

Annual Report 2021-22

Helping people live
healthy, productive
and fulfilled lives.

Contents

04	Renowned for quality and compassionate care
08	From the Board Chair and the CEO
10	World-class care for our community
18	Bringing our best to our work, every day
24	Leading the way on research
28	Thank you to our Community of Supporters
32	Governance and Board
36	Corporate information
44	2021-22 Statement of Priorities
54	Financial summary
55	Disclosure index
56	Financials

Acknowledgement of Traditional Owners

Austin Health's three main campuses are on the lands of the Wurundjeri People of the Kulin Nation. We pay our respects to Wurundjeri Elders past, present and emerging and acknowledge the ongoing connections to lands, waterways, culture and lore of the oldest living culture in the world.

We acknowledge the Aboriginal, Torres Strait Islander People and all Indigenous nations of the world, who continue to uplift communities and champion rights to land, water, language and traditions. We support the important role Indigenous people continuously hold in our society.



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Dame Olivia Newton-John, AC, DBE

We were deeply saddened about the passing of Dame Olivia Newton-John in August 2022. We had a special connection with Dame Olivia for many years and offer our sincere appreciation for everything she offered Austin Health, our patients and our staff.

About this report

This report outlines the operational and financial performance for the period 1 July 2021 to 30 June 2022. There were four relevant ministers for the reporting period:

- **The Hon Martin Foley**
Minister for Health, Minister for Ambulance Services and Minister for Equality Services (July 2021 - June 2022)
- **The Hon Mary-Anne Thomas**
Minister for Health and Minister for Ambulance Services (June 2022)
- **The Hon Gabrielle Williams**
Minister for Mental Health and Minister for Treaty and First Peoples (June 2022).
- **The Hon James Merlino**
Minister for Mental Health (July 2021 - June 2022)

Austin Health is a public health service and body corporate pursuant to section 65P of the *Health Services Act 1988 (Vic)*.





About the artworks

The artworks featured in this report have been designed and produced by rehabilitation patients at Royal Talbot Rehabilitation Centre as part of the Therapeutic Environment Project (TEP). Over 40 consumers were involved in the project, partnering with staff.

Consumers were involved in designing the art and the production methods, producing the art, advising the steering committee, and providing feedback. The aim of the project was to explore the health benefits of participating in artmaking and how art can make healthcare environments less stress inducing.

Patients said that participating in the artmaking improved self-efficacy and willingness to participate in other therapies. Our evaluation of the project has shown that participating in artmaking improved the immediate health of participants, including improving mood and pain, and lessening anxiety. Motivation to participate in other aspects of rehabilitation was greater in patients who were involved in artmaking.

Renowned for quality and compassionate care

The right care in the right places

Austin Health provides a range of health services throughout the communities we serve. These services include the specialists at the Health and Rehabilitation Centre, a range of Health Independence Programs, a robust and effective mental health service and an innovative Hospital in the Home service.

An array of specialist care services

We offer specialist care for specialist needs including emergency medicine, cancer, infectious diseases, obesity, liver, kidney and intestinal transplant, spinal cord injury, acquired brain injury, intensive care medicine, cardiac care, neurology, endocrinology, mental health, respiratory, toxicology, child mental health and rehabilitation.

Internationally recognised clinical teaching and training

Austin Health is recognised around the world for our high standards of teaching, professional education and training. We foster the next generation of care providers through affiliations with 16 universities and four TAFEs. We are also the largest training provider for specialist physicians and surgeons in Victoria.

An extraordinary record of research successes

Our centre of excellence for hospital-based research brings together more than 1,000 world-leading researchers and leading research institutes.

Austin LifeSciences has a strong focus on responsive, collaborative research in partnership with:

- University of Melbourne departments of Medicine, Surgery, Psychiatry, and Physiotherapy
- Florey Institute of Neuroscience and Mental Health
- Olivia Newton-John Cancer Research Institute (ONJCRI)
- Institute for Breathing and Sleep (IBAS)
- Parent-Infant Research Institute (PIRI)
- Spinal Research Institute
- Mercy Hospital for Women
- Austin Medical Research Foundation.

The multidisciplinary alliance comprises world-class scientific leaders who conduct research into cancer, neurosciences, transplantation including xenotransplantation, heart disease and hypertension, immunology, infectious diseases and microbiology, endocrinology, sleep disorders, palliative care and spinal cord injury.

Responding to the care needs of all Victorians

We provide statewide services to residents across Victoria.

These include:

- Acquired Brain Injury Unit
- Austin Toxicology Service
- Victorian Liver Transplant Unit
- Victorian Poisons Information Centre
- Victorian Respiratory Support Service
- Victorian Spinal Cord Service.

Centres of Care

Austin Hospital

Austin Hospital cares for the current and future needs of the people living in the north east of metropolitan Melbourne and Victoria.

The hospital has 26 wards accommodating medical, surgical and specialty services and more than 560 beds including a 23-bed intensive care unit and a 93-bed precinct for the care of patients with mental health disorders. This also includes a substantial 24-cubicle Emergency Department with a dedicated six-bed children's area, as well as 24 short stay beds for adults, children and mental health clients.

The hospital also has 11 operating theatres providing agile, responsive emergency surgery as well as selected elective surgery and procedures.

The hospital is home to many unique teaching, training and research facilities. These include statewide specialty care services: Austin Toxicology Service, Victorian Liver Transplant Unit, Victorian Poisons Information Centre and Victorian Respiratory Support Service.

Olivia Newton-John Centre

A part of Austin Hospital, the Olivia Newton-John Centre (ONJ Centre) is a leading cancer research and treatment institute. The ONJ Centre provides world-leading treatment, evidence-based wellness programs and supportive care that nurture the physical, psychological and emotional wellbeing of patients, carers, and families.

With more than 200 clinical trials undertaken every year, the centre is a world leader in cancer medicine. Our recent successes include new advances in immunotherapy, targeted therapy and personalised medicine diagnostics.

In line with contemporary best practice, researchers and clinicians work together with laboratories located adjacent to where patients are cared for and receive treatment. This co-location of treatment and research facilities enables the rapid translation of scientific discovery into clinical trials and treatments, fostering the discovery and development of better therapies to improve health outcomes.

Heidelberg Repatriation Hospital

The Heidelberg Repatriation Hospital has evolved from a returned services hospital to a thriving care centre for a growing community. Offering 152 beds, the hospital provides responsive and proactive care to the community.

These services include:

Surgery

The hospital has eight operating theatres and specialists at the hospital are able to perform a large proportion of elective surgeries.

Mental health

Our mental health precinct houses the state-wide Psychological Trauma Recovery Service, Community Recovery Program and Transition Support Unit.

Ageing

The Heidelberg Repatriation Hospital provides aged care community programs including assessment and management services for older people moving into Residential Aged Care, or support for them to return home after receiving inpatient care.

Outpatient offerings

Our Health and Rehabilitation Centre provides rehabilitation services, programs and clinics, including the Kokoda Gym, hydrotherapy pool and consulting rooms.

The hospital is also helping to lead care in the community through the Northern Centre Against Sexual Assault.



Royal Talbot Rehabilitation Centre

Royal Talbot Rehabilitation Centre is a 77-bed facility offering specialist care and intensive rehabilitation for people with spinal trauma, and brain trauma and disorders.

The centre is home to two crucial statewide services: the Victorian Spinal Cord Service and the Acquired Brain Injury Unit. The centre provides leading multi-disciplinary rehabilitation services for patients following amputation, stroke, spinal injury, surgery and other illnesses and injuries.

The site also provides a range of mental health services. These incorporate a Brain Disorders Program, including a Community Brain Disorders Assessment and Treatment Service, a 33-bed specialist ward and a behaviour consultancy service for people with acquired brain injuries.

A range of creative therapies including art, music and garden therapy further aid recovery and treatment.

Partnerships

Taking radiation oncology services to regional residents

In partnership with Ballarat Health Services (Ballarat Austin Radiation Oncology Centre) and Stawell Regional Health (Stawell Austin Radiation Oncology Service) Austin Health operates two regional radiation oncology services.

By providing regional residents with easy local access to radiation treatment, the service cuts down on the need to travel to Melbourne. This dramatically shortens the time required for treatment and ensures patients are closer to home to start post-treatment recovery sooner.

North East Metro Health Service Partnership

The North East Metro Health Service Partnership (NEMHSP) enables health services to work together on a range of strategic priorities that focus on collaboration and partnerships as pathways to solutions for complex sector issues.

Austin Health is the lead health service for the NEMHSP, which also includes: Eastern Health, St Vincent's Health, Northern Health, Mercy Health, the Eye and Ear Hospital and Forensicare. The NEMHSP (where possible) also collaborates with local Primary Care and Community Health organisations in response to system design and planning needs.

The NEMHSP also includes a range of private hospitals in the north east metropolitan region including St Vincent's Private Hospital Melbourne and hospitals associated with Healthscope, Ramsay Health Care and Epworth HealthCare. The Eastern Melbourne Primary Health Network and North Western Melbourne Primary Health Network also form part of the partnership.

The NEMHSP plays an important role in designing the future health system and coordinating information and resources across our region and is guided by its Steering Committee chaired by the CEO of Austin Health. The NEMHSP submits an annual workplan to the Department of Health, which governs progress on priorities such as Better at Home and Elective Surgery recovery, in addition to using the expertise of individual health services to progress local innovations.

In 2021-22 the NEMHSP was heavily focused on COVID-19, with the spirit of the partnership visible through regular sharing of information and processes, in addition to contributing to larger state-wide forums to mobilise workforce and resources. For 2022-23 the NEMHSP will have increased focus on elective surgery recovery, and uplift to home-based care and mental health reforms, with health services working together in achieving system change.

North Eastern Public Health Unit

During 2021-22, Austin Health, in partnership with Eastern Health and Northern Health, led the North Eastern Public Health Unit (NEPHU) through its first full year of operation. From three sites across the catchment, the team has worked collectively to respond to COVID-19 through case, contact and outbreak management, local intelligence, engagement and communications. As winter 2022 approached we have taken on the public health response to influenza in residential aged care settings. NEPHU also provided resources to work in partnership with the Department of Health on the response to Japanese Encephalitis Virus.

Throughout the year, our Engagement and Communications teams have collaborated with community partners to co-design, develop and implement programs and activities that have increased awareness and knowledge of COVID-19, promoted protective factors (such as vaccination), and empowered self-management for the whole population, with specific attention to vulnerable and multicultural populations.

Of note is our Rapid Antigen Test Kit distribution program, which helped connect priority communities to Rapid Antigen Tests. Working in partnership with the Department of Health, local councils, volunteer groups and community health organisations, we were able to provide over 388,000 free test kits to approximately 232 unique organisations and community groups that support vulnerable individuals across the NEPHU catchment.





From 1 July 2022, NEPHU will move beyond COVID-19 to broader public health issues, taking carriage of the public health response to other communicable diseases in our catchment. We have worked closely with the Department of Health to ensure we are ready for this transfer by developing the strategies, procedures, structures and capacity required for this scaled up activity.

Four Primary Care Partnerships (PCPs) will also transition into Local Public Health Units on 1 July. Throughout 2022, NEPHU has worked collaboratively with these PCPs, their community health auspice agencies, partners and networks to ensure a smooth transition for staff, stakeholders and high value programs. The transition marks the extension of NEPHU's role into the population health promotion and prevention space.

We look forward to continuing to deliver strong place-based and community focused public health action, aligned with population level strategy and tailored to local needs.

Our strategic priorities

Our Strategic Plan 2018-22 sets the direction for our health service. The plan ensures that we continue to provide safe, progressive, high-quality care that meets the evolving needs and expectations of the communities we serve.

The strategic focus areas are:

Partnerships

We'll partner with consumers to create a distinct approach to care that's reliable, safe and puts the patient at the centre, and we'll collaborate with local partners to improve the lives of people in our community.

Transformation

We'll transform our digital environment by investing in new and emerging technologies and creating a centre for health data analytics.

Growth

We'll advance the research and learning precinct in Melbourne's north east, grow our delivery of specialised care in regional and state-wide services, and invest in building the capability of our people.

Our purpose

Helping people live healthy, productive and fulfilled lives.

Our vision

Shaping the future through exceptional care, discovery and learning.

Our values



Together we achieve



Our actions show we care



We bring our best



We shape the future

From the Board Chair and the CEO

This year was again focused on providing care in response to the COVID-19 pandemic across all three of our sites, while remaining responsive to the wider needs of the community. However, the year also embodied a sense of renewal. Austin Health vaccination clinics played a significant role in delivering the vaccinations needed to get everyday life in Victoria going again; and the North Eastern Public Health Unit (NEPHU) coordinated the contact tracing and case management for COVID positive individuals across our region.

Austin Health also introduced crucial new technologies that will improve outcomes for patients with hard-to-target cancers. Most significantly, our 10,000 strong workforce continued to go above and beyond to provide healthcare to our community, with the generous and kind support of our 300 volunteers.

Austin Health continues to strive to meet the needs of our local community, those who use our specialist services and the veteran community across Victoria.

Thank you to our extraordinary staff

We would like to start this year's report by recognising the outstanding contribution of everyone on the Austin Health team. Staff have kept on delivering under challenging circumstances, and remained compassionate, agile and patient-centred throughout. We are incredibly proud of our staff for their dedication to our patients and to each other – and the exceptional level of care they keep providing to our community.

A central focus has been ensuring that our staff are safe at work, and we have invested in a broad range of initiatives to promote the wellbeing of staff during some very challenging times.

We would like to recognise the contribution provided by our Board, Executive team and our leaders across the organisation. In particular, we wish to acknowledge the work of our Clinical Leadership Cabinet, which continued to oversight our response to the pandemic.

Our philanthropic supporters have also made an outstanding contribution, including the funds raised to provide our staff with a well-earned 'thank you' coffee.

New radiation therapy technology for better patient outcomes

Our new, state-of-the-art radiation therapy machine – the Magnetic Resonance Imaging Guided Linear Accelerator (MR-Linac) – is improving patient outcomes at the ONJ Centre. The first of its kind in Victoria, the multi-million dollar MR-Linac uses high-quality magnetic resonance

imaging to target tumours in real time, providing precise treatment and minimising damage to surrounding tissue.

The benefits to patients are enormous: cutting down the number of treatments required, reducing side effects, and giving us an even better chance of improving cancer treatment outcomes for each individual. Right now, the MR-Linac is being used to treat brain cancer, breast cancer and tumours in the head and neck region. The service will continue to expand to other hard-to-target cancers, such as pancreas, liver and kidney cancers.

This statewide service was officially opened by Health Minister Martin Foley in March, and is staffed by an expert team of radiation oncologists, radiation therapists, physicists and nurses. Austin Health now proudly provides the only public health MR-Linac service using MRI-guided radiation therapy to treat patients with cancer in Victoria.

Serving the community through our vaccination clinic

In February, we marked one year since our first patient received their COVID-19 vaccination at the ONJ Centre clinic. In those first 12 months, our vaccination clinics at the Heidelberg Repatriation Hospital, ONJ Centre and La Trobe University contributed to almost 1.5 million vaccine doses being administered across our North East Metro Health Service Partnership. Together with clinics at St Vincent's Health, Eastern Health and Northern Health, we administered 1,415,000 vaccines in that first year, making us the busiest hub across the state. And of course, those efforts continued throughout the year.

Our commitment to reconciliation

We launched the Austin Innovate Reconciliation Action Plan (RAP) this year, which steps up from our first Reflect RAP and sets out the actions we will take to improve the health and wellbeing of Aboriginal and Torres Strait Islander Peoples.



Our vaccination clinics at the Heidelberg Repatriation Hospital, ONJ Centre and La Trobe University contributed to almost 1.5 million vaccine doses being administered.”

The RAP outlines our commitment to truth telling and improving organisational knowledge and understanding of the factors that impact on health outcomes for Aboriginal and Torres Strait Islander Peoples.

The RAP outlines our commitment to embedding the voices and perspectives of Aboriginal and Torres Strait Islander Peoples into the co-design of culturally safe and appropriate care, amongst other important objectives.

Taking action on gender equality

We are committed to creating a fair, unbiased, and inclusive environment for employees of all genders, including woman, man, transgender, gender fluid, non binary and people of all diverse genders and sexualities.

We launched the Gender Equality Action Plan this year, which provides a clear set of strategies and actions that will guide our priorities over the next four years.

Whilst we are in the early phases of our gender equality journey, this plan will position Austin Health to make meaningful progress and demonstrate our strong commitment to providing a workplace that is fair and equitable for people of all genders.

Leadership changes

Marcia Gough joined us in October as Chief People & Culture Officer. Anna Phillips left the organisation in August. We are grateful for Anna’s leadership at Austin Health, particularly during the pandemic.

Professor Mary O’Reilly was appointed Chief Medical Officer in May, and had been acting in the role since the departure of Dr Mark Lubliner in November. We would like to thank Dr Mark Lubliner for his determination and leadership during his time with Austin Health, and especially during our ongoing pandemic response.

Rachel Meehan joined the Executive team as interim Executive Director Strategy, Performance & Improvement | Executive Director North East Metro Health Service Partnership in May. Charlotte McArthur is currently on leave from this role and will return in February 2023.

With increased pressure on the state health system, the Department of Health established a new structure to oversee COVID-19 preparedness and response arrangements across the sector. CEO Adam Horsburgh was seconded to the Department to take on the role of (interim) Deputy State Controller, Health Service Operations in late 2021 and again in early 2022. This role was accountable to the State Controller Health (The Secretary of The Department of Health). During this period, Cameron Goodyear was appointed as the Acting Chief Executive Officer.

Associate Professor Natalie Yang was appointed as Chair of the Senior Medical Staff Association at the end of 2021. We express our gratitude to Associate Professor Andrew Hardidge for his excellent previous work in this role.

Setting a new direction

With our five-year strategic plan 2018-22 finishing at the end of the 2022 calendar year, we have set our sights on future priorities and planning. The development of our new strategic plan is well underway. We are consulting with staff, patients, other health providers and community members to learn which big-picture issues are most important to them over the next five years.

Listening to the many voices of Austin Health – encompassing our diverse workforce and community – is the first step to ensuring the new strategy reflects who we are and what our priorities need to be.

There are so many positive developments for Austin Health to look forward to, including the new Statewide Child and Family Centre, a Youth Prevention and Recovery Centre, The Eltham Area Community Hospital and the implementation of the recommendations arising from the Mental Health Royal Commission.

Based on the experience of the past two years, we are confident that Austin Health staff will continue to rise to the challenges presented to us.

In accordance with the *Financial Management Act 1994* we are pleased to present the following Report of Operations for the year ended 30 June 2022.

Ross Cooke
Board Chair

Adam Horsburgh
Chief Executive Officer



World-class care for our community

Providing services to the community during COVID-19



400,000

COVID-19 vaccinations at Austin Health

1.58 million

COVID-19 vaccinations in the north east region



114,796

PCR tests conducted

16,000

RATs provided since Jan 2022



900

COVID-19 inpatients

101,403

Patients in COVID Positive Pathways

Vaccination clinics

Our COVID-19 vaccination service commenced with two fixed sites, with a third fixed site opening later in 2021 at La Trobe University to provide better access to the community. A neurodiverse clinic was also established, as well as countless pop ups and outreach visits. At the height of the service, we were providing 2,500 vaccinations per day across our fixed sites and outreach services.

At the end of the financial year, we closed the Austin Health COVID-19 Vaccination Service after 18 months of operation. As the majority of Victorians are now vaccinated, the roll out is at a point where we can transition from mass vaccination hubs to our primary care providers in the community.

This year, Austin Health was also the COVID-19 vaccination lead for the north east region of Melbourne. The program began in early 2021 and grew in the later part of the year with collaboration across North East Metro Health Service Partnership and community groups. At its peak, the service included 10 fixed site mass vaccination centres, two specialty neurodiverse (low stimulus) services and an extensive pop up/outreach program (in total covering more than 4,000 individual events), which ensured equitable vaccine access for the most vulnerable members of the community. Collectively to date, the program has administered over 1.58 million vaccine doses making it the largest vaccine service provider in the state.

COVID-19 Services

Our COVID Screening Service, COVID Positive Pathways and COVID Contact Tracing and Exposures services will continue into the next financial year, but have all started to reduce in size as some of their core functions are integrated into our business as usual model.

Our COVID Screening Service closed its doors to the public late in the year, but is still offering an easily accessible screening service to our staff, staff's immediate family and also to patients in our ambulatory spaces.





COVID Positive Pathways has had the difficult task of scaling up and down in response to the amount of cases in our community since commencing in October 2021. At any given time, the team is monitoring and providing advice to upwards of 2,000 patients in the community, working to assist in keeping the community well, at home and out of hospital.

The COVID Contact Tracing and Exposure Service has also been instrumental in assisting to halt outbreaks within the health service when identified through our surveillance screening, and works to protect our patients and staff from contracting COVID-19.

A new approach to COVID-19 care on the wards

Throughout the pandemic, we had dedicated COVID-19 wards to care for those who required inpatient care, but towards the end of the financial year we moved to a 'COVID in place' model. This shift recognised that patients receive the best care when located in their home location/ward. This means patients are admitted under the unit that best manages their specific health condition and admitted to that corresponding clinical area. This model is leading other health services to take that next step in the COVID-19 response.

Code Brown

As with many of the waves that occurred during COVID-19, access to the health service was challenged with increasing presentations and COVID-19 admissions. During our largest wave to date in January 2022, the Department of Health activated a Pandemic Code Brown to allow a more formalised emergency management structure across Victorian health services and make best use of hospital resources. Austin Health was fortunate to have agreements in place with multiple private health services where their available capacity could be utilised to relieve some of the access pressures.

Visitors

Helping to keep patients and staff safe during the pandemic included carefully balancing a range of factors, including reducing the risk of COVID-19 infection by requiring personal protective equipment (PPE), limiting visitors to our sites, and prioritising patient and staff wellbeing through a range of initiatives. Unfortunately due to the numbers of cases in the community, strict visitor restrictions were in place for most of the year.

More recently, we were able to relax some of the restrictions and allow visitors (albeit limited) back into the hospital to visit loved ones and provide that much needed support.

Mental Health

The Royal Commission into Victoria's Mental Health System was the largest Royal Commission ever held in Victoria. It guided an ambitious reform agenda to achieve an integrated and responsive mental health and wellbeing system for all Victorians to access. It acknowledged the vital importance of placing consumers and carers at the heart of this design, with the Victorian Government dedicating \$3.8 billion over a four year period. The final report contained 65 recommendations endorsed by the Minister for Mental Health, the Honourable James Merlino.

The first tranche of funding was aimed at expanding existing community mental health teams in both the Adult and Older Adult Services and the Child & Youth Mental Health Services (CYMHS). This would ensure treatment, care and support at a developmentally appropriate age, with the ability to respond to crisis seven days per week, 24 hours per day and with extended hours to increase accessibility.

We have used this funding to augment and expand our existing services, creating new teams for the younger age ranges and new roles focusing on specific gaps such as physical health, eating disorders and trauma informed care. We have enhanced our Consultation Liaison capacity to reach out into the general hospital to improve timely and accessible mental health expertise to all Austin Health consumers.

In addition, there has been specific work done this year on improving clinical governance, enhancing our safety and quality processes, and our risk management and mitigation of clinical and operational systems. Specific projects looked at access and flow clinical pathways, Emergency Department liaison, eating disorder clinical pathways and service improvement.

Austin Health's Mental Health Division has embraced the vision of the Royal Commission and has engaged staff, consumers and carers in developing its Transformational Plan, which articulates how Austin Health will respond to eight key priority areas. At Austin Health, this major sector reform is being led by the Mental Health Divisional Director and Medical Director, with a Royal Commission Steering Committee governing the work. Mental Health Division staff have been engaged in working groups to focus on key areas of the reform. A key component of the Royal Commission is embedding a carer and consumer lived experience workforce into our existing multi-disciplinary clinical teams in both community and inpatient settings.



The Mental Health Division has been active in engaging with Royal Commission planning at a Department level and has engaged in numerous planning sessions throughout the year. We are actively engaged with the Department of Health in identifying new opportunities for tendering, service design and system organisation to ensure that we work towards a truly holistic, integrated and consumer focused system, which is easier to navigate and more accessible to all parts of the health system.

The Mental Health Division successfully tendered for a regional Youth Prevention & Recovery Care Centre (YPARC), a facility aimed at short to medium term treatment and support of young people aged 16-25 who are living with mental illness. This new facility is currently in the design phase.

The Mental Health Division is also in the build phase of the Statewide Child & Family Centre, an exciting first in Australia and Victoria which aims at providing early intervention to children and families in Victoria in a family friendly environment with 24/7 staff support for specialist therapeutical clinical interventions. These two new facilities will ensure young people and their families receive the right treatment at the right time.

Ensuring a great healthcare experience

In 2021, Austin Health developed a new Patient Experience Survey that is delivered via SMS to patients who have been discharged home, following an admission to hospital. Following a trial phase, the survey commenced in September 2021, and now includes patients from a majority of Austin Health's inpatient areas. The survey has received over 10,000 responses to date and is a valuable tool for collecting patient experience data, which is used to drive quality improvement at Austin Health.

Highlights from the Patient Experience Survey include: The Surgery Centre's overall satisfaction

Net Promoter Score (NPS) of 64.85 (an NPS of 50 and above is considered excellent, while a score of 70 and above is considered world class) and Ward 7 South (Haematology, Endocrinology and Rheumatology) receiving an overall satisfaction NPS score of 58.58.

