

compassionate
humble
selfless
extraordinary
agile
responsive



Artwork by ONJ Centre Art Therapy student, Susan Tanner for exhibition 'Behind the mask. 30 portraits, 30 days for 30 minutes'.

Contents

- 3 Celebrating the qualities of care
- 4 Renowned for quality and compassionate care
- 6 From the Board Chair and the CEO
- 8 World-class care for our community
- 12 Changing lives through world-class research
- 14 Bringing our best to our work, every day
- 18 Thank you to our community of supporters

- 28 Governance and Board
- 30 Corporate information
- 38 Statement of priorities
- 48 Financial summary
- 49 Disclosure index
- 50 Financials

About this report

This report outlines the operational and financial performance for the period 1 July 2020 to 30 June 2021. There were three relevant ministers for the reporting period. The Hon Jenny Mikakos MP, Minister for Health and Minister for Ambulance Services (1 July 2020 to 26 September 2020). The Hon Martin Foley MP, Minister for Mental Health, Minister for Equality (1 July 2020 to 29 September 2020), Minister for Health, Minister for Ambulance Services and Minister for Equality (26 September 2020 to 30 June 2021). The Hon James Merlino MP, Minister for Mental Health (29 September 2020 to 30 June 2021)

Designed and printed by Supply Nation accredited Aboriginal suppliers.

ABN: 96 237 388 063
ISSN: 2208-5211



Celebrating the qualities of care

Austin Health people are compassionate, humble, selfless, extraordinary, agile and responsive. They prove this every day - in the services they provide for our community and the support they show for each other. And, while this has been highlighted throughout the pandemic, it is shown in the daily acts of care each of our people provide. It represents the core of our care, continually going above and beyond to care for and support the people who need it. Over 9,000 staff unified in one purpose: Helping people live healthy, productive and fulfilled lives.

Renowned for quality and compassionate care

Austin Health serves Melbourne's north-east, providing high levels of care to meet the rapidly changing needs of people in one of Melbourne's fastest growing regions. Serving a population of over 350,000 people, our hospitals include Austin Hospital (incorporating the Olivia Newton-John Cancer Wellness & Research Centre), Heidelberg Repatriation Hospital, and Royal Talbot Rehabilitation Centre.

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 cancer, infectious diseases, obesity, liver transplant, spinal cord injury, intensive care medicine, neurology, endocrinology, 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 over 800 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, and spinal cord injury.

Responding to the care needs of all Victorians

We provide state-wide 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.

The hospital has 16 wards accommodating medical, surgical and speciality services and over 560 beds including a 23-bed intensive care unit, 20-bed short stay unit, and an 82-bed precinct purpose built for the care of mental health patients.

The hospital includes a substantial 42 cubicle Emergency Department - including a dedicated six-bed children's area - and 11 operating theatres. These theatres provide agile, responsive

emergency surgery and are available for selected elective surgery and procedures.

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

Olivia Newton-John Cancer & Wellness and Research Centre

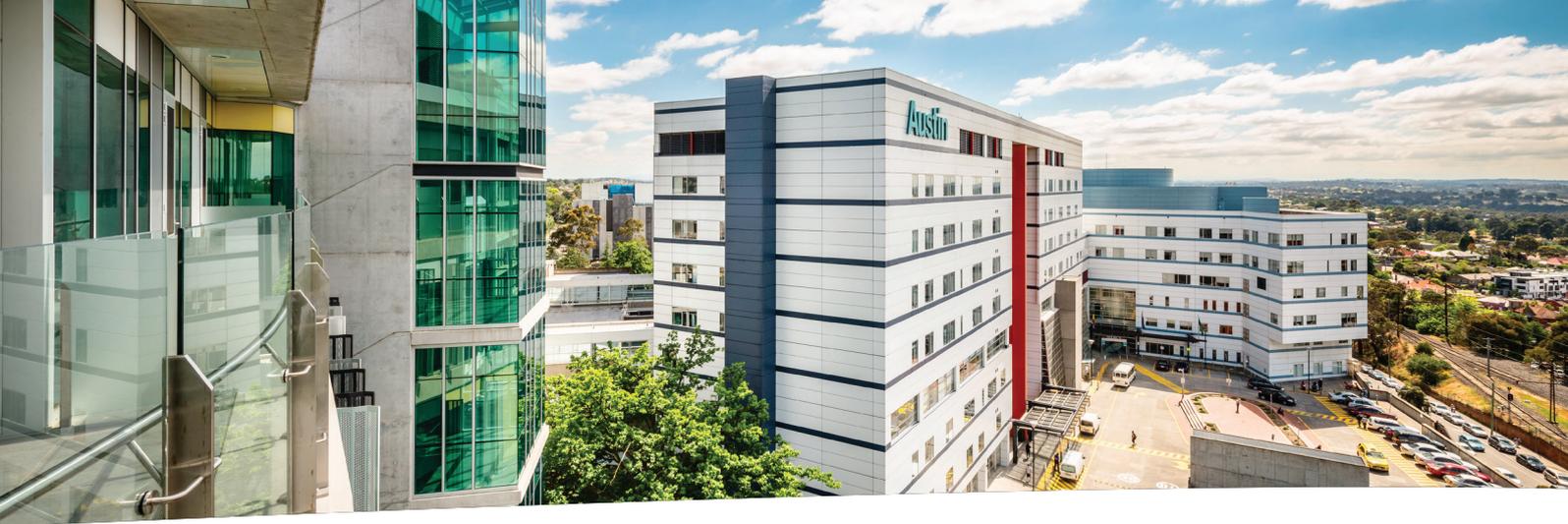
Incorporated into Austin Hospital, the ONJ Centre has become a leading cancer research and treatment institute. The Centre provides world-leading treatment, evidence-based wellness programs and supportive care that nurture the physical, psychological and emotional wellbeing of patients and families.

