of metered water consumed normalised by FTE, headcount, floor area, or other entity or sector specific quantity			
Water per unit of aged care OBD [kL/aged care OBD]	5.76	5.28	4.72
Water per unit of LOS [kL/LOS]	0.89	0.70	0.71
Water per unit of separations [kL/separations]	2.79	2.19	2.31
Water per unit of floor space [kL/m2]	0.90	0.68	0.68

Waste and recycling

	Jul 22–Jun 23		Jul 21–Jun 22		Jul 20–Jun 21	
WR1 Total units of waste disposed of by waste stream and disposal method	**kg**	**%**	**kg**	**%**	**kg**	**%**
Landfill (total)						
General waste	1,000,250	59.50%	918,000	58.90%	912,530	56.01%
Offsite treatment						
Clinical waste - incinerated	14,018	0.83%	14,278	0.92%	12,792	0.79%
Clinical waste - sharps	28,764	1.71%	26,985	1.73%	31,919	1.96%
Clinical waste - treated	257,922	15.34%	255,566	16.40%	268,023	16.45%
Recycling/recovery (disposal)						
Batteries	670	0.04%	1,000	0.06%	572	0.04%
Commingled	253,670	15.09%	248,030	15.91%	253,680	15.57%
E-waste	2,330	0.14%	2,290	0.15%	3,592	0.22%
Fluorescent tubes	558	0.03%	-	-	-	-
Mobile phones	-	-	-	-	-	-
Organics (food)	540	0.03%	-	-	-	-
Other recycling	60	-	15	-	7,133	0.44%
Paper (confidential)	100,640	5.99%	70,010	4.49%	125,070	7.68%
Paper (recycling)	990	0.06%	-	-		-
Polystyrene foam	2,980	0.18%	3,120	0.20%	2,580	0.16%
PVC	2,232	0.13%	1,970	0.13%	1,627	0.10%
Sterilization wraps	6,770	0.40%	6,050	0.39%	-	-
Toner & print cartridges	1,430	0.09%	1,560	0.10%	1,550	0.10%
Wood	7,290	0.43%	9,630	0.62%	8,210	0.50%
Total units of waste disposed	**1,681,114**		**1,558,504**		**1,629,278**	

Waste and recycling

	Jul 22–Jun 23	Jul 21–Jun 22	Jul 20–Jun 21
WR2 Percentage of office sites covered by dedicated collection services for each waste stream [%]			
Printer cartridges	25	-	-
Batteries	25	-	-
e-waste	25	-	-
Soft plastics	25	-	-
WR3 Total units of waste disposed normalised by FTE, headcount, floor area, or other entity or sector specific quantity, by disposal method			
Total waste to landfill per PPT [(kg general waste)/PPT]	2.66	2.60	2.50
Total waste to offsite treatment per PPT [(kg offsite treatment)/PPT]	0.80	0.84	0.86
Total waste recycled and reused per PPT [(kg recycled and reused)/PPT]	1.01	0.97	1.11
WR4 Recycling rate [%]			
Weight of recyclable and organic materials [kg]	380,160	343,675	404,014
Weight of total waste [kg]	1,681,114	1,558,504	1,629,278
Recycling rate [%]	**-**	**-**	**-**
WR5 Greenhouse gas emissions associated with waste disposal [tonnes CO2-e]	**1,685**	**1,573**	**1,587**

Greenhouse gas emissions

	Jul 22–Jun 23	Jul 21–Jun 22	Jul 20–Jun 21
G1 Total scope one (direct) greenhouse gas emissions [tonnes CO2e]			
Carbon dioxide	14,111	10,991	3,744
Methane	27	21	7
Nitrous oxide	9	7	3
Total	**14,147**	**11,019**	**3,754**
Scope 1 GHG emissions from stationary fuel (F2 Scope 1) [tonnes CO2-e]	13,826	10,709	3,442
Scope 1 GHG emissions from vehicle fleet (T3 Scope 1) [tonnes CO2-e]	321	310	312
Medical/Refrigerant gases			
Desflurane	43	-	-
Nitrous oxide	146	-	-
Refrigerant - R134A	148	-	-
Refrigerant - R401A (MP39)	1	-	-
Sevoflurane	44	-	-
Total scope one (direct) greenhouse gas emissions [tonnes CO2e]	**14,529**	**11,019**	**3,754**
G2 Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]			
Cogen electricity		1,957	5,996
Electricity	26,500	20,992	21,549
Steam (left intentionally blank to avoid double-counting due to the transformation of energy)	-	1,196	4,092
Total scope two (indirect electricity) greenhouse gas emissions [tonnes CO2e]		**26,500**	**24,146**
G3 Total scope three (other indirect) greenhouse gas emissions associated with commercial air travel and waste disposal [tonnes CO2e]			
Commercial air travel	62	-	-
Waste emissions (WR5)	1,685	1,573	1,587
Indirect emissions from stationary energy	4,491	3,125	2,753
Indirect emissions from transport energy	143	16	17
Paper emissions	-	-	-
Any other Scope 3 emissions	334	273	238
Total scope three greenhouse gas emissions [tonnes CO2e]	**6,716**	**4,987**	**4,596**
G(Opt) Net greenhouse gas emissions (tonnes CO2e)			
Gross greenhouse gas emissions (G1 + G2 + G3) [tonnes CO2e]	47,746	40,152	39,986
Carbon neutral electricity	-	-	-
Green power electricity	-	-	-
Purchased LGCs	-	-	-
Any offsets purchased	-	-	-
Net greenhouse gas emissions [tonnes CO2e]	**47,746**	**40,152**	**39,986**

ST VINCENT'S HOSPITAL MELBOURNE
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Normalisation factors

	Jul 22–Jun 23	Jul 21–Jun 22	Jul 20–Jun 21
1000km (corporate)	1,930	-	-
1000km (non-emergency)	-	-	-
Aged care OBD	34,300	27,519	30,605
Emergency Department (ED) departures	49,362	49,837	68,016
FTE	-	5,103	4,875
LOS	221,650	208,835	203,397
OBD	255,950	236,354	234,002
PPT	375,995	352,538	364,562
Separations	70,683	66,347	62,544
TotalAreaM2	219,535	213,435	213,435

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

**Cogeneration in future years will be phased out. FY23 data is a faithful representation of technical information available at the time of publication.*
***Executive vs non-executive fleet groupings will be better defined moving forward in partnership with contracted suppliers.*

Freedom of Information

SVHM 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 $30.60 application fee or evidence of financial hardship such as a copy of the patient's Health Care or Pension Card.

During 2022-23, 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 841 of 855 requests released in full.

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

	2022–23	2021–22
Applications processed	855	996
Released in full	841	920
Partially released	14	28
Denied in full	1	-
Percentage of requests fulfilled within 30 days	92%	100%
Application fees collected	$21,970.80	$24,080.00
Application fees waived	$4,192.20	$5,929.70
Access charges collected	$5,441.00	-
Access charges waived	$3,980.00	-
Fees and charges collected	$27,411.80	$30,842.42
Fees and charges waived	$8,172.12	$9,129.70

Car parking fees

St Vincent's Hospital Melbourne complies with the Department of Health Hospital circular on car parking fees. Details of fees and concession benefits can be viewed at **https://www.svhm.org.au/patients-visitors/campus-information**

ST VINCENT'S HOSPITAL MELBOURNE
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Statement of Priorities

The Statement of Priorities (SOP) is the key document of accountability between the Department of Health and St Vincent's Hospital (Melbourne) Limited (SVHM). St Vincent's Hospital Melbourne is pleased to publish its outcomes achieved during 2022-23.

Part A: Strategic Priorities

Department of Health Priority Area	Department of Health Strategic Domain	Priorities	Response	
Keep people healthy and safe in the community	**Maintain COVID-19 readiness**	Maintain a robust COVID-19 readiness and response, working with the department, Health Service Partnership and Local Public Health Unit (LPHU) to ensure effective responses to changes in demand and community pandemic orders. This includes, but is not limited to, participation in the COVID-19 Streaming Model, the Health Service Winter Response framework and continued support of the COVID-19 vaccine immunisation program and community testing.	**Achieved**	During the last 12 months, SVHM has maintained its robust COVID-19 readiness and responsiveness through a dedicated Pandemic Incident Response Team. In collaboration with the Department of Health and the North East Metro Health Service Partnership, this dedicated team has been able to rapidly adapt to any challenges arising due to the continued presence of COVID-19. Improved capacity to manage COVID-19 patients was enabled with the introduction of eight enhanced ventilation isolation pods, alongside a robust 'care in place' model. Refined protocols for the safe transfer of patients between acute and sub-acute facilities and adaptive visitor and staff screening and personal protective equipment requirements in line with current risk to minimise the exposure and potential spread in the community. SVHM was in the unique position during the peak of the pandemic to leverage the St Vincent's Health Australia network of private hospitals to ensure timely access to care for elective surgery patients. Patients have benefited from this arrangement with SVHM able to relocate public procedures across three St Vincent's Health Australia private hospitals, allowing surgeons and anaesthetists to continue operating during peak pandemic times.
Care closer to home	**Delivering more care in the home or virtually**	Increase the provision of home-based or virtual care, where appropriate and preferred, by the patient, including via the Better at Home program.	**Achieved**	SVHM has accelerated several key initiatives through the Department of Health's Better at Home Program. Rehabilitation at Home, Geriatric Evaluation and Management (GEM) at Home, Hospital in the Home (HITH) and Cancer Care at Home have increased services throughout the year. The Rehabilitation at Home program increased from 12 to 20 beds with a total of 30% of all rehabilitation delivered in the home. The GEM at home program has maintained 22 beds and now delivers in home care to one in three patients. SVHM piloted a four-bed palliative care at home program. The service commenced in October 2022 and aims to prevent unnecessary Emergency Department presentations and hospital admissions through the provision of support to patients and their caregivers. The HITH program expanded from 25 to 35 beds in FY23. The utilisation of HITH has increased significantly over the past years with 8.5% of acute multiday separations including a hospital in the home component. The Cancer Care at Home program expanded in November 2022. The service is delivering more than 25 episodes of service per month to patients in their home. SVHM has continued to deliver a large proportion of specialist clinics activity via telehealth – 52% of patients in this financial year to choose to be provided a specialist clinic appointment in their own home or other preferred location, therefore delivering a more convenient and person focused service to our community.
Keep improving care	**Improve quality and safety of care**	Work with Safer Care Victoria (SCV) in areas of clinical improvement to ensure the Victorian health system is safe and delivers best care, including working together on hospital acquired complications, low value care and targeting preventable harm to ensure that limited resources are optimised without compromising clinical care and outcomes.	**Achieved**	A focus on high-priority hospital acquired complication (HAC) reduction continues at SVHM with infections, falls, delirium and venous thrombo-embolism being the current priorities. SVHM has commenced a project in partnership with the Victorian Managed Insurance Authority to review how delirium HACs are documented and identify opportunities to ensure that coding is the most accurate reflection of clinical care. This process, incorporating a clinician verification process, will result in a more accurate reflection of the incidence of delirium in our patient cohort.

Department of Health Priority Area	Department of Health Strategic Domain	Priorities	Response	
Keep improving care	**Contribute to a responsive and integrated mental health and wellbeing system**	Continue to transform area mental health and wellbeing services that deliver wellbeing supports and are delivered through partnerships between public health services (or public hospitals) and non-government organisations.	**In Progress**	SVHM has enhanced mental health and wellbeing services in partnership with Mind Australia, continuing to deliver shared care and community care for people with high and complex needs. The long-standing collaboration between SVHM and Wellways continues to support recovery and care of people with mental illness to develop personal strengths to manage their day to day lives. A partnership with Eastern Health, funded by Eastern Melbourne Primary Health Network, has provided an aged psychiatry service supporting older adults who need more than primary care but may not meet the referral criteria for specialist mental health services. The Healthy Ageing Service is a multidisciplinary team including lived experience consumers and carer peer support workers. The program delivers primary and secondary consultation, brief psychosocial interventions, and capacity building including support to general practice and residential aged care facilities. SVHM is proud of the Aged Psychiatry Healthy Ageing Service for receiving the 2023 Royal Australian and New Zealand College of Psychiatrists Faculty of Psychiatry of Old Age Prize for Best Mental Health Service Improvement. SVHM is continuing to explore opportunities for other partnerships and relationships with key stakeholders that will best support our consumers.
Keep improving care	**Contribute to a responsive and integrated mental health and wellbeing system**	Develop/refine services that will be provided across two aged-based streams: infant, child and youth (0-25), and adult and older adult (26+).	**In Progress**	Discussions are underway to determine how SVHM's Area Mental Health and Wellbeing Service will continue to deliver both acute and community area mental health and wellbeing services to consumers aged 18 and over for the catchments of Yarra and Boroondara. To promote continuity of care and resource sharing across the region, SVHM Mental Health will partner with Austin Health to develop a regional approach to service delivery for older youth (18-25 years) living in the catchment areas for Austin Health and SVHM. Further partnership work during the coming 12 months will see the development of an Older Youth Model for people aged 18-25 years.
Keep improving care	**Contribute to a responsive and integrated mental health and wellbeing system**	Provide integrated treatment, care, and support to people living with mental illness and substance use or addiction.	**In Progress**	SVHM has developed an Integration Vision Statement to articulate the key components of integrated treatment, care and support to people living with mental illness and substance use or addiction. This has been developed in consultation with mental health managers and clinicians in collaboration with the Yarra and Boroondara mental health alliances. To support the implementation of integrated care an organisational self-assessment has been undertaken to support the service to be well prepared for an improved integrated treatment and care model. To support this an addiction psychiatrist role has been introduced. SVHM has participated in the development of the Hamilton Centre and is one of only four service providers of this new state-wide service for people living with mental illness and substance use or addiction. The introduction of the Alcohol and Other Drug (AOD) Hub in SVHM's Emergency Department (ED) has provided a safe and supportive space for people who have attended the ED with a mental health and alcohol or drug emergency in the past year.
Keep improving care	**Contribute to a responsive and integrated mental health and wellbeing system**	Subject to the passage of the Mental Health and Wellbeing Bill 2022, actively participate in the implementation of new legislative requirements and embed the legislation's rights-based objectives and principles.	**In Progress**	To support the implementation of the requirement of the Mental Health and Wellbeing Bill 2022, SVHM has appointed a Mental Health Act Project Lead to ensure principles and practices that support the implementation of the Mental Health and Wellbeing Act are embedded into usual practice. Work is progressing to review the legislation and existing SVHM policies, procedures and documentation to ensure a smooth transition for clinical and non-clinical staff, consumers, and carers of the service. Implementation will be coproduced to ensure the values and contribution of consumers and carers remain at the centre of all initiatives.
Keep improving care	**Contribute to a responsive and integrated mental health and wellbeing system**	Work with the department to test ('shadow') and implement activity-based funding models initially for bed-based and adult ambulatory mental health and wellbeing services.	**Achieved**	SVHM has implemented activity-based funding models for ambulatory mental health. The Mental Health Department has expanded the data and health information workforce to ensure there is significant capacity to implement the new model and developed systems to maximise visibility of the data. Significant resourcing has been allocated to work with clinical staff to ensure contemporary understanding of the new funding model and enable maximisation of clinical outcomes in our future state.

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Department of Health Priority Area	Department of Health Strategic Domain	Priorities	Response	
Keep improving care	**Contribute to a responsive and integrated mental health and wellbeing system**	Continue towards implementation and routine use of the electronic state-wide mental health and well-being record to underpin best practice mental health care and improve the experience of Victorians with lived experience of mental health as they move between providers.	**In Progress**	Preparation for the implementation of a new Mental Health and Wellbeing eRecord is well advanced, with ongoing communication between SVHM and the Department of Health. The extent of integration into SVHM's future Electronic Medical Record is yet to be determined however it is anticipated there will be significant gains for clinical productivity and consumer and carer service delivery.
Keep improving care	**Improve Emergency Department access**	Improve access to emergency services by implementing strategies to reduce bed access blockage to facilitate improved whole of system flow, reduce Capital Emergency Department four-hour wait times, and improve ambulance to health service handover times.	**Achieved**	SVHM is working in partnership with other health services to build capacity to deliver care to less urgent patients virtually and in alternative settings to relieve pressure on Emergency Departments (ED) including through the Emergency Care Collaborative, a partnership between the Victorian Department of Health, the Institute for Health Care Improvement and 14 other Victorian health services. Some of the strategies implemented to address better access to care for our community include: – Introduction of a clinical leadership role in the ED where improved, timely, expert oversite and decision making has improved flow through the ED resulting in ambulance offload within four hours improving from the rate of 54% to 64%. – Introduction of a transit lounge to support access to an inpatient bed while patients are waiting for transportation out of the hospital. Utilisation of the transit lounge has increased from seven to 15 patients per day since implementation. – The introduction of discharge huddles to support timely, earlier discharge from a ward bed has resulted in the pre-10am discharge rate rise from 10% to 25%. – Development of a visible monitoring system illustrating the status of patients still requiring ambulance trolley off load into an ED cubicle and redefining guidance for access and flow through the ED for staff to five core principles. SVHM has collaborated with the North West Melbourne Primary Health Network to establish a GP-led Priority Primary Care Centre to support provision of urgent care for patients, diverting care from the SVHM ED.
Keep improving care	**Plan update to nutrition and food quality standards**	Develop a plan to implement nutrition and quality of food standards in 2022-23, implemented by December 2023.	**In Progress**	The new Victorian Food and Nutrition Standards include a greater focus on the needs of aged care residents, cultural diversity, variety and consumer consultation. A gap analysis has been undertaken and has identified opportunities to improve cultural diversity, variety and nutritional quality of patient and resident food offerings. These will be progressed over the next year.
Keep improving care	**Climate change commitments**	Contribute to enhancing health system resilience by improving the environmental sustainability, including identifying and implementing projects and/or processes that will contribute to committed emissions reduction targets through reducing or avoiding carbon emissions and/or implementing initiatives that will help the health system to adapt to the impacts of climate change.	**Achieved**	SVHM maintains its commitment to improving environmental sustainability by encouraging environmentally aware practice and investing in energy efficient infrastructure where possible. An Environmental Sustainability Plan is in place and was refreshed in 2023. SVHM has contributed to enhancing the health systems resilience by improving environmental sustainability. Adopting St Vincent's Health Australia's National Energy Action Plan (NEAP) has enabled SVHM to drive a cohesive and coordinated approach to delivering major reductions in our total electricity use through selective application of energy efficiency technologies. The installation of solar cells are improving the optimisation of our chillers to reduce energy reliance across the campus as is the installation of solar panels at St Georges Hospital and Auburn House residential service. Implementation of a sustainability initiative tracker across all wards and departments is supporting the sharing and spreading of sustainability initiatives.
			In Progress	Best practice sustainability standards are being implemented in new and redeveloped buildings. In the Aikenhead Centre for Medical Discovery development use of sustainable building materials, rainwater tanks for toilet flushing, high efficiency water fixtures, high natural light design, solar panels, sensors to reduce energy use in unoccupied areas, efficient heating and cooling systems, bike lock up and end of trip facilities. The Victoria Parade car park expansion will include use of reduced energy LED lights, natural ventilation to reduce emissions, ride share car space and e-vehicle charging points and solar panels.