These results are very positive, particularly when we consider the frustration caused by essential pandemic protocols, such as visitor screening and frequent changes to visitor restrictions in response to outbreaks.

Patient-centric care

We listen. We learn. And we improve.

Feedback from our patients and visitors about their experience helps us improve our services and the quality of care we provide. Feedback forms are available across all of our sites. Feedback can also be provided by phone, email, and our website. All complaints are followed up by the most appropriate person and are used for quality improvements.

In 2021-22, 1,503 complaints were received at the Patient Experience Unit, similar numbers in comparison to the 2020-21 financial year. The Patient Experience Unit also received 617 compliments, a small decrease compared to the previous financial year. Austin Health is continuing to improve our processes to welcome and best manage feedback, from our consumers.

1,503
complaints

617
compliments

Connect and care anywhere

The desire to connect and care from anywhere has never been stronger among patients and staff, and providing ways for people to communicate wherever they are has been a priority for us this year. We have found many novel ways to ensure that staff can continue to work, communicate and care for patients wherever they are.

In the last year we have conducted over 25,000 digital surveys of our patients, not only to get feedback on their experience in our health service, but also to confirm they are ready for their next appointment, make sure we have up to date information, improve the experience for our patients and reduce missed appointments and the administrative workload for our staff.

Late in 2021 we started to roll out an innovative way of improving clinical communication using Microsoft Teams. This solution focuses on communicating with designated roles rather than people, thus simplifying one of the most complex communication challenges in large public hospitals.



This innovation is set to radically transform hospital communication and has since been adopted by other health services in Victoria and Western Australia.

Early in 2022 we started monitoring patients at home using Biobeat devices for up to two days after they leave the hospital. This data will soon be integrated into our patient portal, due to be released in the second half of 2022.

Late in 2021 we introduced Microsoft HoloLens2 as a way for accreditors and consumer representatives to perform a virtual accreditation visit when they were unable to attend on site.

The future of healthcare is digital, connected, everywhere and we are well positioned to provide extraordinary digital experiences so that our staff and patients can connect and care anywhere.

Bringing healthcare to the patient's home

This year Austin Health embarked on a virtual care strategy which utilises technology to assist in our care delivery. Our 'Hospital in the Home' (HITH) expansion took place through dedicated funding via the Victorian Better at Home budget initiative and saw the rapid expansion of the service to deliver high quality care managed in the home setting.

Local and global evaluations of home-delivered hospital services clearly show the benefits of home-delivered hospital care, including better outcomes for patients, and significantly higher patient and carer satisfaction.

We have been exploring several new services to better understand the benefits of delivering more healthcare within patients' homes where appropriate and preferred by the patient, using home-delivered and virtual care.

This supports the delivery of more acute, rehabilitation, geriatric evaluation and management, health independence program and specialist clinic services such as:

- Day Oncology at Home (DOAH)
- Subacute (GEM and Residential In-Reach)
- People at Risk of Multiple Admissions (PRIMA)
- Chronic Intestinal Failure (IF)
- Chronic Heart Failure (HF).

The services focus on areas such as subacute programs, management of chronic conditions to reduce Emergency Department visits and machine-learning analytics for proactive intervention of people at risk of multiple and multiday admissions.

Over 1,400 oncology home-based treatments have already been delivered with fantastic feedback from patients on its convenience not just for themselves, but also their families who may be supporting their trips to the hospital.

We are already seeing the benefits of treating people at home, and with continued growth into the future, we anticipate that home-based virtual care will extend to new areas of support and be an important element of the overall Healthcare system. Virtual care has many possibilities to review how health care is delivered to maximise patient experience.

Day Oncology at Home (DOAH) Program

The Day Oncology unit in the ONJ Centre provides around 17,000 cancer treatments per year. Demand for cancer medicine is growing, due to increasing incidence, more treatment types and clinical trials available (chemotherapy, immunotherapy, targeted therapy and hormonal therapy), and more people surviving and living longer with cancer.

In August 2021 Austin Health launched the Day Oncology at Home (DOAH) program to provide cancer treatment in the home, funded through the Victorian Department of Health's Better at Home Program. Patients offered DOAH are selected based on carefully planned criteria to maximise safety, quality and the best patient experience. Treatment is delivered in the home by credentialled cancer nurses, with on-site and Telehealth support from medical, nursing, allied health and pharmacy cancer specialists.

This game-changing initiative has improved access to timely cancer care for oncology and haematology patients of the Austin Health community. By the end of May 2022 there were 211 current patients on the program, with 1,400 treatments delivered safely in the home. Planning is underway to extend and grow the program where possible.

It is also life-changing for the patient, carer, and family experience.

"It has made such a difference to my dad's quality of life not having to come to hospital all the time, the nurses are all so lovely and caring."

Mandy, carer

Cardiac Hospital in the Home

This year we introduced a revolutionary Cardiac Hospital in the Home Program (Cardiac HITH). This program allows patients to be cared for by specialty cardiologists and a multidisciplinary team from their own home.

Cardiac HITH incorporates remote cardiac monitoring using wireless technology that allows the cardiology team to measure the patient's vital signs. The Cardiac HITH program allows patients to be discharged from hospital earlier or avoid a hospital admission all together.

This year up to 50 patients will be treated within the Cardiac HITH program and this will continue to grow over the next 12 months.



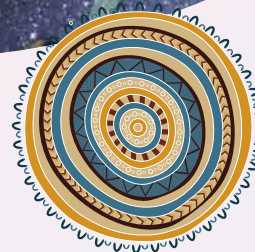


Improving access to care for the Aboriginal and Torres Strait Islander communities

An important part of our journey towards reconciliation is providing a culturally safe and welcoming environment for Aboriginal and/or Torres Strait Islander patients and visitors.

Ensuring Aboriginal and/or Torres Strait Islander communities had equitable access to treatment and care, this year we:

- Officially launched Austin Health's Innovate Reconciliation Action Plan
- Developed a Cultural Safety Action Plan for the organisation
- Implemented specific Family Violence Cultural Safety Actions to support Aboriginal and/or Torres Strait Islander patients and their families
- Launched our new Aboriginal Employment Plan, which aims to increase Aboriginal and/or Torres Strait Islander representation in our workforce
- Launched the Aboriginal and Torres Strait Islander Cultural Protocol Guidelines with the Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation to support culturally safe practices at Austin Health



- Encouraged staff to complete the Aboriginal and Torres Strait Islander Cultural Awareness training module, with 82% of staff having completed the program
- Celebrated Aboriginal and Torres Strait Islander veterans at our annual ANZAC, Vietnam and Remembrance Day services
- Marked important celebrations such as NAIDOC Week and events such as National Reconciliation Week and National Sorry Day, and raised awareness amongst staff to promote our commitment to reconciliation
- Undertook ongoing improvement activities to develop strategies to increase correct identification of Aboriginal and/or Torres Strait Islander patients
- Installed 55 Aboriginal and/or Torres Strait Islander Acknowledgement plaques at entrances to our hospitals and Aboriginal and Torres Strait Islander flags at Heidelberg Repatriation Hospital and Royal Talbot Rehabilitation Centre.

Through the ongoing implementation of these initiatives, we have continued to see growing participation from the Aboriginal Community, with a 6 per cent increase in inpatient episodes and a 35 per cent increase in outpatient episodes.



Saving lives through our transplant services

Kidney Transplant Service

One of the effects of the pandemic was a reduction in deceased transplant donors, with donation rates in Victoria falling from 25 donors per million population in 2019, to 17 donors per million population in 2021.

While 39 kidney transplants were performed at Austin Health in 2021, including three multi-visceral (liver-kidney, liver-kidney-pancreas) transplants, the number of individuals awaiting transplantation is at a ten-year high.

Austin Health continues to perform highly in terms of transplant workup efficiency, prevalent modality, and incident modality. Approximately 61% of all individuals with end-stage kidney disease at Austin Health have been transplanted.

Transplant recipients were significantly impacted by COVID-19 related hospital admissions and complications, a trend that has improved with increasing availability of COVID-19 specific therapies. Significant efforts have been made to maximise COVID-19 vaccination, testing, and rapid access to COVID-19 specific therapies in this group, in collaboration with the Transplant Infectious Diseases Unit.

The Kidney Transplant Service continues to work towards establishing normothermic machine perfusion as a facility available for deceased donors in Victoria. This technology will permit evaluation of donated kidneys from sicker donors before they are transplanted, increasing transplant opportunities and outcomes. This will extend on the success of this technology in the Liver Transplant Unit.

Victorian Liver Transplant Unit

The Victorian Liver Transplant Unit (VLTU) provides adult liver transplant services for all of Victoria and Tasmania and parts of Southern New South Wales, and is currently the sole provider of intestinal transplant services in Australia. The VLTU provides the surgical team and physicians for all paediatric liver transplants performed at the Royal Children's Hospital (RCH). The paediatric service is a Nationally Funded Centre, so patients are referred from a wider geographic region.

This year, the VLTU has performed 74 transplants, including 65 adult transplants and nine paediatric liver transplants. While the COVID-19 pandemic has contributed to a reduction in activity on previous years, due to a reduction in donor and retrieval numbers, we anticipate that our activity will continue trending upwards towards pre-pandemic numbers.

Despite the reduction in donors, VLTU has completed four intestinal transplants, including one paediatric patient. VLTU has also partnered with The Alfred to perform a combined liver and lung transplant.

The past 12 months have seen good success with the OrganOx metra normothermic perfusion device. In total, 12 livers have been perfused on the device, which is the highest number of livers since its inception in 2019. Of these 12 livers, nine have been transplanted - four of which were only deemed transplantable because of the availability of the OrganOx. The use of the OrganOx has assisted in optimising the use of organs in an environment of reduced offers related to the pandemic.

2022 has also seen a welcomed growth in the VLTU physician team with the commencement of our fourth hepatologist in February.

Margaret Ferguson celebrated her 95th birthday in May of this year. Margaret received a liver transplant 29 years ago in July 1993. Her family sent a special thank you to the Liver Transplant Team, in particular Professor Robert Jones and his extraordinary team. Margaret continues to surprise her family as she lives independently and is very sprightly for a 95-year-old.



Radiation Oncology Statewide MR Linac Service

On 25 August 2021, Radiation Oncology treated their first patient on the new multi-million-dollar MR Linac at the ONJ Centre. This statewide service was officially opened by the Health Minister Martin Foley in March 2022. The service is staffed by an expert specialised team of radiation oncologists, radiation therapists, physicists, and nurses. Austin Health is providing the only public health MR Linac service in Victoria that uses MRI-guided radiation therapy to treat patients with cancer.

The MR Linac can take MRI scans before and while delivering radiation therapy to improve treatment outcomes including: improved cancer control, less side effects and fewer treatments for patients. The MRI is scanning during treatment, showing the exact position and shape of the tumour, allowing the radiotherapy to target the tumour with precision. This new treatment machine is ideal for cancers that are difficult to treat. For example, cancers in locations that move, or are near healthy tissue, such as the bowel.

World-class care for our community (continued)

Currently the service has provided well over 500 treatments for brain, head & neck and breast tumours. Patients treated on the MR Linac have commented on the overwhelming relief they have experienced at seeing their tumours shrink and being able to see the changes on a day-by-day basis.

As the MR Linac service further develops, additional tumour sites will be included and increasing numbers of patients from across Victoria will be able to access this new technology.

“Our family will forever be grateful for the treatment and care provided”.

Patient feedback

Emergency Surgery

Emergency surgery demand has remained consistent compared to last year, with our key focus in this space being improvement in the timely delivery of care to patients requiring emergency surgery.

Austin Health undertook an Emergency Surgery Theatre Optimisation Project (TOP) to decrease the time patients were waiting for their emergency procedures. At the commencement of the TOP project, 64% of patients received their surgery within the clinically recommended timeframes. In response to this a new emergency surgery triaging and classification system was introduced to better reflect the clinically recommended timeframes for emergency procedures. A new General Abdominal Trauma Emergency Surgical Unit (GATES) was established to streamline the management of abdominal emergency surgery, and a clear structure for monitoring, escalating, and responding to surges in emergency surgery demand was implemented.

As a result of the TOP project, Austin Health is now a leader in the management of emergency surgery with 87% of patients treated within the clinically recommended timeframes. Length of stay in hospital has reduced from 7.7 days to 6.6 days with timely access to surgical procedures, which is having a positive outcome for patients. The percentage of emergency surgery procedures completed in the hours between 7.30am to 6pm Monday to Friday, excluding public holidays, has increased from 61% to 71% over the past 12 months.

High risk foot service

Diabetes related foot disease (DRFD) is a serious problem for our community. Nationally, complications resulting from DRFD are rising and can lead to hospital admissions, amputations, long term disability and death. Around 85% of diabetes-related amputations are preventable when wounds are detected early and managed properly.

Austin Health introduced a new Interdisciplinary High Risk Foot Service (iHRFS) in July 2021 to support patients living with DRFD who are at risk of limb threatening complications.

Research suggests an evidence-based model of care, such as the iHRFS, in both inpatient and outpatient settings, prevents hospital admissions and amputations and improves outcomes for people with diabetes-related foot disease.

The National Association of Diabetes Centres has developed an accreditation program which is awarded when iHRFS can meet core criteria delivered via an interdisciplinary approach, evidence based practice, timely access, quality improvement and research initiative. Our iHRFS model of care aims to meet national best practice standards, working towards achieving accreditation, improving patient experience and reducing impact on other areas of the health service.

The Austin Health iHRFS team includes Podiatrists, Endocrinologists, Vascular Surgeons, Infectious Disease experts, Diabetes Educators, Orthotics and Prosthetics, Dietetics and Psychology. iHRFS delivers a diverse range of services that when accessed early can avoid the need for hospital admission. This includes targeted early intervention strategies, rapid access pathways to appropriate health professionals and provision of evidence-based treatments, such as wound care, diabetes optimisation, vascular interventions, debridement, offloading, infection management and psycho-social supports.

Our achievements to date include recruitment of an iHRFS workforce, improved patient access to care (from 21 days to 12 days) and working closely with community partners to ensure those living with DRFD have the lifelong care they require to remain in remission from ulceration. A recent survey of our patients highlighted positive patient experience, with satisfaction rated 4.9 out of 5. Community partners report being engaged and supported by the iHRFS.

The iHRFS has proved to be a sustainable model with increasing activity over the last 12 months and has delivered in excess of 2,600 outpatient encounters. We continue to enhance our relationships outside the hospital walls, establish a positive reputation and develop skills and knowledge within our community providers to achieve our desired outcome: preventing avoidable amputations.

International Nurses Day 2022

Each year on 12 May the world recognises the vital and unique role nurses have in our community.

At Austin Health we celebrated the professionalism, leadership, selflessness, innovation, and kindness of our nurses by offering those working on the day a small gift as a gesture of our gratitude.

We also held an award ceremony which recognised nurses who had been nominated by the whole Austin Health multidisciplinary community for demonstrating Excellence in one of the Domains of Professional Practice.



This year's award recipients

Direct Clinical Care

Karlene Lang

Emergency Department Care Coordinator

Michele Young

Specialist Clinics Enrolled Nurse Level 3

Molly Devlin

Surgery and Endoscopy Centre
Associate Nurse Unit Manager

Education

Lin Chen

Mental Health Clinical Nurse Educator

Emanuel Sette

Home Therapies Centre Registered Nurse

Research

Lucy McKenna

Radiology Research Nurse

Support of Systems

Kate LoPresti

Chief Nursing Informatics Officer

Professional Leadership

Tanya Wilson-Guest

Surgery and Endoscopy Centre
9 West Nurse Unit Manager

Bianca Blatchford

Marion Drummond Adolescent Unit Nurse Unit Manager

Salliece Byford

COVID-19 Vaccination Clinics Nurse Unit Manager

Team Nursing

Nursing at Austin Health continues to strive for excellence through evidence based contemporary nursing models. Austin Health implemented and sustained a Team Nursing model of care in all inpatient areas. In a team nursing model, two or more nurses are allocated care for a group of patients in the acute care setting. Team Nursing models utilise skills and experience of all levels of nursing staff to facilitate the provision of safer care through supported clinical practice, with nurses working interdependently and cooperatively within interdisciplinary teams to achieve a common goal.

Austin Health has led the way on Team Nursing model implementation in Victoria. Evidence suggests that there can be up to 20-40% reduction in the nursing workforce during a pandemic due to staff furlough, fatigue and burn out.

The Team Nursing model has been a crucial initiative to mitigate such implications of the COVID-19 pandemic on the nursing workforce at Austin Health.

Our bi-annual observation audits on team nursing have shown that the model has provided an important support framework for our early career nurses and improved outcome for our patients.

Regional Pathology Transitions

The Regional Pathology Transitions program has been initiated by the Department of Health, relying on the support from Austin Health Pathology (AHP), to ensure that public health services and their communities in the Loddon Mallee, Hume and Grampians regions can access the essential pathology services that they need.

Over the past year AHP has completed the integration of pathology services in regional areas, with the successful transition of services at Goulburn Valley Health, NCN Health, Mildura Base Public Hospital, Mallee Track Health and Community Service (Ouyen and Sea Lake) and Cohuna District Health.

Previously AHP has transitioned services at Central Highlands Rural Health (Kyneton), Castlemaine Health, Kilmore District Health, Seymour Health, Kyabram District Health Service, Echuca Regional Health, Swan Hill District Health and Kerang District Health.

This Regional Pathology Transitions program aims to ensure all Victorians, including those in rural and regional communities, have access to timely, high quality pathology services.

The transition of AHP services in rural and regional areas ensures a sustainable and long-term investment in pathology services. It brings with it new equipment and technologies to meet the needs of rural and regional Victorian communities. It allows AHP to better use the new technologies and provide enhanced employment and career development for staff. It also increases economies of scale to allow AHP to make system improvements.

In addition to upgrading facilities and equipment as part of the transition program, AHP provides an extensive inpatient and outpatient pathology service that is customised to meet local community needs. Whilst most regional pathology testing is performed locally within the regional laboratories, a hub and spoke model provides equitable patient access to the comprehensive range of highly specialised testing performed at Austin Health's main laboratory at Austin Hospital.

Bringing our best to our work, every day

Our workforce

New allied health

Our allied health new graduate transition program has taken on more significance this year in keeping with the disrupted learning environments of 2020 and 2021. This program aims to provide support during a significant period of transition, increase work readiness, build informal networks and enhance interprofessional practice. The program was delivered to new allied health clinicians across 11 disciplines. Feedback remains very positive with graduates appreciating the opportunities to connect with others at a similar career timepoint.

New doctors

Austin Health prides itself on the relationships we build with our junior doctors, and in 2022 we welcomed and supported 65 interns in the first year of their medical career. Austin Health's Intern program is developed to provide a well-structured and highly supportive teaching and training experience. Key to the continued success of our intern program is the support and care we provide to our interns throughout the year and in the early but vital introduction period to working in the public health and hospital system.

We are particularly proud of the retention rate of our junior doctors in training, with a vast majority electing to continue with the health service. There are multiple career pathways offered, which include a dedicated Surgical stream; Basic Physician Training, which offers three-year contracts, so their training remains with one employer; and a designated General stream, which is a pathway to General Practice and Psychiatry training.

New nurses

Welcoming and supporting entry to practice nurses at Austin Health remains a strong priority with our Graduate Nurse Program. In 2022, we welcomed 218 graduate nurses across our general, combined and mental health services. Across the life of the graduate program, we have continued to maintain a retention rate above 90%. Our nursing graduates are supported through hospital orientation, study days and rotation across two different areas of specialty to build their experience and capability. Through innovative measures we are delighted to have offered these experiences in a COVID-19 safe way, without compromising the quality of the program.

Austin Health strives to be an employer of choice and has a strong reputation for our Graduate Nurse Program, evidenced by the 1,300 applications for the 2022 program. One of the ways we have achieved this is through increasing our recruitment of Registered Undergraduate Student of Nursing (RUSON) roles. Many of our graduate nurses in the 2022 program streamed from our RUSON workforce.

Non-clinical staff

Administrative staff, who provide the backbone for our operations, have had an amazingly busy year, both in support of the organisation's changing requirements and needs for COVID-19, and in the maintenance of regular business as usual activities.

This year in particular has demonstrated that this large and variable workforce is committed to excellence in service support, and has been extremely agile and innovative in responding rapidly to all manner of requests.



Responding to family violence

Austin Health staff have completed 2,789 sessions of training on family violence this year.

Training course	Audience	Number of staff completing the training
What is family violence	For all staff	2,026
How to identify family violence and respond	For targeted clinical staff in key areas	509
MARAM Intermediate	For social workers and mental health staff	109
Supporting staff experiencing family violence	Managers	86
Family violence and child information sharing schemes	Social workers and mental health staff	59
Total completions		2,789

Austin Health continues to focus efforts on embedding the (whole of hospital) Family Violence Multi-Agency Risk Assessment and Management (MARAM) framework into practice to help improve responses to family violence victims.

Clinical staff are using new family violence procedures, assessment tools and safety plans to assist with the assessment and management of family violence risk.

A further focus this year has been to continue to implement the Family Violence Information Sharing Scheme, which aims to change information-sharing practices to effectively manage family violence risk, and the Child Information Sharing Scheme, which aims to promote the broader wellbeing and safety of the child.



An innovative approach to volunteerism at Austin Health

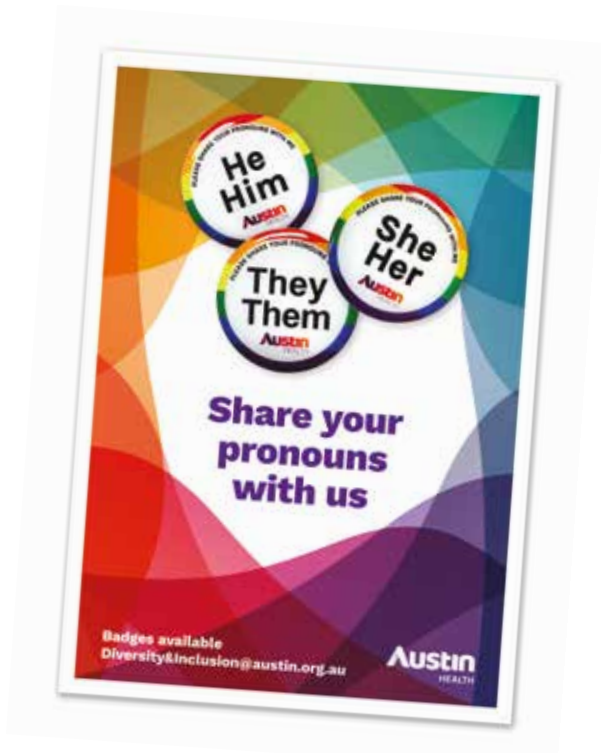
The resilience of our volunteer workforce was tested over the year with the challenges of COVID-19 restrictions again delaying the return of most of our volunteer services. Remaining passionate and stoic, volunteers actively pivoted from what they knew, to what they knew they could do. It was wonderful to have so many of them take up new short term and pilot programs.

Volunteers have assisted with projects including staff COVID-19 vaccination audits (some volunteers made over 500 phone calls in one day to help meet short time frame requirements), piloting and successfully delivering a program in non-contact delivery of oximeters for COVID-19 positive patients, and the delightful visits of Lort Smith Pet Therapy teams providing positive distraction for staff during tough times (and which have now returned for the benefit of some of our patients), with more to come. Thirteen of our volunteers took part in a wellness initiative for staff, handing out more than 3,000 coffee vouchers to bring smiles to the faces of our team.

The connection between our volunteers and our organisation has only grown with these challenges, and we are, to date, delighted to have been able to return 16 different volunteer roles to our organisation. Various roles have recommenced at Royal Talbot Rehabilitation Centre, Heidelberg Repatriation Hospital and Austin Hospital, along with our Diamond Creek Opportunity Shop and the continuation of our remote telehealth support role.

A real highlight to date was our 'AustinVollies' team who took part in the Austin Health Foundation's 1,000-Minute Challenge – placing number 1 from start to finish on the leader-board and raising over \$10,000 towards the purchase of essential medical equipment.

The restrictions, pressures, and challenges over the year have not stopped our volunteers from doing what they do best. Further programs are earmarked to return and we look forward to having more volunteers onsite: visible, flexible and eager to assist in improving the experience of patients, their families, our staff and our community.



Continuing our focus on diversity and inclusion

This year we have continued to embrace the talents, skills, backgrounds and perspectives of the many different people who make up our organisation. We continue to discover new perspectives in care, and new cultural cues that help create more compassionate, more responsive, more extraordinary experiences for the people we care for throughout the Austin Health community.

Progressing our diversity and inclusion commitment

Following the launch of our three-year Diversity and Inclusion Plan in 2020, we have continued to progress our commitment to a workplace where our people can embrace differences, skills and backgrounds that are truly reflective of the communities we serve, can bring their authentic selves to work and feel a strong sense of safety, purpose and belonging.

We have continued delivering the initiatives outlined in the plan and have:

- Built educational resources to help staff understand the meaning and value of all dimensions of diversity and the importance of inclusion
- Updated our people systems to provide more inclusive gender title and identifier options for candidates and employees

- Introduced pronoun badges and posters for our staff to share with their colleagues and patients, which help create an inclusive and safe workplace
- Reviewed our people policies and practices to focus on the use of inclusive language
- Continued sharing stories that celebrate the extensive cultural and religious backgrounds of our people, as well as recognising significant events on the diversity calendar.