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



These services include:

- Surgery – the hospital has eight operating theatres, 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
- Rehabilitation Services – 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 proactive 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 leading, intensive rehabilitation for people with spinal trauma and brain disorders.

The centre is home to two crucial state-wide 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.

Taking radiation oncology services to regional residents

In partnership with Ballarat Regional Health (Ballarat Austin Regional 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, they don't have to travel to Melbourne. This dramatically shortens the time required

for treatment, it also ensures patients are closer to home to start post-treatment recovery sooner.

Our strategic priorities

Our Strategic Plan 2018–22 sets the direction for our health service. The plan ensures we can continue providing safe, progressive, high-quality care that meets the evolving needs and expectations of the communities we serve. We have six strategic priorities:

- Reliable, safe person-centred care: We partner with consumers to create a reliable, safe and distinct approach to care that puts the patient at the centre of what we do
- Community integration and collaboration: We collaborate with local partners to improve the lives of people in our community
- Digital transformation: We continue to transform Austin Health's digital environment
- National leader in research and teaching: We will advance the research and learning precinct in Melbourne's north-east
- Innovation in specialist care: Grow our delivery of specialised care in regional and state-wide services
- Talented, capable and engaged people: We will ensure the right support and culture is in place to take our team to the next level.

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 dominated by the COVID-19 pandemic.

Our clinical and support services teams worked collaboratively to adapt our pandemic response plan. We were able to quickly respond to changing needs and be adaptable and flexible with resources and services during outbreaks.

We effectively supported the community and provided timely and compassionate testing, treatment, and care. We processed over 125,000 tests, handled over 170,000 calls to our COVID call centre, and provided care to 209 inpatients. Our robust approach and careful planning saw our health service record one of the lowest health care worker exposures in the state. We could only have achieved this through the co-operation and support of our people.

When we think about the characteristics that define our staff and what they have helped us achieve through the pandemic – the words that come to mind are compassionate, humble, selfless, extraordinary, agile, and responsive. We are incredibly proud of the exceptional level of care they enabled us to deliver to our community. Their insurmountable dedication to our patients and to each other is humbling.

A delicate balance

For the first six months of the financial year our services were significantly impacted by the pandemic, with non-essential elective surgery cancelled and outpatient appointments held via phone or Telehealth. Our Emergency Department saw a significant decrease in general presentations with Victorians in lockdown for most of this period. However, presentations remained high for patients suspected of having COVID.

Late 2020-early 2021 saw activities return to normal levels. With very few cases in Victoria and the pandemic under control elective surgery and other onsite services could resume. With the community resuming their normal daily activities, we saw record presentations to ED.

With the fluctuations in activity throughout the year it is difficult to compare year-on-year performance.

Leadership during the pandemic

Austin Health was appointed by the Department of Health as the lead health service for two key pandemic response programs.

As lead for the North East Public Health Unit (NEPHU), Austin Health works in collaboration with Eastern Health and Northern Health to co-ordinate COVID response activities for the north-east of Melbourne which encompasses around 1.6 million citizens. Core activities include contact tracing, outbreak management, and care and support for COVID positive patients.

We were also appointed to lead the rollout of the vaccination program, acting as the hub for the distribution of vaccine to other health services including St Vincent's Hospital Melbourne, Eastern Health and Northern Health, as well as the primary health network. We operated two vaccination clinics for the Austin Health catchment – a smaller clinic at Austin Hospital and a high-volume clinic at Heidelberg Repatriation Hospital. On June 30, we had administered 77,000 doses at our clinics and 240,000 doses across the north-east region.

Recognition for our staff

Our 10,000-strong workforce has gone above and beyond this year to provide healthcare to our community, both in the Austin Health catchment and more broadly across Melbourne's north-east.

We want to recognise the extraordinary contribution of every one of our team who have kept on delivering under the most challenging of circumstances.

Recognition for excellence

Professor David Taylor received the Order of the International Federation for Emergency Medicine in recognition of his extensive and ongoing commitment to emergency medicine in Australia and overseas.

Professor Andrea Driscoll was inducted into the Sigma Theta Hall of Fame in recognition of her lifetime of achievement in nursing research.

Our multidisciplinary Preventing Delirium Project team received a gold award for Best Learning and Development Project at the international LearnX awards.

Our Telehealth Volunteer team won Volunteering Victoria's 2020 COVID-19 Innovation Award for developing new ways to support patients, despite not being able to undertake their traditional roles.

We also received international recognition for our COVID-19 documentary *On the frontline* at the Communicator Awards - the leading international program honouring creative excellence for marketing and communication professionals.

Leadership changes

Kemsley Fairhurst joined Austin Health in November as Chief Financial Officer.

In February Cameron Goodyear joined as Chief Operating Officer and Deputy CEO. Interim COO, John Ferraro, left the organisation to take up a senior role with the Victorian Department of Health working on the rollout of the COVID Vaccination Program. We are grateful for John's leadership during the second wave of the pandemic in 2020.

Charlie McArthur joined the Executive team as Executive Director Strategy, Performance & Improvement/North East Metro Health Service Partnership in April.

Dr Christine Bessell resumed her position as a member of the Austin Health Board in March. We would like to thank Christine for her guidance and leadership during her time as Interim Board Chair, which was crucial as the organisation navigated the global health crisis.

Joel Chibert and Dr Bruce Cohen also joined the Austin Health Board in July, replacing Dr Stanley Chiang and Martin Botros who both retired from their positions at the end of the last financial year.

Financial performance

The ongoing global health crisis has placed financial pressure on our health service. Despite this, through strong financial management we again ended the year with a small surplus.

The year ahead

Pandemic management will continue to remain a priority for us next financial year, as will the ongoing roll out of the vaccination program. Key to this will be supporting the health and wellbeing of our staff.

Next year will see us deliver the final year of our five-year strategic plan. We will focus our efforts on five key strategic areas: responsive access and quality care, innovation and partnership, patient engagement and experience, research, and workforce safety and experience.