Department of Health Priority Area	Department of Health Strategic Domain	Priorities	Response	
Keep improving care	**Asset maintenance and management**	Improve health service and Department Asset Management Accountability Framework (AMAF) compliance by collaborating with Health Infrastructure to develop policy and processes to review the effectiveness of asset maintenance and its impact on service delivery.	**In Progress**	SVHM continues to monitor the fabric of our older buildings and prioritise remediation based on risk and available funding. The Engineering and Infrastructure team use Pulse facilities management software for work and asset management for reactive and scheduled maintenance. SVHM participated in the mental health asset review in April 2023 across various sites of our organisation in collaboration with the Victorian Health Building Authority.
Improve Aboriginal health and wellbeing	**Improve Aboriginal cultural safety**	Strengthen commitments to Aboriginal Victorians by addressing the gap in health outcomes by delivering culturally safe and responsive health care.	**In Progress**	SVHM is working toward addressing the gap in health outcomes for Aboriginal Victorians through many activities including introducing a multi-year Aboriginal Cultural Safety Audit Project in partnership with two First Nations organisations – Karabena Consulting and the Victorian Aboriginal Community Controlled Health Organisation (VACCHO). This project is delivering improvement of cultural safety by implementing a series of reforms recommended following the audit including: – Reforming the leadership and governance of First Nations health. – Reviewing the complaints and feedback process. – Taking steps towards implementing cultural healing models of care. – Implementing a series of patient-centred policies informed by patient experiences, – Developing culturally specific trauma-informed care resources. Other initiatives to improve cultural safety across the organisation include: – An ongoing working group comprising Emergency Department (ED) and Aboriginal Health staff who collaborate to improve cultural safety in the ED. – Implementation of First Nations Clinic Liaison Nurse position, to support First Nations patients overcome barriers to attending outpatient appointments at specialist clinics. – Increased hours of service by the Aboriginal Health Liaison Officers. – Recruitment of a First Nations Cultural Safety Officer to deliver face-to-face cultural training and a Project Officer to evaluate the effectiveness of the training.
Improve Aboriginal health and wellbeing	**Improve Aboriginal cultural safety**	Establish meaningful partnerships with Aboriginal community-controlled health organisations.	**In Progress**	SVHM signed a five-year Memorandum of Understanding (MoU) with the Victorian Aboriginal Health Service (VAHS) in June 2023. This agreement outlines our shared intent to have an ongoing and mutually beneficial relationship to improve equity in healthcare and outcomes for First Nations patients. While this relationship has only recently been formalised as an MoU, SVHM has had a long-standing, strong, collaborative relationship with VAHS, with VAHS collaborating with the SVHM Mental Health team to provide care in the five 'Koori Beds' in the acute inpatient service. SVHM has partnered with the Victorian Aboriginal Community Controlled Health Organisation (VACCHO) in the following ways: – SVHM Aboriginal Hospital Liaison Service staff participate in Aboriginal Liaison network meetings and events, led by VACCHO. – SVHM has partnered with VACCHO to support the traineeship of Aboriginal Health Workers. – VACCHO were contracted to undertake part of the Aboriginal Cultural Safety Audit Project at SVHM, including undertaking a review of staff experiences of employment, the physical environment, and SVHM's media and other key documents. There is collaboration in the ongoing analysis of the numbers of Emergency Department presentations by First Nations people who take their own leave to identify those that may be suitable for community-controlled health care referral.

Department of Health Priority Area	Department of Health Strategic Domain	Priorities	Response	
Improve Aboriginal health and wellbeing	**Improve Aboriginal cultural safety**	Implement strategies and processes to actively increase Aboriginal employment.	**In Progress**	SVHM has been progressing strategies to support the employment of Aboriginal people for many years. Some of the key strategies include; – A new recruitment policy highlighting the importance of our interview guarantee and referencing position at SVHM. – A reporting system that highlights all applicants over the previous 14-day period that have identified as being Aboriginal and/or Torres Strait Islander. This report is reviewed by a First Nations Recruitment Coordinator and is used to increase awareness of applicants, their progress through the application process and to help where required. – Development and delivery of our new "Walu-win Girri" (Health Future) pre-employment program for First Nations' participants aims to equip potential applicants with the knowledge they need to work in the healthcare industry. After successful completion of the program multiple employment pathways are available. – An increased presence at First Nations' careers days in the wider community as well as a targeted approach for university level engagement. The increased presence provides an opportunity to highlight SVHMs strong, culturally safe working environment and demonstrated that we are looking for employees in the fields of nursing, medicine, and allied health but also in other less traditional health sector roles with the aim to become an employer of choice across all areas of our organisation including non-clinical roles. – SVHM has entered into First Nations' student placement agreements with several universities to increase the number of placements offered. This process will assist with smooth transition from student placements to graduate roles or other employment opportunities.
Improve Aboriginal health and wellbeing	**Improve Aboriginal cultural safety**	Improve patient identification of Aboriginal people presenting for health care, and to address variances in health care and provide equitable access to culturally safe care pathways and environments.	**In Progress**	The SVHM Emergency Department (ED) has been actively working to transform into a more culturally safe and welcoming space, and to help prioritise care for First Nations people. Key initiatives include: – The Rapid Identification of First Nations Pathway, introduced to provide a culturally safe rapid response to First Nations people presenting to the ED. The pathway commences when clerical staff identify a First Nations patient. The Rapid Assessment Medical Team, Aboriginal Health Liaison Officers and social support team members are alerted to enable collaboration in the delivery of culturally safe care within one to two hours of the patient's arrival in the ED. The SVHM ED was awarded the Al Spilman award for Culturally Safe EDs by the Australasian College for Emergency Medicine to acknowledge the positive work being led in this area. Work is underway to standardise this rapid assessment practice across the organisation. A tailored education program was designed and implemented to support clerical staff to understand the importance of identification of patients who identify as Aboriginal and/or Torres Strait Islander and to support asking this question at registration. The SVHM patient administration system has been amended to have a visible Aboriginal and Torres Strait Islander flag to enable easy identification by all staff of First Nations patients.
Improve Aboriginal health and wellbeing	**Improve Aboriginal cultural safety**	Develop discharge plans for every Aboriginal patient.	**In Progress**	SVHM is planning for the delivery of a discharge plan for all Aboriginal patients as a component of the Aboriginal Cultural Safety Audit Project.
Moving from competition to collaboration	**Foster and develop local partnerships**	Strengthen cross-service collaboration, including through active participation in health service partnerships (HSP).	**Achieved**	SVHM has been actively involved in the North East Metropolitan Health Service Partnership through collaboration in Australia's first virtual triage service and 'Virtual Emergency Department (ED)' in partnership with Northern Health, Austin Health and Ambulance Victoria, enabling patients with non-life-threatening emergencies (low-complexity, non-admitted and outreach patients) to access ED services remotely. Extension of the virtual ED program to enable access to low complexity patients at Port Phillip Prison in 2023 avoids unnecessary transportation to and from the correctional facility.

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Department of Health Priority Area	Department of Health Strategic Domain	Priorities	Response	
Moving from competition to collaboration	**Foster and develop local partnerships**	Work together with other HSP members on strategic system priorities where there are opportunities to achieve better and more consistent outcomes through collaboration, including the pandemic response, elective surgery recovery and reform, implementation of the Better@Home program and mental health reform.	**Achieved**	SVHM has worked with the North East Metropolitan Health Service Partnership (HSP) members on strategic system priorities to improve self-sufficiency, maintain capacity and develop service partnerships. Due to the impact of the COVID-19 pandemic on the health system, the Planned Surgery Recovery and Reform program aims to increase the number of public surgeries delivered, access to increased surgical resources and reform the elective surgery pathway. SVHM has played a key leadership role, in collaboration with HSP members, in the delivery of a comprehensive elective surgery recovery program plan. The SVHM surgical Rapid Access Hub at St Vincent's on the Park commenced surgical activity in March 2023 and continues to create additional capacity. The Better@Home program continues to deliver a mix of acute, subacute, health prevention and technology enablement projects for the North East Metropolitan Health Service Partnership supported by established Communities of Practice to facilitate sharing of models and build relationships across the North East in cancer are, sub-acute and avoidable admissions. Participation in the Better@Home initiative has generated measurable improvements at SVHM including increasing access to care, streamlining the processes by which patients are assessed and triaged for care pathways, improvements to models of care, effective health prevention that has led to decreased admissions, bed substitution that has freed beds for other services, and enhanced patient experience.
Moving from competition to collaboration	**Joint service planning**	Develop HSP Strategic Service Plans – co-designed by health services and the department – that guide a system approach to future service delivery and consider equity, quality and safety, and value.	**In Progress**	SVHM has been an active contributor to the North East Metro Health Service Partnership Strategic Service Plan development. This plan will support progressing planning work in an integrated manner across acute health services in the HSP. SVHM clinicians and Executives have participated in working groups and been a member of the Project Control Group that has contributed to the development of the NEM HSP Strategic Service Plan.
Moving from competition to collaboration	**Planned Surgery Recovery and Reform Program**	Maintain commitment to deliver goals and objectives of the Planned Surgery Recovery and Reform Program, including initiatives as outlined, agreed and funded through the HSP workplan. Health services are expected to work closely with HSP members and the department throughout the implementation of this strategy, and to collaboratively develop and implement future reform initiatives to improve the long-term sustainability of safe and high quality planned surgical services to Victorians.	**In Progress**	SVHM has delivered a comprehensive elective surgery recovery and reform program plan delivering a surgical hub at St Vincent's on the Park where surgical activity commenced in February 2023.
Moving from competition to collaboration	**Support mental health and wellbeing**	Support the implementation of recommendations arising from the Royal Commission into Victoria's Mental Health system, by improving compliance with legislative principles supporting self-determination and self-directed care.	**In Progress**	SVHM has responded to the recommendations of the Royal Commission into Victoria's Mental Health system in many ways. Key areas of improvement in delivery of care include review of policy, development of the workforce, recruitment and retention of an engaged lived experience workforce. Introduction of an improved model of care in the community that provides short term episodic intervention as an alternative to traditional case management and long-term care is supporting self-determination and self-directed care.
Moving from competition to collaboration	**Support mental health and wellbeing**	Embed consumer, family, carer and supporter lived experience at all levels, in leadership, governance, service design, delivery, and improvement.	**In Progress**	Lived experience workers are embedded in many facets of SVHM mental health programs. The introduction of a Director, Lived Experience role in April 2023 in the senior leadership team has demonstrated the importance placed on the lived experience workforce. The introduction of this director role is the first step toward embedding a lived staff workforce structure that replicates other professional groups.

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Department of Health Priority Area	Department of Health Strategic Domain	Priorities	Response	
Moving from competition to collaboration	**Support mental health and wellbeing**	Work towards treatment, care and support being person-centred, rights-based, trauma informed, and recovery orientated, respecting the human rights and dignity of consumers, families, carers and supporters.	**In Progress**	SVHM has continued to work towards ensuring care and treatment for our patients is person-centred, rights-based, trauma informed, and recovery orientated, respecting the human rights and dignity of consumers, families, carers, and supporters. There are many examples of how this is being supported through our actions including: – The SVHM-developed "Talk to Me", an application (app) built for iPad and iPhones, facilitates brief sentence based basic communication. The app has been upgraded so that it now includes 17 languages commonly spoken by our patient population. This flexible tool supports communication when an interpreter or family member cannot be present, such as overnight. – SVHM has introduced workshops and training programs for clinical and non-clinical staff to increase the knowledge of staff regarding inclusivity, diversity and trauma informed care principles including: – A Trauma Informed Care supervision and training program within the social work department is one component of further expanding trauma informed models of care across the organisation. – SVHM is committed to inclusion for LGBTIQA+ people through providing a health service that is safe for the gender-diverse community. A LGBTIQA+ lived experience staff member position has been introduced to ensure the needs of our gender diversity patients and staff are met across the organisation. – SVHM continues to demonstrate support of our LGBTQIA+ community by taking part in the Midsumma Pride March in 2023, joining a record-breaking crowd of more than 200 groups to celebrate diversity and inclusion. – People with disability have been supported through the Pathways to Home Project, resulting in improved flexible outcomes for people living with disability on the national Disability Insurance Scheme (NDIS) pathway and reducing the amount of time spent in hospital. – SVHM has a Health Justice Partnership working at the intersection of health and justice. This partnership offers specialised legal services for older people confirmed or suspected of experiencing elder abuse, referrals, and access to secondary services to progress legal matters. – A clinical pathway has been established to support people identified or suspected of experiencing human trafficking or modern slavery.
A stronger workforce	**Improve workforce wellbeing**	Participate in the Occupational Violence and Aggression (OVA) training that will be implemented across the sector in 2022-23.	**In Progress**	SVHM has participated in occupational violence and aggression training implemented across the sector in this last year through hosting face to face training programs and advertising and encouraging staff across the organisation to participate in online training.
A stronger workforce	**Improve workforce wellbeing**	Support the implementation of the Strengthening Hospital Responses to Family Violence (SHRFV) initiative deliverables including health service alignment to MARAM, the Family Violence Multi-Agency Risk Assessment and Management framework.	**In Progress**	SVHM has responded to the ongoing challenges associated with family violence and aligning with the Family Violence Multi-Agency Risk Assessment and Management framework (MARAM) via introduction of mandatory family violence competency training for all SVHM staff from March 2023. This accessible training program has delivered more than 6,300 training modules to staff. The competency in foundational and sensitive practice along with manager training augments patient and staff support systems. Support for clinicians who require additional expertise in responding to family violence has been provided via specialist training and development of a community of practice and secondary consultation program. Other actions that have been taken to strengthen our response to family violence include: – A 10-year audit of children under 18 years presenting to SVHM. This has informed governance and policies to improve clinical pathways, safety, and patient experience. – SVHM has continued to use a family violence reporting program and process where notifications of family violence or people identified at risk are reviewed daily. A targeted review of the notifications monthly supports a whole of hospital approach to future planning and process improvement. In the past year, clinicians reported 512 patient family violence notifications. SVHM has supported the broader systems response as the North East regional lead for the SHRFV initiative for 2023 and 2024.

Department of Health Priority Area	Department of Health Strategic Domain	Priorities	Response	
A stronger workforce	**Improve workforce wellbeing**	Prioritise wellbeing of healthcare workers and implement local strategies to address key issues.	**In Progress**	The wellbeing of healthcare workers is of key importance and SVHM has continued to promote the SVHM peer support program, STAR, focusing on engagement with clinical staff. Additional to the peer program, SVHM has an Employee Assistance Program available for all staff. Knowing the challenges experienced by the healthcare sector during the pandemic years, SVHM administered the external survey Stage 28, to inform the development of an evidence-based approach to wellbeing support for staff. The targeted strategies introduced have included: — Education on wellbeing skills to thrive for all employees with a focus on junior workforce. — A men's health promotion program. — Tailored education for managers in 'Leading for Wellbeing'. — Education on the psychological approach to managing occupational violence and aggression. — Referral-based trauma counselling. — Extra annual intake and training of peer support members in early intervention psychological first aid. — Implementation of a database and dashboard to enable more effective monitoring and identification of wellbeing themes from the peer support program activity.