Our people, their stories

Our cultural calendar, 'Our people, their stories', recognises our wonderful staff and volunteers. It is an opportunity to celebrate our people and share their stories. It's also about building a shared understanding of different backgrounds, experiences and beliefs.

Building on previous year's success, this year's calendar featured 14 of our staff and volunteers who share their story, culture and traditions, explaining the importance of each cultural event or significant date. These stories are shared monthly, both internally and across various social media channels.

Developing our Gender Equality Action Plan

Gender equality is when all people – regardless of gender – have equal rights, responsibilities, and opportunities. *The Gender Equality Act 2020 (Vic.)* came into effect in March 2021. Austin Health is committed to fulfilling a range of obligations to promote gender equality in our workplace, programs and policies.

We have undertaken a gender equality audit and developed a Gender Equality Action Plan. Our plan was developed following assessment of available workforce data, as well as extensive consultation across our workforce. We will launch our plan in July and commence working on the initiatives within the plan.

Celebrating International Women's Day

We again celebrated International Women's Day by holding a special online event for all our staff and volunteers. Television and media personality Libbi Gorr hosted the event, along with guest speaker Dr Niki Vincent, Victoria's first Public Sector Gender Equality Commissioner.

Dr Vincent shared her personal journey and reflections on the importance of gender equality in society, as well as the work being done across the state with the introduction of the Gender Equality Act.



Austin Health Inspirational Women Award recipients

Barbara Knell

Ward Clerk, Ward 11 at Heidelberg Repatriation Hospital for her dedication, knowledge and passion to patients and the ward over the past 27 years.

Associate Professor Janine Trevillyan

Head of Austin's COVID-19 Vaccination Program and Infectious Diseases Physician

for her incredible leadership during the pandemic, as well as her thorough and consistent communication style to staff throughout the pandemic, keeping them informed with the most up to date information and advice.

Dr Jocelyn Howell

Deputy Director of Emergency Department for being an inspirational role model to all Emergency Department trainees and junior doctors. Jocelyn was also the first woman appointed to the Emergency Department Executive team.

Ranjithanayaki Ganeshalingam

Registered Enrolled Psychiatric Nurse, Mental Health for her consistent patient-focused approach in everything she does. Ranji's calm approach is an inspiration to many as she always maintains composure in even the most heightened of situations.

Sharon Bard

Assistant Manager and Leisure Therapist - Community Integration & Leisure Services for her leadership of the Community Integration and Leisure Services since 2015. Sharon has led the department in terms of focusing and streamlining the service in quality management with patients, carers, and their families.

Zoe Nicholas

Associate Nurse Unit Manager, Intensive Care Unit for her incredible efforts going above and beyond to support and care for the wellbeing of the ICU team throughout the pandemic, creating care packages and other initiatives to engage the ICU team.

Strengthening our commitment to reconciliation

We launched our Innovate Reconciliation Action Plan (RAP) in April 2022. We were extremely grateful to have Jill Gallagher AO, CEO of the Victorian Aboriginal Community Controlled Health Organisation (VACCHO), renowned musician and activist Kutcha Edwards and Aunty Julieanne Axford from the Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation join us for this very special launch.

The RAP outlines our continued commitment to reconciliation and articulates the steps we will take to improving the health and wellbeing of Aboriginal and Torres Strait Islander Peoples, by:

- Embedding the voices and perspectives of Aboriginal and Torres Strait Islander Peoples into the co-design of culturally safe and appropriate care
- Building strong and enduring relationships, including community stakeholders, suppliers and our employees
- Creating an environment across all our sites where Aboriginal and Torres Strait Islander Peoples are welcomed, valued and respected
- Truth telling and improving institutional knowledge and understanding of the traumatic impact of unjust policies, practices, structures, and racism on health outcomes for Aboriginal and Torres Strait Islander Peoples.

The development of this second RAP was a 12-month process that was strengthened by the rich and open feedback we received from our staff and community stakeholders.



Disability Action Plan 2022 – 2025

In Australia, one in five people have a disability. In many cases, having a disability means more visits to hospital, more medical appointments and more contact with our multi-disciplinary teams.

Austin Health will shortly launch our Disability Action Plan (DAP) for 2022-2025. It outlines the ways in which we will work towards a more inclusive culture to provide effective and safe patient centred care, ensuring greater representation of people with disabilities helping to inform and improve care. This plan also highlights what we need to do to be accessible in our built environment and communications, ensuring effective representation of people with disability.

The DAP has been developed with our Disability Liaison Officer (DLO) program. The DLO program works to deliver positive health experiences for people with disability through systemic improvements to service delivery across all Austin Health sites. In this financial year, the DLO program has supported over 1,500 people with disabilities. The program has provided 1,374 bespoke solutions for accessing vaccinations, including via neuro diverse vaccination clinic, and aided an additional 173 inpatients and outpatients with disabilities to navigate the Austin Health services, including COVID Positive Pathways.

The DLO program, in conjunction with the Disability Inclusion Committee, is vital in meeting the commitments of the new DAP, and overcoming the inherent barriers and inequities people with disability face when accessing healthcare.

“Our son with autism spectrum disorder and a severe intellectual disability had tried and failed to get vaccinated due to his extreme anxiety and his fight/flight response at the sight of a needle.

I spoke with the DLO Isla who took great care to discover what his specific needs were and customised a vaccination strategy specific to those needs. Isla organised a very quiet vaccination centre at the ONJ Centre and we were able to cancel an appointment where he would have needed partial sedation.

I cannot speak highly enough about the DLO program during this worrying and stressful time, professionals like Isla make such a difference for our family.”

Parent of child who accessed the DLO program for support with vaccination



If you or someone you know would benefit from the DLO service, don't hesitate to contact us on **03 9490 7620** or **disabilityliaison@austin.org.au**

Supporting staff wellbeing

Listening to our people

In 2021 we asked our people about what it was like to work at Austin Health, with a focus on wellbeing, diversity and inclusion. We sought feedback from staff on the VPSC People Matter survey, a wellbeing survey and a gender equity survey. Results were analysed, actions were determined and are progressively being implemented.

Staff wellness

We continued to prioritise staff wellbeing as our team continued to adapt to the ongoing challenges of the pandemic. We sought feedback from staff about how best to support wellbeing, and from this augmented our Staff Wellness Program with expanded health and wellness supports and activities.

We were successful in receiving a Healthcare Worker Wellbeing grant from the Department of Health in 2021, which was aimed at promoting post-COVID-19 psychological recovery and supporting the long term psychological wellbeing of our healthcare workforce. Over the past year, we have successfully adopted a flexible approach to delivering this program through successive waves of COVID.

This program consisted of staff wellbeing sessions that involved both psychology and creative therapy (art and horticulture therapy) and leadership training in supporting workplace wellbeing initiatives for our managers. We incorporated these activities into our Staff Wellness Program.

Our program included a large range of offerings, including:

Employee Assistance Program (EAP)

Professional and confidential counselling and coaching for staff and immediate family on all aspects of life, including personal and work-related issues, and financial, legal and lifestyle assistance

Fitness Passport

A corporate fitness program offering affordable fitness and aquatic centre access to 160+ venues Victoria-wide

Kokoda Gym

Onsite gym accessible to all staff

Discounts and special offers

Private health insurance, local health and fitness centres, local businesses, e.g., cafes, select car dealerships

Transition to Retirement program

For staff wishing to undertake a graduated retirement process

Caring for Doctors Program

Including Peer Support and Mentoring

Wellbeing webinars

Topics such as Managing Stress, Moral Injury, Effective Parenting, Burnout

Mindfulness sessions

Short, snap mindfulness sessions and longer rest and recovery webinars

Massages

Onsite seated massages

Skin and Health Checks

Creative Wellbeing Sessions

Designed to give staff an opportunity to take a break from work and to connect with colleagues in a relaxed and fun online environment

Wellness Boxes

A variety of healthy snacks in a box provided to wards and departments

Leadership Training

Including Wellbeing Training designed to give managers access to practical tools to help care for themselves and their teams, and Psychological First Aid to impart the skills necessary for helping staff in the aftermath of a stressful, critical or traumatic event

Rest and Recovery Spaces

New and rejuvenated staff break areas across Austin Health's three main campuses.



Investing in our leaders

During 2021 we continued to offer a leadership development program to senior, established and frontline leaders. We have increased our leadership development programs at all levels. Learning and professional development is a priority at Austin Health and we will continue to build on this well-established and effective program.

Supporting the wellbeing of our staff and their families during lockdown

To support our staff and their families during the lockdown period in 2021, we partnered with KidsCo to provide a virtual lockdown program for school-aged children between five and 12 years of age. We understood that remote learning was a challenge for many of our staff - particularly those managing remote learning and working from home, and wanted to show our support.

This offering proved to be a huge success for our staff and their young ones, who were thoroughly engaged in the program.

Leading the way on research

Research at a glance

2,475

research papers published

47

research papers published a week

149

research papers in Stroke Research

69

research papers in Surgery

52

research papers in Emergency medicine

49

research papers in Critical Illness

48

research papers in Sleep

Hospital based research at Austin Health brings the benefits of research quickly into clinical practice. Our research community represents clinical workers across all areas of health care.

Leading Researchers



**Professor
Rinaldo Bellomo AO**

Listed as one of 10 'distinguished scholars' from around the world and received an honorary doctorate from the University of Helsinki acknowledging his contribution to intensive care research. He received the honour for being 'one of the most cited and celebrated researchers in the field of intensive care medicine'. In 2021, Prof. Rinaldo also received the GSK Award for Research Excellence with his colleague Professor Jamie Cooper AO. Their innovative research and leadership has revolutionised critical care medicine on a global scale.



**Associate Professor
Elif Ekinci**

Established the Australian Centre for Accelerating Diabetes Innovations Research Centre (ACADI) by being awarded the highly competitive Medical Research Future Fund (MRFF) award from the Australian Government. The centre will transform diabetes care for Indigenous and non-Indigenous Australians by creating a sustainable model to increase quality of life and life expectancy. Dr Susan Alberti AC is the inaugural ACADI Chair.

Dr Alexandra Murphy

Received a Fulbright Scholarship to research the complex management of cancer survivors and their high likelihood of developing cardiovascular disease addressing the 'Cardio-Oncology epidemic'. Dr Murphy will continue her research at Mt Sinai Hospital in New York.

Austin Health and Life Science Research Publications

FY 19/20	
Database	No. citations
PubMed	1,315
Embase	2,015
Subtotal	3,330
Total after removal of duplicates/incorrect citations	2,065
WEEKLY AVERAGE	39 (39.71 - as at 30 June 2020)

FY 20/21	
Database	No. citations
PubMed	1,578
Embase	2,130
Subtotal	3,708
Total after removal of duplicates/incorrect citations	2,246
WEEKLY AVERAGE	43 (43.19 - as at 30 June 2021)

YEAR 01/04/2021 to 31/03/2022	
Database	No. citations
PubMed	1,621
Embase	2,072
Subtotal	3,693
Total after removal of duplicates/incorrect citations	2,379
WEEKLY AVERAGE	45 (45.75 - as at 10 May 2022)

Research shows the benefits of MS Nursing care

Research led by academic nurse Belinda Bardsley has demonstrated patients who have access to a Multiple Sclerosis (MS) Nurse have reduced Emergency Department presentations, reduced hospital admissions, lower levels of disability, slower disease progression, less severe symptoms, lower levels of depression and anxiety and a higher quality of life than those without this specialist care.

Nursing research

Nurses are the largest healthcare workforce providing 24/7 care for the Austin Health community. Nurse-led research is uniquely positioned at the forefront of care and has widespread benefits for the nursing profession, patients, interdisciplinary teams, organisations, and communities.

In 2021 we appointed our first Nursing Research Fellow, with a focus on building nursing research capacity and capability organisation-wide.

June 2022 saw the establishment of Austin Health's Nursing Research Collaborative. The collaborative is founded on a philosophy that nurses are stronger together, partnering with nurses, patients, interdisciplinary teams, researchers and organisations to identify, co-design and explore questions of practice.

A selection of research projects driving improvements in care

Associate Professor Bulang He is investigating how to reverse damage in kidneys so they can be used for transplant. By using a perfusion machine to pump blood through the kidney outside the body, the kidney has time to recover and undergo additional checks to ensure it is safe for transplantation.

Together with colleagues from Eastern Health, Dr Numan Kutaiba is looking at the feasibility of improving access to diagnostics for patients living in regional and remote areas by providing haptically enhanced robotic ultrasound care.

Associate Professor Andrew Hardidge is comparing costs and clinical outcomes of hip and knee joint replacement for osteoarthritis between robotic orthopaedic surgery and traditional orthopaedic surgery.

Dr Ada Cheung and her team are continuing to make a difference for patients. Her study of Gender Affirming hormone therapy compares immediate commencement of therapy with the current standard of care to see if this improves gender dysphoria, depression, suicidality and quality of life.

Impactful infrastructure that will advance research

Austin Health is host to state of the art equipment that will give our patients access to a range of new and improved services.

Radiation therapy machine (MR-Linac)

The first of its kind in Victoria, the MR-Linac incorporates a diagnostic MRI together with a linear accelerator (the machine used to deliver radiation). This combination ensures better targeting of the tumour and can adapt to any changes on a daily basis. This new machine was funded by the Victorian State Government.

MRI Guided Ultrasound and 3T MRI at The Florey Institute of Neuroscience and Mental Health

This will be the first Australian Health Service to use ultrasound to provide minimally-invasive personalised neurosurgery.

This facility will be led by Professor Graeme Jackson, Deputy Director and Clinical Director of the Florey Institute, and was established through funding from the National Collaborative Research Infrastructure Strategy (NCRIS), the National Imaging Facility (NIF), Microscopy Australia, The Florey Institute of Neuroscience and Mental Health, and The University of Melbourne.

Pre-clinical Imaging Facility

Through the Olivia Newton-John Cancer Research Institute (ONJCRI) and La Trobe University, Austin Health will host a PET-MRI scanner for pre-clinical research in cancer, neuroscience and development of novel imaging probes which can be translated into clinical trials. The facility is led by Professor Andrew Scott, and funding was provided by the National Imaging Facility (NIF), ONJCRI and the Victorian Government.

Austin Health researchers share in more than \$73 million in competitive research funding

Grants

MRFF

A total of \$41.4 M has been awarded for projects in Diabetes, Neurosciences, Rare Cancers and Mental Health.

We congratulate Associate Professor Elif Ekinci, Professor Julie Bernhardt, Associate Professor Michael Hildebrand, Professor Andrew Scott, Associate Professor Eliza Hawkes and Professor Richard Kanaan.

NHMRC

A total of \$14.9 M has been awarded for projects in Epilepsy, Non-Epileptic Seizures, Transgender Health, Inflammatory Bowel Disease, Antibiotic Allergy, Interstitial Lung Disease, and Detection of Mosaic Brain Mutations.

We congratulate Professor Ingrid Scheffer AO, Professor Richard Kanaan, Dr Ada Cheung, Associate Professor Peter De Cruz, Associate Professor Jason Trubiano, Dr Yet Khor, and Associate Professor Michael Hildebrand.

Awards

Beverly Briese Nursing Scholarship – 2022

Polly Dufton, RN, PhD.

Beverly has supported Austin Health for nearly 50 years and offers the scholarship to raise nursing research nationally and internationally.

American Epilepsy Society – 2021 Suzanne and Peter Berry International Travel Award

Dr Linda Dalic

American Society for Bone and Mineral Research Young Investigator

Dr Tian Nie

Austin Medical Research Fund

Dr Tracy Leong, Dr Anna Ridgers, Dr Jasmine Coles-Black

Intestinal Rehabilitation and Transplant Association's (IRTA) Allied Health Professional Outstanding Achievement Award 2021

Brooke Chapman, Senior Clinician Dietitian

Funding

Victorian Government

Prof Farshad Foroudi – \$8M

MR-Linac Cancer Radiation Therapy Machine

Australian Automobile Association

Prof Mark Howard – \$1.1M

Evaluation, validation & comparison of fatigued driving monitoring systems

NCRIS, NIF, Microscopy Australia, University of Melbourne & Florey Medical Research Institute

Prof Graeme Jackson – \$8M

MRI Guided High Intensity Focussed Ultrasound



ResearchFest 2021

ResearchFest showcases our current and emerging research leaders and the work they're doing to transform medical treatment and care – in Australia and across the world.

In 2021, 180 abstracts were submitted across 32 areas, including Aboriginal health, cancer, neuroscience, nursing, cardiology, respiratory and sleep medicine, and emergency and critical care. The largest group of submissions came from Allied Health.

Awards presented during ResearchFest 2021 included:

Austin Medical Research Foundation Distinguished Scientist Award

Professor Johnathon Cebon

To honour his contribution in both clinical and basic research, and his commitment to fostering young people into research. Professor Cebon's work has led to innovations in melanoma treatment. Stanford University places him in the top 2% of scientists world-wide.

Austin Medical Research Foundation Young Investigator Award

Linda Dalic

In a gold standard clinical trial used Electrical Stimulation to demonstrate benefits to people with Lennox-Gastaut syndrome (ESTEL), a form of Epilepsy.

Allied Health Research Award

Kim Luong

For investigating the effectiveness of elements of the therapeutic relationship in cognitive-based therapy for patients with anxiety disorders.

Leadership in clinical education

The COVID-19 pandemic has transformed the way in which we provide clinical education. Traditionally face-to-face education was the dominant delivery method. Clinical educators have adapted to incorporating eLearning and online delivery of education, in addition to incorporating COVID safe measures for essential face-to-face education. Online delivery of education has provided some unexpected benefits, including increased reach to staff across sites and to learners beyond our walls.

We have hosted 95 virtual Austin Grand Rounds with significant topics drawing over 1,000 attendees. Online education delivery has also allowed us to collaborate with colleagues in other organisations to deliver state-wide education initiatives such as the Complex Clinical Case series in Allied Health and in partnership with the Australian & New Zealand Gastroenterology International Training Association (ANZGITA) to provide the COVID-19 Pacific Island Education Response to tailor clinical education to resource-poor countries.

With the explosion of telehealth, we are also currently running a Melbourne Academic Centre for Health (MACH) funded pilot on interdisciplinary learning for our students attending outpatients in the telehealth setting. To our knowledge, this is the first study of its kind and could transform the way we teach, learn and provide care in the telehealth setting.

Partnering with Microsoft Power Apps, Austin Health has also hosted a Continuing Medical Education (CME) apps hackathon, which is revolutionising the way we teach, learn, mentor, supervise and research in the digital space.

Building the capabilities of our staff is an essential component of clinical education. Harnessing our eLearning technologies, we have embedded programs of orientation and induction for nursing and allied health staff, and created a professional practice framework to support nursing development and a capability pathway to support allied health development. In addition, our educators continue to provide education support at the point of care to ensure safe and effective high quality care delivery.



Thank you to our Community of Supporters

So many of the wonderful achievements at Austin Health would not be possible without the generosity of our valued supporters and volunteers. From world-leading research to the extra touch of care patients feel, we are truly humbled by the compassion of those who choose to help and partner with us to deliver care. The past year has come with its own unique challenges for many, but the spirit of giving to support Austin Health has remained undeniably strong.



Walking for Wellness

In September 2021, Austin Health's ONJ Centre hosted a successful virtual fundraising event, Olivia's Walk for Wellness. This activity united participants from across the world for the same cause, supporting wellness therapies at the ONJ Centre.

The timing of the event presented a unique opportunity for participants to also celebrate Dame Olivia Newton-John's 73rd birthday with her.

The event helped fund evidence-based wellness therapies at the ONJ Centre, which have been proven to reduce the side effects of cancer treatment and help people cope better during their cancer journey.

"Wellness activities such as yoga, mindfulness, meditation and massage have been very important to me and I feel they have really helped me on my journey. That's why I want everyone to have this additional support."

Dame Olivia Newton-John AC DBE



Exercising for a healthier March

2022 saw our second year for Austin Health's 1,000 Minute Challenge. The 1,000 Minute Challenge asks participants to complete 1,000 minutes of exercise over the month of March, approximately 30 minutes per day to improve health and wellbeing and raise funds to support healthcare workers at Austin Health.

Over 800,000 minutes of activity were logged and \$220,000 raised for additional medical equipment. Austin Health's incredible volunteers were the highest fundraising team. We are so grateful for their outstanding and continued generosity to Austin Health.

Patients breathe easier in the comfort of their homes

Thank you to our supporters who responded to the appeal for help at the NIV@Home program, which is run by the Victorian Respiratory Support Service (VRSS) at Austin Health.

NIV@Home facilitates independence for patients to be treated at home, rather than through hospital admission. The program allows patients to regularly and safely control their care in a familiar environment, through access to telehealth consultations and remote patient monitoring via real time patient data adjustments to ventilators.

VRSS Director Mark Howard highlighted the importance of public support as a way to “leap forward” in the quest to provide crucial new services.

We would also like to acknowledge the Robert C Bulley Charitable Fund, which generously matched donations during the appeal.

Spinal patients move in comfort

Thank you to Keith and Val Moody for the transformational gift in their will to the Royal Talbot Rehabilitation Centre (RTRC). Their impactful legacy is elevating services and making additional programs possible, including the new minibus to take spinal patients on day outings.

“The new van has quickly become a great asset having replaced our 30-year-old van. It is a more comfortable vehicle for our patients to travel around in and it gives patients and their families a great example of the sorts of modifications they can look for when purchasing their own wheelchair-accessible vehicle.

Staff are also happy to have this very handy tool to assist with home assessment visits and supported community outings. This gift has also meant our spinal patients can travel around in luxury – and they deserve it.”

Salvatore Dema
Manager, Royal Talbot Rehabilitation Centre



Enhanced care in the Emergency Department

Thank you to our supporters who responded to the appeal for support for the Emergency Department (ED).

We have received overwhelming support from the community with more than 1,400 donations. Many of these were from past patients or their families who were grateful for the life-saving care they received. Funds raised by the appeal will aid world-class research into improving patient care and outcomes for those who present to our ED.

We would also like to acknowledge the family of Josie Fletcher and another anonymous donor who generously matched donations during this appeal.

“Now more than ever, it’s vital that we invest funds in improving the care of patients here at the Austin Emergency Department and all Emergency Departments.

The research we do here will contribute not only to better outcomes to patients here but better outcomes for patients across Australia and the world.”

Michael Ben-Meir
Director, Emergency Department

Thank you to our Community of Supporters (continued)



Thank you Olivia's Circle and Austin Ambassadors

Thank you to our donors who give to Austin Health and the Olivia Newton-John Centre each month through Olivia's Circle and the Austin Ambassador programs.

Olivia's Circle members fund wellness programs at the ONJ Centre, and last year Austin Ambassadors enabled the purchase of a state-of-the-art videostroboscopy unit.

By using this machine our clinicians can obtain a better understanding of the way the vocal folds are functioning and develop a specific treatment plan. Joanne Sweeney, Manager, Speech Pathology at Austin Health emphasised the value of this important piece of equipment to help diagnose and treat people with voice disorders.

“If you can't use your voice, or your voice doesn't sound how you need it to sound, it can be a big problem both in life and in work. Having this machine has made a big difference.”

Joanne Sweeney
Manager Speech Pathology

Improving the quality of life for patients with cancer

Thank you to the many trusts and foundations that supported Austin Health this year, including the generous donation from the David and Wilma Keath Foundation, which helped introduce the Stryker Spy-Phi fluorescence imaging system at the ONJ Centre.

The equipment enables us to perform important surgeries for patients, improving the lives of 150-200 patients each year.

“My surgeon offered a new procedure (lymphatic reconstruction surgery) whilst my mastectomy was being conducted to minimise the swelling and the overall impact on my right arm functioning. The treatment has been a great success. I appreciate being offered this innovative surgical intervention which means I have been able to work full time with minimal swelling throughout my ongoing chemotherapy treatment”.

Patient

Thank you to our Volunteers

Volunteers provide a vital service to Austin Health as they help deliver care and improve the patient experience. We are grateful to all volunteers for adapting to the changes and for their continuing support and generosity. Thank you to the Friends of Austin Health volunteers who have raised \$150,000 through the Diamond Creek Op Shop and Austin Gifts.