Our values – together we achieve, our actions show we care, we bring our best and we shape the future – will continue to underpin our efforts.

Thank you

On behalf of Austin Health, we would like to thank our patients, their families and carers, and the broader community, for their patience, understanding, support and encouragement.

We would also like to sincerely thank our staff and volunteers who have continued to show courage, tenacity, and devotion to providing exceptional care and support under the most challenging circumstances.



Ross Cooke
Board Chair



Adam Horsburgh
Chief Executive Officer

World-class care for our community

World-class care from a world-class team. This year, under incredibly trying circumstances, all our staff in clinical and support roles have demonstrated an unwavering commitment to providing the very best care to the community. They continue to inspire our leaders and our community with their genuine compassion, true selflessness and a willingness to put the needs of patients above all else.

Continuing to support the community throughout the pandemic

The last year continued to be dominated by the pandemic.

Our people have again led the response for our community. Providing a front-line response through COVID-19 testing and care. Playing a key role in the care of patients who contracted the virus. Balancing the needs of patients and the desires of visitors.

Carrying on from the end of the last financial year, the second wave of the pandemic placed immense pressure on our health services. The challenges of the response were handled through a meticulously planned and scalable clinical pandemic plan, delivered by well-prepared, dedicated professionals. The agile plan enabled us to flex our clinical operations and redirect resources as required.

Effective, easily accessible screening was critical. Our COVID-19 screening clinic and pathology service was scaled up and down to support the ebbs and flows in community testing, which at times peaked at 600 presentations a day.

Rapid processing of test results ensured patients received their results within 24-48 hours, enabling them to resume normal life as soon as possible.

Compassionate care was essential. Austin Health played a key role in providing necessary care through The North-East COVID Positive Care Pathway. This collaboration with community health and primary care partners, including local GPs, enabled appropriate levels of care for anyone who tested positive to COVID-19.

Rapid assessment and easy monitoring

were key. As the clinical assessment lead, we were able to classify COVID positive cases as either high, medium, or low risk. High and medium risk patients were cared for and monitored by us. Low risk patients were cared for by their GP or community health provider. Community health partners also conducted social welfare assessments for all patients.

To enable easy self-monitoring, we created the COVID Care Tool to manage patients who have been tested whether COVID positive or COVID negative. This online tool enables patients to record their symptoms, enabling their clinical team to closely track and monitor their progress and provide appropriate care. The tool allowed clinicians to keep a close eye on patients and escalate care if the patient experienced rapid and severe deterioration.

We were incredibly proud to have been one of the best performing health services in terms of workplace exposures.

Key to this was robust visitor and staff screening and infection control guidelines.

Staff screening was enhanced through the Staff Screening Tool which all staff were required to complete prior to coming into work each day. The online tool asked them to declare whether they had been to an exposure site, if they had experienced symptoms of COVID-19 or come into contact with someone who had tested positive. Robust clinical and infection control protocols including the use of personal protective equipment also kept staff safe throughout the pandemic.

Visitor screening was carefully monitored and managed through a Screening Officer. This new position, designed on proven customer service

models, is an important role for the Austin Hospital and for visitors, assisting staff, patients and visitors. With over 70 Screening Officers appointed during the year, they are one of the first people visitors see when they come to the Austin. The officers made it easier for visitors to safely check in and access our services.

During the second wave of the pandemic, and the outbreaks that occurred in the first half of 2021, it was essential that visitors were kept away from hospital. This was incredibly challenging for patients and their

125,327
COVID tests

209
COVID inpatients

169,577
calls to
COVID-19 Call Centre

42,361
patients monitored
through COVID Care Tool

77,000
vaccinations at
Austin Health

240,000
vaccinations across
the north-east region



loved ones but essential in stopping the spread of the virus. In very special situations, and through rigorous management of risk, we were able to adopt an ethical and compassionate approach allowing special exemptions for patients receiving end of life care or who had special requirements such as needing a carer.

Leading the vaccination rollout for the north-east of Melbourne

In early 2021 Austin Health was appointed by the Department of Health as the north-eastern hub for the planning and implementation of the COVID-19 Vaccination Program.

As the program lead, we were responsible for co-ordinating the high-level planning for the north-east region. Acting as a vaccine distribution hub, and working with other hospitals including St Vincent's Hospital Melbourne, Eastern Health and Northern Health as well as community providers, we were able to support the roll-out the vaccine across the north-east.

The roll-out of the program followed the Australian Government's national COVID-19 vaccination plan. Vaccination commenced in February for high-priority health care workers (such as those working in high-risk areas like the emergency department and intensive care) and people working in hotel quarantine. The program subsequently expanded to include all health care workers and emergency services personnel followed by higher risk members of the general community.

We established two vaccination clinics: a smaller clinic located at Austin Hospital itself and a high-volume clinic at Heidelberg Repatriations. The combined capacity of these clinics

An innovative approach to health care

Due to the pandemic we saw a significant decrease in the number of patients having their implantable cardiac device checked, as some people were fearful of coming to hospital.

Our Cardiology team came up with an innovative patient-centred solution to ensure patients received these vital checks.

By establishing a drive-through clinic in the car park of the Austin Hospital, patients could come to hospital to have their device checked using a specialised programmer without leaving their car.

allowed us to vaccinate up to 1,800 people a day.

This meant, by the end of the financial year, Austin Health had vaccinated over 77,000 people at our hospital and co-ordinated the vaccination of more than 240,000 across the north-east of Melbourne.

Lead agency for the North-Eastern Public Health Unit

In late 2020 the Department of Health appointed Austin Health as the lead agency of the North-Eastern Public Health Unit (NEPHU). The initial focus of the unit, run in collaboration with Eastern Health and Northern Health, is COVID-19, with the unit responsible for case contact and outbreak management across the region.

NEPHU supports 18 local government areas with a combined population of some 1.6 million people. It is part of a network of three metropolitan and six regional local public health units working closely with the department on the COVID-19 response.

The unit is able to provide rapid, localised responses.