Part B: Performance Priorities

High quality and safe care

Key performance measure	2022–23 Target	2022–23 Actual
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	78%
Percentage of healthcare workers immunised for influenza	92%	97%
Continuing care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	> 0.6	0.6
Healthcare associated infections (HAIs)		
Rate of surgical site infections for selected procedures (aggregate)	No outliers	No outliers
Rate of central line (catheter) associated blood stream infections (CLABSI) in intensive care units, per 1,000 central line days	-	-
Rate of healthcare-associated *S. aureus* bloodstream infections per 10,000 bed days	≤ 0.7	0.7
Patient experience		
Percentage of patients who reported positive experiences of their hospital stay	95%	93%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 1	95%	93%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 2	95%	93%
Victorian Healthcare Experience Survey – percentage of positive patient experience responses – Quarter 3	95%	94%
Mental health		
Percentage of mental health consumers who rated their overall experience of care with a service in the last 3 months as positive	80%	80%
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%	87%
Percentage of families/carers reporting a positive experience of the service	80%	47%
Percentage of families/carers who report they were 'always' or 'usually' felt their opinions as a carer were respected	90%	77%
Percentage of closed community cases re-referred within six months: adults	< 25%	42%
Percentage of closed community cases re-referred within six months: aged persons	< 25%	18%
Percentage of consumers followed up within 7 days of separation – inpatient (adult)	88%	94%
Percentage of consumers followed up within 7 days of separation - inpatient (older persons)	88%	93%
Percentage of consumers re-admitted within 28 days of separation - inpatient (adult)	< 14%	17%
Percentage of consumers re-admitted within 28 days of separation - inpatient (older persons)	< 7%	4%
Rate of seclusion episodes per 1,000 occupied bed days - inpatient (adult)	≤ 8	3
Rate of seclusion episodes per 1,000 occupied bed days - inpatient (older persons)	≤ 5	0

Timely access to care

Key performance measure		2022–23 Target	2022–23 Actual
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%	67%
Number of patients on the elective surgery waiting list		2,920	2,890
Number of patients admitted from the elective surgery waiting list		6,699	6,699
Number of patients (in addition to base) admitted from the elective surgery waiting list		1,622	754
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category		5% *15% proportional improvement from prior year*	42.2%
Number of hospital-initiated postponements per 100 scheduled elective surgery admissions		≤ 7%	7%
Emergency care			
Percentage of patients transferred from ambulance to Emergency Department within 40 minutes		90%	57%
Percentage of Triage Category 1 emergency patients seen immediately		100%	100%
Percentage of Triage Category 1 to 5 emergency patients seen within clinically recommended time		80%	50%
Percentage of emergency patients with a length of stay in the Emergency Department of less than four hours		81%	56%
Number of patients with a length of stay in the Emergency Department greater than 24 hours		-	-
Mental health			
Percentage of mental health-related emergency department presentations with a length of stay of less than four hours		81%	65%
Percentage of 'urgent' (category 'C') triage episodes with a face-to-face contact received within 8 hours	St Vincent's – Inner Urban East	80%	96%
	St Vincent's – Inner/North West	80%	75%
Specialist clinics			
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days		100%	93%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days		90%	85%

Effective financial management

Key performance measure	2022–23 Target	2022–23 Actual
Operating result ($m)	-	$0.50
Average number of days to paying trade creditors	60 days	65 days
Average number of days to receiving patient fee debtors	60 days	50 days
Adjusted current asset ratio (variance between actual ACAR and target, including performance improvement over time or maintaining actual performance)	0.7 *or 3% improvement from health service base target*	1.04
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ $250,000	Not achieved
Actual number of days available cash, measured on the last day of each month	14 days	-1.6 days

Part C: State funding

Attestation on Data Integrity

I, Nicole Tweddle, Chief Executive Officer certify that St Vincent's Hospital (Melbourne) Limited has put in 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, Nicole Tweddle, Chief Executive Officer certify that St Vincent's Hospital (Melbourne) Limited (SVHM) 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) and has implemented a 'Conflict of Interest' policy consistent with the minimum accountabilities required by the VPSC. SVHM 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 SVHM 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, Nicole Tweddle, Chief Executive Officer certify that St Vincent's Hospital (Melbourne) Limited (SVHM) has put in place appropriate internal controls and processes to ensure that integrity, fraud and corruption risks have been reviewed and are addressed at SVHM during the year.

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.

Compliance with Health Share Victoria (HSV) Purchasing Policies

Compliance with Health Share Victoria (HSV) Purchasing Policies

I, Nicole Tweddle, Chief Executive Officer certify that St Vincent's Hospital (Melbourne) Limited (SVHM) has put in place appropriate internal controls and processes to ensure that it has materially complied with all requirements set out in the HSV Purchasing Policies including mandatory HSV collective agreements as required by the Health Services Act 1988 (Vic) and has critically reviewed these controls and processes during the year.

Nicole Tweddle
Chief Executive Officer
31 August 2023
Melbourne

Additional information

Details in respect of the items listed below have been retained by the health service and are available to the relevant Ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

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

Funding type	2022–23 Activity
Consolidated activity funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	82,359
Acute admitted	
National Bowel Cancer Screening Program NWAU	66
Acute admitted DVA	202
Acute admitted TAC	79
Acute non-admitted	
Home enteral nutrition NWAU	140
Home renal dialysis NWAU	1,045
Total parenteral nutrition NWAU	171
Subacute/non-acute, admitted and non-admitted	
Subacute WEIS - DVA	96
Transition care - bed days	9,326
Transition care - home days	16,053
Aged care	
Residential aged care	21,900
HACC	2,710
Mental health and drug services	
Mental health ambulatory	73,064
Mental health inpatient - available bed days	23,375
Mental health residential	18,250
Mental health service system capacity	1
Mental health subacute	10,961
Drug services	2,769
Other	
NFC – islet cell transplantation	-

Disclosure index

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

Legislation	Requirement	Page reference
Ministerial Directions		
Report of Operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	7
FRD 22	Purpose, functions, powers and duties	7
FRD 22	Nature and range of services provided	6
FRD 22	Activities, programs and achievements for the reporting period	8
FRD 22	Significant changes in key initiatives and expectations for the future	50
Management and structure		
FRD 22	Organisational structure	80
FRD 22	Workforce data/employement conduct principles	38
FRD 22	Occupational health and safety	39
Financial information		
FRD 22	Summary of the financial results for the year	36
FRD 22	Significant changes in financial position during the year	36
FRD 22	Operational and budgetary objectives and performance against objectives	66
FRD 22	Subsequent events	66
FRD 22	Details of consultancies under $10,000	37
FRD 22	Details of consultancies over $10,000	37
FRD 22	Disclosure of ICT expenditure	38
Legislation		
FRD 22	Application and operation of Freedom of Information Act 1982	48
FRD 22	Compliance with building and maintenance provisions of Building Act 1993	40
FRD 22	Application and operation of Public Interest Disclosure Act (Updated 2020-2021)	79
FRD 22	Statement on National Competition Policy	79
FRD 22	Application and operation of Carers Recognition Act 2012	79
FRD 22	Additional information available on request	68
FRD 22	Environmental data reporting	41
FRD 25	Local Jobs First Act disclosures	N/A
SD 5.1.4	Financial Management Compliance attestation	83
SD 5.2.3	Declaration in report of operations	2
Attestations		
Attestation on Data Integrity		68
Attestation on Managing Conflicts of Interest		68
Attestation on Integrity, Fraud and Corruption		68
Compliance with HealthShare Victoria (HSV) Purchasing Policies		68
Other reporting requirements		
Reporting of outcomes from Statement of Priorities 2022-23		50
Occupational violence reporting		39
Reporting obligations under the Safe Patient Care Act 2015		79
Reporting of compliance regarding car parking fees		48

Company Directory

Directors

SVHA is a group of not-for-profit non-listed entities. SVHA Limited is a public company limited by guarantee and is registered with the Australian Charities and Not-for-profits Commission.

SVHA is governed by a Board of Directors ("Board") chaired by Paul McClintock. The Board exists to ensure there is effective integration and growth of the mission of Mary Aikenhead Ministries throughout the health and aged care services and to govern the SVHA Group of companies pursuant to the Australian Charities and Not-for-profits Commission Act 2012 (Cth), Canon law and all other relevant civil legislation. The Board must at all times operate within the Mary Aikenhead Ministries Ethical Framework and the Catholic Health Australia Code of Ethical Standards of Health and Aged Care Services in Australia (2001).

The day-to-day running of SVHA is the responsibility of the Executive Leadership Team led by Chris Blake, Group Chief Executive Officer.

Chris Blake was appointed Group Chief Executive Officer on 4 October. For the previous months of the reporting period, Ruth Martin was the Interim Group Chief Executive Officer.

The following persons were Directors of SVHA during the period 1 July 2022 to 30 June 2023.

- Paul McClintock AO – Chair
- Kathleen Bailey-Lord (appointed 17 April 2023)
- Dr Michael Coote
- Ms Anne Cross AM
- Ms Anne McDonald
- Ms Sheila McGregor
- Ms Sandra McPhee AM
- Mr Damien O'Brien
- Mr Paul O'Sullivan
- Prof. Vlado Perkovic
- Ms Jill Watts

Secretary

- Mr Rob Beetson
- Mr Paul Fennessy

Chief Executive Officer, St Vincent's Hospital (Melbourne) Limited

Nicole Tweddle
(appointed 5 September 2022)

Registered office

Level 22, 100 William Street
Woolloomooloo NSW 2011

Auditor

Ernst & Young, 200 George Street
Sydney, NSW 2000

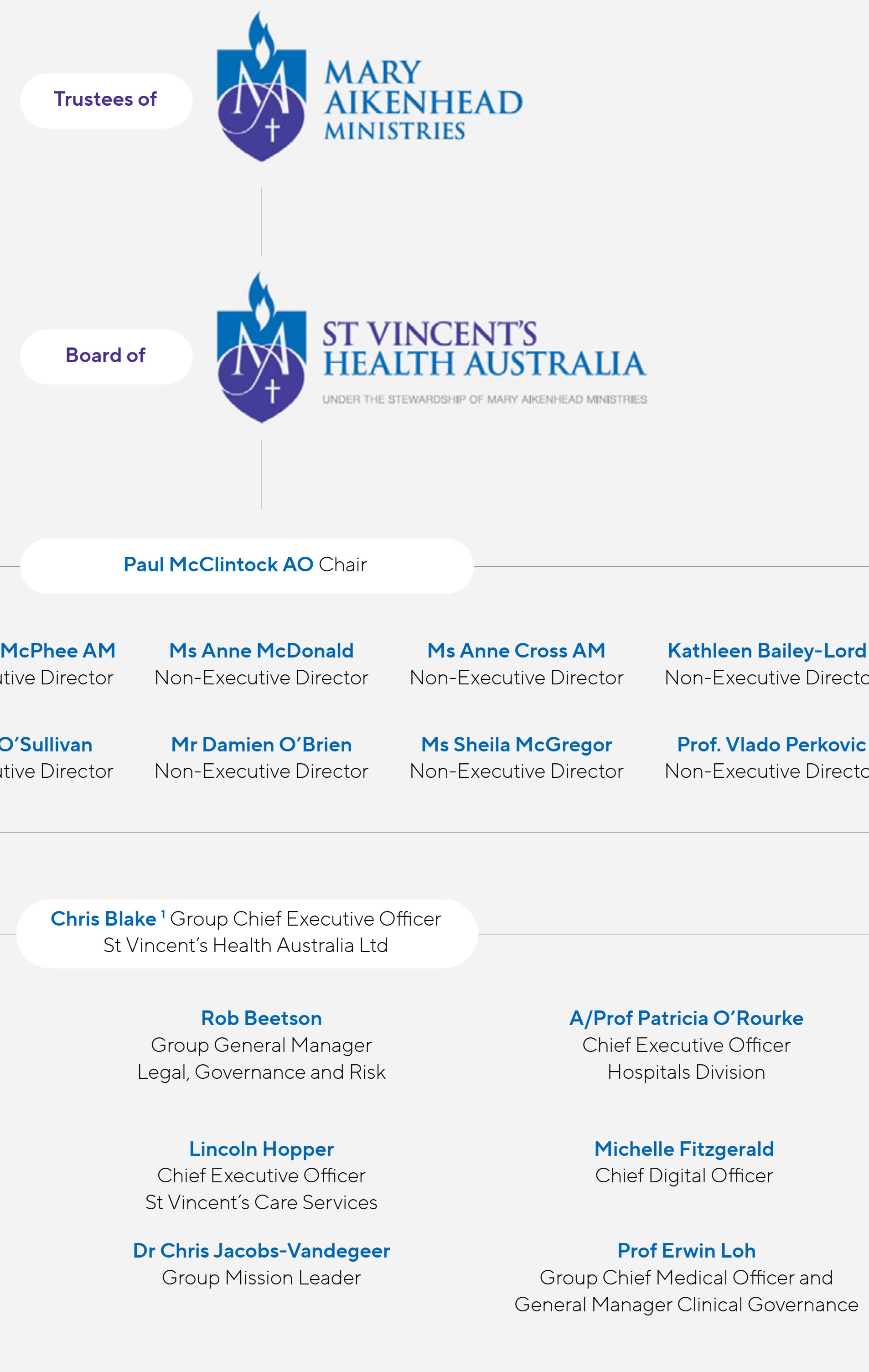
Bankers

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.

Structure and management



[1] Appointed 17 April 2023.

[1] Appointed 4 October 2022. Ruth Martin appointed Interim Group Chief Executive Officer from 29 March 2022 to 3 October 2022.

(as at 30 June 2023)

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

SVHA Board of Directors

The Board is accountable for its key purpose to The Trustees of Mary Aikenhead Ministries ('TMAM'). Mary Aikenhead Ministries builds on the charism and traditions of the Sisters of Charity and Mary Aikenhead, founder of the Sisters of Charity. The Trustees are the canon law and civil stewards of SVHA. All Directors serve as independent non-Executive Directors and are appointed by TMAM.

Board Committees

All Board Committees operate under their own Charter which is annually reviewed and approved by the Board. Committees are permitted to appoint external experts to assist them in their consideration of matters. SVHA is grateful to those individuals who have given their time, skills and expertise freely in order to ensure our Committees are operating at the highest level so as to meet the needs of those we serve.

The Board is supported by seven standing Committees:

– Audit & Risk
– Finance & Investment
– Mission, Ethics & Advocacy
– People & Culture Committee
– Clinical Governance & Experience
– Research & Education Committee
– Aged Care Committee

Directors' Report

The Directors present their report on the Hospital for the financial year ended 30 June 2023. 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.

Mr Paul McClintock AO
Chair

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

Paul was appointed to the Board of SVHA and its subsidiary Boards on 1 January 2013 and was appointed Chair on 18 October 2019. He also serves as a trustee of St Vincent's Hospital Sydney. Paul is Chair of Icon Group and also Chair of Metcalfe Limited in New Zealand. He is on the Board of Catholic Health Australia. 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 I-MED Network, Medibank Private, the COAG Reform Council, the Committee for the Economic Development of Australia, Symbion Health, Sydney Health Partners, Affinity Health and the Woolcock Institute of Medical Research. He has also served as Commissioner of the Health Insurance Commission.

Ms Kathleen Bailey-Lord
(appointed 17 April 2023)

Bachelor of Arts (Honours), University of Melbourne

Graduate of the Macquarie Advanced Management Program, Harvard Executive Program, Singapore & Boston and University of Cambridge, Centre for Sustainable Leadership - Sustainability Leadership Program

Melbourne-based, Kathleen is an experienced company Director and corporate advisor with deep expertise in digital technology as well as adapting to and benefiting from disruptive change. Kathleen has 20 years of senior executive experience leading businesses through complex environments. She has enjoyed a career within a wide range of industries across Australasia and Asia, including technology (IBM), professional services (Law and Accounting) and Financial Services (ANZ Bank, Fordham Group). Kathleen brings significant experience in the public and private sectors with key skills in digital, people and culture, remuneration, and operational effectiveness. Kathleen is a member of the AICD Victorian Council and the AICD Governance of Innovation and Technology Panel. She is an active member of Chief Executive Women and currently serves on the Boards of Melbourne Water Corporation, Monash College Pty Ltd, Janison Education Group, Datacom, and Alinta Energy. Her past Boards include QBE Insurance (Auspac), Bank of Queensland, Trinity College at the University of Melbourne, and the Australian Government Solicitor. Between 2018 and 2022, Kathleen provided her skills to the Parkville Health Precinct (comprises Melbourne Health, Royal Women's, Royal Children's and Peter Mac Cancer Centre) and chaired its Connecting Care Board which has oversight of the implementation of precinct shared services, including electronic medical records. Kathleen is passionate about bringing people and technology together, underpinned by conscious decision-making and effective governance.

Dr Michael Coote

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

Michael was appointed to the Board of SVHA and its subsidiary Boards on 4 August 2016. Michael also serves as a Director on the Board of the Aikenhead Centre for Medical Discovery Ltd. 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. Michael is Chair of the Research & Education Committee and is a member of the Clinical Governance & Experience Committee.

Ms Anne Cross AM

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

Anne was appointed to the Board of SVHA and its subsidiary Boards on 1 January 2019. Anne concluded her executive career as Chief Executive of Uniting Care Queensland, one of Australia's largest not for profit health, aged care and community service organisations late in 2017. Currently she is Deputy Chair of the Australian Institute of Company Directors, Chair of Uniting Church in Australia Redress Ltd and a Director of TopCo Pty Ltd. 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. Anne is a Chair of the Aged Care Committee, She is a member of the Clinical Governance & Experience Committee and the Audit & Risk Committee.

Ms Sheila McGregor

BA (Hons), LLB (Sydney University)

Graduate Australian Institute of Company Directors

Member of Chief Executive Women

Sheila was appointed a Director of SVHA and its subsidiary Boards on 1 December 2019. Sheila is a partner at Gilbert + Tobin Lawyers and before that was a partner at Herbert Smith Freehills (then Freehills), and in those roles has advised private and public sector organisations on a range of complex legal and governance issues focused on information technology & data. Sheila is on the Boards of Crestone Holdings Limited and of the Sydney Writers' Festival. She is Chair of Sydney girls' school Loreto Kirribilli. Sheila is a member of the Mission, Ethics & Advocacy Committee, the Clinical Governance & Experience Committeeand the Aged Care Committee.

Ms Anne McDonald

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

Anne was appointed to the Board of SVHA and its subsidiary 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 company Link Administration Group, a Director of Smartgroup (SIQ) and is a Director of Transport Assets Holding Entity of NSW. Anne has previously served as a non-executive Director or Chair on a range of public and private companies and state government Boards including The GPT Group, Spark Infrastructure, Specialty Fashion Group, Sydney Water and Water NSW. Prior to her NED career, she spent 15 years as a partner of EY. Anne is Chair of the Audit & Risk Committee and a member of the Finance & Investment Committee.

Ms Sandra McPhee AM

Diploma in Education

Fellow of the Australian Institute of Company Directors

Member of Chief Executive Women

Member of Women Corporate Directors

Sandra was appointed to the Board of SVHA and its subsidiary 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, Chancellor of Southern Cross University and a member of the Advisory Council of JP Morgan. 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 companies, state, 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.