Thank you to our generous major donors and supporters

Major Donors and Corporate Supporters

- Beverley Brieze OAM
- Boston Scientific Pty Ltd
- Corps of Commissionaires
- David Babazadeh
- Fletcher Family
- Jemena
- Olympus Australia Pty Ltd
- Ouliaris-Tan Family
- Perry Sambor
- Pfizer Australia
- Pink Boots Hire P/L
- resolvingIMAGES
- Victoran Medical Insurance Agency Ltd.
- War Widows Guild of Australia (VIC)

Trust and Foundation and Grants

- Australian Chinese Medical Association (Victoria)
- Australian Communities Foundation
- Child's Play
- Count Charitable Foundation
- Department of Premier and Cabinet
- Gaudry Foundation
- H.T. Pamphilon Fund
- John Cummins Memorial Fund
- Robert C Bulley Charitable Fund

Community Supporters

- Friends of Austin Health
- Stride4Shane - Dylan Vowles and Josh Kennedy

Gifts in Will

- Estate of Alek Ho
- Estate of Barbara Jean Newman
- Estate of Brenda Irvine
- Estate of Cameron Buchanan
- Estate of Donna Chu
- Estate of Donna Maree Tregenza
- Estate of Francis Arthur Hayne
- Estate of Gordon Ross Hastings
- Estate of Helen Margaret Hotchin
- Estate of Julienne Wilson Dean
- Estate of Keith Graeme Behm
- Estate of Kevin Andrew McCall
- Estate of Rosy Magdeline Harris
- Estate of Roy Leslie Bull
- Estate of Stephen Charles King
- Estate of Tjerk Algra
- Estate of Walter James Gye
- Estate of Wayne Douglas Carswell

Governance and Board

Austin Health Board Directors



Ross Cooke

(OAM, BCom, CA)

Board Chair

Feb 2021 – present

Ross brings over 35 years of experience in financial, commercial and management roles in business consulting, with specific focus in the health industry. He has a Bachelor of Commerce and is a Chartered Accountant. He also has experience serving on various boards (both not-for-profit and for-profit). He was on the board of Burnet Medical Research Institute for 20 years and was a past Board President of Wintringham (aged, homeless and not-for-profit entity).

Ross has previously held positions as an independent board member of AIA Health Fund and a past member of the Advisory Board of Healthscope Hospital Group (which operates 42 private hospitals in Australia).

Ross currently consults in the health & aged-care sector via his firm Stratford Partners Pty Ltd. He was awarded an Order of Australia Medal in the 2019 Australia Day Awards for his services to the community.



Chris Altis

(BCom, MA (Pub. Pol.), GAICD)

Director

July 2015 – present

Chris holds a Bachelor of Commerce and Master of Arts (Public Policy) from the University of Melbourne and is a graduate of the Australian Institute of Company Directors.

Chris has 30 years' experience in the health sector, working in a policy and advisory capacity at a Victorian and national level.

As Chair of the North Richmond Community Health Service he oversaw the establishment of Melbourne's first medically supervised injecting facility. He was also the founding Executive Manager of The New Daily national online news service. He currently holds other Non-Executive director roles including Eastern Melbourne Primary Health Network. Chris consults in health policy and management.

Chris is Chair of the Austin Health People and Culture Committee and a member of the Community Advisory Committee.



Julie Bignell

(BA (MAS), Grad Dip IR/HRM, FGIA)

Director

July 2015 – present

Julie Bignell has a long history of leadership and governance in the public and not-for-profit sectors. In addition to Austin Health, she is the Treasurer of Women's Health Victoria.

Julie's previous board experience includes Directorships with CareSuper, the Australian Council of Superannuation Investors, North Queensland Bulk Ports Corporation, Workplace Health & Safety Queensland and the Queensland Council of Unions. She was Branch Secretary of the Central & Southern Queensland Branch of the Australian Services Union (ASU) for 15 years and was a member of the National Executive and National Vice President of the ASU.

Julie holds a Bachelor of Arts (Economics & Japanese) and a Graduate Diploma in IR/HRM, and is a Fellow of both the Australian Institute of Superannuation Trustees and the Australian Institute of Company Directors.

Julie is Chair of the Austin Health Community Advisory Committee and a member of the Clinical Safety & Quality Committee and the People and Culture Committee.



Dr Christine Bessell

(MBBS, MPH, FRANZCOG, FRACMA)

Director

July 2016 – present

Christine is an experienced obstetrician and medical executive who brings a passion for and experience in the provision of effective, safe and patient centred public hospital care. She has previously practised obstetrics in the private and public sectors in metropolitan Melbourne and has held medical executive roles at Southern Health (now Monash Health), Eastern Health and at the Royal Victorian Eye and Ear Hospital. She was Chief Medical Officer at the Royal Women's Hospital from 2004 until 2014.

Christine has provided consultancy advice in maternity services, clinical governance and patient safety to the Chief Executive of Djerriwarrh Health Service (Bacchus Marsh) and to other regional and rural health services across Victoria. She was a member of the Victorian Board of the Medical Board of Australia 2013 to 2020.

Christine is Chair of the Austin Health Primary Care & Population Health Advisory Committee and a member of the Clinical Safety & Quality Committee and Community Advisory Committee.



Joel Chibert

(BCom, CA, FAICD)

Director

July 2020 – present

Joel is an experienced financial and corporate services executive with extensive experience across a range of sectors including education, health, scientific research and development, and professional services. He is currently the Chief Operating Officer and Chief Financial Officer at the Melbourne Business School.

Previously Joel was the Chief Financial Officer at the Walter and Eliza Hall Institute and has held a range of senior finance roles with Monash University. Joel has previously held a range of non-executive and board positions – including the Victorian Comprehensive Cancer Centre (VCCC), Common Equity Housing Limited, Monash Surgical Private Hospital, Bendigo Primary Care Centre and Monash Health Research Precinct.

Joel is passionate about transformational change, best practice service delivery, sound financial management and ensuring the Austin Health community continues to receive outstanding medical care and service.

Joel is Chair of the Austin Health Finance and Resources Committee and a member of the Audit and Risk Committee.



Dr Bruce Cohen

(BCom, LLB (Hons), MCom, PhD (Pub. Pol.))

Director

July 2020 – present

Bruce holds commerce and law degrees from the University of Melbourne, and a doctorate in public policy from the Australian National University. He is a former barrister and has also undertaken a number of policy and senior advisory roles in both the public and private sectors. He is currently the principal at BKE Consulting.

Bruce has substantial governance experience, having served on numerous public sector boards. He has been Chair of VicTrack and the Victorian Commission for Gambling and Liquor Regulation, as well as a director of Snowy Hydro Limited, Melbourne Water and VENCORP, and a commissioner with the Victorian Competition and Efficiency Commission. He is currently a director at Greater Western Water.

Bruce is Chair of the Austin Health Audit and Risk Committee and a member of the Finance and Resources Committee and Clinical Safety and Quality Committee.



Mary Draper

(AM, BA, BSocStud (Hons))

Director

July 2014 – present

Mary has long-standing experience in the health sector and was on the Ministerial Advisory Committee for the Victorian Health Services Plan 2011-2022, the Review Panel for the Health Services Conciliation and Review Act, and was Chair of the Department of Health's Participation Advisory Committee. Mary was also a member of the Ministerial Advisory Panel on Voluntary Assisted Dying and the Implementation Taskforce on Voluntary Assisted Dying.

Continued on page 34

Governance and Board (continued)

Mary's former roles include CEO of the Health Issues Centre, Victoria's health consumer organisation, Director of Clinical Governance at the Royal Women's Hospital and Manager of the Quality Branch of the Department of Human Services, responsible for consumer participation, clinical effectiveness and clinical risk management. Mary has represented consumers on a range of national committees including the Taskforce on Quality in Australian Healthcare and was a board member of ACOSS and the Australian Institute of Health and Welfare, as well as Latrobe Regional Health.

Prior to her work in the health sector, Mary was the Director of the Women's Policy Coordination Unit in the Department of Premier and Cabinet.

Mary is Chair of the Austin Health Clinical Safety & Quality Committee and a member of the People and Culture Committee and Primary Care & Population Health Advisory Committee.



Fi Slaven

(BAppSc Nursing,
GradDip Critical Care,
GradDip Health Admin,
MBA, GAICD)

Director

July 2018 – present

Fi is a Director at the Accounting firm William Buck Victoria and Chair of their Risk Committee. She also is a Non-Executive Director for Crime Stoppers Victoria and Chair of the Spinal Research Institute.

Fi is a passionate advocate for diversity, equality and inclusion and has been particularly focused and influential in promoting women's participation in STEM careers. As such, Fi was recognised for her contributions to the industry by her peers and was named 2014 National and Victorian ICT Woman of the Year.

After advancing IT leadership roles within healthcare, Fi was appointed as the first Australian Chief Information Officer for a National Accounting firm and subsequently became the first female and Australian IT Asia Pacific Regional Coordinator and representative on the IT Advisory Committee.

Commencing her career at the Austin Hospital as a graduate nurse and then specialising in critical care, Fi progressed into senior nursing roles which led to a move into the technology industry and managing IT services within private healthcare groups.

Fi also holds an MBA, Graduate Diplomas in Health Administration and Critical Care, Diploma and Bachelor of Nursing, Critical Care Certificate and is a graduate of the Australian Institute of Company Directors.

Fi is a member of the Austin Health Finance & Resources Committee, Primary Care & Population Health Advisory Committee and the People and Culture Committee.



Helen Thornton

(B.Ec, CA, GAICD)

Director

August 2017 –
February 2022

Helen is a Chartered Accountant with more than 30 years' experience across a wide range of industries. She has significant board experience and is currently a Non-Executive Director and Deputy Chair of the Treasury Corporation of Victoria, as well as a Non-Executive Director of McPhersons Ltd, ISPT Pty Ltd, Ansvar Insurance Ltd, Yarra Valley Water and the Legal Practitioners Liability Committee. Helen is also currently a member and chair of a number of board committees, including audit and risk committees.

Helen has extensive experience in governance, audit and risk management and she has held senior leadership roles at Deloitte, KPMG, BHP Ltd and Bluescope Steel Ltd, where she was responsible for the global risk management function.

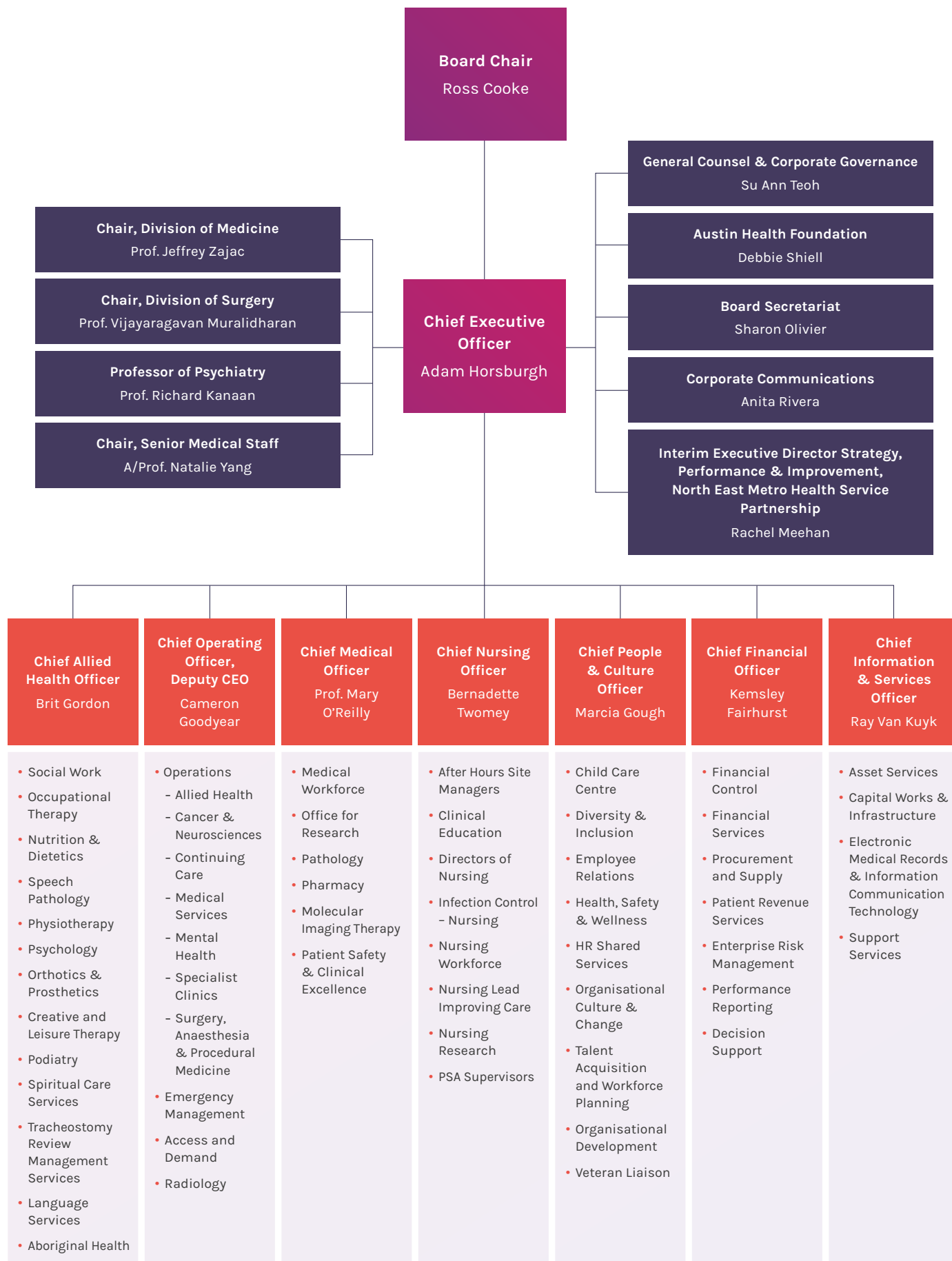
Helen was chair of Austin Health's Audit & Risk Committee and a member of the Finance & Resources Committee prior to her resignation.

Austin Health Board Audit and Risk Committee Membership

Austin Health Board Audit & Risk Committee Membership FY22

Helen Thornton	Chair (June 2021 to February 2022)
Bruce Cohen	Member (June 2021 to February 2022) and Chair (March 2022 to June 2022)
Ross Cooke	Member (June 2021 to June 2022)
Chris Altis	Member (June 2021 to February 2022)
Joel Chibert	Member (June 2021 to June 2022)

Organisational chart



Corporate information

Attestations

Financial Management Compliance

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



Ross Cooke
Board Chair

08 September 2022

Data Integrity Declaration

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



Adam Horsburgh
Chief Executive Officer

08 September 2022

Conflict of Interest Declaration

I, Adam Horsburgh, certify that Austin Health 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. Declaration of private interest forms have been completed by all executive staff within Austin Health and members of the board, and all declared conflicts have been addressed and are being managed. Conflict of interest is a standard agenda item for declaration and documenting at each executive board meeting.



Adam Horsburgh
Chief Executive Officer

08 September 2022

Integrity, Fraud and Corruption Declaration

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



Adam Horsburgh
Chief Executive Officer

08 September 2022

Complying with legislation

Public Interest Disclosures Act 2012

Austin Health is committed to the aims and objectives of the *Public Interest Disclosures Act 2012* and has procedures in place to facilitate the making of disclosures, to investigate disclosures and to protect persons making disclosures.

Procedures can be obtained from the General Counsel, who is the Public Interest Disclosure Coordinator, on **03 9496 5300** or by writing to the General Counsel, Austin Health, PO Box 5555, Heidelberg, Victoria 3084.

National Competition Policy

Austin Health is committed to ensuring that services demonstrate both quality and efficiency. Competitive neutrality, which supports the National Competition Policy, assists to ensure any net competitive advantages of a government business are offset.

Austin Health understands the requirements of competitive neutrality and acts accordingly, complying with the Competitive Neutrality Policy Victoria and any subsequent reforms that relate to expenditure, infrastructure projects and partnerships between private and public sectors.

Local Jobs First Act disclosures

The Local Jobs First Policy relates to the participation by local industry in projects, developments, procurements and other initiatives.

Austin Health continues to work to ensure that the objectives of the Local Jobs First Policy are met on all projects meeting the relevant criteria and reporting outcomes as prescribed.

Patient car parking

Austin Health complies with the DH hospital circular on car parking fees and details of car parking fees and concession benefits can be viewed at: www.austin.org.au/concession-rateparking.

Carers Recognition Act 2012

The *Victorian Carers Recognition Act* formally recognises the role of carers in our community and defines the relationships between carers and those being cared for. In meeting its obligations to the *Carers Recognition Act*, Austin Health:

- Takes all practicable measures to ensure that its employees and agents have an awareness and understanding of the care relationship principles
- Takes all practicable measures to ensure that persons who are in care relationships and who are receiving services in relation to the care relationship from the care support organisation, have an awareness and understanding of the care relationship principles
- Takes all practicable measures to ensure that the care support organisation and its employees and agents reflect the care relationship principles in developing, providing or evaluating support and assistance for persons in care relationships.

Safe Patient Care Act 2015

Austin Health has no matters to report in relation to its obligations under section 40 of the *Safe Patient Care Act 2015*.

	Jobs				Apprenticeships			
	Created		Retained		Created		Retained	
	Plan	Achieve	Plan	Achieve	Plan	Achieve	Plan	Achieve
Austin Stage 1	6	15	23	47	0	9	0	6
Austin Stage 2	3	13	20	55	2	7	2	11

Compliance with building and maintenance provisions of Building Act 1993

Austin Health uses the services of a Registered Building Surveyor and obtains building permits for all our projects, where essential safety measures are replaced, amended, or modified. Certificates of final inspection are provided by the Building Surveyor to confirm that all works were undertaken in accordance with the relevant acts, regulations, and standards.

To ensure our buildings are maintained in a safe and functional condition, ongoing maintenance programs are in place with routine inspections undertaken throughout the year. From these inspections, we identify areas that require rectification and prioritise to ensure that the remediation works are undertaken in a timely manner.

In line with the Department of Health Fire Risk Management Guidelines, Austin Health is required to complete a comprehensive fire audit every five years. We have completed fire audits across all sites this year and are currently working with consultancy groups on the audit report and update of Fire Safety Handbooks.

Gender Equality Act 2020

Austin Health is compliant with its obligations as a defined entity under the *Gender Equality Act 2020*. We are currently working on our gender equality audit and we will have a gender equality action plan in place by 1 December with relevant strategies and targets that will support and affirm our commitment to workplace gender equality.

Transparent operations

Disclosure of ICT expenditure

The total ICT expenditure during 2021/2022 is \$32.7m with the details shown below:

Business as usual (BAU)	Non business as usual expenditure		
	Total Non BAU	Operational Expenditure	Capital Expenditure
27.4m	5.3m	2.3m	3.0m

Freedom of Information

The Victorian *Freedom of Information (FOI) Act 1982* gives you the right to request access to medical records held by Austin Health. It is possible to obtain or view copies of medical records and other documents held by the agency.

From 1 July 2022, the FOI application fee is \$30.60. Additional access fees apply to both personal and non-personal requests. The final access fee differs depending on the chosen method of document production (for example electronically via OneDrive, via a disk or paper copy).

In most instances, fees are waived if the applicant has a benefits card (such as a pension or health care card).

Of the 1,521 requests received for Financial Year 21/22 - 1,123 were personal requests (including applications from patients, family members and lawyers) and 398 were non personal requests (such as applications from insurance companies, Workcover, and UHG).

For further information about the process for making applications for access to Austin Health documents, visit www.austin.org.au/foi

You can also contact the FOI Office directly:

Phone:
03 9496 3103

Email:
foi@austin.org.au

Mail:
Freedom of Information Officer,
Health Information Services
Austin Health,
PO Box 5555,
Heidelberg Victoria 3084

All applications were processed in accordance with the provisions of the *Freedom of Information Act 1982*, which provides a legally enforceable right of access to information held by government agencies. Austin Health reports on these requests to the Office of the Victorian Information Commissioner annually.

Freedom of Information applications 2021-22

Granted in full	1,257
Granted in Part	46
Denied in Full	1
Other	
Withdrawn	21
No Documents	85
Not Processed	0
In Progress	111
Total completions	1,521

Additional information available on request

Austin Health confirms that details relating to the items listed below have been retained and are available to the relevant Ministers, Members of Parliament and the public on request (subject to freedom of information requirements, if applicable):

- Declarations of pecuniary interests have been duly completed by all relevant officers
- Details of shares held by senior officers as nominee or held beneficially
- Details of publications produced by the entity about itself, including annual Aboriginal cultural safety reports and plans, and how these can be obtained
- Details of changes in prices, fees, charges, rates and levies charged by the Health Service
- Details of any major external reviews carried out on the Health Service
- Details of major research and development activities undertaken by the Health Service that are not otherwise covered either in the report of operations or in a document that contains the financial statements and report of operations
- 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 Health Service to develop community awareness of the Health Service 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 Health Service and details of time lost through industrial accidents and disputes, which is not otherwise detailed in the report of operations.

Consultancies engaged during 2021-22

In excess of \$10,000 per consultancy

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project fee	Expenditure 2021-22 (Excl GST)	Future Expenditure (Excl GST)
Pricewaterhouse Coopers Consulting (Australia) Pty Limited	Austin Health Strategic Plan 2023-27	Mar-22	Oct-22	\$180,000	\$72,000	\$108,000
Graylin Pty Ltd	National Standards Mock Assessment including recommendations Oct 2021	Oct-21	Oct-21	\$28,400	\$28,400	
Matthew and Matthew	Executive communications review	May-22	Jun-22	\$25,000	\$25,000	
The Plannery Pty Ltd	Scope & Feasibility ONJ & Austin website merge	Sep-21	Sep-21	\$17,600	\$17,600	
Managed IT Group	Identify future hardware environment needs	Apr-22	Apr-22	\$16,500	\$16,500	
Mirriyu Cultural Consulting	Develop Cultural learning Strategy	Jun-22	Jun-22	\$15,000	\$15,000	
GenderWorks Australia	Gender Equality Action Plan	Mar-21	Dec-21	\$14,400	\$14,400	
Totals					\$188,900	\$108,000

Number of consultancies - 7

Less than \$10,000 per consultancy

There was 1 consultancy engaged in 2021/22 of less than \$10,000 per consultancy at a total cost of \$5,000 and no future costs.



Workforce data

	June current month FTE		Average monthly FTE	
	2021	2022	2021	2022
Nursing Services	2,730	2,691	2,675	2,642
Admin & Clerical	1,056	1,118	967	1,111
Medical Support Services	876	858	791	849
Hotel & Allied Services	680	663	639	642
Medical Officers	172	171	172	170
Hospital Medical Officers	623	583	600	573
Sessional Clinicians	172	217	164	198
Ancillary Support Services	525	524	502	507
Total	6,834	6,825	6,510	6,692

Employment and conduct principles

Austin Health is an Equal Opportunity Employer. Our employment decisions are based on merit and equity, and we are committed to providing a safe workplace that is free of harassment or discrimination. Staff are committed to our values as the principles of employment and conduct. Employees have been correctly classified in workforce data collections.

Occupational health and safety

Occupational health and safety statistics	2021-22	2020-21	2019-20
Reported hazards/incidents per 100 FTE ¹	17.07	35.03	28.60
Number of lost time standard WorkCover claims for the year per 100 FTE	0.51	0.77	0.76
The average cost per WorkCover claim for the year ²	\$88,699	\$102,070	\$66,553

¹ FTE stands for 'full time equivalent'.

² The average claim cost may vary over time as active claims mature.

Occupational violence data

Occupational violence statistics ³	2021-22	2020-21
WorkCover claims with an occupational violence cause per 100 FTE	0.103	0.10
Number of accepted WorkCover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked	1.033	0.71
Number of occupational violence incidents reported	966	1,189
Number of occupational violence incidents reported per 100 FTE	9.1132	18.26
Percentage of occupational violence incidents resulting in harm ⁴	19%	45%

³ Definitions of occupational violence:

- Occupational violence – any incident where an employee is abused, threatened or assaulted in circumstances arising out of, or in the course of their employment.
- Incident – an event or circumstance that could have resulted in, or did result in, harm to an employee. Incidents of all severity rating must be included. Code Grey reporting is not included, however, if an incident occurs during the course of a planned or unplanned Code Grey, the incident must be included. A Code Grey is an incidence of violence that does not involve a weapon or require police to attend.
- Accepted WorkCover claims – accepted WorkCover claims that were lodged in 2021-22.
- Lost time – is defined as greater than one day.
- Injury, illness or condition – this includes all reported harm as a result of the incident, regardless of whether the employee required time off work or submitted a claim.

⁴ The 2020-21 data reported on percentage of occupational violence incidents resulting in 'a staff injury, illness or condition'.



Our environmental performance

	2017-18	2018-19	2019-20	2020-21	2021-22	% change
Austin Health general statistics						
Occupied Bed Days (OBD)	372,369	369,851	283,373	286,720	284,764	-0.68%
Inpatient admissions		114,324	110,363	111,076	108,941	-1.92%
Outpatient attendances		279,152	286,262	314,473	364,197	15.81%
Emergency attendances		89,675	86,498	86,740	90,047	3.81%
Greenhouse gas emissions						
Scope 1 (tCO ₂ e)	16,280	17,028	16,066	12,392	11,825	-4.58%
Scope 2 (tCO ₂ e)	47,590	52,915	48,407	48,126	49,703	3.28%
Total (tCO ₂ e)	63,870	69,943	64,473	60,518	61,527	1.67%
Total tCO ₂ e per building m ²	0.23	0.26	0.24	0.22	0.23	1.67%
Energy consumption						
Electricity (GJ)	158,635	176,382	161,357	160,420	165,676	3.28%
Natural Gas (GJ)	309,231	323,730	305,330	235,482	221,833	-5.80%
Diesel (GJ)	767	579	386	579	579	0.00%
Total energy (GJ)	468,633	500,691	467,073	396,481	388,088	-2.12%
Electricity per m ² (GJ)	0.43	0.65	0.59	0.59	0.61	3.28%
Natural Gas per m ² (GJ)	0.83	1.19	1.12	0.86	0.81	-5.80%
Water consumption						
Drinking water (kL)	254,756	249,288	229,893	208,511	222,340	6.63%
Drinking water per m ² (kL)	0.68	0.91	0.84	0.77	0.82	6.63%
Recycled water (kL)	2,695	0	7,184	0	0	0.00%
Waste generation and disposal						
General waste (tonnes)	1,632	1,601	1,771	1,702	1,867	9.68%
General waste per OBD (kg) ⁵	4.38	4.33	6.25	5.94	6.55	10.43%
Clinical waste (tonnes)	257	335	356	393	462	17.45%
Clinical waste per OBD (kg)	0.90	0.90	1.26	1.37	1.62	18.26%
Recycling (tonnes)	362	456	231	86	211	144.33%
Recycling per OBD (kg)	0.97	1.23	0.81	0.30	0.74	146.01%
Total waste (tonnes)	2,361	2,393	2,358	2,182	2,540	16.42%
Total waste per OBD (kg)	6.44	6.47	8.32	7.61	8.92	17.22%

⁵ OBD stands for 'occupied bed days'.