Experience has shown a rapid localised response capability is the most effective

way to deal with outbreaks. To this end, three sites have been established under a networked operational model to support localised responses. The team is able to leverage the skills and experience within our health services, partner agencies and community organisations to support the rapid and effective identification and management of cases and contacts during outbreaks within the community.

This surge capacity was critical in response to the northern suburbs COVID-19 outbreak in May.

Thanks to strong internal collaboration across departments, NEPHU was able to quickly scale up operations. This included establishing a fully equipped 'pop-up' contact tracing centre to support expanded operations and appointing and training over 150 additional staff to help with contact tracing and case management.

During times of high activity, we were able to operate extended hours over 7 days to deliver a fully integrated and co-ordinated approach to contact tracing. This included interviews, notifications and quarantine management, facilitation of rapid testing, managing

positive results and linking affected people with appropriate support and services.

This covered the identification and care of the 44 positive cases in our community as well as over 500 exposure sites, 2,000 close contacts and 2,200 casual and secondary contacts.

A calmer MRI experience for cancer patients

MRI machines can be noisy and disconcerting. Patients need to wear specialised masks or body moulds to help keep them stable while inside the machine which can be uncomfortable, especially for cancer patients.

In late 2020 we launched our new MR Simulator (MR-Sim) machine, the first to be used within a radiation therapy centre in Victoria. The MR-Sim provides patients with an immersive ambient experience, helping to create a relaxing and calming environment while they undergo cancer imaging.

Patients can choose music and a colour scheme or motion footage (such as a tropical beach in South America, a panorama of Jordan or landscapes in Europe), which can be projected in the room while they're having their scan.

New state-wide radiation therapy service

About 50 per cent of cancer patients need radiation therapy.

Conventional radiation technology uses x-rays to locate and target the cells within a tumour. The limits of previous technology made it difficult to tell the difference between a tumour and surrounding healthy tissue. This is especially true of cancers which move, or which are near healthy tissue like the bowel.

After a significant period of construction, we are excited to have finalised the installation of our new radiation therapy machine – the MR-Linac.

Our physicists are now working through the commissioning process to prepare the machine for patient treatment.

The MR-Linac has an integrated MRI scanner which provides high quality images of a tumour and the surrounding area. MRI technology allows us to pinpoint the precise location of a tumour and identify the surrounding normal tissue. This allows specialists to target the radiation at the tumour and avoid healthy tissue.

MRI scans can be taken before and during radiation therapy so treatment can be tailored for each patient at each session.

Austin Health is the only hospital in Victoria with this new technology and will be the state-wide service provider for cancer patients in Victoria.

We will commence treating patients early next financial year.

Strengthening pathology services in regional Victoria

We are taking care where it's needed.

Over the past year Austin Health Pathology (AHP) has successfully integrated pathology services at Central Highlands Rural Health (Kyneton), Castlemaine Health, Kilmore and District Hospital, Seymour Health, Kyabram and District Health Service, Echuca Regional Health, Swan Hill District Health, Kerang District Health and Mildura Base Public Hospital.

Bringing public pathology back into public hospitals is part of a Department of Health initiative to provide all Victorians with reliable, consistent, and accessible pathology services. While a significant proportion of regional pathology testing is performed locally at regional laboratories, this new hub and spoke model provides equitable patient access to the comprehensive range of

highly specialised technology at Austin Health's main laboratory.

This expansion of our pathology services into rural and regional areas ensures a sustainable and stable long-term investment in pathology services and provides new equipment and technologies to meet the needs of rural Victorian communities. It provides more use of specialised testing equipment, creates expanded employment and development opportunities for staff, and increases our purchasing power allowing investment in new equipment and technologies.

These projects have already delivered benefits to patients in regional and rural communities. It has allowed us to provide an extensive inpatient and outpatient pathology service, customised to meet local community needs.

Improving access to care for the Aboriginal Community

An important part of our journey towards reconciliation is providing a culturally safe and welcoming environment for Aboriginal patients and visitors. Ensuring the Aboriginal Community had equitable access to treatment and care, this year we:

- Developed a Cultural Safety Action Plan for the organisation
- Developed a Family Violence Cultural Safety Action Plan to specifically support Aboriginal patients and their families
- Upgraded our Specialist Clinics self check in to include Aboriginal and Torres Strait Islander status to improve correct identification of our patients
- Launched our new Aboriginal Employment Plan which aims to increase Aboriginal representation in our workforce
- Developed a Cultural Protocol Framework to support culturally safe practices at Austin Health

Putting a face to the mask

Wearing masks was a mandatory requirement during the pandemic. While necessary to protect staff and patients, they removed the personal connection we have with our patients.

Radiation Therapist Colleen Berry came up with a novel way to 'put a face to the mask' making badges with the person's face on it.

Staff across our cancer services department have embraced the idea which is providing comfort to patients and helping them to better connect with their treatment team.



Federal MP Kate Thwaites thanks staff

Staff at Austin Health were delighted when Kate Thwaites MP, Federal Member for Jaga Jaga, made a special visit to thank them for their efforts in the fight against COVID-19.

She visited staff in our Emergency Department, Screening Clinic, and Intensive Care Unit to learn about our response to the pandemic and hear about their experiences.

It was particularly gratifying for all staff to hear from Kate how much positive feedback she had received from the community about our health service and the care we provide.



- Mandated completion of our Aboriginal cultural awareness training module which more than 70% of staff have completed
- Celebrated Aboriginal veterans at our annual ANZAC, Vietnam and Remembrance Day services
- Promoted the COVID-19 vaccination program and facilitated access where needed
- Established an Aboriginal Health Committee to develop strategies to improve correct identification of Aboriginal patients
- Established a resource fund to support patients who may need extra assistance to access health care and support
- Installed 33 Acknowledgement plaques at entrances to our hospitals and Aboriginal and Torres Strait Islander flags at our Heidelberg Repatriation Hospital and Royal Talbot Rehabilitation Hospital.