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

Mr Damien O'Brien

Bachelor of Economics (UNSW)

MBA (Columbia University)

Diploma in Theology & Philosophy (St Columban's College)

Damien was appointed to the Board of SVHA and its subsidiary Boards on 1 November 2019. Damien is the former Chair and CEO of Egon Zehnder, a leading global advisory firm specialising in Board advisory services and executive recruitment. During his career with Egon Zehnder he was based in Hong Kong, Sydney, Paris, London and Zurich. He served as Chairman between 2010 and 2018. Prior to that he was engaged by McKinsey & Company as an Associate Consultant. He is currently a non-executive Director at Ardagh Group, a New York Stock Exchange listed company, and he is a Member of the Supervisory Board of IMD Business School, Lausanne, Switzerland. In 2021 he was appointed to the Advisory Board of Conduit Capital, a private funds management group. He previously served on the Board of St Vincent's Private Hospital Sydney from 2002 to 2008 and the Advisory Board of Jesuits Australia from 2004 to 2007. Damien is Chair of the Mission, Ethics & Advocacy Committee and a Member of the Audit & Risk Committee.

Mr Paul O'Sullivan

B.A. Economics, (First Class), Trinity College Dublin

Advanced Management Program, Harvard Business School

Paul was appointed to the Board of SVHA and its subsidiary 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 Singtel (SGP). Paul is Chairman of Singtel Optus, Chair of the Western Sydney Airport Company, Chair of ANZ bank and a Non-Executive Director of Australian Tower Network Pty Ltd. Paul is Chair of the Finance & Investment Committee and a member of the People & Culture Committee.

Prof. Vlado Perkovic

MBBS, PhD (University of Melbourne)

Vlado was appointed a Director of SVHA and its subsidiary Boards on 1 October 2021. Professor Vlado Perkovic is Dean of Medicine & Health, and Scientia Professor at UNSW, a Professorial Fellow at The George Institute, Australia, a non-executive Director at Victor Chang Cardiac Research Institute, Garvan Institute of Medical Research and several other independent Medical Research Institutes as well as George Clinical, and a Staff Specialist in Nephrology at the Royal North Shore Hospital. He is a distinguished clinical researcher and has led several major international clinical trials that have identified new treatments to prevent kidney failure. Vlado holds a Doctor of Philosophy from the University of Melbourne and completed his undergraduate training at The Royal Melbourne Hospital. He is a Fellow of the Royal Australasian College of Physicians, the Australian Academy of Health and Medical Sciences, and the American Society of Nephrology. He serves on the Editorial Board of a number of leading journals, including the New England Journal of Medicine. Vlado is Chair of the Clinical Governance & Experience Committee, and a member of the Research & Education Committee.

Ms Jill Watts

Wharton Fellow, MBA

Grad Dip Health Admin & Information Systems; RM; RN

Jill was appointed to the Board of SVHA and its subsidiary Boards on 01 August 2019. Jill 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 on the NIB Australia Board, Icon Group Board and Lendlease Retirement Villages. She is also a Director on the IHH Healthcare Berhad Board (dual listed in Singapore and Malaysia), a top 50 Asia company and one of the world's largest healthcare networks. 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, 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, Jill has facilitated a unique knowledge base in managing both corporate and clinical risk. Jill is a member of the People & Culture Committee, the Finance & Investment Committee, and the Aged Care Committee.

Mr Robert Beetson
Company Secretary

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)

Rob has worked for over 40 years in the health industry. He is admitted as a Solicitor to the Supreme Court of NSW, Member of the Law Society of NSW, Member of the Governance Institute of Australia, Member Australian Lawyers for Human Rights and a Member Australian Corporate Lawyers Association. Rob is also a graduate of the Australian Institute of Company Directors. Rob was a Director of St Vincent's Care Services Boondall Ltd and St Vincent's Care Services Carseldine Ltd. He also served as a trustee of St Vincent's Hospital Sydney. He served as an Executive in St Vincent's Health Australia in the position of Group General Manager Legal, Governance & Risk until 31 August 2023.

Mr Paul Fennessy
Company Secretary

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

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.

Meetings of the Board and Committees

Board Meetings		Board Committee Meetings						
Number of meetings held	**9**	**7**	**7**	**6**	**6**	**5**	**4**	**5**
Directors	**Board**	**Audit & Risk**	**Finance & Investment**	**Clinical Governance & Experience**	**Research & Education**	**People & Culture**	**Mission, Ethics & Advocacy**	**Aged Care**
Mr Paul McClintock AO (Chair)	9/9				4/6			5/5
Ms Anne McDonald	9/9	7/7*	7/7					
Ms Sandra McPhee AM	9/9					5/5*	4/4	
Mr Paul O'Sullivan	8/9		7/7*			5/5		
Ms Anne Cross AM	9/9	5/7		6/6				5/5*
Mr Michael Coote	9/9			6/6	6/6*			
Ms Jill Watts	9/9		6/7			5/5		3/5
Ms Sheila McGregor	6/9			4/5	1/1		4/4	5/5
Mr Damien O'Brien	9/9	6/7					4/4*	
Mr Vlado Perkovic	9/9			5/6*	4/6			
Kathleen Bailey-Lord [1]	0/1							

** Committee chair* *[1] Appointed 17 April 2023*

Principal activities

SVHM provides medical and surgical services, sub-acute care, aged care, correctional health, mental health services and a range of community and outreach services. The hospital is a major teaching, research and tertiary referral centre.

SVHM is part of the St Vincent's Health Australia Limited Group (SVHA) of not for profit companies. SVHA is the nation's largest not for profit health and aged care provider. There were no significant changes in the nature of the Group's activities during the year.

The objectives as stated in SVHA's constitution are:

- to provide direct relief of sickness, suffering and distress through supporting the health service facilities operating hospitals, aged care facilities and other health care facilities and by itself conducting such facilities; and
- to provide relief without discrimination.

Key objectives

SVHM key short and long term objectives are outlined in the SVHA enVision 2025 strategic plan.

These core objectives include:

- Expanding existing sites and services, including delivering more care beyond the hospital walls;
- Establishing and strengthening partnerships, while expanding the SVMH footprint in growth corridors;
- Extending St Vincent's impact with poor and vulnerable populations to address social determinants of health;
- Developing Centres of Excellence to ensure SVHM is recognised for its excellence, innovation and focus on achieving the best patient outcomes.

SVHM measures its performance in detailed monthly finance and activity reports that are issued to the Senior Executive, SVHA Board and Department of Health.

Trading result

The result of the company for the financial year was $28,190,000.

Review of operations

A review of the operations of SVHM during the financial year and the result of those operations are set out below:

	2023 $'000	2022 $'000
Total revenue for the year	1,066,199	1,001,436
Results for the year	28,190	18,820

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

Total expenditure increased for the year in line with revenue. Employee related expenditure increased due to pay award increases and service expansion. Consumables expenditure increased due to CPI and service expansion.

When preparing its financial statements, SVHM assessed the Department of Health (DH) funding and related costs for public services to be provided in the 12 months following 30 June 2023. DH has committed to ensuring immediate cash needs are met to enable the Health Service to meet its current and future operational obligations as and when they fall due up to 31 October 2024. In practice and historically, DH has provided ongoing financial support to SVHM to enable it to continue to operate, and the Directors expect this support to continue post October 2024.

Members' guarantee

If SVHA is wound up the constitution states that each member is required to contribute a maximum of $100 each towards meeting the obligations of SVHA. At 30 June 2023 SVHA had 1 member (2022: 1) so the maximum amount to be contributed towards meeting the obligations of SVHA would be $100 (2022: $100).

Significant changes in the state of affairs

There were no significant changes in the State of Affairs of SVHM.

Remuneration

Under the legislation, the SVHA Group is not required to present a Remuneration Report but seeks to provide fair and responsible remuneration within the bands expected for a not-for-profit organisation.

Rounding of amounts

The amounts contained in Directors' report and financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($'000), or in certain cases to the nearest dollar, under the option available to the Group under ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191.

Legislative compliance

SVHM 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, SVHM notes its compliance with the following legislation:

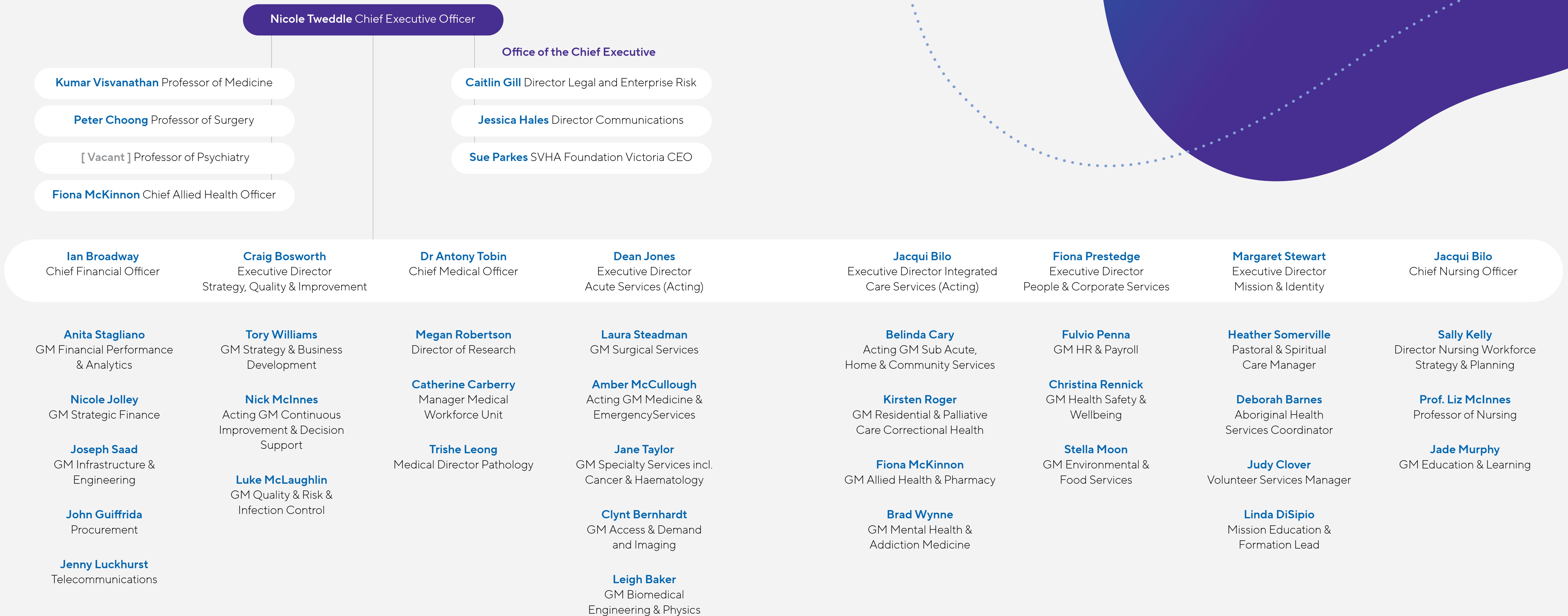
- **Financial Management Act 1994 (Vic)**
  This Act legislates the financial administration, accountability and annual reporting requirements for the public sector and publicly funded entities. St Vincent's has complied with all relevant sections of the Act.
- **Public Interest Disclosures Act 2012 (Vic)**
  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. A disclosure or allegation of improper conduct, or detrimental action taken in reprisal for a protected disclosure by SVHM or its employees and directors, may be made directly by the complainant to the Victorian Independent Broad-based Anti-corruption Commission (IBAC). SVHM is not an entity capable under the Act of receiving or notifying IBAC of such a disclosure or allegation.
- **Carers Recognition Act 2012 (Vic)**
  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 SVHM 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. SVHM has regard to this policy in relevant significant business activities.
- **Freedom of Information Act 1982 (Vic)**
  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 SVHM compliance.
- **Building Act 1993 (Vic)**
  The building and maintenance provisions of the Building Act 1993 (Vic) 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 SVHM buildings are publicly owned. See [page 16] of this report.
- **Safe Patient Care Act 2015 (Vic)**
  SVHM has nil reports in relation to its obligations under clause 40 of the Safe Patient Care Act 2015 (Vic).

Indemnifying officer or auditor

SVHA has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be personally held liable, except where there is a lack of good faith. The Directors have not included details of the indemnity as disclosure of those details is prohibited under the indemnity agreement.

The Group has not indemnified or made a relevant agreement for indemnifying against a liability, any person who is, or has been an auditor of the Group.

SVHM organisational chart



(as at 30 June 2023)

Financial statements

For the financial year ended 30 June 2023

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 31 August 2023 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

Nicole Tweddle
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 2023, 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
15 September 2023

Dominika Ryan
as delegate for the Auditor-General of Victoria

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

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Independent Auditor's Report

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 2023
- Comprehensive Operating Statement for the year then ended
- Statement of Changes in Equity for the year then ended
- Cash Flow Statement for the year then ended
- Notes to the financial statements, including significant accounting policies
- Board members, Accountable officer's and Chief finance officer's declaration.

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

- giving a true and fair view of the financial position of the health service as at 30 June 2023 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 2022.*

Basis for Opinion

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

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

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

Board's responsibilities for the financial report

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

In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Other Information

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.

MELBOURNE
15 September 2023

Dominika Ryan
as delegate for the Auditor-General of Victoria

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

We declare that:

The attached financial statements for St Vincent's Hospital (Melbourne) Limited have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, Australian Charities and Not- for-Profits Commission Act 2012 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 a true and fair value of the financial transactions during the year ended 30 June 2023 and the financial position of St Vincent's Hospital (Melbourne) Limited at 30 June 2023.

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

We authorise the attached financial statements for issue on 31 August 2023.

Paul McClintock AO
Chair
31 August 2023
Sydney

Nicole Tweddle
Chief Executive Officer
31 August 2023
Melbourne

Ian Broadway
Chief Financial Officer
31 August 2023
Melbourne

Comprehensive Operating Statement for the Financial Year Ended 30 June 2023

	Note	2023 $'000	2022 $'000
Revenue and Income from Transactions			
Operating Activities	2.1	1,059,251	999,763
Non-Operating Activities	2.1	6,948	1,673
Total Revenue and Income from Transactions		**1,066,199**	**1,001,436**
Expenses from Transactions			
Employee Expenses	3.1	(741,833)	(719,726)
Supplies and Consumables	3.1	(145,433)	(122,890)
Finance Costs	3.1	(892)	(922)
Depreciation and Amortisation	4.6	(33,823)	(35,587)
Other Administrative Expenses	3.1	(73,967)	(61,121)
Other Operating Expenses	3.1	(44,800)	(39,911)
Total Expenses from Transactions		**(1,040,748)**	**(980,157)**
Net Result from Transactions – Net Operating Balance		**25,451**	**21,279**
Other Economic Flows included in Net Result			
Net gain/(loss) on non-financial assets	3.2	(987)	172
Net gain/(loss) on financial instruments	3.2	11,035	(7,711)
Other gains/(losses) from other economic flows	3.2	(7,309)	5,080
Total Other Economic Flows Included in Net Result		**2,739**	**(2,459)**
Net Result for the Year		**28,190**	**18,820**
Other Economic Flows – Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.4	483	460
COMPREHENSIVE RESULT FOR THE YEAR		**28,673**	**19,280**

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

Balance Sheet as at 30 June 2023

Assets	Note	2023 $'000	2022 $'000
Current Assets			
Cash and Cash Equivalents	6.2	184,833	112,945
Receivables	5.1	32,015	25,972
Contract Assets	5.2	9,178	15,907
Investments and Other Financial Assets	4.1	7,033	6,872
Inventories	4.8	10,217	9,049
Prepaid Expenses		2,907	2,643
Total Current Assets		**246,183**	**173,388**
Non-Current Assets			
Receivables	5.1	70,824	65,751
Investments and Other Financial Assets	4.1	90,842	75,709
Property, Plant and Equipment	4.2(a)	224,323	193,039
Right of Use Assets	4.3(a)	18,146	24,726
Intangible Assets	4.5(a)	14,571	12,904
Investment Property	4.7(a)	3,163	3,293
Total Non-Current Assets		**421,869**	**375,422**
TOTAL ASSETS		**668,052**	**548,810**

Balance Sheet as at 30 June 2023 continued

Liabilities	Note	2023 $'000	2022 $'000
Current Liabilities			
Payables	5.3	210,196	137,757
Contract Liabilities	5.4	12,046	21,637
Borrowings	6.1	10,649	9,629
Employee Benefits	3.3	190,859	167,251
Other Liabilities	5.5	17,717	13,371
Total Current Liabilities		**441,467**	**349,645**
Non-Current Liabilities			
Borrowings	6.1	16,201	19,657
Employee Benefits	3.3	30,637	28,434
Total Non-Current Liabilities		**46,838**	**48,091**
TOTAL LIABILITIES		**488,305**	**397,736**
Net Assets		**179,747**	**151,074**
Equity			
General Purpose Surplus	SCE	113	113
Property, Plant & Equipment Revaluation Surplus	4.4	1,934	1,451
Restricted Specific Purpose Surplus	SCE	41,389	43,011
AIB Surplus	SCE	6,269	6,108
Funds Held in Perpetuity	SCE	250	250
Contributed Capital	SCE	25,850	25,850
Accumulated Surplus	SCE	103,942	74,291
Total Equity		**179,747**	**151,074**

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

Statement of Changes in Equity for the Financial Year Ended 30 June 2023

	Note	General Purpose Surplus $'000	Property, Plant & Equipment Revaluation Surplus $'000	Restricted Specific Purpose Surplus $'000	AIB Surplus $'000	Funds Held in Perpetuity $'000	Contributed Capital $'000	Accum. Surplus $'000	Total $'000
Balance at 1 July 2021	**8.9**	**113**	**991**	**36,293**	**6,104**	**250**	**25,850**	**62,193**	**131,794**
Net result for the Year		-	-	-	-	-	-	18,820	18,820
Other Comprehensive Income		-	460	-	-	-	-	-	460
Transfer to/(from) Accum Surplus		-	-	6,718	-	-	-	(6,718)	-
Transfer to/(from) AIB Surplus		-	-	-	4	-	-	(4)	-
Transfer to/(from) Restricted Specific Purpose Surplus		-	-	-	-	-	-	-	-
Balance at 30 June 2022	**8.9**	**113**	**1,451**	**43,011**	**6,108**	**250**	**25,850**	**74,291**	**151,074**
Net result for the Year		-	-	-	-	-	-	28,190	28,190
Other Comprehensive Income		-	483	-	-	-	-	-	483
Transfer to/(from) Accum Surplus		-	-	(1,622)	-	-	-	1,622	-
Transfer to/(from) AIB Surplus		-	-	-	161	-	-	(161)	-
Transfer to/(from) Restricted Specific Purpose Surplus		-	-	-	-	-	-	-	-
Balance at 30 June 2023	**8.9**	**113**	**1,934**	**41,389**	**6,269**	**250**	**25,850**	**103,942**	**179,747**