General information

We are a public health service established under the *Health Services Act 1988* (Vic).



2021-22 Statement of Priorities

Part A: Strategic Priorities

Strategic priority	Outcome
Maintain a robust COVID-19 readiness and response, working with the Department of Health to ensure we rapidly respond to outbreaks, if and when they occur, which includes providing testing for our community and staff, where necessary and if required. This includes preparing to participate in, and assist with, the implementation of the COVID-19 vaccine immunisation program rollout, ensuring our local community's confidence in the program.	<p>Achieved</p> <p>Austin Health has maintained its COVID-19 readiness throughout 2021-22 with dedicated services available to provide an agile response to COVID-19 outbreaks. All COVID-19 services, including our COVID-19 Exposure Team, COVID Positive Pathways and the COVID-19 Screening services, were designed to be able to be flexed up and down to respond to community demand.</p> <p>Austin Health also led the COVID-19 vaccination program for the north-east of Melbourne. Responsible for vaccine storage and distribution across large parts of Victoria, we developed an extensive community vaccination program using targeted strategies to ensure equity of access to vulnerable groups and regions at high risk. Additionally, we coordinated or ran ten fixed site mass vaccination centres, two specialty neurodiverse (low stimulus) services, coordinated over 4,000 pop-up or in-reach mobile services, and facilitated vaccinations for hotel quarantine workers, police and ambulance officers. Collectively these endeavours led us to be the largest vaccine provider in Victoria, safely delivering over 1.5 million doses.</p>
As a service hosting a Local Public Health Unit (LPHU) work collaboratively with my department, other LPHUs, community and primary care providers and local government partners to evolve and deliver a fully integrated and high performing public health network.	<p>Achieved</p> <p>During 2021-22 Austin Health led the North Eastern Public Health Unit (NEPHU) through its first full year of operation, in partnership with Eastern Health and Northern Health. The team has worked collectively in response to COVID-19 and has taken on the public health response to influenza leading into winter 2022. NEPHU has also provided resource to work in partnership with the Department of Health on the response to the Japanese Encephalitis Virus.</p> <p>NEPHU has active working relationships with all regional and metropolitan LPHUs, enabling the sharing of resources, process innovations, collateral, and latent capacity across the network. Communities of practice across various LPHU streams have been established, leading to further integrated, collaborative and shared opportunities.</p>

Continued on page 45

Strategic priority	Outcome
	<p>NEPHU has progressively developed relationships, information sharing and collaboration mechanisms, both strategic and operational, with a broad range of stakeholders to support the COVID-19 response and build the foundation for future public health functions.</p> <p>In the second half of the year, NEPHU worked with the four Primary Care Partnerships (PCPs) within our catchment to transition high-value activity, partnerships, and staff. Key relationships have been identified and trust developed through the transition process, partner forums and introductions from outgoing PCPs.</p> <p>Extensive two way channels between NEPHU Communications and Community Engagement teams and key community stakeholders have also seen NEPHU work collaboratively with community and stakeholders to co-design, coordinate and undertake initiatives in response to need, to stop the spread of COVID-19 and to mitigate its health and social impacts.</p> <p>This structure and the partnerships we are fostering creates a foundation for strong place-based and community focused public health action, aligned with population level strategy, and tailored to local needs.</p>

Strategic priority	Outcome
<p>Drive improvements in access to emergency services by reducing emergency department four-hour wait times, improving ambulance to health service handover times, and implementing strategies to reduce bed-blockage to enable improved whole of hospital system flow.</p>	<p>In progress</p> <p>Austin Health has implemented numerous initiatives to improve the timeliness of access to emergency care for all patients presenting to the emergency department.</p> <p>These have included:</p> <ul style="list-style-type: none"> • Partnering with Northern Health, through the North East Metro Health Service Partnership (NEMHSP), to implement the Virtual Emergency Department (ED) as an early triage and diversion strategy. • The expansion of the residential in-reach program to enable greater capacity for medical consultation and decision making for unwell patients whilst in their residential aged care facilities, rather than transferring them to the ED. • The commissioning of the Ambulance Victoria (AV) offload space to support more rapid offload and handover of patients from AV to the ED. • The expansion of the Short Stay Unit (SSU) and development of a new direct admission SSU model of care to streamline the patient journey in ED and reduce the demand on ED cubicles. • Further streamlining of flow through the ED through the implementation of a medical decant unit for patients to transition into while waiting for their inpatient bed. • Establishment of an ED project improvement lead role. <p>Bed substitution models, including Better at Home and Virtual Hospital in the Home have also positively impacted emergency access and whole of hospital flow as these services are supporting people to receive care in their own home or remotely, reducing the requirement for hospital based care. Whilst these initiatives are in their infancy and scaling up of the service continues as capability is developed and the workforce is expanded, early and positive benefits to timely access to care have been demonstrated.</p> <p>Despite these initiatives, the realisation of improvement continues to be challenged and constrained by COVID-19 demand due to its impact on ED workflows, workforce shortages, and the flow on effects of the impact of COVID-19 on our inpatient bed capacity.</p>
<p>Lead and engage all members of the North East Metro Health Service Partnership to build a culture of collaboration, forge consensus in decision-making, ensure that any initiatives (in addition to the four priority reforms within our Health Service Partnership Policy and Guidelines) are clearly defined and agreed by members, and account to the department for planning and reporting requirements on behalf of the collective membership.</p>	<p>Achieved</p> <p>As the lead health service of the NEMHSP, Austin Health has engaged with other member health services on a range of strategic priorities, which focus on collaboration and partnerships as pathways for regional solutions to complex sector issues.</p> <p>The NEMHSP is guided by its Steering Committee, which is chaired by the Austin Health CEO, and includes Executive membership from health services and primary health networks within our region.</p>

Continued on page 47

Strategic priority	Outcome
	<p>The HSP submits an annual workplan to the Department of Health which governs progress on state-wide priorities such as Better at Home and Elective Surgery recovery, in addition to using the expertise of individual health services to progress local level innovations.</p> <p>In 2021-22 the NEMHSP continued to focus on responding to COVID-19 demand with the spirit of the partnership evident in regular sharing of information and processes, in addition to being part of larger state-wide forums and huddles to mobilise workforce and resources.</p> <p>Over the coming year, the NEMHSP will increase its focus on the strategy underpinning the elective surgery recovery, uplift to at home-based care and mental health reforms, working together to achieve system change.</p>
<p>Engage with your community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed due to the pandemic and provide the necessary catch-up care to support them to get back on track.</p> <p>Work collaboratively with your Health Service Partnership to:</p> <ul style="list-style-type: none"> • implement the Better at Home initiative to enhance in-home and virtual models of patient care when it is safe, appropriate and consistent with patient preference. • improve elective surgery performance and ensure that patients who have waited longer than clinically recommended for treatment have their needs addressed as a priority. 	<p>Achieved</p> <p>As the lead health service for the NEMHSP Austin Health has collaborated with partner health services to support the implementation and delivery of the Better at Home initiative. Over the past 12 months, Austin Health has established five new Better at Home services including Day Oncology at Home, Subacute (Geriatric Evaluation and Management and Residential In Reach), Chronic Heart Failure, Chronic Intestinal Failure and People at Risk of Multiple Admissions (PRIMA).</p> <p>These services have supported over 1,400 oncology treatments and more than 160 patients have received their subacute care within their own home. The Intestinal Failure and Chronic Heart Failure services have completed over 630 clinic appointments each. Better at Home has also applied machine-learning data analytics to help identify over 110 people at risk of multiple admissions to provide proactive health measures. The five streams have increased capacity to treat patients and free up physical beds for other vital services and activity targets are currently being exceeded.</p> <p>In progress</p> <p>Austin Health has also collaborated with partner health services to design the NEMHSP's elective surgery strategy.</p> <p>A whole of system approach is being used to improve elective surgery access and models of care. This includes engagement with medical, nursing and allied health stakeholders to increase the use of day surgery and alternative care pathways, and to optimise theatre utilisation across all sites.</p> <p>In Quarter 4, Austin Health has recommenced the delivery of all categories of elective surgery and is focusing on delivering care for patients whose care has been delayed and have waited longer than clinically recommended for their surgery.</p>

Strategic priority	Outcome
Address critical mental health demand pressures and support the implementation of mental health system reforms to embed integrated mental health and suicide prevention pathways for people with, or at risk of, mental illness or suicide through a whole-of-system approach as an active participant in your Health Service Partnership and through your Partnership's engagement with Regional Mental Health and Wellbeing Boards.	<p>In progress</p> <p>Our Mental Health services are working closely with key stakeholders to support the implementation of Mental Health system reform.</p> <p>Planning for the expansion of existing adult and child/youth community mental health teams has commenced; however the recruitment of skilled mental health workers has been difficult. The COVID-19 pandemic has placed extra strain on the mental health system and workforce, with a significant increase in first time presenters and young people to the Emergency Department, and exacerbation of many mental health disorders, suicidal ideation and self-harm.</p> <p>The new HOPE team (Hospital Outreach Post-Suicide Engagement), aimed at assertively assisting consumers presenting to the Emergency Department with suicidal ideation, has been embedded into the Mental Health service. The multidisciplinary team with peer consumer and carers roles working alongside clinicians, has received 113 referrals, servicing age ranges 18-70 years.</p> <p>To support the treatment and care of young people aged 16-25 who are living with mental illness, Austin Health is currently planning and designing the regional Youth Prevention and Recovery Care Centre. Austin Health is also in the build phase of the State-wide Child and Family Centre, the first of its kind in Victoria, which will provide early intervention to children and families in a family friendly environment with 24/7 staff support for specialist therapeutical clinical interventions. These two new facilities will ensure young people and their families receive the right treatment at the right time, a key principle of the Royal Commission.</p> <p>New roles have been created that focus on specific gaps such as physical health, eating disorders and trauma informed care. Consultation Liaison capacity in the general hospital has been increased to improve timely and accessible mental health expertise to all Austin Health consumers. We have also focused on improving clinical governance, enhancing safety and quality processes, enhancing risk management processes and access and flow pathways projects, Emergency Department liaison, eating disorder clinical pathways and service improvement.</p> <p>The Mental Health Division continues to collaborate with our Non-Government Organisation partner, MIND, to deliver integrated mental health services to our community and has commenced a relationship with the Regional Mental Health and Wellbeing Board chair whilst they plan and develop this new system.</p>



Strategic priority

Embed the Aboriginal and Torres Strait Islander Cultural Safety Framework into your organisation and build a continuous quality improvement approach to improving cultural safety, underpinned by Aboriginal self-determination, to ensure delivery of culturally safe care to Aboriginal patients and families, and to provide culturally safe workplaces for Aboriginal employees.

Outcome

In progress

Austin Health is actively strengthening its cultural safety by participating in a process of continuous learning and practice improvement across the three domains of the cultural safety framework.

In 2021-22, we developed and launched the Innovate Reconciliation Action Plan as well as our inaugural Aboriginal and Torres Strait Islander Cultural Protocols Guide. Along with our Aboriginal Employment Plan, each of these key documents were developed in collaboration with Aboriginal staff and community members and were endorsed by the Wurundjeri Woi Wurrung Land Council.

Our Closing the Gap Governance Committee, with membership comprised of multiple Aboriginal staff members, monitors and responds to our Cultural Safety Dashboard, which reports on key cultural safety measures.

Our staff are supported to undertake ongoing cultural safety professional and personal development to ensure they are aware of their responsibility in creating culturally safe environment, and 82% have completed four Aboriginal Cultural Awareness training packages. Through our patient identification project, we have developed new guidelines, and we are developing a training video to improve identification rates. A consumer engagement survey has also been completed to enable us to better understand Aboriginal patients' needs.

Changes to our physical environment have included developing and displaying new Aboriginal art, and installation of Aboriginal Acknowledgement decals at all main entrances and wards.

Part B: Performance Priorities (Quarter 4 Results)

High quality and safe care

Key performance indicator	Target	2021-22 result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	85%	88.5%
Percentage of healthcare workers immunised for influenza ¹	92%	79%
Patient Experience		
Victorian Healthcare Experience Survey - percentage of positive patient experience responses - Quarter 1	95%	77.4%
Victorian Healthcare Experience Survey - percentage of positive patient experience responses - Quarter 2	95%	92.2%
Victorian Healthcare Experience Survey - percentage of positive patient experience responses - Quarter 3	95%	88.1%
Percentage of mental health consumers reporting a 'very good' or 'excellent' experience of care in the last 3 months or less	80%	73.9% ²
Percentage of mental health consumers reporting they 'usually' or 'always' felt safe using this service	90%	87.5% ³
Healthcare associated infections		
Number of patients with surgical site infection	No outliers	No outliers
Rate of patients with ICU central-line-associated bloodstream infection (CLABSI)	Nil	Not achieved
Rate of patients with Staphylococcus Aureus Bacteraemia (SAB) per 10,000 occupied bed days	≤ 1	1
Unplanned readmissions		
Unplanned readmissions to any hospital following a hip replacement	≤ 6%	4.8%
Mental Health		
Percentage of closed community cases re-referred within six months: Child and Adolescent Mental Health Service (CAMHS)	< 25%	31%
Percentage of closed community cases re-referred within six months: Adults	< 25%	49%
Rate of seclusion events relating to a child and adolescent acute mental health admission per 1,000 occupied bed days ⁴	≤ 10	1
Rate of seclusion events relating to an adult acute mental health admission per 1,000 occupied bed days	≤ 10	4
Percentage of child and adolescent acute mental health inpatients who have a post-discharge follow-up within seven days	88%	84%
Percentage of adult acute mental health inpatients who have a post-discharge follow-up within seven days	88%	94%
Percentage of child and adolescent acute mental health inpatients who are readmitted within 28 days of discharge	< 22%	12%
Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge	< 14%	17%
Continuing care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.522

¹ Reporting period April 2021 - August 2021

²⁻³ Result based on fewer than 30 responses

⁴ This data relates to the Adolescent Inpatient Unit only

Strong governance, leadership and culture

Key performance indicator	Target	2021-22 result
Organisational culture		
People matter survey – Percentage of staff with an overall positive response to safety culture survey questions	62%	72%

Timely access to care

Key performance indicator	Target	2021-22 result
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	41%
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%	79%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	41%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	20
Mental Health		
Percentage of 'crisis' (category 'C') mental health triage episodes with a face-to-face contact received within 8 hours	80%	17%
Percentage of mental health-related emergency department presentations with a length of stay of less than 4 hours	81%	26%
Elective surgery		
Number of patients on the elective surgery waiting list as at 30 June 2022	7,990	7,554
Number of patients admitted from the elective surgery waiting list	9,230	9,303
Percentage of urgency category 1 elective surgery patients admitted within 30 days	100%	100%
Percentage of urgency category 1, 2 and 3 elective surgery patients admitted within clinically recommended time	94%	75.2%
Percentage of patients on the waiting list who have waited longer than clinically recommended time for their respective triage category	5% or 15% proportional improvement from prior year	47.6%
Number of hospital-initiated postponements per 100 scheduled elective surgery admissions	≤ 7	5.6
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	62.1%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	75.7%

Effective financial management

Key performance indicator	Target	2021-22 result
Finance		
Operating result (\$m)	\$0.00	\$0.23m
Average number of days to pay trade creditors	60 days	49 days
Average number of days to receive patient fee debtors	60 days	26 days
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.7
Actual number of days of available cash, measured on the last day of each month	14 days	14.4 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ \$250,000	Not achieved



Part C: State funding

Funding type	2021-22 activity achievement
Consolidated Activity Funding	
Acute admitted, subacute admitted, emergency services, non-admitted NWAU	121,592
Acute Admitted	
National Bowel Cancer Screening Program NWAU	125
Acute admitted DVA	655
Acute admitted TAC	589
Acute Non-Admitted	
Genetic services	108
Home Enteral Nutrition NWAU	71
Home Renal Dialysis NWAU	715
Radiotherapy WAUs DVA	553
Radiotherapy WAUs Public	87,808
Specialist Clinics	99,362
Total Parenteral Nutrition NWAU	353
Subacute / Non-Acute, Admitted and Non-admitted	
Subacute NWAU - DVA	145
Transition Care - Bed days	5,793
Transition Care - Home days	11,455
Mental Health and Drug Services	
Mental Health Ambulatory	67,048
Mental Health Inpatient - Available bed days	38,690
Mental Health Inpatient - Secure Unit	9,125
Mental Health Service System Capacity	0.9
Mental Health Subacute	16,425
Drug Services	Result not available
Other	
NFC - Transplants - Paediatric Liver	4.05 ⁵

⁵ 9 transplants

Financial summary

Austin Health ended the financial year with a net deficit from transactions of \$29m. Whilst the operating result was break-even, the health service has significant ongoing requirements for capital investment in property, plant and equipment.

The hospital's financial performance was significantly impacted by the COVID-19 pandemic, with both loss of revenue and increased costs having a negative effect. Through increased funding from the Department of Health, Austin Health was able to deliver a small surplus position.

The \$0.2m surplus operating result achieved by Austin Health is in line with the Statement of Priorities breakeven target.

	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000
Operating Result *	229	41	204	(5,964)	121
Total revenue	1,374,435	1,230,943	1,101,200	1,023,589	985,341
Total expenses	(1,403,546)	(1,274,067)	(1,171,864)	(1,061,819)	(1,006,778)
Net result from transactions	(29,111)	(43,124)	(70,664)	(38,229)	(21,437)
Total other economic flows	(2,124)	7,362	(5,064)	331,212	118,157
Net result	(31,235)	(35,762)	(75,728)	292,982	96,719
Total assets	1,702,542	1,654,558	1,645,893	1,648,554	1,341,211
Total liabilities	482,594	410,419	396,951	310,676	296,314
NET ASSETS / TOTAL EQUITY	1,219,948	1,244,139	1,248,942	1,337,879	1,044,897

* The Operating Result is the key financial performance measure monitored by the Department of Health in the Statement of Priorities.

	2022 \$'000
Operating Result	229
Capital and other income	72,044
COVID-19 State Supply Arrangements	
• Assets received free of charge or for nominal consideration	14,963
• State supply items consumed up to 30 June 2022	(11,835)
Asset received free of charge	40
Expenditure for capital and other purpose	(5,523)
Depreciation and amortisation	(99,029)
NET RESULT FROM TRANSACTIONS	(29,111)

Disclosure index

The annual report of Austin Health 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
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	2
FRD 22	Purpose, functions, powers and duties	2-7
FRD 22	Nature and range of services provided	4-7
FRD 22	Activities, programs and achievements for the reporting period	8-9
FRD 22	Significant changes in key initiatives and expectations for the future	4-31
Management and structure		
FRD 22	Organisational structure	35
FRD 22	Workforce data/employment and conduct principles	41
FRD 22	Occupational Health and Safety	42
Financial information		
FRD 22	Summary of the financial results for the year	54
FRD 22	Significant changes in financial position during the year	54
FRD 22	Operational and budgetary objectives and performance against objectives	44-53
FRD 22	Subsequent events	54
FRD 22	Details of consultancies under \$10,000	40
FRD 22	Details of consultancies over \$10,000	40
FRD 22	Disclosure of ICT expenditure	38
Legislation		
FRD 22	Application and operation of <i>Freedom of Information Act 1982</i>	38-39
FRD 22	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	38
FRD 22	Application and operation of <i>Public Interest Disclosure Act 2012</i>	37
FRD 22	Statement on National Competition Policy	37
FRD 22	Application and operation of <i>Carers Recognition Act 2012</i>	37
FRD 22	Summary of the entity's environmental performance	43
FRD 22	Additional information available on request	39
Other relevant reporting directives		
FRD 25	<i>Local Jobs First Act 2003</i> disclosures	37
SD 5.1.4	Financial Management Compliance attestation	36
SD 5.2.3	Declaration in report of operations	9
Attestations		
	Attestation on Data Integrity	36
	Attestation on managing Conflicts of Interest	36
	Attestation on Integrity, fraud and corruption	36
Other reporting requirements		
	Reporting of outcomes from Statement of Priorities 2021-2022	44-53
	Occupational Violence reporting	42
	<i>Gender Equality Act 2020</i>	38
	Reporting obligations under the <i>Safe Patient Care Act 2015</i>	37
	Reporting of compliance regarding Car Parking Fees	37

Financials

Board Chair, Chief Executive Officer and Chief Financial Officer Declaration

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and the financial position of Austin Health at 30 June 2022.

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 this date.



Ross Cooke
Board Chair

Melbourne, 08 September 2022



Adam Horsburgh
Chief Executive Officer

Melbourne, 08 September 2022



Kemsley Fairhurst
Chief Financial Officer

Melbourne, 08 September 2022

Independent Auditor's Report

To the Board of Austin Health

Opinion	<p>I have audited the financial report of Austin Health (the health service) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2022 • 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 chair, chief executive officer and chief financial officer declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the health service as at 30 June 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the health service in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other Information	<p>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.</p> <p>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.</p>
Board's responsibilities for the financial report	<p>The Board of the health service is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the health service's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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



MELBOURNE
13 September 2022

Dominika Ryan
as delegate for the Auditor-General of Victoria

Financial Statements and Notes

Table of contents

Note	Page
Comprehensive Operating Statement	60
Balance Sheet	61
Statement of Changes in Equity	62
Cash Flow Statement	63
Note 1: Basis of preparation	64
1.1: Basis of preparation of the financial statements	64
1.2: Impact of COVID-19 pandemic	65
1.3: Abbreviations and terminology used in the financial statements	65
1.4: Joint arrangements	66
1.5: Key accounting estimates and judgements	66
1.6: Accounting standards issued but not yet effective	66
1.7: Goods and Services Tax (GST)	67
1.8: Reporting Entity	67
Note 2: Funding delivery of our services	68
2.1: Revenue and Income from transactions	69
2.1 (a): Timing of revenue from contracts with customers	70
2.1 (b): Fair value of assets and services received free of charge or for nominal consideration	72
Note 3: The cost of delivering our services	74
3.1: Expenses from transactions	75
3.2: Other economic flows	77
3.3: Employee benefits and related on-costs	78
3.4: Superannuation	81
Note 4: Key assets to support service delivery	82
4.1 (a): Property, plant and equipment gross carrying amount and accumulated depreciation	84
4.1 (b): Property, plant and equipment reconciliations of carrying amount by class of asset	85
4.2 (a): Right-of-use assets gross carrying amount and accumulated depreciation	87
4.2 (b): Right-of-use assets reconciliations of carrying amount by class of asset	87
4.3: Revaluation surplus	89
4.4: Depreciation and amortisation	89
4.5: Impairment of assets	91

Note	Page
Note 5: Other assets and liabilities	92
5.1: Receivables and contract assets	93
5.1 (a): Movement in the Allowance for impairment losses of contractual receivables	93
5.2: Payables and contract liabilities	95
5.2 (a): Deferred capital grant revenue	96
5.2 (b): Contract liabilities	97
5.3: Other liabilities	97
Note 6: How we finance our operations	98
6.1: Borrowings	99
6.1 (a): Lease liabilities	100
6.2: Cash and cash equivalents	102
6.3: Commitments for expenditure	103
6.4: Non-cash financing and investing activities	103
Note 7: Risks, contingents and valuation uncertainties	104
7.1: Financial instruments	105
7.1 (a): Categorisation of financial instruments	105
7.2: Financial risk management and objectives and policies	107
7.2 (a): Credit risk	107
7.2 (b): Liquidity risk	110
7.3: Contingent assets and contingent liabilities	111
7.4: Fair value determination	112
Note 8: Other disclosures	118
8.1: Reconciliation of net result for the year to net cash flow from operating activities	118
8.2: Responsible persons	119
8.3: Remuneration of executives	121
8.4: Related parties	122
8.5: Remuneration of auditors	125
8.6: Ex-gratia payments	125
8.7: Events occurring after the Balance Sheet date	125
8.8: Jointly controlled operations	125
8.9: Equity	127
8.10: Economic dependency	128