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

Improved responses to family violence

This year Austin Health has implemented the new Family Violence Multi-Agency Risk Assessment and Management (MARAM) framework to help improve how we respond to family violence and its many impacts.

The MARAM framework was developed following the Victorian Royal Commission into Family Violence. It recognises the important role hospitals and health services play in identifying and responding to family violence.

New Victorian Government legislation will help. The new legislation will change the way information about patients and family violence is shared, providing further support for those at risk.

The Family Violence Information Sharing Schemes (FVISS) and Child Information Sharing Schemes (CISS) promote increased and appropriate sharing of information. This assists with the assessment and management of family violence risk, and supports the safety and wellbeing of children.

A new policy, training modules and clinical assessment tools have been developed to ensure staff understand their responsibilities under both the MARAM framework and the new Information Sharing Schemes.

Royal Commission into Mental Health

The Royal Commission into Victoria's Mental Health Services has handed down their final report. The report outlines 65 recommendations which, when implemented, will strengthen our mental health system and deliver better outcomes for the community and our staff.

The Victorian Government has agreed to act on all the recommendations.

Austin Health, as a key provider of tertiary mental health services, will work collaboratively across the sector to support the implementation of the Commission's recommendations

Ensuring a great healthcare experience

Every year the Department of Health undertakes the Victorian Healthcare Experience Survey (VHES), a state-wide survey of people's healthcare experiences.

In 2020, an additional survey was conducted to capture the patient experience during the COVID-19

pandemic. For the first time, patients were asked about their telehealth experience and how this differed from face-to-face consultations.

Initial findings have been very positive. Particularly when we consider the frustration caused by essential pandemic protocols, such as increased visitor screening and frequent changes to visitor restrictions in response to outbreaks. While these impacted the experience of patients and their families, we are still incredibly heartened by the performance of staff, as shown in the survey results.

- 90% rated their experience as 'good' or 'very good'
- 80% said their confidence in staff 'good' or 'very good'
- 75% believed they were listened to and understood by staff

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.

This year we received 1,479 complaints (up 53%) and 661 compliments (up 11%).

The increase in compliments can be attributed to our compliment improvement project which aims to formally record compliments received by staff in their local areas.

The increase in complaints is associated with the improved governance and oversight of our complaint management process.

These changes have improved the timeliness and quality of feedback management across Austin Health.

Changing lives through world-class research

Research at Austin Health continues to positively impact treatment and care for patients around the world. While research into COVID-19 was again a key feature of our research program, there were a number of other significant pieces of research published by our people.

Changing surgery practices worldwide

Our research is helping surgeons breathe easy.

A five-year, world-first study into mechanical ventilation will potentially change the way millions of surgical procedures are performed around the world each year.

Published in the prestigious Journal of the American Medical Association, the study found that the practice of inflating a patient's lungs twice their normal size anaesthetised for surgery (which has been common practice since the 1970s) does not reduce their risk of respiratory complications, or impact the need for intensive care.

The collaborative study, between our anaesthetists and intensive care specialists, looked at more than 1,200 patients who underwent surgery. The study found it is safe to inflate a patient's lung to their normal level while anaesthetised.

Megadose vitamin C reverses sepsis in COVID-19 patient

A recent study demonstrated the benefits of using a 'mega-dose' of vitamin C to treat a COVID-19 patient receiving intensive care at Austin Health. The study was a collaboration between Professor Rinaldo Bellomo, Director Intensive Care Research, and researchers from The Florey Institute of Neuroscience and Mental Health.

The patient, who was ventilated and experiencing hypotension (low blood pressure), acute respiratory distress and acute kidney dysfunction, was given 60 times the normal dose of vitamin C (equivalent to 5,000 oranges) over six and a half hours.

In a short period of time, their blood pressure, arterial blood oxygen levels and kidney function improved. The patient was taken off machine ventilation 12 days after starting treatment and discharged from hospital without any complications 22 days later.

The benefits go beyond COVID-19 treatments.

The remarkable results have informed the design and commencement of a pilot randomised controlled clinical trial to investigate the safety and efficacy of the mega-dose of Vitamin C for intensive care patients with septic shock.

Blood samples will be collected from patients and investigated at the Florey to assess immune responses and blood vitamin C levels before, during and after treatment with either Vitamin C or placebo.

The end game will be to establish the optimal dose and treatment duration of Vitamin C that could be used by clinicians in a hospital intensive care setting as a potential life-saving option for patients with sepsis-induced multi-organ failure.

Study shows risk factors for sudden cardiac death in young people

Where you live can affect your health.

Research into sudden cardiac death (SCD) by our cardiologists is the first study to demonstrate a geographic link between SCD and young people.

The study showed a number of factors which increase the risk of SCD in young people, including where they live. The study showed patients aged under 35, living in non-metropolitan areas, are almost twice as likely to suffer from SCD than those living in the city.

This increase occurs for a range of reasons including rates of obesity, health literacy, socio-economic factors, ethnic differences, and access to health care.

The findings, which were published in the American Heart Association journal Circulation, reinforced the clear link between obesity and an increased risk of SCD with higher Body Mass Index (BMI) linked to an increased likelihood of SCD, and every additional BMI unit further increasing the risk.

Professor Andrea Driscoll receives \$1.3m funding and prestigious nursing award

Reducing the impacts of heart failure.

A team led by Professor Andrea Driscoll and Professor David Hare received a \$1.3 million grant from the National Health and Medical Research Council to establish the first state-wide collaboration between metropolitan and regional health services looking at the management of heart failure.



The research project aims to reduce hospitalisations and mortality rates for patients. It will look at identifying gaps in current practice, redesigning the way care is provided and determining how to provide better access to specialist care through Telehealth.

The study will enrol 6,000 patients from across Victoria and see Austin Health working with six regional hospitals over the next five years.