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

Cash Flow Statement for the Financial Year Ended 30 June 2023

	Note	2023 $'000 Inflows/(Outflows)	2022 $'000 Inflows/(Outflows)
Cash Flows From Operating Activities			
Operating Grants from State Government		761,383	801,765
Operating Grants from Commonwealth Government		74,291	53,408
Capital Grants from Government		101,533	59,566
Patient and Resident Fees Received		27,540	19,357
Private Practice and Pathology Fees Received		39,841	41,368
Donations and Bequests Received		5,967	5,728
Interest and Investment Income Received		6,933	1,637
Other Receipts		146,575	136,329
Total Receipts		1,164,063	1,119,158
Employee Expenses Paid		(728,959)	(708,683)
Payments for Supplies and Consumables		(157,987)	(144,150)
Payments for Repairs and Maintenance		(7,190)	(6,747)
Payments for Medical Indemnity Insurance		(7,375)	(7,168)
Finance Costs		(892)	(922)
Other Payments		(100,012)	(91,886)
GST Paid to ATO		(67,559)	(68,727)
Total Payments		(1,069,974)	(1,028,283)
Net Cash Inflow/(Outflow) from Operating Activities	**8.1**	**94,089**	**90,875**
Cash Flows From Investing Activities			
Purchase of Non-Financial Assets		(49,474)	(33,201)
Proceeds from Disposal of Non-Financial Assets		72	13
Purchase of Intangible Assets		(5,997)	(4,158)
Purchases of Investments		(1,565)	(912)
Capital Donations and Bequests Received		22	2,050
Other Capital Receipts		39,286	8,290
Net Cash Inflow/(Outflow) from Investing Activities		**(17,656)**	**(27,918)**
Cash Flows From Financing Activities			
Proceeds from Borrowings		5,690	-
Repayment of Borrowings		(1,465)	(879)
Repayment of Principal Portion of Lease Liabilities		(11,757)	(11,114)
Receipt of Accommodation Deposits		5,631	3,702
Repayment of Accommodation Deposits		(2,644)	(1,814)
Net Cash Inflow/(Outflow) From Financing Activities		**(4,545)**	**(10,105)**
Net Increase/(Decrease) In Cash and Cash Equivalents Held		71,888	52,852
Cash and Cash Equivalents at Beginning of the Financial Year		112,945	60,093
Cash and Cash Equivalents at End of the Financial Year	**6.2**	**184,833**	**112,945**

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

Notes to the Financial Statements for the Financial Year Ended 30 June 2023

Structure

1.1 Basis of preparation of the financial statements
1.2 Impact of Covid-19 pandemic
1.3 Abbreviations and terminology used in the financial statements
1.4 Joint arrangements
1.5 Key accounting estimates and judgements
1.6 Accounting standards issued but not yet effective
1.7 Goods and Services Tax (GST)
1.8 Reporting entity
1.9 Going concern

Note 1: Basis of preparation

These financial statements represent the audited general purpose financial statements for St Vincent's Hospital (Melbourne) Limited ('Health Service') for the year ended 30 June 2023. The report provides users with information about the Health Services' stewardship of resources entrusted to it.

This section explains the basis of preparing the financial statements.

Note 1.1 Basis of preparation of the financial statements

These financial statements are general purpose financial statements which have been prepared in accordance with the *Financial Management Act 1994, Australian Charities and Not-for-profits Commission Act 2012* and applicable Australian Accounting Standards, which include interpretations issued by the Australian Accounting Standards Board (AASB). They are presented in a manner consistent with the requirements of AASB 101 *Presentation of Financial Statements.*

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

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

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

The financial statements have been prepared on a going concern basis (refer to Note 1.9 Going Concern).

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

The annual financial statements were authorised for issue by the Board of the Health Service on 31 August 2023.

Note 1.2 Impact of Covid-19 pandemic

The Pandemic (Public Safety) Order 2022 (No. 5) which commenced on 22 September 2022 ended on 12 October 2022 when it was allowed to lapse and was revoked. Long-term outcomes from COVID-19 infection are currently unknown and while the pandemic response continues, a transition plan towards recovery and reform in 2022/23 was implemented. Victoria's COVID-19 Catch-Up Plan is aimed at addressing Victoria's COVID-19 case load and restoring surgical activity.

Where financial impacts of the pandemic are material to the Health Service, they are disclosed in the explanatory notes, this includes:

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering our service

Note 1.3 Abbreviations and terminology used in the financial statements

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

Reference	Title
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include Interpretations
DH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
NWAU	National Weighted Activity Unit
SD	Standing Direction
VAGO	Victorian Auditor General's Office

Note 1.4 Joint arrangements

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

In respect of any interest in joint operations, the Health Service recognises in the financial statements, its share of assets and liabilities and any revenue and expenses of such joint arrangements.

Details of the Health Service's joint arrangements are outline in Note 8.8 Joint Arrangements.

Note 1.5 Key accounting estimates and judgements

Management makes estimates and judgements when preparing the financial statements.

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

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

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

- Note 2.1: Revenue and income from transactions
- Note 3.3: Employee benefits and related on-costs
- Note 4.2: Property, plant and equipment
- Note 4.3: Right-of-use assets
- Note 4.5: Intangible assets
- Note 4.6: Depreciation and amortisation
- Note 4.7: Investment property
- Note 4.9: Impairment of Assets
- Note 5.1: Receivables
- Note 5.2: Contract assets
- Note 5.3: Payables
- Note 5.4: Contract liabilities
- Note 6.1(a): Lease liabilities
- Note 7.4: Fair value determination

Note 1.6 Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB17: Insurance Contracts	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.
AASB 2022-6: Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants	Reporting periods beginning on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-8: Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments	Reporting periods beginning on or after January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2022-9: Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector	Reporting periods beginning on or after 1 January 2026.	Adoption of this standard is not expected to have a material impact.
AASB 2022-10: Amendments to Australian Accounting standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities	Reporting periods beginning on or after 1 January 2024.	Adoption of this standard is not expected to have a material impact.

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

Note 1.7 Goods and Services Tax (GST)

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

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

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

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

Note 1.8 Reporting entity

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

The Health Service's principal place of business is:

St Vincent's Hospital (Melbourne) Limited
41 Victoria Parade
Fitzroy, Victoria 3065

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

Note 1.9 Going concern

The Health Service has a net asset position of $179.747m at 30 June 2023 (2022: $151.074m).

The Health Service's Balance Sheet shows an excess of current liabilities over current assets of $195.284m (2022: $176.257m). However, included within current liabilities are employee provisions of $190.859m (2022: $167.251m) which are presented as current even though it is probable that amounts will be paid out over several years. The Health Service has estimated in the twelve months following 30 June 2023, $77.413m (2022: $65.855m) may be paid out related to these employee provisions as disclosed in note 3.3. Also related to these provisions, the Health Service has a non-current receivable of $70.824m (2022: $65.751m) from the Department of Health as disclosed in note 5.1 that may be called upon where required.

The Health Service is wholly dependent on the continued financial support of the State Government and in particular, the DH to be able to operate. At the date of this report, the board of directors believe that the DH will continue to support the Health Service.

The DH has provided confirmation that it will continue to provide the Health Service adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to 31 October 2024. On that basis, the financial statements have been prepared on a going concern basis.

Note 2: Funding delivery of our services

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

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

Structure

2.1 Revenue and income from transactions

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

Revenue and income recognised to fund the delivery of our services included $36.4m attributable to COVID. This included funding to cover costs associated with the Victorian Government's winter retention program, general COVID grant funding, revenue associated with pathology testing and the receipt of PPE free of charge.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 2.1: Revenue and Income from Transactions

	Note	Total 2023 $'000	Total 2022 $'000
Operating Activities			
Revenue from Contracts with Customers			
Government Grants (State) – Operating		514,571	528,692
Government Grants (Commonwealth) – Operating		66,828	49,085
Patient and Resident Fees		25,674	18,370
Commercial Activities1		78,415	77,122
Pathology		33,295	35,066
Diagnostic Imaging		13,437	12,493
Total Revenue from Contracts with Customers		**732,220**	**720,828**
Other Sources of Income			
Government Grants (State) – Operating		223,762	173,154
Government Grants (State) – Capital		54,345	48,817
Other Capital Purpose Income		8,499	8,300
Assets received Free of Charge or for Nominal Consideration	2.2	5,881	9,338
Other Revenue from Operating Activities (including Non-Capital Donations)		34,544	39,326
Total Other Sources of Income		**327,031**	**278,935**
Total Revenue and Income from Operating Activities		**1,059,251**	**999,763**
Non-operating Activities			
Capital Interest		2,437	12
Other Interest		4,016	413
Dividends		495	1,248
Total Income from Non-operating Activities		**6,948**	**1,673**
TOTAL REVENUE AND INCOME FROM TRANSACTIONS		**1,066,199**	**1,001,436**

[1] *Commercial activities represent business activities which the Health Service enters into to support its operations.*

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

	Total 2023 $'000	Total 2022 $'000
The Health Service disaggregates revenue by the timing of revenue recognition		
Goods and services transferred to customer:		
At a point in time	706,546	702,458
Over time	25,674	18,370
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	**732,220**	**720,828**

How We Recognise Revenue and Income from Operating Activities

Government Operating Grants

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

When both these conditions are satisfied, the Health Service:

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

If a contract liability is recognised, the Health Service recognises revenue in profit or loss as and when it satisfies its obligations under the contract.

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

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

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

This policy applies to each of the Health Service's revenue streams, with information detailed below relating to the Health Service's significant revenue streams:

Government grant	Performance obligation
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid. The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity. Revenue is recognised at point in time, which is when a patient is discharged.
Specific Purpose and One-off Grants	These are paid for a particular purpose or project and are recognised over time as the specific performance obligations and/or conditions regarding their use are met. Examples of specific purpose grants: Mental Health - Adult Continuing Care and Treatment Drug Services - Adult residential drug withdrawal Mental Health - Early Intervention Psychosocial Response Mental Health – Prevention and Recovery Care

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Capital Grants

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

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

Patient and Resident Fees

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

Private Practice Fees

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

Pathology and Diagnostic Imaging

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

Commercial Activities

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

How We Recognise Income from Non-Operating Activities

Interest Revenue

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

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

	Total 2023 $'000	Total 2022 $'000
During the reporting period, the fair value of assets received free of charge, was as follows:		
Capital Cash Donations	22	2,050
Unlisted Shares	1,750	-
Cultural Assets	13	1
Plant and Equipment	-	206
Personal Protective Equipment and Other Consumables	4,096	7,081
Total	**5,881**	**9,338**

How We Recognise the Fair Value of Assets and Services Received Free of Charge or for Nominal Consideration

Donations and Bequests

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

Personal Protective Equipment

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

The general principles of the State Supply Arrangement were that Health Share Victoria sourced, secured and agreed terms for the purchase of the PPE products, funded by the Department of Health, while Monash Health took delivery, and distributed an allocation of the products to the Health Service as resources provided free of charge. Health Share Victoria and Monash Health were acting as an agent of the Department of Health under this arrangement

Contributions

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

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

Voluntary Services

The Health Service received volunteer services from members of the community in the following areas:

- Berengarra Residential Care and Auburn House
- Caritas Christi Palliative Unit
- Acute Units
- Information desk located in foyer at 55 Victoria Pde and the clinics
- Rehabilitation and GEM Units Bolte Wing and at St Georges
- Briar Terrace
- Varied Admin offices throughout the Fitzroy campus
- Archives and the Art Department

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

The Health Service greatly values the services contributed by volunteers but it does not depend on volunteers to deliver its services.

Non-cash contributions from the Department of Health

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

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

ST VINCENT'S HOSPITAL MELBOURNE
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Note 3: The cost of delivering services

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

Structure

3.1 Expenses from Transactions

3.2 Other Economic Flows

3.3 Employee benefits in the balance sheet

3.4 Superannuation

Telling the COVID story

Expenses incurred to deliver our services during the financial year included $45.0m of costs attributable to COVID. These costs were incurred to:

- support the department's winter retention program
- manage increased patient acuity, high levels of sick leave and to supplement the nursing workforce;
- process COVID-19 pathology tests;
- backfill staff required to quarantine or isolate;
- provide staffing to support public surgical activity performed at private hospitals;
- operate the COVID positive pathways program;
- establish workforce wellbeing initiatives to provide support for workers to strengthen work/life balance, provide mental health support and to expand availability and quality of spaces that support staff rest and recovery; and
- continue COVID safe practices throughout the Health Service including increased cleaning, increased security, temperature testing of staff and visitors, consumption of personal protective equipment (that was in part provided as resources received free of charge), PPE training, working from home arrangements for staff.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	The Health Service applies significant judgment when classifying its employee benefit liabilities. Employee benefit liabilities are classified as a current liability if the Health Service does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category. Employee benefit liabilities are classified as a non-current liability if the Health Service has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.
Measuring employee benefit liabilities	The Health Service applies significant judgment when measuring its employee benefit liabilities. The Health Service applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value, being the expected future payments to employees. Expected future payments incorporate: – an inflation rate of 4.350%, reflecting the future wages and salary levels – duration of service and employee departures, which are used to determine the estimated value of long service leave that will be taken in the future, for employees who have not yet reached the vesting period. The estimated rates are between 81% and 89% – discounting at the rate of 4.063% as determined with reference to market yields on government bonds at the end of the reporting period. All other entitlements are measured at their nominal value.

Note 3.1: Expenses from Transactions

	Note	Total 2023 $'000	Total 2022 $'000
Salaries and Wages		666,691	648,886
On-costs		61,759	56,864
Agency Expenses		8,213	8,998
Workcover Premium		5,170	4,978
Total Employee Expenses		**741,833**	**719,726**
Drug Supplies		59,681	44,108
Medical and Surgical Supplies		58,340	51,098
Diagnostic and Radiology Supplies		18,230	20,017
Other Supplies and Consumables		9,182	7,667
Total Supplies and Consumables		**145,433**	**122,890**
Finance Costs		892	922
Total Finance Costs		**892**	**922**
Other Administrative Expenses		73,967	61,121
Total Other Administrative Expenses		73,967	61,121
Fuel, Light, Power and Water		8,081	8,039
Repairs and Maintenance		7,190	6,747
Maintenance Contracts		14,745	15,497
Medical Indemnity Insurance		7,375	7,168
Expenses related to Short Term Leases		31	62
Expenditure for Capital Purposes		7,378	2,398
Total Other Operating Expenses		**44,800**	**39,911**
Total Operating Expense		**1,006,925**	**944,570**
Depreciation and Amortisation	4.6	33,823	35,587
Total Depreciation and amortisation		**33,823**	**35,587**
Total Expenses from Transactions		**1,040,748**	**980,157**

How We Recognise Expenses from Transactions

Expense recognition

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

Employee expenses

Employee expenses include:

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

Supplies and consumables

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

Finance costs

Finance costs include:

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

Other operating expenses

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

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

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

Non-operating expenses

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

Note 3.2: Other Economic Flows

	Total 2023 $'000	Total 2022 $'000
Net gain/(loss) on non-financial assets		
Revaluation of Investment Property	(130)	193
Disposal of Property, Plant and Equipment	(857)	(21)
Total net gain/(loss) on non-financial assets	**(987)**	**172**
Net gain/(loss) on financial instruments		
Allowance for impairment losses of contractual receivables	(945)	(552)
Financial assets at fair value	11,980	(7,159)
Total net gain/(loss) on financial instruments	**11,035**	**(7,711)**
Other gains/(losses) from other economic flows		
Arising from revaluation of long service liability	(7,309)	5,080
Total other gains/(losses) from other economic flows	**(7,309)**	**5,080**
Total gains/(losses) from Other Economic Flows	**2,739**	**(2,459)**

How We Recognise Other Economic Flows

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

Net gain/ (loss) on non-financial assets

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

- net gain/(loss) on disposal of non-financial assets;
- any gain or loss on the disposal of non-financial assets is recognised at the date of disposal; and
- revaluation gains/(losses) of investment property.

Net gain/ (loss) on financial instruments:

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

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

Other gains/ (losses) from other economic flows

Other gains/ (losses) include:

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

Note 3.3: Employee Benefits in the Balance Sheet

	Total 2023 $'000	Total 2022 $'000
Current Employee Benefits and Related On-Costs		
Annual Leave		
- Unconditional and expected to be settled wholly within 12 months[i]	54,667	46,657
- Unconditional and expected to be settled wholly after 12 months[ii]	8,647	7,597
Long Service Leave		
- Unconditional and expected to be settled wholly within 12 months[i]	12,007	10,210
- Unconditional and expected to be settled wholly after 12 months[ii]	92,325	82,768
Accrued Days Off		
- Unconditional and expected to be settled wholly within 12 months[i]	2,516	2,257
	170,162	**149,489**
Provisions related to Employee Benefit On-Costs		
- Unconditional and expected to be settled wholly within 12 months[i]	8,223	6,731
- Unconditional and expected to be settled wholly after 12 months[ii]	12,474	11,031
	20,697	**17,762**
Total Current Employee Benefits	**190,859**	**167,251**
Non-Current Employee Benefits and Related On-Costs		
Conditional long service leave	27,251	25,299
Provisions related to Employee Benefit On-Costs	3,386	3,135
Total Non-Current Employee Benefits and Related On-Costs	**30,637**	**28,434**
Total Employee Benefits and Related On-Costs	**221,496**	**195,685**

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

Note 3.3(a) Consolidated employee benefits and related on-costs

	Total 2023 $'000	Total 2022 $'000
Current employee benefits and related on-costs		
Unconditional long service leave entitlements	117,143	104,252
Unconditional annual leave entitlements	70,911	60,493
Unconditional accrued days off	2,805	2,506
Total current employee benefits and related on-costs	**190,859**	**167,251**
Non-current employee benefits and related on-costs		
Conditional long service leave entitlements	30,637	28,434
Total non-current employee benefits and related on-costs	**30,637**	**28,434**
Total employee benefits and related on-costs	**221,496**	**195,685**
Attributable to:		
Employee benefits	197,413	174,788
Provision for related on-costs	24,083	20,897
Total employee benefits and related on-costs	**221,496**	**195,685**

Note 3.3(b) Provision for related on-costs movement schedule

	Total 2023 $'000	Total 2022 $'000
Carrying amount at start of year	**20,897**	**18,084**
Additional provisions recognised	11,564	7,948
Amounts incurred during the year	(7,501)	(5,719)
Net gain/(loss) arising from revaluation of long service liability	(877)	584
Carrying amount at end of year	**24,083**	**20,897**

How We Recognise Employee Benefits

Employee Benefits Recognition

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

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

Annual Leave and Accrued Days Off

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

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

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

Long Service Leave

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

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

The components of this current LSL liability are measured at:

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

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

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits.