Comprehensive operating statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	2022 \$'000	2021 \$'000
Income from Transactions			
Operating Activities	2.1	1,374,429	1,230,936
Non-operating Activities	2.1	6	7
Total Income from Transactions		1,374,435	1,230,943
Expenses from Transactions			
Employee Expenses	3.1	(967,110)	(877,415)
Supplies and consumables	3.1	(177,394)	(162,641)
Finance costs	3.1	(1,152)	(2,036)
Other Administrative expenses	3.1	(89,017)	(61,833)
Other Operating expenses	3.1	(69,844)	(69,486)
Depreciation and Amortisation	4.4	(99,029)	(100,656)
Total Expenses from Transactions		(1,403,546)	(1,274,067)
NET RESULT FROM TRANSACTIONS - NET OPERATING BALANCE		(29,111)	(43,124)
Other Economic Flows included in Net Result			
Net gain/(loss) on non-financial assets	3.2	114	941
Net gain/(loss) on financial instruments	3.2	483	(1,102)
Other gain/(loss) from other economic flows	3.2	(2,721)	7,523
Total Other Economic Flows included in Net Result		(2,124)	7,362
NET RESULT FOR THE YEAR		(31,235)	(35,762)
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.3	7,042	30,959
Total Other Comprehensive Income		7,042	30,959
COMPREHENSIVE RESULT FOR THE YEAR		(24,193)	(4,803)

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



Balance Sheet

AS AT 30 JUNE 2022

	Note	2022 \$'000	2021 \$'000
Current Assets			
Cash and Cash Equivalents	6.2	175,980	98,312
Receivables	5.1	40,198	32,602
Inventories		12,105	11,809
Other Financial Assets		16,766	16,335
Total Current Assets		245,049	159,058
Non-Current Assets			
Receivables	5.1	66,991	59,799
Property, Plant and Equipment	4.1 (a)	1,265,634	1,303,452
Right-of-use assets	4.2 (a)	124,016	131,424
Intangible Assets		523	527
Prepayments and Other Assets		329	297
Total Non-Current Assets		1,457,493	1,495,500
Total Assets		1,702,542	1,654,558
Current Liabilities			
Payables	5.2	162,277	113,998
Borrowings	6.1	4,495	5,014
Provisions	3.3	253,352	229,231
Other Liabilities	5.3	338	359
Total Current Liabilities		420,462	348,602
Non-Current Liabilities			
Payables	5.2	455	400
Borrowings	6.1	30,936	34,078
Provisions	3.3	30,741	27,340
Total Non-Current Liabilities		62,132	61,818
Total Liabilities		482,594	410,420
NET ASSETS		1,219,948	1,244,139
Equity			
Property, Plant and Equipment Revaluation Surplus	4.3	1,200,904	1,193,862
Restricted Specific Purpose Surplus	SCE	7,236	7,316
Contributed Capital	SCE	534,384	534,384
Accumulated Deficits	SCE	(522,576)	(491,423)
TOTAL EQUITY		1,219,948	1,244,139

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

Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Property, Plant and Equipment Revaluation Surplus \$'000	Restricted Specific Purpose Surplus \$'000	Contributed Capital \$'000	Accumulated Surplus / (Deficit) \$'000	Total \$'000
Balance at 30 June 2020	1,162,904	7,425	534,384	(455,771)	1,248,941
Net result for the year	-	-	-	(35,762)	(35,762)
Other comprehensive income for the year	30,959	-	-	-	30,959
Transfer from/(to) accumulated deficits	-	(109)	-	109	-
BALANCE AT 30 JUNE 2021	1,193,862	7,316	534,384	(491,423)	1,244,141
Net result for the year	-	-	-	(31,235)	(31,235)
Other comprehensive income for the year	7,042	-	-	-	7,042
Transfer from/(to) accumulated deficits	-	(80)	-	80	-
BALANCE AT 30 JUNE 2022	1,200,904	7,236	534,384	(522,576)	1,219,948

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



Cash Flow Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	2022 \$'000	2021 \$'000
Cash Flows from Operating Activities			
Operating Grants from Government		1,160,342	1,011,450
Capital grants from Government - State		25,354	36,703
Capital grants from Government - Commonwealth		517	517
Patient Fees Received		39,465	48,921
Private Practice Fees Received		16,583	17,198
Donations and Bequests Received		31,948	16,086
Interest and Investment Income Received		461	352
Recoupment from Private Practice for use of Hospital Facilities		43,818	42,836
Other Receipts		92,528	83,252
Total Receipts		1,411,016	1,257,315
Employee Expenses Paid		(949,468)	(844,731)
Payments for Supplies and Consumables		(177,394)	(162,641)
Payments for Medical Indemnity Insurance		(8,882)	(8,724)
Payments for Repairs and Maintenance		(42,182)	(44,875)
Net GST Paid to ATO		(750)	(1,266)
Finance Costs		(1,152)	(2,036)
Other Payments		(120,455)	(95,758)
Total Payments		(1,300,283)	(1,160,030)
Net Cash Flows from/(used in) Operating Activities	8.1	110,732	97,285
Cash Flows from Investing Activities			
Purchase of Non-Financial Assets		(28,026)	(34,324)
Proceeds from Disposal of Non-Financial Assets		93	3
Net Cash Flows from/(used in) Investing Activities		(27,932)	(34,321)
Cash Flows from Financing Activities			
Repayment of Borrowings		(1,892)	(38,121)
Repayment of Lease Liabilities		(3,240)	(3,694)
Net Cash Flows from /(used in) Financing Activities		(5,132)	(41,815)
Net Increase/(Decrease) in Cash and Cash Equivalents Held		77,668	21,149
Cash and Cash Equivalents at Beginning of Year		98,312	77,163
CASH AND CASH EQUIVALENTS AT END OF YEAR	6.2	175,980	98,312

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

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Note 1: Basis of preparation

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

These financial statements represent the audited general purpose financial statements for Austin Health for the year ended 30 June 2022. The report provides users with information about Austin Health's stewardship of the resources entrusted to it.

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

Note 1.1: Basis of preparation of the financial statements

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

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

Austin Health is a not-for-profit entity, and therefore applies the additional AUS paragraphs applicable to a "not-for-profit" health service under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions.

Apart from the changes in accounting policies, standards and interpretations as noted below, material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the previous period.

The financial statements, except for the cash flow information, have been prepared on an 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 8.10 Economic Dependency).

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 Austin Health on 08-09-2022.



Note 1.2: Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. On 2 August 2020 a state of disaster was added with both operating concurrently. The state of disaster in Victoria concluded on 28 October 2020 and the state of emergency concluded on 15 December 2021.

The COVID-19 pandemic has created economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the health service at the reporting date. Management recognises that it is difficult to reliably estimate, with certainty, the potential impact of the pandemic after the reporting date on the health service, its operations, its future results and financial position.

In response to the ongoing COVID-19 pandemic, Austin Health has:

- introduced restrictions on non-essential visitors
- utilised telehealth services
- deferred elective surgery and reduced activity
- transferred inpatients to private health facilities
- performed COVID-19 testing
- established and operated vaccination clinics
- changed infection control practices
- implemented work from home arrangements where appropriate.

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

- Note 2: Funding delivery of our services
- Note 3: The cost of delivering our services
- Note 6: How we finance our operations

Note 1.3: Abbreviations and terminology used in the financial statements

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

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	<i>Financial Management Act 1994</i>
FRD	Financial Reporting Direction
NWU	National Weighted Activity Unit
SD	Standing Direction
VAGO	Victorian Auditor General's Office
VCCC	Victorian Comprehensive Cancer Centre
WIES	Weighted Inlier Equivalent Separation

Note 1: Basis of preparation (continued)

Note 1.4: Joint arrangements

Interests in joint arrangements are accounted for by recognising in Austin Health's financial statements, its share of assets and liabilities and any revenue and expenses of such joint operations.

Austin Health is a member of the Victorian Comprehensive Cancer Centre and retains joint control over the arrangement, which it has classified as a joint operation.

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

Note 1.5: Key accounting estimates and judgements

Management make estimates and judgements when preparing the financial statements.

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

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

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

Note 1.6: Accounting standards issued but not yet effective

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

Standard	Adoption Date	Impact
AASB 2020-1 <i>Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2020-3 <i>Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments</i>	Reporting periods on or after 1 January 2022.	Adoption of this standard is not expected to have a material impact.
AASB 2021-2: <i>Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definitions of Accounting Estimates</i>	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.
AASB 2021-7: <i>Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</i>	Reporting periods on or after 1 January 2023.	Adoption of this standard is not expected to have a material impact.

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

Note 1.7: Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, unless 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 and/or financing activities which are recoverable from, or payable to the ATO, presented as operating cash flow.

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

Note 1.8: Reporting Entity

The financial statements include all controlled activities of Austin Health.

Its principal address is:

145 Studley Road
Heidelberg Victoria 3084

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

Note 2: Funding delivery of our services

Austin Health's overall objective is to provide a quality health service that delivers programs and services to support and enhance the wellbeing of all Victorians.

Austin Health is predominantly funded by accrual based grant funding for the provision of outputs.

Austin Health also receives income from the supply of services.

Structure

2.1: Revenue and Income from Transactions

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services increased during the financial year - this was partially attributable to the COVID-19 pandemic.

Activity Based Funding decreased as the level of activity agreed in the Statement of Priorities couldn't be delivered due to restrictions in the number of patients being treated at various times throughout the financial year.

This was offset by funding provided by the DH to compensate for reductions in revenue and to cover certain direct and indirect COVID-19 related costs, including:

- increased staffing costs to service the vaccination hubs, screening clinics and contact tracing
- pathology testing due to COVID-19 tests
- costs related to the expansion of emergency acute services.

Funding provided included:

- COVID-19 and state repurposed grants
- Additional elective surgery funding
- Local public health unit (LPHU) funding for the North Eastern Public Health Unit.

For the year ended 30 June 2022, the COVID-19 pandemic has impacted Austin Health's ability to satisfy its performance obligations contained within its contracts with customers. Austin Health received indication there would be no obligation to return funds to each relevant funding body where performance obligations had not been met.

This resulted in approximately \$78m being recognised as income for the year ended 30 June 2022 (2021: \$24m) which would have otherwise been recognised as a contract liability in the Balance Sheet until subsequent years when underlying performance obligations were fulfilled. The impact of contract modifications obtained for Austin Health's most material revenue streams, where applicable, is disclosed within this note.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Identifying performance obligations	<p>Austin Health applies significant judgement when reviewing the terms and conditions of funding agreements and contracts to determine whether they contain sufficiently specific and enforceable performance obligations.</p> <p>If this criteria is met, the contract/funding agreement is treated as a contract with a customer, requiring Austin Health to recognise revenue as or when the health service transfers promised goods or services to customers.</p> <p>If this criteria is not met, funding is recognised immediately in the net result from operations.</p>
Determining timing of revenue recognition	<p>Austin Health 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.</p>

Continued on page 69

Key judgements and estimates	Description
Determining time of capital grant income recognition	Austin Health applies significant judgement when its obligation to construct an asset is satisfied. Costs incurred is used to measure Austin Health's progress as this is deemed to be the most accurate reflection of the stage of completion.

Note 2.1: Revenue and income from transactions

	Note	2022 \$'000	2021 \$'000
Operating activities			
Revenue from contracts with customers			
Government grants (State) - Operating		1,077,399	947,212
Government grants (Commonwealth) - Operating		57,956	59,660
Patient and Resident Fees		38,404	36,309
Private Practice Fees		43,008	42,836
Commercial Activities ⁱ		79,466	77,578
Total revenue from contracts with customers	2.1(a)	1,296,233	1,163,595
Other sources of income			
Government grants (State) - Capital		25,354	32,991
Government grants (Commonwealth) - Capital		517	517
Other capital purpose income		5,382	3,478
Capital donations		40	30
Assets received free of charge or for nominal consideration		14,963	14,239
Other Revenue from Operating Activities (including non-capital donations)		31,940	16,086
Total other sources of revenue		78,196	67,341
TOTAL REVENUE AND INCOME FROM OPERATING ACTIVITIES		1,374,429	1,230,936
Non-operating activities			
Income from other sources			
Capital Interest		6	7
Total Income from other sources		6	7
TOTAL REVENUE AND INCOME FROM TRANSACTIONS		1,374,435	1,230,943

ⁱ Commercial activities represent business activities which Austin Health enters into to support their operations.

Note 2: Funding delivery of our services (continued)

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

Austin Health disaggregates revenue by timing of revenue recognition.

	2022 \$'000	2021 \$'000
Goods and services transferred to customers:		
At a point in time	1,216,767	1,086,017
Over time	79,466	77,578
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	1,296,233	1,163,595

How we recognise revenue and income from operating activities

Government Operating Grants

To recognise revenue, Austin Health 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 of these conditions are satisfied, Austin Health:

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

If a contract liability is recognised, Austin Health recognises revenue in profit or loss as and when it satisfies its obligations under the contract, unless a contract modification is entered into between all parties. A contract modification may be obtained in writing, by oral agreement or implied by customary business practices.

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

- recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example, AASB 9, AASB 16, AASB 116, AASB 138)
- recognises related amounts (being contributions by owners, lease liabilities, financial instruments, provisions, revenue or contract liabilities from a contract with a customer)
- recognises income immediately in profit and 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 Austin Health's goods or services. Austin Health funding bodies often direct that goods or services are to be provided to third party beneficiaries, including individuals or the community at large.

In such instances, the customer remains the funding body that has funded the program or activity, however the delivery of goods or services to third party beneficiaries is a characteristic of the promised good or service being transferred to the funding body.

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

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

Government Grant	Performance Obligation
Activity Based Funding (ABF) paid as Weighted Inlier Equivalent Separation (WIES) casemix	<p>The performance obligations for ABF are the number and mix of patients admitted to hospital (defined as 'casemix').</p> <p>WIES activity is a cost weight that is adjusted for time spent in hospital, and represents a relative measure of resource use for each episode of care in a diagnosis related group (DRG).</p> <p>WIES was superseded by NWAU from 1 July 2021.</p>
Activity Based Funding (ABF) paid as National Weighted Activity Unit (NWAU)	<p>NWAU funding commenced 1 July 2021 and supersedes WIES for acute, subacute and some state-wide services. Services not transitioning at this time include mental health and small rural services.</p> <p>NWAU is a measure of health service activity expressed as a common unit against which the national efficient price (NEP) is paid.</p> <p>The performance obligations for NWAU are the number and mix of admissions, emergency department presentations and outpatient episodes, and is weighted for clinical complexity, in accordance with the levels of activity agreed to with the DH in the annual Statement of Priorities.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
Deferred Care (elective surgery funding)	<p>The performance obligations for deferred care are the number and mix of patients admitted for elective surgery in accordance with the levels of activity agreed to with the DH in the annual Statement of Priorities.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
Better@Home	<p>The performance obligations for Better@Home are the provision of at home services to deliver health care within the patient's home in accordance with the levels of activity agreed to with the DH in the annual Statement of Priorities.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>
North Eastern Public Health Unit	<p>The performance obligations for the North Eastern Public Health Unit are to support COVID-19 case management, contact tracing and outbreak management in accordance with the targets agreed to with the DH in the annual Statement of Priorities.</p> <p>Revenue is recognised at point in time, which is when a patient is discharged.</p>

Note 2: Funding delivery of our services (continued)

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

Capital Grants

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

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 during which accommodation is provided.

Private Practice Fees

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

Commercial Activities

Revenue from commercial activities includes goods or services such as car parking, clinical trials, diagnostic tests etc. Commercial activity revenue is recognised at a point in time, upon provision of the goods or service to the customer.

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

	2022 \$'000	2021 \$'000
Plant and Equipment	283	5,088
Personal protective equipment	14,270	9,180
TOTAL FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION	15,003	14,268



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

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 Austin Health 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 where 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 HealthShare 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 Austin Health as resources provided free of charge. HealthShare Victoria and Monash Health were acting as agents of the Department of Health under this arrangement.

Contributions

Austin Health may receive assets for nil or nominal consideration to further its objectives. The assets are recognised at their fair value when Austin Health

obtains control over the asset, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

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

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

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

Voluntary Services

Austin Health receives volunteer services from members of the community to enhance the patient experience at all our sites including Austin Hospital, Heidelberg Repatriation Hospital, Royal Talbot Rehabilitation Centre, the Olivia Newton-John Centre and our Op Shop in Diamond Creek.

Austin Health 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.

Austin Health 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 DH makes some payments on behalf of Austin Health as follows:

Supplier	Description
Victorian Managed Insurance Authority	The Department of Health purchases non-medical indemnity insurance for Austin Health which is paid directly to the Victorian Managed Insurance Authority. To record this contribution, such payments are recognised as income with a matching expense in the net result from transactions.
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 with the DH.

Note 3: The cost of delivering our services

This section provides an account of the expenses incurred by the hospital in delivering services and outputs. In Section 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 and related on-costs

3.4: Superannuation

Telling the COVID-19 story

Expenses incurred to deliver our services increased during the financial year - this was partially attributable to the COVID-19 pandemic and its impact on our economy and the health of our community.

Additional costs were incurred to deliver the following additional services:

- establish facilities within Austin Health for the treatment of suspected and admitted COVID-19 patients resulting in an increase in employee costs, additional equipment purchases
- implement COVID-19 safe practices throughout Austin Health including increased cleaning, increased security, consumption of personal protective equipment provided as resources free of charge
- assist with COVID-19 case management, contact tracing and outbreak management contributing to an increase in employee costs
- establish vaccination clinics to administer vaccines to staff and the community resulting in an increase in employee costs and consumables
- establish COVID-19 testing facilities for staff and the community, resulting in an increase in employee costs and consumables
- implement work from home arrangements resulting in increased ICT infrastructure costs and additional equipment purchases.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Classifying employee benefit liabilities	<p>Austin Health applies significant judgement when classifying its employee benefit liabilities.</p> <p>Employee benefit liabilities are classified as a current liability if Austin Health does not have an unconditional right to defer payment beyond 12 months. Annual leave, accrued days off and long service leave entitlements (for staff who have exceeded the minimum vesting period) fall into this category.</p> <p>Employee benefit liabilities are classified as a non-current liability if Austin Health has a conditional right to defer payment beyond 12 months. Long service leave entitlements (for staff who have not yet exceeded the minimum vesting period) fall into this category.</p>
Measuring employee benefit liabilities	<p>Austin Health applies significant judgement when measuring and classifying its employee benefit liabilities.</p> <p>The health service applies judgement to determine when it expects its employee entitlements to be paid.</p> <p>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.</p> <p>Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields on government bonds at the end of the reporting period.</p> <p>All other entitlements are measured at their nominal value.</p>



Note 3.1: Expenses from transactions

	Note	2022 \$'000	2021 \$'000
Salaries and Wages		753,558	684,989
On-costs		192,863	170,319
Agency Expenses		10,304	10,703
Fee for Service Medical Officer Expenses		2,884	2,775
Workcover Premium		7,501	8,629
Total Employee Expenses		967,110	877,415
Drug Supplies		67,204	68,529
Medical and Surgical Supplies (including Prostheses)		70,977	65,123
Diagnostic and Radiology Supplies		20,522	15,037
Other Supplies and Consumables		18,691	13,952
Total Supplies and Consumables		177,394	162,641
Finance Costs		1,152	2,036
Total Finance Costs		1,152	2,036
Other Administrative Expenses		89,017	61,833
Total Other administrative expenses		89,017	61,833
Fuel, Light, Power and Water		13,256	12,595
Repairs and Maintenance		16,920	19,681
Maintenance Contracts		25,263	25,193
Medical Indemnity Insurance		8,882	8,724
Expenses related to short term and low value leases		3,844	3,143
Expenditure for Capital Purposes		1,679	150
Total Other Operating Expenses		69,844	69,486
Depreciation and Amortisation	4.4	99,029	100,656
Total Other Non-Operating Expenses		99,029	100,656
TOTAL EXPENSES FROM TRANSACTIONS		1,403,546	1,274,067

Note 3: The cost of delivering our services (continued)

Note 3.1: Expenses from transactions (continued)

How we recognise expenses from transactions

Expense recognition

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

Employee Expenses

Employee expenses include:

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

Supplies and consumables

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

Finance Costs

Finance costs include:

- interest on 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
- finance charges in respect of leases which are recognised in accordance with AASB 16 Leases.

Other Operating Expenses

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

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

The DH also makes certain payments on behalf of Austin Health. 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.



Note 3.2: Other economic flows

	2022 \$'000	2021 \$'000
Assets previously not recognised	-	951
Net gain/(loss) on disposal of property, plant and equipment	114	(10)
Total net gain/(loss) on non-financial assets	114	941
(Increase)/decrease in allowance for impairment of contractual receivables	483	(1,102)
Total net gain/(loss) on financial instruments	483	(1,102)
Net gain/(loss) arising from revaluation of long service liability	(2,721)	7,523
Total other gains/(losses) from other economic flows	(2,721)	7,523
TOTAL OTHER GAINS/(LOSSES) FROM ECONOMIC FLOWS	(2,124)	7,362

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.

Other gains/(losses) from other economic flows include gains or losses from:

- the revaluation of present value of the long service leave liability due to changes in the bond interest rates
- reclassified amounts relating to equity instruments from the reserves to retained surplus/(deficit) due to a disposal or derecognition of the financial instrument. This does not include reclassification between equity accounts due to machinery of government changes or 'other transfers' of assets.

Net gain/(loss) on non-financial assets

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

- revaluation gains/(losses) of investment properties
- 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.

Net gain/(loss) on financial instruments

Net gain/(loss) on financial instruments 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
- disposals of financial assets and derecognition of financial liabilities.

Amortisation of non-produced intangible assets

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

Impairment of non-financial assets

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

Note 3: The cost of delivering our services (continued)

Note 3.3: Employee benefits and related on-costs

	2022 \$'000	2021 \$'000
Current provisions		
Accrued Days Off		
Unconditional and expected to be settled wholly within 12 months ⁱ	2,969	2,242
Annual leave		
Unconditional and expected to be settled wholly within 12 months ⁱ	74,908	67,662
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	12,121	11,373
Long Service Leave		
Unconditional and expected to be settled wholly within 12 months ⁱ	14,686	67,269
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	122,277	57,091
Provisions related to Employee Benefit On-Costs		
Unconditional and expected to be settled within 12 months ⁱ	10,258	15,652
Unconditional and expected to be settled after 12 months ⁱⁱ	16,133	7,942
Total Current Provisions	253,352	229,231
Non-Current Provisions		
Conditional Long Service Leave	27,382	24,498
Provisions related to Employee Benefit On-Costs	3,359	2,842
Total Non-Current Provisions	30,741	27,340
TOTAL PROVISIONS	284,093	256,571

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.



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

(a) Employee benefits and related on-costs

	2022 \$'000	2021 \$'000
Unconditional long service leave entitlements	153,404	138,786
Unconditional Annual leave entitlements	96,979	88,203
Unconditional Accrued days off	2,969	2,242
Total Current Employee Benefits and Related On-Costs	253,352	229,231
Conditional long service leave entitlements	30,741	27,340
Total Non-Current Employee Benefits and Related On-Costs	30,741	27,340
TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS	284,093	256,571
Attributable to:		
Employee benefits	254,343	230,135
Provision for related on-costs	29,750	26,436
TOTAL EMPLOYEE BENEFITS AND RELATED ON-COSTS	284,093	256,571

(b) Provision for related on-costs movement schedule

	2022 \$'000	2021 \$'000
Carrying amount at start of year	26,436	24,271
Additional provisions recognised	13,387	12,216
Amounts incurred during the year	(10,389)	(9,178)
Unwinding of discount and effect of changes in discount rate	316	(873)
CARRYING AMOUNT AT END OF YEAR	29,750	26,436

Note 3: The cost of delivering our services (continued)

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

How we recognise employee benefits

Employee benefit 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 recognised in the provision for employee benefits as 'current liabilities' because Austin Health does not have an unconditional right to defer settlements of these liabilities.

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

- **Nominal value**
if Austin Health expects to wholly settle within 12 months or
- **Present value**
if Austin Health does not expect to wholly settle within 12 months.

Long service leave

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

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

The components of this current LSL liability are measured at:

- **Nominal value**
if Austin Health expects to wholly settle within 12 months or
- **Present value**
if Austin Health does not expect to wholly settle within 12 months.

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

Termination benefits

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

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 for the Year End	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Defined Benefit Plans:ⁱ				
Aware Super	897	1,027	99	152
Commonwealth Superannuation Scheme	1,509	1,633	65	52
ESS	70	82	1	3
Defined Contribution Plans:				
Aware Super	35,612	32,464	3,517	5,437
Hesta	30,423	23,715	3,680	4,136
Other	8,951	6,089	1,003	955
TOTAL	77,462	65,010	8,365	10,735

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

How we recognise superannuation

Employees of Austin Health are entitled to receive superannuation benefits and it 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 Austin Health to the superannuation plans in respect of the services of current Austin Health staff during the reporting period.

Superannuation contributions are made to the plans based on the relevant rules of each plan and are based upon actuarial advice.

Austin Health does not recognise any unfunded defined benefit liability in respect of the plans 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 DTF discloses the State's defined benefits liabilities in its disclosure for administered items. However superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the Comprehensive Operating Statement of Austin Health.

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

Defined Contribution Superannuation Plans

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

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

Note 4: Key assets to support service delivery

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

Telling the COVID-19 story

Assets used to support the delivery of our services during the financial year were not materially impacted by the COVID-19 pandemic.

Structure

4.1: Property, plant and equipment

4.2: Right-of-use assets

4.3: Revaluation surplus

4.4: Depreciation and amortisation

4.5: Impairment of assets

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Estimating useful life of property, plant and equipment	Austin Health 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	<p>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.</p> <p>Austin Health applies significant judgement to determine whether or not it is reasonably certain to exercise such purchase options.</p>
Estimating the useful life of intangible assets	Austin Health assigns an estimated useful life to each intangible asset with a finite useful life, which is used to calculate amortisation of the asset.