Recognition of a life of care

Professor Driscoll was also inducted into the Sigma Theta Tau International Honor Society of Nursing 'International Nurse Researcher Hall of Fame' this year, recognising her lifetime of achievement in nursing research.

ResearchFest 2020

Every year we recognise investigations undertaken by young and established clinicians and scientists at Austin Health through our ResearchFest awards program.

This year's winners cover a wide range of studies which points to the depth of talent at Austin Health and the breadth of capability and specialisation we offer. The winners are:

Austin Medical Research Foundation Young Investigator Award Zimeng Ye

Investigating less invasive tests. Zimeng's work shows that liquid biopsy of cerebrospinal fluid is useful for detecting mutations in brain cells. The technique can be used to replace brain biopsy DNA to diagnose brain specific somatic disorders.

ResearchFest 2020 Encouragement Award Jack O'Shaughnessy

Enhancing the results of imaging. Jack's work details the use of machine learning to improve the accuracy of interpretation of breast ultrasound images.

Nursing Research Award Andrea Driscoll

Proving the benefits of care. Andrea's work quantifies the economic benefit of Nurse Practitioners and details not only the benefits for patients but also for our health service.

Rob Pierce Memorial Award Jasun Li

Leveraging 3D technology. The project uses 3D printing to help respiratory specialists maintain the highest level of skill with a very difficult procedure.

Allied Health Research Award Nicole Sheers

Improving lives for patients. Nicole is studying ways to help people with neuromuscular disease increase the amount of breath they can take.

ONJCRI Scholarship Anne Huber

Reducing the impact of cancer. Anne's work describes a target therapy for gastric cancer that uses part of the cell growth pathway to stop cancer growth.

Austin LifeSciences Discovery Research Award Lap Hing Chi

Finding new treatments. Lap's research showed that bone morphogenetic protein 4 (BMP4), a secreted cytokine, is a potent suppressor of breast cancer metastasis. The work looks at mechanisms to develop novel therapies for metastatic breast cancer.

Florey Institute of Neuroscience and Mental Health, Neuroscience Award Quentin Chan

Finding the link between brain networks and epilepsy. Quentin's study looked at severe drug resistant childhood epilepsy, finding that abnormal brain networks do play a role in the disordered physiological processes these patients experience.

Research at a glance



2,246

research papers published



43

research papers published a week



122

COVID-19 research papers published (our most researched and published topic)

Bringing our best to our work, every day

Our people have been an inspiration throughout the past year. They continue to demonstrate incredible compassion, strength and resilience and an unwavering commitment to supporting patients and the community during the pandemic. We have focussed our efforts on their safety and wellbeing so they could bring their best to work every day.

Embracing diversity to achieve more

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

An action plan focussed on diversity and inclusion

During the year we launched our new three-year Diversity and Inclusion Plan.

Our plan outlines a large number of initiatives designed to further strengthen our capability. These initiatives will:

- Create a shared understanding of diversity and inclusion across Austin Health
- Build leadership capability and confidence across our workforce to deliver our diversity and inclusion goals and actions
- Attract, grow and retain a diverse and

inclusive workforce

- Create a safe, welcoming and inclusive culture where our people feel valued.

Since launching the plan in November, we have:

- Built resources to help our people understand the meaning and value of diversity and inclusion
- Updated our contracts to remove gendered language
- Shared stories that celebrate differences across our workforce and our community.

While these have been welcomed, we embrace the idea these are simply steps on a longer journey.

Next year our focus will be on removing and eliminating gendered language from our policies, updating our human resources systems to provide more inclusive options for candidates and employees, and delivering our Gender Equality Action Plan.

Continuing our journey towards reconciliation

Throughout the year we continued to deliver on the commitments outlined in our first 'Reflect' Reconciliation Action Plan (RAP).

- We are raising awareness

We launched a refreshed Aboriginal cultural awareness training module which is mandatory for all staff

- We are opening up careers

This year, we participated in the Barring Djinag Internship Program providing an opportunity for a psychology student to obtain valuable work experience at Austin Health

- We are providing opportunities

Through the Supply Nation database we are encouraging Aboriginal and Torres Strait Islander businesses to respond to tender opportunities

- We are creating a community

This year we have further built our network of Aboriginal consultants as well as suppliers of photography, graphic design, artwork and printing services.

We are currently developing our second 'Innovate' RAP.

To ensure the plan is relevant and appropriate, we have Mirriyu Cultural Consulting supporting this work and we have sought the input of staff from across our organisation.

We will launch our new plan next financial year.

Celebrating diversity

The Cultural Calendar is one of the ways we celebrate the many faces of Austin Health and build shared understanding of different backgrounds, experiences, and beliefs. Building on last year's success, this year's calendar features 13 employees and volunteers who share stories about their heritage, culture, and traditions.





Advancing Aboriginal employment and development opportunities

Austin Health is helping transform lives.

Providing meaningful employment and development opportunities has the potential to transform the lives of Aboriginal and Torres Strait Islander Peoples, their families and Community. Employing Aboriginal staff gives us deeper perspectives and this can positively impact the care we provide to Aboriginal patients, and improve the experience of their Community who support them through their health journey.

Through our Aboriginal Employment Plan, we aim to increase the number of Aboriginal people we employ at Austin Health and ensure they are provided with opportunities to thrive and succeed in their careers.

The plan outlines our key priorities which are to:

- Increase employment opportunities for Aboriginal Peoples across our health service
- Build meaningful relationships across the community and be known as an employer of choice for Aboriginal Peoples
- Strengthen our relationships with Aboriginal community groups, high schools, universities, employment networks, TAFEs, and career pathway providers
- Build a culturally safe workplace for our staff, patients, and community.

We will commence implementing the plan when it is launched during NAIDOC Week in July 2021.

New intranet and policy library

In September we launched our new intranet site (The Pulse) and our new policy and procedure library (OPPIC). The site and the library give all staff access to the information, system, and resources they need to do their jobs.