Provision for 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 3.4: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	Total 2023 $'000	Total 2022 $'000	Total 2023 $'000	Total 2022 $'000
Defined Benefit Plans:				
Aware Super	178	264	-	-
Government State Super Funds	94	118	3	3
Defined Contribution Plans:				
Aware Super	31,853	28,992	593	1,160
HESTA	19,171	16,734	454	696
Host Plus	1,852	1,323	38	62
STA Super	2,297	1,583	50	80
UniSuper	1,021	709	18	30
Other	7,032	5,807	133	230
Total	**63,498**	**55,530**	**1,289**	**2,261**

How We Recognise Superannuation

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

Defined benefit superannuation plans

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

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

However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of the Health Service.

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

Defined contribution superannuation plans

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

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Note 4: Key Assets to support service delivery

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

Structure

4.1 Investments and other financial assets

4.2 Property, plant & equipment

4.3 Right-of-use assets

4.4 Revaluation surplus

4.5 Intangible assets

4.6 Depreciation and Amortisation

4.7 Investment property

4.8 Inventories

4.9 Impairment of assets

Telling the COVID story

During the financial year, there were no asset purchases which were attributable to the COVID-19 coronavirus pandemic. Assets that were used for COVID-19 patients' care during the year were received from the Department of Health free of charge of reimbursed by the Department of Health in previous years.

Key judgements and estimates

This section contains the following key judgements and estimates:

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

Note 4.1: Investments and other financial assets

	Operating Fund		Specific Purpose Fund		AIB Reserve Fund		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current								
Term Deposits	593	266	171	498	-	-	764	764
Guaranteed Bill Index Deposit in Escrow	-	-	-	-	6,269	6,108	6,269	6,108
Total Current	**593**	**266**	**171**	**498**	**6,269**	**6,108**	**7,033**	**6,872**
Non-Current								
Non-current financial assets at fair value through net result								
Managed Investment Schemes	61,415	53,480	17,695	20,416	-	-	79,110	73,896
Shares in Epi Minder	11,732	1,813	-	-	-	-	11,732	1,813
Total Non-Current	**73,147**	**55,293**	**17,695**	**20,416**	**-**	**-**	**90,842**	**75,709**
Total Investments and Other Financial Assets	**73,740**	**55,559**	**17,866**	**20,914**	**6,269**	**6,108**	**97,875**	**82,581**
Represented by:								
Health Service Investments	73,740	55,559	17,866	20,914	6,269	6,108	97,875	82,581
Total Investments and Other Financial Assets	**73,740**	**55,559**	**17,866**	**20,914**	**6,269**	**6,108**	**97,875**	**82,581**

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

How We Recognise Investments and Other Financial Assets

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

Investments held by the Health Service do not fall in the scope of the Standing Directions as they are not public entity funds (i.e. not controlled by the government).

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

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

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

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Note 4.2: Property, Plant and Equipment

4.2(a) Gross carrying amount and accumulated depreciation

	Total 2023 $'000	Total 2022 $'000
Leasehold Improvements		
Leasehold Improvements at Fair Value	253,271	224,133
Less Accumulated Depreciation	(150,024)	(140,008)
Total Leasehold Improvements	**103,247**	**84,125**
Plant and Equipment		
Plant and Equipment at Fair Value	37,362	34,069
Less Accumulated Depreciation	(27,651)	(25,999)
Total Plant and Equipment	**9,711**	**8,070**
Medical Equipment		
Medical Equipment at Fair Value	114,723	105,712
Less Accumulated Depreciation	(90,797)	(82,743)
Total Medical Equipment	**23,926**	**22,969**
Computers and Communication		
Computers and Communication at Fair Value	10,574	9,359
Less Accumulated Depreciation	(6,659)	(4,948)
Total Computers and Communications	**3,915**	**4,411**
Furniture and Fittings		
Furniture and Fittings at Fair Value	3,958	3,877
Less Accumulated Depreciation	(3,427)	(3,285)
Total Furniture and Fittings	**531**	**592**
Motor Vehicles		
Motor Vehicles at Fair Value	4,270	4,401
Less Accumulated Depreciation	(3,356)	(3,419)
Total Motor Vehicles	**914**	**982**
Cultural Assets		
Cultural Assets at Fair Value	5,067	4,571
Total Cultural Assets	**5,067**	**4,571**
Works in Progress at Cost *	**77,012**	**67,319**
Total Property Plant And Equipment	**224,323**	**193,039**

** 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.*

4.2(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	Works in Progress $'000	Total $'000
Balance at 1 July 2021	**88,364**	**7,412**	**21,915**	**4,343**	**674**	**733**	**4,110**	**49,607**	**177,158**
Additions	1,121	2,211	4,197	1,770	44	437	1	23,702	33,483
Transfers	4,021	-	1,620	-	43	-	-	(5,990)	(306)
Disposals	-	(27)	(8)	-	-	-	-	-	(35)
Revaluation	-	-	-	-	-	-	460	-	460
Depreciation	(9,381)	(1,526)	(4,755)	(1,702)	(169)	(188)	-	-	(17,721)
Balance at 1 July 2022	**84,125**	**8,070**	**22,969**	**4,411**	**592**	**982**	**4,571**	**67,319**	**193,039**
Additions	1,479	2,772	5,790	1,215	84	130	13	38,004	49,487
Transfers	27,661	530	119	-	-	-	-	(28,311)	(1)
Disposals	-	-	(6)	-	-	(1)	-	-	(7)
Revaluation	-	-	-	-	-	-	483	-	483
Depreciation	(10,018)	(1,661)	(4,946)	(1,711)	(145)	(197)	-	-	(18,678)
Balance at 30 June 2023	**103,247**	**9,711**	**23,926**	**3,915**	**531**	**914**	**5,067**	**77,012**	**224,323**

How We Recognise Property, Plant and Equipment

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

Initial Recognition

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

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

Subsequent measurement

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

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

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

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Revaluation

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

Where an independent valuation has not been undertaken at balance date, the Health Service perform a managerial assessment to estimate possible changes in fair value of buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

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

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

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

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

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

There were no changes in valuation techniques throughout the period to 30 June 2023.

Note 4.3: Right-of-use Assets

4.3(a) Gross carrying amount and accumulated depreciation

	Total 2023 $'000	Total 2022 $'000
Right-of-Use Plant, Equipment and Motor Vehicles at Fair Value	2,941	8,662
Less Accumulated Depreciation	(1,152)	(6,287)
Total Right-of-Use Plant, Equipment and Motor Vehicles at Fair Value	**1,789**	**2,375**
Right-of-Use Buildings at Fair Value	54,399	50,808
Less Accumulated Depreciation	(38,042)	(28,457)
Total Right-of-Use Buildings at Fair Value	**16,357**	**22,351**
TOTAL RIGHT-OF-USE ASSETS	**18,146**	**24,726**

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

	Right-of-Use PE & MV $'000	Right-of-Use Buildings $'00	Total $'000
Balance at 1 July 2021	**3,900**	**23,086**	**26,986**
Additions	49	3,793	3,842
Modifications	-	5,478	5,478
Transfers	-	-	-
Disposals	-	(297)	(297)
Revaluation	(69)	-	(69)
Depreciation	(1,505)	(9,709)	(11,214)
Balance at 1 July 2022	**2,375**	**22,351**	**24,726**
Additions	209	2,760	2,969
Modifications	-	1,450	1,450
Transfers	-	-	-
Disposals	(5)	(179)	(184)
Revaluation	-	-	-
Depreciation	(790)		(10,025)
Balance at 30 June 2023	**1,789**		**16,357**

How We Recognise Right-of-use Assets

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

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

Right-of-use assets and their respective lease terms include:

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

Initial Recognition

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

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

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

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

Subsequent measurement

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

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

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

Note 4.4: Revaluation Surplus

	Note	2023 $'000	2022 $'000
Balance at the beginning of the reporting period		**1,451**	**991**
Revaluation increment			
- Cultural Assets	4.2(b)	483	460
Balance at the end of the Reporting Period*		**1,934**	**1,451**
*Represented by:			
- Cultural Assets		1,934	1,451
Total		**1,934**	**1,451**

Note 4.5: Intangible Assets

4.5(a) Gross carrying amount and accumulated amortisation

	Total 2023 $'000	Total 2022 $'000
Computer Software and Development at cost	39,770	37,843
Less Accumulated Amortisation	(35,239)	(32,034)
	4,531	**5,809**
Patent at Cost	11	11
Less Accumulated Amortisation	(5)	(4)
	6	**7**
Bed Licences at Cost	3,375	3,375
Less Accumulated Amortisation	(2,250)	(1,125)
	1,125	**2,250**
Intangible Work in Progress	8,909	4,838
Total Intangible Assets	**14,571**	**12,904**

4.5(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 2021	**11,026**	**1,138**	**8**	**3,375**	**15,547**
Additions	276	3,883	-	-	4,159
Transfers	488	(183)	-	-	305
Disposals	(456)	-	-	-	(456)
Depreciation/Amortisation	(5,525)	-	(1)	(1,125)	(6,651)
Balance at 1 July 2022	**5,809**	**4,838**	**7**	**2,250**	**12,904**
Additions	134	5,863	-	-	5,997
Transfers	1,792	(1,792)	-	-	-
Disposals	-	-	-	-	-
Depreciation/Amortisation	(3,204)	-	(1)	(1,125)	(4,330)
Balance as at 30 June 2023	**4,531**	**8,909**	**6**	**1,125**	**14,571**

How We Recognise Intangible Assets

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

Initial recognition

Purchased intangible assets are initially recognised at cost.

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

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

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

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

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

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

f. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

Subsequent measurement

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

Aged Care bed licences

Bed licences are issued by the Federal Government to Approved Providers and can also be purchased and transferred from third party Approved Providers with approval from the Department of Health. Bed licences are stated at cost at acquisition less any accumulated impairment losses.

Until 2022, the bed licences were not amortised as the Directors, based on current Government regulations, believe that they have a long indeterminate life and were not expected to diminish in value over time. Accordingly, no depreciable amount exists that requires amortisation. The carrying amounts of the bed licences are reviewed at the end of each reporting period to ensure that they are not valued in excess of their recoverable amounts.

In its response to the Royal Commission into Aged Care Quality and Safety ("Royal Commission"), the Federal Government has indicated that it will aim to end the Aged Care Approvals Round ("ACAR") process by July 2024 and remove the system of aged care providers controlling bed licences, instead transferring them to residents themselves.

As a result, the Directors have taken the decision to commence amortisation of the said assets over a period of 3 years commencing 1 July 2021. The impact of the change in accounting treatment has resulted the Health Services recognising an amortisation expense of $1.125 million for the current year and the same amount will be recognised over the following financial year.

Note 4.6: Depreciation and Amortisation

	Total 2023 $'000	Total 2022 $'000
Depreciation		
Property, Plant and Equipment		
Plant and Equipment	1,661	1,526
Medical Equipment	4,946	4,755
Computers and Communication	1,711	1,702
Furniture and Fittings	145	169
Motor Vehicles	197	188
Leasehold Improvements	10,018	9,381
Total Depreciation – Plant and Equipment	**18,678**	**17,721**
Right of Use Assets		
Right of Use – Plant and Equipment	790	1,505
Right of Use – Buildings	10,025	9,709
Total Depreciation – Right of Use Assets	**10,815**	**11,214**
Amortisation		
Intangible Assets		
Computer Software & Development Costs	3,204	5,526
Bed Licences	1,125	1,125
Patent	1	1
Total Amortisation – Intangible Assets	**4,330**	**6,652**
TOTAL DEPRECIATION AND AMORTISATION	**33,823**	**35,587**

How We Recognise Depreciation

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

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

How We Recognise Amortisation

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

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

	2023	2022
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 & Development Costs	4 to 10 years	4 to 10 years
Bed Licences	3 years	3 years
Right of Use – Plant and Equipment	1 to 5 years	1 to 5 years
Right of Use – Buildings	1 to 9 years	1 to 9 years

The basis for leasehold improvements amortisation is determined in accordance with the receipt of letters from:
i) The parent company advising of extension of the ground lease; and
ii) The Department of Health advising of the proposed usage of the Health Service for public hospital services beyond 2023 and has allowed continuing application of the above expected useful lives of non-current assets.

Note 4.7: Investment Property

a) Gross carrying amount

	Total 2023 $'000	Total 2022 $'000
Investment property at fair value	3,163	3,293
Total investment property at fair value	**3,163**	**3,293**

b) Reconciliation of carrying amount

	Total 2023 $'000	Total 2022 $'000
Balance at Beginning of Period	3,293	3,100
Net gain/(loss) from fair value adjustments	(130)	193
Balance at End of Period	**3,163**	**3,293**

How We Recognise Investment Properties

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

Initial recognition

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

Subsequent measurement

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

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

An independent valuation of the Health Service's investment property, 26-28 Gertrude St, was performed by independent valuers Egan National Valuers on 30 June 2021. The valuation, which complies with Australian Valuation Standards, was determined by reference to the amount for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. As an independent valuation was not undertaken on 30 June 2023, the fair value of the Health Service's investment property has been arrived on the basis of Managerial Revaluation Assessment based on the Valuer-General Victoria indices, which indicated an overall decrease in the fair value by 5%.

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

Rental revenue from leasing of investment properties is recognised in the comprehensive operating statement in the periods in which it is receivable on a straight line basis over the lease term.

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

Note 4.8: Inventories

	Total 2023 $'000	Total 2022 $'000
Current		
Drug Supplies	3,455	3,428
Medical and Surgical Lines	6,376	5,237
Food Supplies	95	93
Biomedical Supplies	291	291
Total Inventories at Cost	**10,217**	**9,049**

How We Recognise Inventories

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

Note 4.9: Impairment of assets

How we recognise impairment

At the end of each reporting period, the Health Service reviews the carrying amount of its tangible and intangible assets that have a finite useful life, to determine whether there is any indication that an asset may be impaired.

The assessment will include consideration of external sources of information and internal sources of information.

External sources of information include but are not limited to observable indications that an asset's value has declined during the period by significantly more than would be expected as a result of the passage of time or normal use. Internal sources of information include but are not limited to evidence of obsolescence or physical damage of an asset and significant changes with an adverse effect on the Health Service which changes the way in which an asset is used or expected to be used.

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

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

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

Where it is not possible to estimate the recoverable amount of an individual asset, the Health Service estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The Health Service did not record any impairment losses for the year ended 30 June 2023.

Note 5: Other assets and liabilities

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

Structure

5.1 Receivables
5.2 Contract Assets
5.3 Payables
5.4 Contract Liabilities
5.5 Other liabilities

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

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating the provision for expected credit losses	The Health Service uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Classifying a sub-lease arrangement as either an operating lease or finance lease	The Health Service applies significant judgement to determine if a sub-lease arrangement, where the health service is a lessor, meets the definition of an operating lease or finance lease. The Health Service considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if: – The lease transfers ownership of the asset to the lessee at the end of the term – The lessee has an option to purchase the asset for a price that is significantly below fair value at the end of the lease term – The lease term is for the majority of the asset's useful life – The present value of lease payments amount to the approximate fair value of the leased asset; and – The leased asset is of a specialised nature that only the lessee can use without significant modification. All other sub-lease arrangements are classified as an operating lease.
Measuring deferred capital grant income	Where the Health Service has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed. The Health Service applies significant judgement when measuring the deferred capital grant income balance, which references the estimated stage of completion at the end of each financial year.
Measuring contract liabilities	The Health Service applies significant judgement to measure its progress towards satisfying a performance obligation as detailed in Note 2. Where a performance obligation is yet to be satisfied, the Health Service assigns funds to the outstanding obligation and records this as a contract liability until the promised good or service is transferred to the customer.
Recognition of other provisions	Other provisions include the Health Service's obligation to restore leased assets to their original condition at the end of a lease term. The Health Service applies significant judgement and estimate to determine the present value of such restoration costs.

Note 5.1: Receivables

	Note	Total 2023 $'000	Total 2022 $'000
Current Receivables			
Contractual			
Trade Debtors		20,292	17,417
Patient Fees		6,628	5,952
Doctors' Fee Revenue		6,602	4,130
Allowance for impairment losses	5.1(a)	(1,537)	(1,555)
Loan – St Vincent's Healthcare Ltd	8.4	30	28
Total Contractual Receivables		**32,015**	**25,972**
Total Current Receivables		**32,015**	**25,972**
Non-Current Receivables			
Contractual			
Department of Health - Long Service Leave		70,681	65,578
Loan – St Vincent's Healthcare Ltd	8.4	143	173
Total Contractual Receivables		**70,824**	**65,751**
Total Non-Current Receivables		**70,824**	**65,751**
TOTAL RECEIVABLES		**102,839**	**91,723**
(i) Financial assets classified as receivables (Note 7.1(a))			
Total Receivables		**102,839**	**91,723**
Total Financial Assets	**7.1(a)**	**102,839**	**91,723**

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

	Note	Total 2023 $'000	Total 2022 $'000
Balance at beginning of year		1,555	1,725
Reversal of allowance written off during the year as uncollectable		(963)	(722)
Increase in allowance recognised in the net result		945	552
Balance at end of the year		**1,537**	**1,555**

How We Recognise Receivables

Receivables consist of:

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

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

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

The Health Service is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similarcharacteristics.