Continued on page 83

Key judgements and estimates	Description
Identifying indicators of impairment	<p>At the end of each year, Austin Health 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.</p> <p>The health service considers a range of information when performing its assessment, including considering:</p> <ul style="list-style-type: none"> • If an asset's value has declined more than expected based on normal use • If a significant change in technological, market, economic or legal environment which adversely impacts the way the 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. <p>Where an impairment trigger exists, Austin Health applies significant judgement and estimate to determine the recoverable amount of the asset.</p>

Note 4: Key assets to support service delivery (continued)

Note 4.1: Property, plant and equipment

(a) Gross carrying amount and accumulated depreciation

	2022 \$'000	2021 \$'000
Crown Land at Fair Value	59,500	59,665
Freehold Land at Fair Value	106,400	99,839
Total Land at Fair value	165,900	159,504
Buildings at Fair Value	970,875	1,184,067
Less Accumulated Depreciation	-	(146,841)
	970,875	1,037,226
Buildings under construction	32,288	21,744
Leasehold Improvements at Cost	7	7
Less Accumulated Depreciation	(4)	(2)
	3	5
Total Buildings	1,003,166	1,058,975
Plant and Equipment at Fair Value	40,079	39,726
Less Accumulated Depreciation	(34,126)	(32,407)
Total Plant and Equipment	5,953	7,319
Motor Vehicles at Fair Value	1,062	1,050
Less Accumulated Depreciation	(1,047)	(1,032)
Total Motor Vehicles	15	18
Medical Equipment at Fair Value	138,353	127,319
Less Accumulated Depreciation	(117,057)	(113,050)
Total Medical Equipment	21,296	14,269
Computers and Communication Equipment at Fair Value	26,646	25,695
Less Accumulated Depreciation	(25,964)	(24,884)
Total Computers and Communication Equipment	682	811
Furniture and Fittings at Fair Value	2,746	2,627
Less Accumulated Depreciation	(2,591)	(2,462)
Total Furniture and Fittings	155	165
Other Equipment at Fair Value	18,556	17,714
Less Accumulated Depreciation	(17,721)	(17,070)
	835	644
Equipment under construction	67,630	61,748
Total Other equipment	68,467	62,392
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,265,634	1,303,452



Note 4.1: Property, plant and equipment (continued)

(b) Reconciliations of carrying amount by class of asset

		Land	Buildings	Plant & Equipment	Motor Vehicles	Leasehold Improvement	Medical Equipment	Computers & Comm Equipment	Furniture & Fittings	Other Equipment	Equipment under Construction	Total
	Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020		134,238	1,122,732	9,397	-	7	14,458	1,295	185	1,064	35,171	1,318,547
Additions		-	9,681	126	-	-	2,337	774	70	182	26,577	39,747
Disposals		-	-	-	-	-	(13)	-	-	-	-	(13)
Net Transfers between classes		(5,693)	-	-	-	-	-	-	-	-	-	(5,693)
Assets provided free of charge		-	-	-	26	-	5,062	-	-	-	-	5,088
Revaluation increments/ (decrements)		30,959	-	-	-	-	-	-	-	-	-	30,959
Depreciation	4.4	-	(73,444)	(2,204)	(8)	(2)	(7,575)	(1,258)	(90)	(602)	-	(85,183)
Balance at 30 June 2021	4.1(a)	159,504	1,058,969	7,319	18	5	14,269	811	165	644	61,748	1,303,452
Additions		-	17,428	314	12	1	18,059	1,240	118	982	5,882	44,040
Disposals		-	-	-	-	-	(10)	-	-	-	-	(10)
Net Transfers between classes		-	-	-	-	-	-	-	-	-	-	-
Assets provided free of charge		-	-	40	-	-	243	-	-	-	-	283
Revaluation increments/ (decrements)		6,396	646	-	-	-	-	-	-	-	-	7,042
Depreciation	4.4	-	(73,882)	(1,720)	(15)	(2)	(11,265)	(1,369)	(129)	(791)	-	(89,173)
BALANCE AT 30 JUNE 2022	4.1(a)	165,900	1,003,162	5,953	15	3	21,296	682	155	836	67,632	1,265,634

Land and Buildings and Assets Carried at Valuation

The Valuer-General of Victoria undertook to re-value all of Austin Health's land and buildings to determine their fair value. The valuation, which conforms to Australian Valuation Standards, was determined by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction. The valuation was based on independent assessments. The effective date of the independent valuation was 30 June 2019.

Note 4: Key assets to support service delivery (continued)

Note 4.1: Property, plant and equipment (continued)

How we recognise property, plant and equipment

Property, plant and equipment are tangible items that are used by Austin Health in the supply of goods or services which are expected to be used during more than one financial year.

Initial Recognition

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

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

Subsequent measurement

Items of property, plant and equipment (excluding right-of-use assets) 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.

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, Austin Health performs a managerial assessment to estimate possible changes in fair value of land and buildings since the date of the last independent valuation with reference to Valuer-General of Victoria (VGV) indices.

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation.

Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, Austin Health would obtain an interim independent valuation prior to the next scheduled independent valuation.

An independent valuation of Austin Health's property, plant and equipment was performed by the VGV on June 2019. 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.

The managerial assessment performed since the last independent valuation as at 30 June 2022 indicated an overall:

- cumulative increase in fair value of land of 29.06% (\$37.3m)
- cumulative increase in fair value of buildings of 17.07% (\$166.0m)

As the cumulative movement was greater than 10% but less than 40% for land and buildings since last revaluation, a managerial revaluation adjustment was required as at 30 June 2022.

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 asset revaluation reserve, 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 asset revaluation reserve in respect of the same class of property, plant and equipment. Otherwise, the decrement is recognised as an expense in the net result.

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

Note 4.2: Right-of-use assets

(a) Gross carrying amount and accumulated depreciation

	2022 \$'000	2021 \$'000
Right-of-use Freehold Land	134,202	134,202
Less Accumulated Depreciation	(16,821)	(11,214)
Total right-of-use Land at fair value	117,381	122,988
Right-of-use Buildings	2,470	2,470
Less Accumulated Depreciation	(1,826)	(1,252)
Total right-of-use Buildings at fair value	644	1,218
Right-of-use Plant, Equipment and Vehicles	13,381	11,826
Less Accumulated Depreciation	(7,390)	(4,608)
Total right-of-use Plant, Equipment and Vehicles	5,991	7,218
TOTAL RIGHT-OF-USE PROPERTY, PLANT AND EQUIPMENT	124,016	131,424

(b) Reconciliations of carrying amount by class of asset

	Note	Right-of-use Land \$'000	Right-of-use Buildings \$'000	Right-of-use Plant, Equipment & Vehicles \$'000	Total \$'000
Balance at 1 July 2020		127,558	2,083	7,235	136,876
Additions		951	-	2,449	3,400
Disposals		-	(236)	-	(236)
Net Transfers between classes		5,693	-	-	5,693
Revaluation increments/(decrements)		-	-	-	-
Depreciation	4.4	(11,214)	(629)	(2,466)	(14,309)
Balance at 30 June 2021	4.1(a)	122,988	1,218	7,218	131,424
Additions		-	-	1,553	1,553
Disposals		-	-	-	-
Net Transfers between classes		-	-	-	-
Revaluation increments/(decrements)		-	-	-	-
Depreciation	4.4	(5,607)	(575)	(2,779)	(8,961)
BALANCE AT 30 JUNE 2022	4.2(a)	117,381	643	5,992	124,016

Note 4: Key assets to support service delivery (continued)

Note 4.2: Right-of-use assets (continued)

How we recognise right-of-use assets

Where Austin Health 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 (a) for further information), the contract gives rise to a right-of-use asset and corresponding lease liability. Austin Health 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 land	10 to 99 years
Leased buildings	10 to 99 years
Leased plant, equipment, furniture, fittings and vehicles	4 to 10 years

Initial recognition

When a contract is entered into, Austin Health 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 (a).

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
- 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.

Austin Health's operating lease agreements contain purchase options which the health service is not reasonably certain to exercise at the completion of the lease.

Austin Health holds lease agreements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. Austin Health has applied temporary relief and continues to measure those right-of-use assets at cost.

Refer to Note 6.1 for further information regarding the nature and terms of the concessional lease, and Austin Health's dependency on such lease arrangements.

Subsequent Measurement

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

Right-of-use assets are also adjusted for certain 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 4.3: Revaluation surplus

	Note	2022 \$'000	2021 \$'000
Balance at the beginning of the reporting period		1,193,862	1,162,903
Revaluation Increment:			
• Land	4.1(b)	6,396	30,959
• Buildings	4.1(b)	646	-
Balance at the end of the reporting period*		1,200,904	1,193,862
* Represented by:			
• Land		273,695	267,299
• Buildings		927,209	926,563
		1,200,904	1,193,862

Note 4.4: Depreciation and amortisation

	2022 \$'000	2021 \$'000
Depreciation		
Buildings	73,882	73,444
Plant and Equipment	1,720	2,204
Leasehold Improvements	2	2
Motor Vehicles	15	8
Medical Equipment	11,265	7,575
Computers and Communication Equipment	1,369	1,258
Furniture and Fittings	129	90
Other Equipment	791	602
Right of use assets		
• Right of use Land	5,607	11,214
• Right of use Buildings	575	629
• Right of use Plant, Equipment & Vehicles	2,779	2,466
Total Depreciation	98,134	99,491
Amortisation		
Intangible Assets	895	1,165
Total Amortisation	895	1,165
TOTAL DEPRECIATION AND AMORTISATION	99,029	100,656

Note 4: Key assets to support service delivery (continued)

Note 4.4: Depreciation and amortisation (continued)

How we recognise depreciation

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

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers 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 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 based.

	2022	2021
Buildings		
• Shell / Structure	45 to 60 years	45 to 60 years
• Siteworks / Site Services	20 to 30 years	20 to 30 years
• Services	15 to 28 years	15 to 28 years
• Fit Out	10 to 20 years	10 to 20 years
Plant and Equipment	7 to 15 years	7 to 15 years
Medical Equipment	5 to 15 years	5 to 15 years
Computers and Communication	3 to 5 years	3 to 5 years
Furniture and Fitting	3 to 5 years	3 to 5 years
Motor Vehicles	1 to 3 years	1 to 3 years
Other Equipment	3 to 5 years	3 to 5 years
Intangible Assets	3 to 5 years	3 to 5 years

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



Note 4.5: Impairment of assets

How we recognise impairment

At the end of each reporting period, Austin Health 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 Austin Health 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, Austin Health 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, Austin Health estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Austin Health did not record any impairment losses for the year ended 30 June 2022.

Note 5: Other assets and liabilities

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

Structure

5.1: Receivables and contract assets

5.2: Payables and contract liabilities

5.3: Other liabilities

Telling the COVID-19 story

The measurement of other assets and liabilities were not materially impacted by the COVID-19 pandemic and its impact on our economy and the health of our community.

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	Austin Health uses a simplified approach to account for the expected credit loss provision. A provision matrix is used, which considers historical experience, external indicators and forward-looking information to determine expected credit loss rates.
Measuring deferred capital grant income	<p>Where Austin Health has received funding to construct an identifiable non-financial asset, such funding is recognised as deferred capital grant income until the underlying asset is constructed.</p> <p>Austin Health 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.</p>
Measuring contract liabilities	Austin Health 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, Austin Health 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 Austin Health's obligation to restore leased assets to their original condition at the end of a lease term. The health service applies significant judgement and estimate to determine the present value of such restoration costs.



Note 5.1: Receivables and contract assets

	Note	2022 \$'000	2021 \$'000
Current			
Contractual			
Inter-hospital Debtors		1,850	3,776
Trade Debtors		11,263	8,782
Patient Fees		6,798	7,376
Provision for impairment	7.2(a)	(907)	(1,390)
Accrued Revenue		16,745	10,335
		35,749	28,879
Statutory			
GST Receivable		4,449	3,724
		4,449	3,724
Total Current Receivables and Contract Assets		40,198	32,602
Non-Current			
Statutory			
Long Service Leave - Department of Health		66,991	59,799
Total Non-Current Receivables and Contract Assets		66,991	59,799
TOTAL RECEIVABLES AND CONTRACT ASSETS		107,189	92,401
Financial assets classified as receivables and contract assets			
Total receivables and contract assets		107,189	92,401
Provision for impairment		907	1,390
GST Receivable		(4,449)	(3,724)
TOTAL FINANCIAL ASSETS	7.1(a)	103,647	90,067

(a) Movement in the Allowance for impairment losses of contractual receivables

	2022 \$'000	2021 \$'000
Balance at beginning of year	1,390	5,382
Amounts written off during the year	(10)	(2,347)
Increase/(decrease) in allowance written off during the year	10	(400)
Increase/(decrease) in allowance recognised in the net result	(483)	(1,245)
BALANCE AT END OF YEAR	907	1,390

Note 5: Other assets and liabilities (continued)

Note 5.1: Receivables and contract assets (continued)

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 cost'. They are initially recognised at fair value plus any directly attributable transaction costs. Austin Health holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using effective method, less any impairment.

- **Statutory receivables:**

which predominantly includes amounts owing from the Victorian Government and Goods and Services Tax (GST) input tax credits recoverable. Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. Austin Health applies AASB 9 *Financial Instruments* for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

Trade 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*.

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

Refer to Note 7.2(a) for Austin Health's contractual impairment losses.



Note 5.2: Payables and contract liabilities

	Note	2022 \$'000	2021 \$'000
Current			
Contractual			
Inter-hospital Creditors		5	-
Trade Creditors		11,529	11,005
Accrued Salary and Wages		29,384	24,276
Accrued Interest		316	334
Accrued Expenses		41,170	29,024
Deferred grant revenue	5.2(a)	20,974	17,959
Contract Liabilities	5.2(b)	42,874	13,440
Salary Packaging		1,474	2,952
Other		526	700
Total Contractual payables		148,252	99,690
Statutory			
GST Payable		622	646
Pay As You Go Withholding		5,037	2,926
Superannuation Payable		8,366	10,736
Total Statutory payables		14,025	14,308
TOTAL CURRENT PAYABLES AND CONTRACT LIABILITIES		162,277	113,998
Non-Current			
Contract Liabilities - income received in advance	5.2(b)	455	400
Total Non-Current Payables and Contract Liabilities		455	400
TOTAL PAYABLES AND CONTRACTED LIABILITIES		162,732	114,398
Financial liabilities classified as payables and contract liabilities			
Total payables and contract liabilities		162,732	114,398
Deferred grant income		(20,974)	(17,959)
Contract liabilities		(43,329)	(13,840)
Other		(14,025)	(14,308)
TOTAL FINANCIAL LIABILITIES	7.1(a)	84,405	68,291

Note 5: Other assets and liabilities (continued)

Note 5.2: Payables and contract liabilities (continued)

How we recognise payables and contract liabilities

Payables consist of:

- **Contractual payables:**
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 Austin Health prior to the end of the financial year that are unpaid.

- **Statutory payables:**

that 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 usually net 60 days.

(a) Deferred capital grant revenue

	2022 \$'000	2021 \$'000
Opening balance of deferred grant income	17,959	12,956
Grant consideration for capital works received during the year	25,871	37,220
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(22,856)	(32,217)
CLOSING BALANCE OF DEFERRED GRANT CONSIDERATION RECEIVED FOR CAPITAL WORKS	20,974	17,959

How we recognise deferred capital grant revenue

Grant consideration was received from capital projects for building infrastructure, IT and medical equipment. Grant revenue is recognised progressively as the asset is constructed, since this is the time when Austin Health satisfies its obligations under the transfer by controlling the asset as and when it is constructed.

The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

As a result, Austin Health has deferred recognition of a portion of the grant consideration received as a liability for the outstanding obligations.



Note 5.2: Payables and contract liabilities (continued)

(b) Contract liabilities

	2022 \$'000	2021 \$'000
Opening balance of contract liabilities	13,840	1,717
Payments received for performance obligations not yet fulfilled	1,084,091	986,939
Revenue recognised for the completion of a performance obligation	(1,054,602)	(974,816)
Total contract liabilities*	43,329	13,840
* Represented by:		
• Current contract liabilities	42,874	13,440
• Non-current contract liabilities	455	400
	43,329	13,840

How we recognise contractual liabilities

Contract liabilities include consideration received in advance from customers in respect of goods and services provided by the health service. The balance of contract liabilities was significantly higher than the previous reporting period due to revenue in advance.

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) of the ageing analysis of payables.

Note 5.3: Other liabilities

	2022 \$'000	2021 \$'000
Current		
Monies Held in Trust		
• Patient Monies Held in Trust	48	54
• Other Monies Held in Trust	290	305
Total Current	338	359
TOTAL OTHER LIABILITIES*	338	359
* Represented by:		
• Cash assets	338	359
	338	359

Note 6: How we finance our operations

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

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

Structure

- 6.1: Borrowings
- 6.2: Cash and cash equivalents
- 6.3: Commitments for expenditure
- 6.4: Non-cash financing and investing activities

Telling the COVID-19 story

The level of cash and borrowings required to finance our operations were impacted during the financial year which was partially attributable to the COVID-19 pandemic and its impact on our economy and the health of our community.

In order to cover the ongoing financial impact of the health service's response to the ongoing global pandemic and due to the timing differences between the COVID-19 pandemic costs incurred and funding received through DH quarterly COVID-19 pandemic cost acquittal process, Austin Health utilised pre-committed and tied cash reserves to meet its operational commitments throughout the year.

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	<p>Austin Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service:</p> <ul style="list-style-type: none">• has the right-to-use an identified asset• has the right to obtain substantially all economic benefits from the use of the leased asset and• can decide how and for what purpose the asset is used throughout the lease.
Determining if a lease meets the short-term or low value asset lease exemption	<p>Austin Health applies significant judgement when determining if a lease meets the short-term or low-value lease exemption criteria. Austin Health 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. Austin Health 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.</p>
Discount rate applied to future lease payments	<p>Austin Health discounts its lease payments using the interest rate implicit in the lease. If this rate cannot be readily determined, which is generally the case for the health service's lease arrangements, Austin Health 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.</p>

Continued on page 99



Key judgements and estimates	Description
Assessing the lease term	<p>The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Austin Health is reasonably certain to exercise such options.</p> <p>Austin Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including:</p> <ul style="list-style-type: none"> • If there are significant penalties to terminate (or not extend), the 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

	2022 \$'000	2021 \$'000
Current		
Department of Health ⁱ	-	436
TCV Loan ⁱⁱ	1,546	1,457
Lease Liability ⁱⁱⁱ	2,949	3,121
Total Current Borrowings	4,495	5,014
Non-current		
TCV Loan ⁱⁱ	27,080	28,627
Lease Liability ⁱⁱⁱ	3,856	5,451
Total Non-Current Borrowings	30,936	34,078
TOTAL BORROWINGS	35,432	39,092

ⁱ These are secured loans which bear no interest.

ⁱⁱ These are unsecured secured loans with a weighted average interest rate of 6.70% (2021 6.70%) for the initial loan in 2008 and 4.75% (2021 4.75%) for the additional loan in 2013.

ⁱⁱⁱ Secured by the assets leased.

Note 6: How we finance our operations (continued)

Note 6.1: Borrowings (continued)

How we recognise borrowings

Borrowings refer to interest bearing liabilities mainly raised from advances from the Treasury Corporation of Victoria (TCV) and other funds raised through lease liabilities, service concession arrangements and other interest-bearing arrangements.

Initial recognition

All borrowings are initially recognised at fair value of the consideration received, less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether Austin Health 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

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

Defaults and breaches

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

Note 6.1 (a): Lease liabilities

Austin Health's lease liabilities are summarised below:

	2022 \$'000	2021 \$'000
Total undiscounted lease liabilities	6,936	8,619
Less unexpired finance expenses	(131)	(47)
NET LEASE LIABILITIES	6,805	8,572

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

	2022 \$'000	2021 \$'000
Not Later than one year	3,037	3,184
Later than 1 year and not later than 5 years	3,899	5,436
Later than 5 years	-	-
Minimum future lease liability	6,936	8,619
Less future charges	(131)	(47)
PRESENT VALUE OF LEASE LIABILITY*	6,805	8,572

* Represented by:

• Current borrowings lease liability	2,949	3,121
• Non-current borrowings lease liability	3,856	5,451
TOTAL	6,805	8,572



Note 6.1 (a): Lease liabilities (continued)

How do we recognise lease liabilities

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

To apply this definition, Austin Health ensures the contract meets the following criteria:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Austin Health and for which the supplier does not have substantive substitution rights
- Austin Health has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Austin Health has the right to direct the use of the identified asset throughout the period of use
- Austin Health has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

Austin Health's lease arrangements consist of the following:

Type of asset leased	Lease Term
Leased land	10 to 99 years
Leased buildings	10 to 99 years
Leased plant, equipment, furniture, fittings and vehicles	4 to 10 years

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

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

Type of payment	Description of payment	Type of leases captured
Low-value lease payments	Leases where the underlying asset's fair value, when new, is no more than \$10,000	Photocopiers, IT equipment

Separation of lease and non-lease components

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

Initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Austin Health's incremental borrowing rate. Our lease liability has been discounted by rates between 2% to 3%.

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

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

Subsequent measurement

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

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

Leases with significantly below market terms and conditions

Austin Health holds lease arrangements which contain significantly below-market terms and conditions, which are principally to enable the health service to further its objectives. These are commonly referred to as a peppercorn or concessionary lease arrangement.

Note 6: How we finance our operations (continued)

Note 6.1 (a): Lease liabilities (continued)

The nature and terms of such lease arrangements, including Austin Health's dependency on such lease arrangements is described below:

Description of leased asset	Our dependence on lease	Nature and terms of lease
Land - Waterdale Road, Heidelberg	The leased land is used for the purpose of delivering health services to the community. Austin Health's dependence on this lease is considered to be high due to the specialised nature and limited available substitutes.	Lease payments of \$12 per annum are required. Lease commenced in 2011 and has a lease term of 20 years which includes extension options of 2 further terms each of 10 years.
Land - Hawdon Street, Heidelberg	The leased land is used for the purpose of delivering mental health services to the community. Austin Health's dependence on this lease is considered to be high due to the specialised nature and limited available substitutes.	Lease payments of \$104 per annum are required. Lease commenced in 2011 and has a lease term of 10 years. Austin Health continues to occupy the premises and lease will be extended for 10 years.
Land - Law Street, Heidelberg	The leased land is used for the purpose of delivering mental health services to the community. Austin Health's dependence on this lease is considered to be high due to the specialised nature and limited available substitutes.	Lease payments of \$104 per annum are required. Lease commenced in 2015 and has a lease term of 10 years.

Note 6.2: Cash and cash equivalents

	Note	2022 \$'000	2021 \$'000
Cash on Hand (excluding monies held in trust)		71	66
Cash at Bank (excluding monies held in trust)		5,634	6,714
Cash at Bank - CBS (excluding monies held in trust)		169,478	91,146
Deposits at Call		459	27
Total Cash held for Operations		175,642	97,953
Cash at bank - CBS (monies held in trust)		338	359
Total Cash held as monies in trust		338	359
TOTAL CASH AND CASH EQUIVALENTS	7.1(a)	175,980	98,312

How we recognise cash and cash equivalents

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

the purpose of meeting ongoing cash commitments rather than for investment purposes, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Monies held in trust are included in the cash flow for presentation purposes.

Note 6.3: Commitments for expenditure

	2022 \$'000	2021 \$'000
Capital expenditure commitments		
Less than 1 year	89,624	59,218
Longer than 1 year but not longer than 5 years	17,909	5,337
Total capital expenditure commitments	107,533	64,555
Non-cancellable and low value lease commitments		
Less than 1 year	4,675	2,650
Longer than 1 year but not longer than 5 years	14,871	9,764
Longer than 5 years	-	-
Total lease commitments	19,546	12,414
Total commitments for expenditure (inclusive of GST)	127,079	76,969
Less GST recoverable from the Australian Tax Office	(11,553)	(6,997)
TOTAL COMMITMENTS FOR EXPENDITURE (EXCLUSIVE OF GST)	115,526	69,972

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

How we disclose our commitments

Our commitments relate to expenditure and short-term and low-value leases.

Expenditure commitments

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed at their nominal value and are inclusive of the GST payable.

In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant 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

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

Note 6.4: Non-cash financing and investing activities

	2022 \$'000	2021 \$'000
Assets (Provided)/Received Free of Charge	283	5,088
TOTAL NON-CASH FINANCING AND INVESTING ACTIVITIES	283	5,088

Refer to note 2.1 (b) for further information.

Note 7: Risk, contingencies and valuation uncertainties

Austin Health 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 and 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	<p>Fair value is measured with reference to highest and best use, that is, the use of the asset by a market participant that is physically possible, legally permissible, financially feasible, and which results in the highest value, or to sell it to another market participant that would use the same asset in its highest and best use.</p> <p>In determining the highest and best use, Austin 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.</p> <p>Austin Health Service uses a range of valuation techniques to estimate fair value, which include the following:</p> <ul style="list-style-type: none">• Market approach, which uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The fair value of Austin Health's specialised land, non-specialised buildings 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 Austin Health's specialised buildings, 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. Austin Health does not this use approach to measure fair value. <p>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.</p> <ul style="list-style-type: none">• Level 1, using quoted prices (unadjusted) in active markets for identical assets that the health service can access at measurement date. Austin Health does not categorise any fair values within this level.• Level 2, inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. Austin Health categorises non-specialised land and right-of-use concessionary land in this level.• Level 3, where inputs are unobservable. Austin Health categorises specialised land, non-specialised buildings, specialised buildings, plant, equipment, furniture, fittings, vehicles, right-of-use buildings and right-of-use plant, equipment, furniture and fittings in this level.