Built on the Office 365 modern SharePoint site The Pulse and OPPIC can be accessed outside of the network. This gives all staff equal access to critical information whether onsite, working remotely, at home or on the road.

Celebrating women

We again held a special event involving staff across our sites to celebrate International Women's Day.

The event featured guest speaker Nelly Thomas, an award-winning Australian comedian and author. In her keynote address Nelly used humour to share an important message that we all have a responsibility to call out gender bias and contribute to gender equality.

We also announced the following women who received our Inspirational Women Award:

- **Associate Professor Elif Ekinci**, Director of Diabetes – for her extensive professional achievements, as well as passionately leading research that is significantly improving clinical practice and health outcomes for people with diabetes
- **Michelle Topple**, Nurse Unit Manager Intensive Care Unit – for typifying excellence in her role as a nursing leader and for rapidly and creatively addressing a nursing workforce shortage
- **Dr Julie Lokan**, Anatomical Pathologist – for inspiring others

with her incredible achievements and for mentoring and supporting her colleagues

- **Tegan Bell**, Occupational Therapist – for her phenomenal leadership and for bringing out the best in everyone around her
- **Georgina Olekalns**, Senior Social Worker and Family Therapist – for her enormous contribution to the personal development of thousands of young people, as well as nurturing and supporting the professional development of her colleagues.

Building leadership capability

Austin Health has created and continues to offer a number of programs aimed to develop the next generation of leaders needed to lead Austin Health through a rapidly changing healthcare environment.

New medical leadership program

We're helping great clinicians raise standards.

In collaboration with the University of Melbourne, we developed a tailored clinical leadership program for Austin Health clinicians.

The Specialist Certificate in Clinical Leadership is designed for doctors who are already performing medical leadership roles, or who might be contemplating medical leadership as a career option through their interest and aptitude for leadership.

The program focusses on orientation, connection, mentoring/coaching, as well as the formal development of business acumen and leaderships skills in various courses.

Manager induction program

We're making it easy to get their feet on the ground.

To set our leaders up for success we developed an onboarding program for managers who are new to Austin Health or existing staff who have been promoted into a leadership role.

The Manager Induction Program is designed to ensure they have a consistent onboarding experience that provides them with critical information they need in the first 100 days of their leadership journey. This includes a comprehensive eLearning module, and information and resources to help guide their way.

New recruitment policies and training

We're helping managers recruit the right people

Employing people with the right skills and experience and whose values align with our organisation is key to achieving our strategic objectives and building a positive workplace culture.

We have introduced a new recruitment policy and guidelines and online training modules to help managers employ the right people.

We have created guidelines for online interviewing and remote onboarding to support managers who need to recruit during the pandemic.

We also developed 'Recruitment for Success' training, to help managers successfully recruit at Austin Health. This includes face-to-face training (which will be launched when onsite meetings can resume) and online learning modules which focus on recruitment planning, preparing for interviews, and interviewing and selecting candidates.

Actively listening to our people and their needs

If we are to become an employer of choice, we need to understand the needs of our people. This requires actively listening, understanding how engaged they are, how they can be more engaged, and building and evolving the programs, processes and systems they need to do their work to the best of their ability - to bring their best selves to work, every day.

Measuring staff engagement

Every year, Austin Health participates in the Victorian Government's People Matter staff engagement survey. Due to the pandemic the 2020 People Matter survey did not go ahead.

Hearing feedback from staff is important to us.

To this end, we conducted two Pulse Checks to measure how our people were thinking and feeling about working at Austin Health. These Pulse Checks are a quick and effective way to tap into real-time and actionable feedback.

Almost 800 staff participated in our Pulse Checks. Respondents told us they were proud to work at Austin Health, that our response to the pandemic was strong, with good collaboration across all levels, and we had a strong focus on staff safety, leadership, and communication.



Thank goodness they're back

It was perfect timing. We have always been incredibly grateful for the work done by our valued volunteers. COVID restrictions have meant volunteers have been unable to provide their special kind of support.

It was delightful, and timely, that some volunteers were finally able to return to Austin Health during National Volunteers Week.

These have included guides, Justices of the Peace, pet therapists, library staff, horticultural therapists, woodworkers and retail assistants at our Diamond Creek Op Shop and Austin Hospital Gift Shop.

Our volunteers make a significant contribution to our organisation and much needed support for our patients and volunteers.

It's great to have them back.

Recognising those who embody our values.

We have launched a new reward and staff recognition program.

The program is part of our commitment to building a positive workplace culture and recognises staff for doing a great job and for living our values. The recognition is through a series of Thank You cards.

These cards are a simple way for staff to be acknowledged for their contribution. Individuals can be recognised by their peers, colleagues, manager, or their staff.

Available as digital or printed cards (for staff who have limited access to email), the cards have added a sense of community and camaraderie inside departments, adding to the sense of pride our people feel about working at Austin Health.

Since the program was launched in April, hundreds of staff have been thanked.

Focusing on health and well-being

We understand the impact of health on work enjoyment and work performance. To better assure the health and wellbeing of our people, we have launched two further health initiatives in the last year.

High risk staff can breathe easier

A well-fitted respirator is a critical first line of defence against airborne hazards and diseases. Part of the state-wide response to the global pandemic was the introduction of the Respiratory Protection Program by the Department of Health.

The program incorporates fit-testing to ensure a respirator (such as an N-95 mask) fits a person's face properly and creates a good seal. A good fit protects the person from respiratory hazards such as chemicals, dusts and infectious diseases like COVID-19 and Tuberculosis.

Under the program all high-risk staff must be fit-tested annually.

Since the program was introduced in November 2020, more than 1,500 high priority staff have been fit tested. Currently, and moving into the next year, we will focus our attention on

Keeping staff informed and engaged

Leveraging the insights gained from our need to engage staff remotely in the first year of the pandemic, this year we have held 18 staff webinars. The sessions were led by our CEO and were supported by a range of expert internal speakers. Topics covered included COVID-19 updates throughout the second wave, news on outbreaks, vaccination updates and information, and staff wellbeing.