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 7.2(a) Contractual receivables at amortised costs for the Health Service's contractual impairment losses.

Note 5.2: Contract assets

	Total 2023 $'000	Total 2022 $'000
Balance at the beginning of the year	15,907	9,361
Add: Additional costs incurred that are recoverable from the customer	10,807	18,299
Less: Transfer to trade receivable or cash at bank	(17,536)	(11,753)
Total Contract Assets	**9,178**	**15,907**

How We Recognise Contract Assets

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

Note 5.3: Payables

	Note	Total 2023 $'000	Total 2022 $'000
Current – Contractual			
Trade Creditors		31,649	11,708
Department of Health		13,526	33,623
Accrued Expenses		35,543	33,222
Accrued Salaries and Wages		17,020	24,181
Deferred Capital Grant Revenue	5.3(a)	107,961	29,986
		205,699	**132,720**
Current – Statutory			
GST Payable		4,497	5,037
		4,497	**5,037**
Total Current Payables		**210,196**	**137,757**
(i) Financial liabilities classified as payables (Note 7.1(a))			
Total payables		210,196	137,757
Deferred capital grant revenue		(107,961)	(29,986)
GST Payable		(4,497)	(5,037)
Total Financial Liabilities	7.1(a)	**97,738**	**102,734**

How We Recognise Payables

Payables consist of:

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

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

Note 5.3 (a) Deferred capital grant revenue

	Total 2023 $'000	Total 2022 $'000
Opening balance of deferred grant revenue	29,986	12,883
Grant consideration for capital works received during the year	122,482	50,191
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(44,507)	(33,088)
Closing balance of Deferred Capital Grant Revenue	**107,961**	**29,986**

How We Recognise Deferred Capital Grant Revenue

Capital grant revenue is recognised progressively as the asset is constructed, since this is the time when the Health Service satisfies its obligations. The progressive percentage costs incurred is used to recognise income because this most closely reflects the percentage of completion of the building works. As a result the Health Service has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations. Grant consideration was received from the DH to support construction of Aikenhead Centre for Medical Discovery (ACMD) and Rapid Access Hub.

Note 5.4: Contract Liabilities

	Total 2023 $'000	Total 2022 $'000
Opening balance of contract liabilities	21,637	12,361
Add: Payments received for performance obligations yet to be completed during the period	8,382	3,906
Add: Grant consideration for sufficiently specific performance obligations received during the year	81,270	30,909
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(3,946)	(9,949)
Less: Grant revenue for sufficiently specific performance obligations recognised consistent with performance obligations met during the year	(95,297)	(15,590)
Total Contract Liabilities	**12,046**	**21,637**

How We Recognise Contract Liabilities

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

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

Maturity analysis of payables

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

Note 5.5: Other Liabilities

	Total 2023 $'000	Total 2022 $'000
Current		
Monies held in Trust		
– Security Deposits	1,095	1,184
– Salary Packaging Employees	2,206	911
– Patient Monies	230	276
– Refundable Accommodation Deposits	13,903	10,915
– Other Monies	283	85
Total Current	**17,717**	**13,371**
Total Monies Held in Trust Represented by the following assets:		
Cash and Cash Equivalents	17,717	13,371
Total	**17,717**	**13,371**

How We Recognise Other Liabilities

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

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

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

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Note 6: How we finance our operations

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

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

Structure

6.1 Borrowings

6.2 Cash and cash equivalents

6.3 Commitments for expenditure

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Determining if a contract is or contains a lease	The Health Service applies significant judgement to determine if a contract is or contains a lease by considering if the Health Service: – has the right-to-use an identified asset – has the right to obtain substantially all economic benefits from the use of the leased asset; and can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	The Health Service applies significant judgement when determining if a lease meets the short-term or low value lease exemption criteria. The Health Service estimates the fair value of leased assets when new. Where the estimated fair value is less than $10,000, the Health Service applies the low-value lease exemption. The Health Service also estimates the lease term with reference to remaining lease term and period that the lease remains enforceable. Where the enforceable lease period is less than 12 months the Health Service applies the short-term lease exemption.
Discount rate applied to future lease payments	The Health Service discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the Health Service's lease arrangements, the Health Service uses its incremental borrowing rate, which is the amount the Health Service would have to pay to borrow funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. For leased land and buildings the Health Service estimates the incremental borrowing rate is between 0.83% and 4.88% For leased plant, equipment, and motor vehicles, the implicit interest rate is between 1.01% and 4.75%.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if the Health Service is reasonably certain to exercise such options. The Health Service determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: – If there are significant penalties to terminate (or not extend), the Health Service is typically reasonably certain to extend (or not terminate) the lease. – If any leasehold improvements are expected to have a significant remaining value, the Health Service is typically reasonably certain to extend (or not terminate) the lease. – The Health Service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	Note	Total 2022 $'000	Total 2022 $'000
Current			
– Lease Liability[i]	6.1(a)	8,631	9,253
– St Vincent's Healthcare Ltd	8.4	142	137
– St Vincent's Health Australia	8.4	1,876	239
Total Current		**10,649**	**9,629**
Non-Current			
– Lease Liability[i]	6.1(a)	10,476	16,526
– St Vincent's Healthcare Ltd	8.4	301	443
– St Vincent's Health Australia	8.4	5,424	2,688
Total Non-Current		**16,201**	**19,657**
Total Borrowings		**26,850**	**29,286**

[i] Secured by the assets leased.

How We Recognise Borrowings

Borrowings refer to interest bearing liabilities mainly raised through lease liabilities and other interest bearing arrangements.

The Health Service had one related party loan with St Vincent's Healthcare Ltd for which quarterly principle and interest payments were made on the loan. Interest charged is at arm's length basis at 3.90% and the loan will mature on 4 June 2026.

The Health Service had four related party loans with St Vincent's Health Australia, for which principal and interest payments were made against three loans in the current financial year. Three related party loans were raised in the financial year, two of which will mature on 30 June 2025 and the remaining related party loan will mature on 30 September 2026. The pre-existing related party loan year will mature on 30 June 2032. The interest charged is at arm's length basis at 3.5% for three related party loans and 4.00% for the remaining related party loan.

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

Initial Recognition

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

Subsequent measurement

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

Maturity analysis

Refer to Note 7.2 (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.

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Note 6.2: Cash and Cash Equivalents

	Note	Total 2022 $'000	Total 2022 $'000
Cash at Bank and on Hand			
Cash on Hand		150	38
Cash at Bank		184,683	112,907
Total cash and cash equivalents		**184,833**	**112,945**
Represented by:			
Cash for Operations		167,116	99,574
Cash for Monies Held in Trust		17,717	13,371
Total cash and cash equivalents	7.1(a)	**184,833**	**112,945**

How We Recognise Cash and Cash Equivalents

Cash and cash equivalents recognised on the Balance Sheet comprise cash on hand and in banks and short-term deposits (with an original maturity date of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, which are readily convertible to cash on hand, and are subject to an insignificant risk of change in value, net of outstanding bank overdrafts.

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

Note 6.3: Commitments for expenditure

	Note	Total 2022 $'000	Total 2022 $'000
Capital Expenditure Commitments			
Less than 1 year		187,902	38,804
Longer than 1 year but not longer than 5 years		37,389	182,584
Total Capital Commitments		**225,291**	**221,388**
Operating Expenditure Commitments			
Less than 1 year		3,896	2,216
Total Operating Commitments		**3,896**	**2,216**
Total Commitments for Expenditure (inclusive of GST)		**229,187**	**223,604**
Less GST recoverable from the Australian Taxation Office		**(20,835)**	**(20,328)**
TOTAL COMMITMENTS FOR EXPENDITURE (exclusive of GST)		**208,352**	**203,276**

How We Disclose Our Commitments

Expenditure commitments

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

Short term and low value leases

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

Non-cash financing and investing activities

During the year, new right of use assets and liabilities totalling $2.969m (2022: $3.842m) were recognised.

Note 7: Risks, contingencies & valuation uncertainties

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

Structure

7.1 Financial instruments

7.2 Financial risk management objectives and policies

7.3 Contingent assets and contingent liabilities

7.4 Fair value determination

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of non-financial assets	Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use. In determining the highest and best use, the Health Service has assumed the current use is its highest and best use. Accordingly, characteristics of the Health Service's assets are considered, including condition, location and any restrictions on the use and disposal of such assets. The Health Service uses a range of valuation techniques to estimate fair value, which include the following: – Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of the Health Service's investment properties and cultural assets are measured using this approach. – Cost approach, which reflects the amount that would be required to replace the service capacity of the asset (referred to as current replacement cost). The fair value of the Health Service's furniture, fittings, plant, equipment and vehicles are measured using this approach. – Income approach, which converts future cash flows or income and expenses to a single undiscounted amount. The Health Service does not this use approach to measure fair value. – The Health Service selects a valuation technique which is considered most appropriate, and for which there is sufficient data available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Subsequently, the Health Service applies significant judgement to categorise and disclose such assets within a fair value hierarchy, which includes: – Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. The Health Service does not categorise any fair values within this level. – Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The Health Service categorises non-specialised land and right-of-use concessionary land in this level. – Level 3, where inputs are unobservable. The Health Service categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.

Note 7.1: Financial Instruments

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

2023	Note	Financial Assets at Amortised Cost $'000	Financial Assets at Fair Value Through Net Result $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	184,833	-	-	184,833
Receivables	5.1	102,839	-	-	102,839
Investments and other Financial Assets	4.1	7,033	90,842	-	97,875
Total Financial Assets[i]		**294,705**	**90,842**	**-**	**385,547**
Financial Liabilities					
Payables	5.3	-	-	97,738	97,738
Borrowings	6.1	-	-	26,850	26,850
Other financial liabilities	5.5	-	-	17,717	17,717
Total Financial Liabilities		**-**	**-**	**142,305**	**142,305**

2022	Note	Financial Assets at Amortised Cost $'000	Financial Assets at Fair Value Through Net Result $'000	Financial Liabilities at Amortised Cost $'000	Total $'000
Contractual Financial Assets					
Cash and Cash Equivalents	6.2	112,945	-	-	112,945
Receivables	5.1	91,723	-	-	91,723
Investments and other Financial Assets	4.1	6,872	75,709	-	82,581
Total Financial Assets[i]		**211,540**	**75,709**	**-**	**287,249**
Financial Liabilities					
Payables	5.3	-	-	102,734	102,734
Borrowings	6.1	-	-	29,286	29,286
Other financial liabilities	5.5	-	-	13,371	13,371
Total Financial Liabilities		**-**	**-**	**145,391**	**145,391**

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

How We Categorise Financial Instruments

Categories of Financial Assets

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

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

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

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

Financial assets at amortised cost

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

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

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

The Health Service recognises the following assets in this category:

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

Financial assets at fair value through other comprehensive income

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

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

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

Financial assets at fair value through net result

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

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

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

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

Categories of Financial Liabilities

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

Financial liabilities at amortised cost

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

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

The Health Service recognises the following liabilities in this category:

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

Derecognition of financial assets

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

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

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

Derecognition of financial liabilities

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

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

Reclassification of financial instruments

Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Health Service's business model for managing its financial assets has changes such that its previous model would no longer apply.

A financial liability reclassification is not permitted.

Note 7.2: Financial Risk Management Objectives and Policies

As a whole, the Health Service's financial risk management program seeks to manage the risks and the associated volatility of its financial performance.

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

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

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

Note 7.2(a) Credit risk

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

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

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

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

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

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

There has been no material change to the Health Service's credit risk profile in 2022-23.

Impairment of financial assets under AASB 9 Financial Instruments

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

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

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

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Contractual receivables at amortised cost

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

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

30-Jun-23	Current	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Total
Expected loss rate	0.54%	0.68%	2.56%	3.34%	0%	
Gross carrying amount of contractual receivables	24,213	5,379	29,645	-	104,346	
Loss Allowance	**246**	**164**	**138**	**989**	**-**	**1,537**

30-Jun-22	Current	Less than 1 month	1 - 3 months	3 months - 1 year	1 - 5 years	Total
Expected loss rate	0.69%	0.88%	1.30%	3.49%	0%	
Gross carrying amount of contractual receivables	18,361	11,436	28,832	-	93,278	
Loss Allowance	**238**	**162**	**149**	**1,006**	**-**	**1,555**

Gross carrying amount of contractual receivables includes $70.68m (2022: $65.58m) of DH long service leave debtor.

Statutory receivables

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

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

Note 7.2 (b) Liquidity Risk

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

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

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

The Health Service's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of investments and other financial assets.

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

	Note	Carrying amount $'000	Nominal amount $'000	Maturity Dates: Less than 1 month $'000	1-3 months $'000	3 months to 1 year $'000	1 - 5 years $'000	Over 5 years $'000
2023 Financial Liabilities								
At amortised cost								
Payables	5.3	97,738	97,738	40,636	57,102	-	-	-
Borrowings	6.1	26,850	26,850	719	1,524	8,406	14,893	1,308
Other financial liabilities								
— Accommodation Deposits	5.5	13,903	13,903	13,903	-	-	-	-
— Other	5.5	3,814	3,814	3,814	-	-	-	-
Total Financial Liabilities		**142,305**	**142,305**	**59,072**	**58,626**	**8,406**	**14,893**	**1,308**
2022 Financial Liabilities								
At amortised cost								
Payables	5.3	102,734	102,734	62,424	40,310	-	-	-
Borrowings	6.1	29,286	29,286	771	1,576	7,282	17,256	2,401
Other financial liabilities								
— Accommodation Deposits	5.5	10,915	10,915	10,915	-	-	-	-
— Other	5.5	2,456	2,456	2,456	-	-	-	-
Total Financial Liabilities		**145,391**	**145,391**	**76,566**	**41,886**	**7,282**	**17,256**	**2,401**

Note 7.2 (c) Market Risk

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

Sensitivity disclosure analysis and assumptions

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

- a change in interest rates of 1% up or down
- a change in the top ASX 200 index of 15% up or down.

Interest rate risk

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

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

Equity risk

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

The Health Service's sensitivity to equity price risk is set out in the following table:

	Carrying Amount	-15% Net result	+15% Net result
2023			
Investments and other contractual financial assets	79,110	(11,867)	11,867
Total Impact	**79,110**	**(11,867)**	**11,867**
2022			
Investments and other contractual financial assets	73,896	(11,084)	11,084
Total Impact	**73,896**	**(11,084)**	**11,084**

Note 7.3: Contingent assets and contingent liabilities

The Health Service has no contingent assets as at 30 June 2023 (2022: nil).

However, upon taking into account the Victorian Government policy in identifying non-compliant cladding, the Health Service continues to plan for potential further works to rectify cladding issues related to the main Health Service inpatient building in Fitzroy. As such, future cladding works remain subject to some uncertainty in relation to the nature and timing of the works required, and if relevant, the ultimate funding source. The contingent liability is estimated to be in the range of less than $0.1m to $4m depending on the outcome of a review currently being undertaken by a specialist consulting firm. Discussions will be held with the Department of Health if funding is required to cover the cost of works once this has been determined.

How We Measure and Disclose Contingent Assets and Contingent Liabilities

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

Contingent assets

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

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

Contingent liabilities

Contingent liabilities are:

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

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

Note 7.4: Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

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

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

Valuation hierarchy

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

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Health Service monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

Identifying unobservable inputs (level 3) fair value measurements

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

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

	Note	Carrying amount 30 June 2023	Fair value measurement at end of reporting period using Level 1	Level 2	Level 3
Shares and Managed Investment Schemes	4.1	79,110	-	79,110	-
Unlisted Shares	4.1	11,732	-	-	11,732
Total financial assets held at fair value through net result		**90,842**	**-**	**79,110**	**11,732**
Total investments and other financial assets at fair value		**90,842**	**-**	**79,110**	**11,732**

	Note	Carrying amount 30 June 2022	Fair value measurement at end of reporting period using Level 1	Level 2	Level 3
Shares and Managed Investment Schemes	4.1	73,896	-	73,896	-
Unlisted Shares	4.1	1,813	-	-	1,813
Total financial assets held at fair value through net result		**75,709**	**-**	**73,896**	**1,813**
Total investments and other financial assets at fair value		**75,709**	**-**	**73,896**	**1,813**

How we measure fair value of investments and other financial assets

Shares and managed investment schemes

The Health Service invests in managed funds, which are not quoted in an active market and which may be subject to restrictions on redemptions.

The Health Service considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investment, to ensure they are reasonable and appropriate. The net asset value of these funds is used as an input into measuring their fair value, and is adjusted as necessary, to reflect restrictions and redemptions, future commitments and other specific factors of the fund.The Health Service classifies these funds as Level 2.

Unlisted Shares

The fair value of financial assets and liabilities that are not traded in an active market is recorded at fair value. The unlisted shares were valued based on the independent valuation which had regard to the requirements of the International Private Equity and Venture Capital Valuation Guidelines. The valuer considered the outcome of the most recent capital raising to arrive at the value of $6 per share. A change in the value of $1 would change the fair value by $1.99m either way.