Note 7.1: Financial instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

Note 7.1 (a): Categorisation of financial instruments

	Note	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
30 June 2022				
Financial Assets				
Cash and Cash Equivalents	6.2	175,980	-	175,980
Receivables and contract assets	5.1	103,647	-	103,647
Total Financial Assetsⁱ		279,627	-	279,627
Financial Liabilities				
Payables	5.2	-	84,405	84,405
Other Liabilities	5.3	-	338	338
Borrowings (including Lease Liabilities)	6.1	-	35,432	35,432
TOTAL FINANCIAL LIABILITIESⁱ		-	120,175	120,175

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

Note 7: Risk, contingencies and valuation uncertainties (continued)

Note 7.1 (a): Categorisation of financial instruments (continued)

	Note	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
30 June 2021				
Financial Assets				
Cash and Cash Equivalents	6.2	98,312	-	98,312
Receivables and contract assets	5.1	90,067	-	90,067
Investments and Other Financial Assets		-	-	-
Total Financial Assetsⁱ		188,379	-	188,379
Financial Liabilities				
Payables	5.2	-	68,291	68,291
Other Liabilities	5.3	-	359	359
Borrowings	6.1	-	39,092	39,092
TOTAL FINANCIAL LIABILITIESⁱ		-	107,742	107,742

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

How we categorise financial instruments

Categories of financial assets

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

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

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

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component 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 costs 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 Austin Health to collect the contractual cash flows and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

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.

Austin Health recognises the following assets in this category:

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



Note 7.1 (a): Categorisation of financial instruments (continued)

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 the net result.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in the 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 new carrying amount at initial recognition.

Austin Health recognises the following liabilities in this category:

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

Note 7.2: Financial risk management and objectives and policies

As a whole, Austin Health'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.

Austin Health's main financial risks include credit risk and liquidity risk. Austin Health manages these financial risks in accordance with its financial risk management policy.

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

Note 7.2 (a): Credit Risk

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

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

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

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

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

There has been no material change to Austin Health's credit risk profile in 2021-22.

Note 7: Risk, contingencies and valuation uncertainties (continued)

Note 7.2 (a): Credit Risk (continued)

Impairment of financial assets under AASB 9

Austin Health records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's expected credit loss approach. Subject to AASB 9, impairment assessment includes Austin Health's contractual receivables, statutory receivables and its investment in debt instruments.

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

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery

and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contractual receivables at amortised cost

Austin Health applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates.

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

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

	Current	30 Days	60 Days	90 Days	120 Days	150 Days	180+ Days	Total
30 June 2022								
Diagnostic								
Expected loss rate	0.8%	2.1%	1.2%	9.1%	17.9%	25.6%	26.4%	
Gross carrying amount of contractual receivables	2,526	977	1,340	166	422	375	1,788	
Loss allowance	20	21	16	15	76	96	472	716
Inpatients								
Expected loss rate	1.3%	1.4%	3.2%	3.5%	7.0%	9.3%	10.4%	
Gross carrying amount of contractual receivables	1,976	1,004	185	560	174	80	634	
Loss allowance	27	14	6	20	12	7	66	152
Sundry								
Expected loss rate	0.1%	0.1%	1.3%	2.0%	4.2%	7.9%	16.5%	
Gross carrying amount of contractual receivables	4,061	1,388	1,397	345	30	38	33	
Loss allowance	4	2	18	7	1	3	5	39
TOTAL LOSS ALLOWANCE	51	36	40	42	89	106	543	907



Note 7.2 (a): Credit Risk (continued)

	Current	30 Days	60 Days	90 Days	120 Days	150 Days	180+ Days	Total
30 June 2021								
Diagnostic								
Expected loss rate	2%	3%	10%	21%	19%	39%	38%	
Gross carrying amount of contractual receivables	2,023	1,430	1,255	902	193	294	881	
Loss allowance	30	42	124	186	37	114	333	866
Inpatients								
Expected loss rate	3%	8%	11%	9%	27%	36%	26%	
Gross carrying amount of contractual receivables	3,336	779	296	434	118	78	127	
Loss allowance	104	65	34	38	32	28	33	334
Sundry								
Expected loss rate	1%	2%	3%	5%	8%	10%	14%	
Gross carrying amount of contractual receivables	4,506	4,349	322	294	49	-	3	
Loss allowance	66	94	11	15	4	-	-	190
TOTAL LOSS ALLOWANCE	201	201	169	239	73	142	366	1,390

Statutory receivables at amortised cost

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

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: Risk, contingencies and valuation uncertainties (continued)

Note 7.2 (b): Liquidity risk

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

Austin Health is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees.

Austin Health manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations
- holding investments and other contractual financial assets that are readily tradeable in the financial markets
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

Austin Health'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 Austin Health's financial liabilities. For interest rates applicable to each class of liability refer to individual notes to the financial statements.

	Note	Carrying Amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	Over 5 Years \$'000
30 June 2022							
Financial Liabilities							
At amortised cost							
Payables	5.2	162,732	136,591	51	25,635	455	-
Borrowings Interest Bearing	6.1	28,627	247	382	918	7,204	19,877
Borrowings Lease Liability	6.1	6,804	255	759	1,885	3,899	-
Other Financial Liabilities ⁱ							
• Monies held in Trust	5.3	338	290	48	-	-	-
TOTAL FINANCIAL LIABILITIES		198,501	137,382	1,246	28,438	11,558	19,877

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

Note 7.2 (b): Liquidity risk (continued)

	Note	Carrying Amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 months - 1 Year \$'000	1-5 Years \$'000	Over 5 Years \$'000
30 June 2021							
Financial Liabilities							
At amortised cost							
Payables	5.2	114,398	113,945	53	-	400	-
Borrowings Interest Bearing	6.1	30,084	231	360	866	6,784	21,843
Borrowings DH	6.1	436	-	-	436	-	-
Borrowings Lease Liability	6.1	8,572	134	401	2,602	5,436	-
Other Financial Liabilities ⁱ							
• Monies held in Trust	5.3	359	305	54	-	-	-
TOTAL FINANCIAL LIABILITIES		153,849	114,615	868	3,904	12,619	21,843

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

Note 7.3: Contingent assets and contingent liabilities

At balance date, the board are not aware of any contingent assets or liabilities.

Note 7.4: Fair value determination

How we measure fair value

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through net result
- Financial assets and liabilities at fair value through other comprehensive income
- Property, plant and equipment
- Right-of-use assets.

In addition, the fair value of other assets and liabilities that are carried at amortised cost also needs 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
- **Level 3**
valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

The Valuer-General Victoria (VGV) is Austin Health's independent valuation agency for property, plant and equipment.

Identifying unobservable inputs (level 3) fair value measurements

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

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

However, the fair value measurement objective remains the same, i.e., an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability. Therefore, unobservable inputs shall reflect the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.



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

		Fair value measurement at end of reporting period using:			
	Note	Total \$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Balance at 30 June 2022					
Specialised Land		165,900	-	-	165,900
Total land at fair value	4.1(a)	165,900	-	-	165,900
Specialised Buildings		970,875	-	-	970,875
Total buildings at fair value	4.1(a)	970,875	-	-	970,875
Plant and Equipment	4.1(a)	5,953	-	-	5,953
Motor Vehicles	4.1(a)	15	-	-	15
Medical Equipment	4.1(a)	21,296	-	-	21,296
Computers and Communication Equipment	4.1(a)	682	-	-	682
Other Equipment	4.1(a)	155	-	-	155
Furniture and Fittings	4.1(a)	835	-	-	835
Total plant, equipment, vehicles, furniture and fittings at fair value		28,936	-	-	28,936
Right-of-use land	4.2(a)	117,381	-	-	117,381
Right-of-use buildings	4.2(a)	644	-	-	644
Right-of-use plant, equipment, furniture, fittings and vehicles	4.2(a)	5,991	-	-	5,991
Total right-of-use assets at fair value		124,016	-	-	124,016
TOTAL NON-FINANCIAL PHYSICAL ASSETS AT FAIR VALUE		1,289,727	-	-	1,289,727

ⁱ Classified in accordance with the fair value hierarchy.

Note 7: Risk, contingencies and valuation uncertainties (continued)

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

		Fair value measurement at end of reporting period using:			
	Note	Total \$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Balance at 30 June 2021					
Specialised Land		159,504	-	-	159,504
Total land at fair value	4.1(a)	159,504	-	-	159,504
Specialised Buildings		1,037,226	-	-	1,037,226
Total buildings at fair value	4.1(a)	1,037,226	-	-	1,037,226
Plant and Equipment	4.1(a)	7,319	-	-	7,319
Motor Vehicles	4.1(a)	18	-	-	18
Medical Equipment	4.1(a)	14,269	-	-	14,269
Computers and Communication Equipment	4.1(a)	811	-	-	811
Furniture and Fittings	4.1(a)	165	-	-	165
Other Equipment	4.1(a)	644	-	-	644
Total plant, equipment, vehicles, furniture and fittings at fair value		23,226	-	-	23,226
Right-of-use land	4.2(a)	122,988	-	-	122,988
Right-of-use buildings	4.2(a)	1,218	-	-	1,218
Right-of-use plant, equipment, furniture, fittings and vehicles	4.2(a)	7,218	-	-	7,218
Total right-of-use assets at fair value		131,424	-	-	131,422
TOTAL NON-FINANCIAL PHYSICAL ASSETS AT FAIR VALUE		1,351,380	-	-	1,351,380

ⁱ Classified in accordance with the fair value hierarchy.



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

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.

In accordance with AASB 13 *Fair Value Measurement* paragraph 29, Austin Health has assumed the current use of a non-financial physical asset is its HBU 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.

Non-specialised land, non-specialised buildings

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

For non-specialised land and non-specialised buildings, an independent valuation was performed by the Valuer-General Victoria to determine the fair value using the market approach. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. An appropriate rate per square metre has been applied to the subject asset. The effective date of valuation of land and buildings is 30 June 2019.

Specialised land and specialised buildings

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

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

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

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

For Austin Health, the depreciated replacement cost method is used for the majority of specialised buildings, adjusting for the associated depreciation. As depreciation adjustments are considered as significant and unobservable inputs in nature, specialised buildings are classified as Level 3 for fair value measurements.

An independent valuation of Austin Health's specialised land and specialised buildings was performed by the Valuer-General Victoria. The effective date of valuation of land and buildings is 30 June 2019.

Vehicles

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

Furniture, fittings, plant and equipment

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

There were no changes in valuation techniques throughout the period to 30 June 2022.

Note 7: Risk, contingencies and valuation uncertainties (continued)

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

Reconciliation of level 3 Fair Value measurement

	Note	Land \$'000	Buildings \$'000	Plant, equipment, furniture, fittings and vehicles \$'000	Right- of-use buildings \$'000	Right-of- use plant, equipment, furniture, fittings and vehicles \$'000	Total \$'000
Balance at 1 July 2020		134,238	1,110,429	26,399	2,083	7,235	1,280,384
Additions	4.1(b)	-	240	3,489	-	2,449	6,178
Disposals		-	-	(13)	(236)	-	(249)
Net Transfers between classes		(5,693)	-	-	-	-	(5,693)
Assets provided free of charge	4.1(b)	-	-	5,088	-	-	5,088
Gains/(Losses) recognised in Net Result:							
• Depreciation and Amortisation	4.4	-	(73,444)	(11,739)	(629)	(2,466)	(88,278)
Items recognised in Other Comprehensive Income:							
• Revaluation	4.3	30,959	-	-	-	-	30,959
BALANCE AT 30 JUNE 2021		159,504	1,037,225	23,224	1,218	7,218	1,228,389
Additions	4.1(b)	-	6,885	20,726	-	1,552	29,166
Disposals		-	-	(10)	-	-	(10)
Net Transfers between classes		-	-	-	-	-	-
Assets provided free of charge	4.1(b)	-	-	283	-	-	283
Gains/(Losses) recognised in Net Result:							
• Depreciation and Amortisation	4.4	-	(73,882)	(15,289)	(575)	(2,779)	(92,525)
Items recognised in Other Comprehensive Income:							
• Revaluation	4.3	6,396	646	-	-	-	7,042
BALANCE AT 30 JUNE 2022		165,900	970,874	28,936	643	5,992	1,172,345



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

Reconciliation of level 3 Fair Value measurement (continued)

Asset class	Valuation Technique	Significant inputs (Level 3 only)
Specialised land (Crown/Freehold)	Market approach	Community Service Obligations Adjustments ⁱ
Specialised buildings	Current replacement cost approach	<ul style="list-style-type: none">• Cost per square metre• Useful life
Plant and equipment	Current replacement cost approach	<ul style="list-style-type: none">• Cost per unit• Useful life
Vehicles	Current replacement cost approach	<ul style="list-style-type: none">• Cost per unit• Useful life

ⁱ A Community Service Obligation (CSO) was applied to specialised land classified in accordance with the fair value hierarchy. A CSO of 10% to 20% was applied in 2022 with the exception of the Austin Site, which had a 50% CSO discount applied due to a Queen's caveat.

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 flow from operating activities
- 8.2: Responsible persons
- 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: Jointly controlled operations
- 8.9: Equity
- 8.10: Economic dependency

Telling the COVID-19 story

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

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

	Note	2022 \$'000	2021 \$'000
Net Result for the Year		(31,235)	(35,762)
Non-Cash Movements			
Depreciation and amortisation	4.4	99,029	100,656
Allowance for Impairment Losses on Contractual Receivables		483	(3,592)
Net (Gain)/Loss Revaluation of Long Service Leave	3.2	(2,721)	7,523
Resources - Assets Received Free of Charge	2.1(b)	(15,003)	(14,268)
Net (Gain)/Loss on non-financial assets	3.2	(114)	(941)
Movements in Assets and Liabilities			
(Increase)/Decrease in Receivables	5.1	(14,788)	3,036
(Increase)/Decrease in Prepayments		(463)	(10,241)
(Increase)/Decrease in Inventories		(290)	(1,330)
Increase/(Decrease) in Payables	5.2	48,334	31,649
Increase/(Decrease) in Provisions	3.3	27,521	20,774
Increase/(Decrease) in Other Liabilities	5.3	(20)	(220)
NET CASH FROM OPERATING ACTIVITIES		110,732	97,285



Note 8.2: Responsible persons

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

	Period
Responsible Ministers	
The Honourable Mary-Anne Thomas MP Minister for Health Minister for Ambulance Services	27/06/2022 - 30/06/2022
The Honourable Gabrielle Williams MP Minister for Mental Health	27/06/2022 - 30/06/2022
The Honourable Colin Brooks MP Minister for Disability, Ageing and Carers	27/06/2022 - 30/06/2022
The Honourable Martin Foley MP Former Minister for Health Former Minister for Ambulance Services	01/07/2021 - 27/06/2022
The Honourable James Merlino MP Former Minister for Mental Health Former Minister for Disability, Ageing and Carers	01/07/2021 - 27/06/2022 11/10/2021 - 06/12/2021
The Honourable Luke Donnellan MP Former Minister for Disability, Ageing and Carers	01/07/2021 - 11/10/2021
The Honourable Anthony Carbines MP Former Minister for Disability, Ageing and Carers	06/12/2021 - 27/06/2022
The Austin Health Board	
Mr Ross Cooke (Chair)	01/07/2021 - 30/06/2022
Dr Christine Bessell	01/07/2021 - 30/06/2022
Mr Chris Altis	01/07/2021 - 30/06/2022
Ms Julie Anne Bignell	01/07/2021 - 30/06/2022
Mr Joel Chibert	01/07/2021 - 30/06/2022
Dr Bruce Cohen	01/07/2021 - 30/06/2022
Ms Mary Draper AM	01/07/2021 - 30/06/2022
Ms Helen Thornton	01/07/2021 - 22/02/2022
Ms Fiona Slaven	01/07/2021 - 30/06/2022
Accountable Officers	
Mr Adam Horsburgh (Chief Executive Officer)	01/07/2021 - 30/06/2022

Note 8: Other disclosures (continued)

Note 8.2: Responsible persons (continued)

Remuneration of responsible persons

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

Income Band	2022 Number	2021 Number
\$20,000 - \$29,999	1	-
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	7	7
\$60,000 - \$69,999	-	1
\$80,000 - \$89,999	1	-
\$430,000 - \$439,999	-	1
\$490,000 - \$499,999	1	-
TOTAL NUMBERS	10	10

	2022 \$'000	2021 \$'000
TOTAL REMUNERATION RECEIVED OR DUE AND RECEIVABLE BY RESPONSIBLE PERSONS FROM THE REPORTING ENTITY AMOUNTED TO:	929	835

Amounts relating to the Governing Board Members and Accountable Officer are disclosed in Austin Health's financial statements.

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



Note 8.3: Remuneration of executives

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

Remuneration of Executive Officers (including Key Management Personnel Disclosed in Note 8.4)

	2022 \$'000	2021 \$'000
Short-term Benefits	2,124	2,162
Post-employment Benefits	156	141
Other Long-term Benefits	381	68
Termination Benefits	-	-
TOTAL REMUNERATIONⁱ	2,662	2,371
Total Number of Executives	9	9
TOTAL ANNUALISED EMPLOYEE EQUIVALENTⁱⁱ	7	7

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

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

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

Short-term Employee Benefits

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

Post-employment Benefits

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

Other Long-term Benefits

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

Termination Benefits

Termination of employment payments, such as severance packages.

Note 8: Other disclosures (continued)

Note 8.4: Related parties

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

- All key management personnel (KMP) and their close family members and personal business interests
- Cabinet ministers (where applicable) and their close family members
- Jointly Controlled Operation - A member of the Victorian Comprehensive Cancer Centre Joint Venture

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

Key Management Personnel (KMPs) are those people with the authority and responsibility for planning, directing and controlling the activities of Austin Health and its controlled entities, directly or indirectly.

Austin Health key management personnel

The Board of Directors, Chief Executive Officer and the Executive Directors of Austin Health and its controlled entities are deemed to be KMPs.

The Austin Health Board	
Mr Ross Cooke	Board Chair
Dr Christine Bessell	Board Member
Mr Chris Altis	Board Member
Ms Julie Anne Bignell	Board Member
Mr Joel Chibert	Board Member
Dr Bruce Cohen	Board Member
Ms Mary Draper AM	Board Member
Ms Helen Thornton	Board Member (Jul 21 to Feb 22)
Ms Fiona Slaven	Board Member

Executive	
Mr Adam Horsburgh	Chief Executive Officer
Mr Cameron Goodyear	Chief Operating Officer
Mr Kemsley Fairhurst	Chief Financial Officer
Mr Mark Lubliner	Chief Medical Officer (Jul 21 to Nov 21)
Prof Mary O'Reilly	Chief Medical Officer (Dec 21 to Jun 22)
Ms Anna Phillips	Chief People and Culture Officer (Jul 21 to Aug 21)
Ms Marcia Gough	Chief People and Culture Officer (Oct 21 to Jun 22)
Mr Ray Van Kuyk	Chief Information & Services Officer
Ms Bernadette Twomey	Chief Nursing Officer
Ms Brit Gordon	Chief Allied Health Officer



Note 8.4: Related parties (continued)

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

Compensation - KMPs

	2022 \$'000	2021 \$'000
Short-term Employee Benefits ⁱ	2,976	2,929
Post-employment Benefits	218	196
Other Long-term Benefits	397	82
Termination Benefits	-	-
TOTALⁱⁱ	3,591	3,207

ⁱ Total remuneration paid to KMPs employed as a contractor during the reporting period through accounts payable has been reported under short-term employee benefits.

ⁱⁱ KMPs are also reported in Note 8.2 Responsible Persons or Note 8.3 Remuneration of Executives.

Note 8: Other disclosures (continued)

Note 8.4: Related parties (continued)

Significant Transactions with Government Related Entities

Austin Health received funding from the Department of Health of \$1.1b (2021: \$980m). This amount includes Long Service Leave provision of \$7.1m (2021: \$4.4m). The whole amount is incorporated in Note 2.1 Revenue and Income from Transactions.

Expenses incurred by Austin Health in delivering services and outputs are in accordance with HealthShare Victoria requirements. Goods and services including procurement, diagnostics, patient meals and multi-site operational support are provided by other Victorian Health Service Providers on commercial terms.

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

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

Transactions with KMPs and Other Related Parties

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

Outside of normal citizen type transactions with Austin Health, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. There were no related party transactions with Cabinet Ministers required to be disclosed in 2022 (2021: none).

There were no related party transactions required to be disclosed for Austin Health Board of Directors, Chief Executive Officer and Executive Directors in 2022 (2021: none).

Any payments made to key management personnel as remuneration have been declared in Notes 8.3 and 8.4.



Note 8.5: Remuneration of auditors

	2022 \$'000	2021 \$'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	145	203
TOTAL REMUNERATION OF AUDITORS	145	203

Note 8.6: Ex-gratia payments

There were no ex-gratia payments made for the forgiveness or waiver of debt, compensation for economic loss made by Austin Health greater than or equal to \$5,000.

Note 8.7: Events occurring after the Balance Sheet date

There are no events occurring after the Balance Sheet date.

Note 8.8: Jointly controlled operations

Austin Health is a Member of the Victorian Comprehensive Cancer Centre (VCCC) Joint Venture and retains joint control over the arrangement, classified as a Joint Operation. The vision for the VCCC is to save lives through the integration of cancer research, education and patient care.

Through innovation and collaboration, the VCCC will drive the next generation of improvements in prevention, detection and cancer treatment. This vision will further the objectives of Austin Health. The VCCC is a not-for-profit organisation and has been recognised by the Australian Taxation Office as a Health Promotion Charity.

All Members hold an equal 1/10th share (1/10th share 2021) in the assets, liabilities, expenses and income of the VCCC. The members own the VCCC assets as tenants in common, and are severally responsible for the joint venture costs – in the same proportions as their interests.

Interests in the VCCC are not transferable and forfeited on withdrawal from the joint venture. Distributions are not able to be paid to members and excess property on winding up will be distributed to other charitable organisations with objectives similar to those of the VCCC.

The principal place of business for the VCCC is Level 10, 305 Grattan St, Melbourne, Victoria.

Note 8: Other disclosures (continued)

Note 8.8: Jointly controlled operations (continued)

Austin Health's interest in assets and liabilities of the above joint arrangement are detailed below.

The amounts are included in the financial statements under their respective categories:

	2022 \$'000*	2021 \$'000
Current Assets		
Cash and Cash Equivalents	415	559
Receivables	61	12
Investments and Other Financial Assets	400	-
Prepayments	86	8
Total Current Assets	962	579
Non-Current Assets		
Investments and Other Financial Assets	-	-
Property, Plant and Equipment	44	17
Total Non-Current Assets	44	17
Total Assets	1,006	596
Current Liabilities		
Payables	64	15
Accrued Expenses	41	27
Provisions	32	34
Other Liabilities	6	15
Total Current Liabilities	143	91
Non-Current Liabilities		
Provisions	15	9
Other Liabilities	5	-
Total Non-Current Liabilities	20	9
Total Liabilities	163	100
NET ASSETS	843	496
Equity		
Accumulated Surpluses/(Deficits)	843	496
TOTAL EQUITY	843	496

* Figures obtained from the audited VCCC Annual Report.



Note 8.8: Jointly controlled operations (continued)

Austin Health's interest in revenues and expenses resulting from jointly controlled operations are detailed below. The amounts are included in the financial statements under their respective categories:

	2022 \$'000	2021 \$'000
Revenue		
Grants	972	555
Other Income	423	286
Interest Income	3	2
Total Revenue	1,398	843
Expenses		
Employee Benefits	776	537
Other Expenses from Continuing Operations	268	751
Depreciation	6	6
Total Expenses	1,050	1,294
NET RESULT	348	(451)

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

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 Austin Health.

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

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

Financial assets at fair value through comprehensive income revaluation reserve

The financial assets at fair value through other comprehensive income revaluation reserve arises on the revaluation of financial assets (such as equity instruments) measured at fair value through other comprehensive income. Where such a financial asset is sold, that portion of the reserve which relates to that financial asset may be transferred to accumulated surplus/deficit.

Restricted specific purpose reserves

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

Note 8: Other disclosures (continued)

Note 8.10: Economic dependency

Austin Health is wholly dependent on the continued financial support of the State Government and in particular, the DH.

The DH has provided confirmation that it will continue to provide Austin Health adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to 31 October 2023. On that basis, the financial statements have been prepared on a going concern basis.





Austin Hospital

Olivia Newton-John Centre

Wurundjeri Country
145 Studley Road
Heidelberg Victoria 3084

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F: 03 9458 4779

Heidelberg Repatriation Hospital

Wurundjeri Country
300 Waterdale Road
Ivanhoe Victoria 3079

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F: 03 9496 2541

Royal Talbot Rehabilitation Centre

Wurundjeri Country
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Austin Health



ONJ Cancer Centre



Austin Health GNP



Austin Health



Austin Health

www.austin.org.au