Reconciliation of level 3 fair value measurement

	Note	Financial Assets at Fair Value through Net Result Total 2023 $'000	Total 2022 $'000
Opening Balance		1,813	1,813
Total gains/(losses) recognised in net result		8,169	-
Assets received free of charge		1,750	-
Purchases		-	-
Closing Balance	**4.1**	**11,732**	**1,813**

ST VINCENT'S HOSPITAL MELBOURNE
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Note 7.4(b) Fair value determination of non-financial physical assets

		Consolidated carrying amount	Fair value measurement at end of reporting period using		
	Note	30 June 2023 $'000	Level 1[(i)] $'000	Level 2[(i)] $'000	Level 3[(i)] $'000
Leasehold improvements at fair value	4.2(a)	103,247	-	-	103,247
Plant and equipment at fair value	4.2(a)	9,711	-	-	9,711
Medical Equipment at fair value	4.2(a)	23,926	-	-	23,926
Computer Equipment at fair value	4.2(a)	3,915	-	-	3,915
Furniture and fittings at fair value	4.2(a)	531	-	-	531
Motor Vehicles at fair value	4.2(a)	914	-	-	914
Cultural assets at fair value	4.2(a)	5,067	-	5,067	-
Total plant, equipment, furniture, fittings and vehicles at fair value		**147,311**	**-**	**5,067**	**142,244**
Right-of-Use buildings at fair value	4.3(a)	16,357	-	-	16,357
Right-of-Use plant, equipment & vehicles	4.3(a)	1,789	-	-	1,789
Total right-of-use assets at fair value		**18,146**	**-**	**-**	**18,146**
Investment property	4.7(a)	3,163	-	3,163	-
Total investment property at fair value		**3,163**	**-**	**3,163**	**-**
Total non-financial physical assets at fair value		**168,620**	**-**	**8,230**	**160,390**

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

		Consolidated carrying amount	Fair value measurement at end of reporting period using		
	Note	30 June 2022 $'000	Level 1[(i)] $'000	Level 2[(i)] $'000	Level 3[(i)] $'000
Leasehold improvements at fair value	4.2(a)	84,125	-	-	84,125
Plant and equipment at fair value	4.2(a)	8,070	-	-	8,070
Medical Equipment at fair value	4.2(a)	22,969	-	-	22,969
Computer Equipment at fair value	4.2(a)	4,411	-	-	4,411
Furniture and fittings at fair value	4.2(a)	592	-	-	592
Motor Vehicles at fair value	4.2(a)	982	-	-	982
Cultural assets at fair value	4.2(a)	4,571	-	4,571	-
Total plant, equipment, furniture, fittings and vehicles at fair value		**125,720**	**-**	**4,571**	**121,149**
Right-of-Use buildings at fair value	4.3(a)	22,351	-	-	22,351
Right-of-Use plant, equipment & vehicles	4.3(a)	2,375	-	-	2,375
Total right-of-use assets at fair value		**24,726**	-	-	**24,726**
Investment property	4.7(a)	3,293	-	3,293	-
Total investment property at fair value		**3,293**	**-**	**3,293**	**-**
Total non-financial physical assets at fair value		**153,739**	**-**	**7,864**	**145,875**

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

How we measure fair value of non-financial physical assets

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

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

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

Theoretical opportunities that may be available in relation to the asset(s) are not 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.

Investment properties and cultural assets

Investment properties and cultural assets are valued using the market approach. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For investment properties fair value has been determined by Managerial Revaluation Assessment based on the Valuer-General Victoria indices. The effective date of the valuation is 30 June 2023.

For cultural assets, Dwyer Fine Arts is the Health Service's independent valuer.

Vehicles

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

Furniture, fittings, plant and equipment and leasehold improvements

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

There were no changes in valuation techniques throughout the period to 30 June 2023.

Reconciliation of level 3 fair value measurement

	Note	Leasehold improvement $'000	Plant, equipment, furniture, fittings and vehicles $'000	Right-of-use equipment & vehicles $'000	Right-of-use buildings $'000
Balance at 1 July 2021		88,364	35,077	3,900	23,086
Additions/(Disposals)		1,121	8,418	49	8,974
Assets provided free of charge		-	206	-	-
Net transfers between classes		4,021	1,663	-	-
Gains/(Losses) recognised in net result		-	-	-	-
– Depreciation and amortisation	4.6	(9,381)	(8,340)	(1,505)	(9,709)
Items recognised in other comprehensive income		-	-	-	-
– Revaluation		-	-	(69)	-
Balance at 30 June 2022	7.4(b)	84,125	37,024	2,375	22,351
Additions/(Disposals)		1,479	9,984	204	4,031
Assets provided free of charge		-	-	-	-
Net transfers between classes		27,661	649	-	-
Gains/(Losses) recognised in net result		-	-	-	-
– Depreciation and amortisation	4.6	(10,018)	(8,660)	(790)	(10,025)
Items recognised in other comprehensive income		-	-	-	-
– Revaluation		-	-		-
Balance at 30 June 2023	7.4 (b)	103,247	38,997	1,789	16,357

Fair value determination of level 3 fair value measurement

Asset Class	Likely Valuation Approach	Significant Inputs (Level 3 only)
Plant and equipment	Current replacement cost approach	- Cost per unit - Useful life
Medical equipment	Current replacement cost approach	- Cost per unit - Useful life
Computers and communication	Current replacement cost approach	- Cost per unit - Useful life
Furniture and fittings	Current replacement cost approach	- Cost per unit - Useful life
Motor Vehicles	Current replacement cost approach	- Cost per unit - Useful life
Leasehold Improvements	Current replacement cost approach	- Cost per unit - Useful life
Right-of-use buildings	Market approach	- Fair value of similar properties

Note 8: Other Disclosures

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

Structure

8.1 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities
8.2 Responsible persons disclosures
8.3 Remuneration of executives
8.4 Related parties
8.5 Remuneration of auditors
8.6 Ex-gratia expenses
8.7 Events occurring after the balance sheet date
8.8 Joint arrangements
8.9 Equity

Our other disclosures were not materially impacted by the COVID-19 Coronavirus pandemic.

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

	Total 2023 $'000	Total 2022 $'000
Net Result for the Year	28,190	18,820
Non-cash Movements:		
Depreciation and Amortisation	33,823	35,587
Revaluation of Investment Property	130	(193)
Allowance for impairment losses of contractual receivables	945	552
Revaluation of Long Service Leave	7,309	(5,080)
Assets Received Free of Charge	(1,785)	(2,258)
Net (Gain)/Loss on Financial Assets at Fair Value	(11,980)	7,159
Non Cash Investment Income	(826)	(1,109)
Management Fees for Managed Investments	221	181
Movements included in Investing and Financing Activities:		
Net (Gain)/Loss on Disposal of Non-Current Assets	857	21
Capital Donations Received	(22)	(2,050)
Other Capital Receipts	(39,286)	(8,290)
Movements in Operating Assets and Liabilities:		
(Increase)/Decrease in Receivables and Contract Assets	(4,387)	(14,609)
(Increase)/Decrease in Inventories	(1,168)	(702)
(Increase)/Decrease in Prepaid Expenses	(264)	(1,028)
Increase/(Decrease) in Payables and Contract Liabilities	55,164	56,545
Increase/(Decrease) in Employee Entitlements	25,810	7,668
Increase/(Decrease) in Other Liabilities	1,358	(339)
Net Cash Inflow from Operating Activities	94,089	90,875

Note 8.2: Responsible Persons Disclosures

a) Remuneration of 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.

A caretaker period was enacted during the year ended 30 June 2023 which spanned the time the Legislative Assembly expired, until the Victorian election results were clear or a new government was commissioned. The caretaker period for the 2022 Victorian election commenced at 6pm on Tuesday the 1st of November and new ministers were sworn in on the 5th of December.

Responsible Ministers	Period
The Honourable Mary-Anne Thomas MP:	
Minister for Health	01 Jul 2022 – 30 Jun 2023
Minister for Health Infrastructure	05 Dec 2022 – 30 Jun 2023
Minister for Medical Research	05 Dec 2022 – 30 Jun 2023
Former Minister for Ambulance Services	01 Jul 2022 – 5 Dec 2022
The Honourable Gabrielle Williams MP:	
Minister for Mental Health	01 Jul 2022 – 30 Jun 2023
Minister for Ambulance Services	05 Dec 2022 – 30 Jun 2023
The Honourable Lizzy Blandthorn MP:	
Minister for Disability, Ageing and Carers	05 Dec 2022 – 30 Jun 2023
The Honourable Colin Brooks MP:	
Former Minister for Disability, Ageing and Carers	01 Jul 2022 – 5 Dec 2022
Governing Board	
The Directors of the Health Service during the year were:	
Mr P McClintock AO	01 Jul 2022 – 30 Jun 2023
Ms A McDonald	01 Jul 2022 – 30 Jun 2023
Dr M Coote	01 Jul 2022 – 30 Jun 2023
Ms S McPhee AM	01 Jul 2022 – 30 Jun 2023
Ms A Cross AM	01 Jul 2022 – 30 Jun 2023
Mr P O'Sullivan	01 Jul 2022 – 30 Jun 2023
Ms J Watts	01 Jul 2022 – 30 Jun 2023
Mr D O'Brien	01 Jul 2022 – 30 Jun 2023
Ms S McGregor	01 Jul 2022 – 30 Jun 2023
Prof V Perkovic	01 Jul 2022 – 30 Jun 2023
Ms K Bailey-Lord	17 Apr 2023 – 30 Jun 2023
Accountable Officers	
Ms N Tweddle (Chief Executive Officer)	05 Sep 2022 – 30 Jun 2023
Ms A Nolan (Chief Executive Officer)	01 Jul 2022 – 14 Sep 2022
Mr M Smith (Acting Chief Executive Officer)	29 Jul 2022 – 04 Sep 2022

b) Remuneration of Responsible Persons

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

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

	No. Total Remuneration	
	2023	2022
$10,000 - $19,999	1	-
$20,000 - $39,999	-	1
$40,000 - $49,999	1	-
$50,000 - $59,999	-	1
$60,000 - $69,999	-	1
$80,000 - $89,999	1	6
$100,000 - $109,999	8	-
$130,000 - $139,000	-	1
$170,000 - $179,999	1	1
$200,000 - $209,999	1	-
$380,000 - $389,999	1	-
$450,000 - $459,999	-	1
Total	**14**	**12**
Total Remuneration $'000	**1,738**	**1,424**

Amounts relating to Responsible Ministers are reported within the State's Annual Financial Report.

c) Retirement Benefits of Responsible Persons

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

Note 8.3: Remuneration of Executives

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	2023 $'000	2022 $'000
Short-term employee benefits	2,541	3,144
Post-employment benefits	236	258
Other long-term benefits	134	164
Termination benefits	-	-
Total	**2,911**	**3,566**
Total Number of Executives (i)	**15**	**15**
Total Annualised Employee Equivalent (ii)	**11.2**	**12.2**

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

(ii) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period and provides a measure of full time equivalent executive officers over the reporting period.

Note 8.4: Related parties

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

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

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

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of the Health Servicers, directly or indirectly.

ST VINCENT'S HOSPITAL MELBOURNE
A FACILITY OF ST VINCENT'S HEALTH AUSTRALIA

Key management personnel of the Health Service

Entity: St Vincent's Health Australia

KMPs	Position Title
Chris Blake	Group Chief Executive Officer (Appointed 4th October 2022)
Ms R Martin	Interim Group Chief Executive Officer (Appointed 29th March 2022 to 3rd October 2022) Group Chief Financial Officer (Appointed 4th October 2022) (Retired 16th August 2023)
Ms K Gaffney	Acting Group Chief Financial Officer (Appointed 17th August 2023)
Ms B Johnson	Acting Group Chief Financial Officer (Appointed 29th March 2022 to 3rd October 2022)
Mr P Garcia	Group General Manager, Public Affairs & General Counsel (Appointed 31st August 2023)
Mr R Beetson	Group General Manager, Legal, Governance & Risk (Retired 1st September 2023)
Prof P O'Rourke	Chief Executive Officer, Public Hospitals Division (Retired 16th July 2023) Chief Executive Officer, Private Hospitals Division (Retired 17th July 2023)
Mr P McClintock AO	Chair of the Board
Ms A McDonald	Director of the Board
Ms A Cross AM	Director of the Board
Dr M Coote	Director of the Board
Ms S McPhee AM	Director of the Board
Mr P O'Sullivan	Director of the Board
Ms J Watts	Director of the Board
Mr D O'Brien	Director of the Board
Ms S McGregor	Director of the Board
Prof V Perkovic	Director of the Board
Ms K Bailey-Lord	Director of the Board (Appointed 17th April 2023)

Entity: St Vincent's Hospital Melbourne

KMPs	Position Title
Ms N Tweddle	Executive Director Acute Services (1 July 2022 to 4th September 2022) Chief Executive Officer (Appointed 5th September 2022)
Ms A Nolan	Chief Executive Officer (Retired 14th September 2022)
Mr I Broadway	Chief Financial Officer
Mr M Smith	Acting Chief Executive Officer (Appointed 29th July 2022 to 4th September 2022) Executive Director Integrated Care Services (Retired 30th June 2023)
Mr E Harvey	Chief Executive Officer, Aikenhead Centre for Medical Discovery
Mr A Crettenden	Project Director, Aikenhead Centre for Medical Discovery (Retired 18th September 2022)
Ms M Stewart	Executive Director Identity & Purpose
Mr A Tobin	Chief Medical Officer (to 9th July 2023)
Ms K Riddell	Chief Nursing Officer (Retired 26th August 2022)
Ms J Bilo	Chief Nursing Officer (Appointed 15th September 2022) Acting Executive Director Integrated Care Services (Appointed 24th April 2023 to 9th July 2023)
Ms C Gill	General Manager Legal & Commercial
Ms F Prestedge	Executive Director People & Corporate Support
Mr H Tobin	Acting Executive Director Strategy, Planning and Communication (Retired 31st December 2022)
Mr S Craig	Acting Executive Director Performance Improvement (Retired 31st March 2023)
Mr C Bosworth	Executive Director Strategy, Quality & Improvement (Appointed 27th March 2023)
Mr D Jones	Acting Executive Director Acute Services (Appointed 21st November 2022 to 16th July 2023)
Mr J Prescott	Chief Operating Officer (Appointed 10 July 2023)

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

Compensation	2023 $'000	2022 $'000
Short-term employee benefits	7,127	7,583
Post-employment benefits	482	447
Other long-term benefits	184	179
Termination benefits	-	983
Total	**7,793**	**9,192**

Total Compensation of $7.79m (2022: $9.19m) includes remuneration of St Vincent's Hospital Melbourne's Executives and St Vincent's Health Australia's Executive Leadership Team, Board Members and Directors.

Transactions with key management personnel and other related parties

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

Significant transactions with government-related entities

The Health Service received funding from the Department of Health of $829.19m (2022: $782.69m).

Other significant transactions with government related entities were with Victorian Managed Insurance Authority (VMIA) $6.15m (2022: $6.03m), WorkSafe Victoria $4.30m (2022: $4.19m) and for long service leave debtor adjustment of $15.92m (2022: $0.04m).

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 2023 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; and

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

	2023 $'000	2022 $'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	34,006	31,701
Campus Lease charge by St Vincent's Healthcare Ltd	837	821
Interest charge from St Vincent's Healthcare Ltd	21	26
Interest revenue received from St Vincent's Healthcare Ltd	10	12
Facility Lease charge by St Vincent's Healthcare Ltd	39	41
Aggregate amounts receivable from, and payable to, entities in the wholly owned group at Statement of Financial Position date:		
Current loan receivables due from St Vincent's Healthcare Ltd	30	28
Current receivables due from St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	-	1,088
Non-Current loan receivables due from St Vincent's Healthcare Ltd	143	173
Current borrowings owing to St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	2,018	377
Current payables owing to St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	-	-
Non-current borrowings owing to St Vincent's Healthcare Ltd and St Vincent's Health Australia Ltd	5,725	3,131
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	6,235	5,566
Costs charged for the provision of other health services by St Vincent's Private Hospitals Ltd	2,875	634
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	4	387
Current Payables to St Vincent's Private Hospitals Ltd	214	-
Rent received for lease of property to St Vincent's Care Services – VIC	685	614
Costs charged by St Vincent's Care Services - VIC for lease of property	413	323
Costs charged for Aged Care account services by St Vincent's Care Services - QLD	68	68

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

Note 8.5: Remuneration of Auditors

	2023 $'000	2022 $'000
Victorian Auditor-General's Office		
Audit fees paid or payable for audit of the St Vincent's Hospital (Melbourne) Limited's financial statements	95	95
Other Service Providers		
HLB Mann Judd	4	1
Total Remuneration	**99**	**96**

Note 8.6: Ex-gratia expenses

	2023 $'000	2022 $'000
Payments made to terminated employees	1,107	1,252
Ex gratia expenses	**1,107**	**1,252**

Note 8.7: Events occurring after the balance sheet date

There were no events after balance sheet date which significantly affected or may affect the operations of the Health Service, the results of the operations or the state of affairs of the Health Service in the future financial years.

Note 8.8: Joint Arrangements

Name of Entity	Principal Activity	Ownership 2023	Interest 2022
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%	10%

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

	Total 2023 $'000	Total 2022 $'000
Current Assets		
Cash and Cash Equivalents	845	815
Receivables	43	60
Prepayments	63	86
Total Current Assets	**951**	**961**
Non-Current Assets		
Property, Plant and Equipment	55	44
Total Non-Current Assets	**55**	**44**
Total Assets	**1,006**	**1,005**
Current Liabilities		
Accrued Expenses	37	29
Payables	44	75
Prepaid Revenue	27	11
Provisions – LSL and Annual Leave	40	32
Total Current Liabilities	**148**	**147**
Non-Current Liabilities		
Provisions – LSL	36	15
Total Non-Current Liabilities	**36**	**15**
Total Liabilities	**184**	**162**
Net Assets	**822**	**843**

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

	Total 2023 $'000	Total 2022 $'000
Revenue		
Grants and Other Revenue	1,334	1,238
Interest	33	3
Total Revenue	**1,367**	**1,241**
Expenses		
Employee Benefits	1,072	776
Other Expenses from Continuing Operations	307	111
Depreciation and Amortisation	10	6
Total Expenses	**1,389**	**893**
Net Result	**(22)**	**348**

Contingent liabilities and capital commitments

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

Note 8.9: Equity

General purpose surplus

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

Property, plant and equipment revaluation surplus

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

Restricted specific purpose reserves

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

AIB surplus

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

Funds held in perpetuity

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

Contributed capital

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

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

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

Accumulated surpluses/(deficits)

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

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