We were privileged to feature external speakers including Associate Professor Margie Danch, an expert on vaccine hesitancy, Professor Sharon Lewin, an infectious diseases expert from the Doherty Institute, and Sue Langley, an expert on positive psychology and resilience.

moving to an internal model of fit-testing with Austin Health-appointed respiratory scientists providing fit-testing to those staff who require it.

Nurturing staff wellbeing

Staff wellbeing and support has been a focus of the organisation throughout the pandemic.

More than 100 team wellness check sessions were held through the year. These sessions gave staff the opportunity to share and defuse emotions related to the COVID-19 pandemic and its impact on them personally and professionally. The sessions help staff to normalise their emotions, identify and implement coping strategies, and raise awareness of the support resources that are available to them.

Other initiatives included a series of education sessions called 'COVID-19: What's this reaction I'm having' and a number of tailored coping sessions for our COVID-19 contact tracing and screening clinic teams to equip them with the skills to manage challenging situations.

The sessions for contact tracing staff focussed on understanding how different people react to situations.

The sessions for screening clinic staff focussed on anger management and how to de-escalate aggressive behaviour.

Austin Health films receive international recognition

This year we received international recognition for our COVID-19 documentary 'On the frontline: Responding to a global pandemic' and nursing recruitment film 'Come and work in our Emergency Department' at the Communicator Awards.

The awards - judged by the New York-based Academy of Interactive and Visual Arts - is the leading international program honouring creative excellence for marketing and communication professionals. There were more than 6,000 entries from the US and around the world.

The COVID-19 film captured the experiences of staff during 2020 and the impact the pandemic had on their work and personal lives. It's a story of staff resilience, courage and an unwavering dedication to support our patients and each other.

The nursing recruitment film provided insights into why our Emergency Department is a unique place to work and aimed to attract prospective candidates to Austin Health. The film features nurses who describe their Emergency Department as an exciting, fast-paced environment where new recruits will be surrounded by a supportive and collaborative team.

Thank you to our community of supporters

The care we provide, the research we conduct, the knowledge we pass on would not be possible without the generous input of our supporters and volunteers. We continue to be humbled and inspired by their generosity and compassion. Especially in the past year when many of our fundraising activities were impacted by COVID-19. Our community stepped up in a big way to show their support. For this, we are incredibly grateful.

Working together for a healthier community

In 2021, Austin Health held its first virtual event.

The 1000 Minute Challenge asked participants to show their support for our healthcare workers by completing 1000 minutes of exercise in March (roughly 30 minutes a day) for better physical and mental health.

This event was an exciting opportunity for us to work closely with our healthcare and community partners, and to lead the way for better health outcomes for the community we serve.

Our community enthusiastically responded to the challenge. Over 1,400 participants (including more than 500 staff and leaders from across our organisation) amassed an impressive 1.2 million collective minutes. As a result of this fantastic effort, over \$250,000 was raised for additional medical equipment, including vital signs monitors and echocardiogram (ECG) machines.

We look forward to running the 1000 Minute Challenge again in 2022.

The fight against COVID-19 continues

When the COVID-19 pandemic hit in early 2020, community support for frontline healthcare workers was overwhelming. This generosity has continued this year.

More than \$1 million* in cash and in-kind support has now been donated to our COVID-19 Appeal. This support is helping us to provide even better care for COVID-19 patients and their families, and advance vital research in this area.

With this ongoing support, we have been able to play a critical role in gathering information about the virus, providing medical samples and patient information to the leading scientists in Melbourne

and across the world. As a result of these efforts, and others like it from around the world, there have been significant discoveries about the virus, including breakthroughs in how it can be treated, and how it affects the immune system.

We have developed new ways of working.

The need to develop ways to combat a rapidly changing situation has meant we have been able to develop new ways of working quickly and at scale. These practices have wider benefits, translating into more efficient day to day operations, as staff use what they have learned throughout the pandemic in their daily work.

We have established the first and longest running COVID-19 follow-up clinic in Victoria, which has supported research into the long-term effects of COVID-19.

It's a communal effort.

Many of our staff have made a point of recognising the support of the community. The letters, messages on social media, and donations of meals and drinks made coming into work at such a difficult time a little bit easier.

We are incredibly humbled by their generosity and thankful for their support.

**\$350,000 was raised in the 2019-20 financial year*

Revolutionary new equipment for Liver Transplant Unit

Our Liver Transplant Unit is a world leader in transplant research, and is dedicated to making liver care more tailored and less invasive.

Recent advances in research technology has seen the development of a fully automated and digitised robot - QIACube Connect - which can extract DNA from multiple blood samples at high speed

and with expert precision. This new technology would supercharge the research capacity of the team.

Through our Christmas fundraising appeal, we received overwhelming support with more than 1,600 donations received. Many of these were from past liver patients and their families who wanted to show their gratitude for the care they had received.

Through the purchase of our QIACube Connect, our researchers can now perform this DNA extraction nine times faster. The risk of error from manual processing has also been eliminated, which has resulted in higher quality results.

The capability of the QIACube Connect means some liver patients will no longer need to have invasive, risky and painful biopsies. By reducing or eliminating the need for biopsies, we have also managed to reduce or remove the need for some regional liver patients to make the lengthy trips to and from Melbourne.

“The funds generously donated will have both an immediate and long felt benefit to our research team. My team and I were humbled by the generosity, particularly as 2020 was such a difficult year for so many people.”

**Associate Professor Adam Testro
Liver Transplant Unit**

Cutting-edge psychological safety program

Graduating from medical school and starting an internship is one of the biggest transitions doctors will make in their professional lives.



“I’d heard the term ‘psychological safety’ before, but the actual meaning and its impact on the working environment was clearer after the training session. Now I feel like I may be able to handle an escalated or complex situation better, to communicate more confidently, and know that I can talk to someone if need be.”

Mehwish Nasin
Junior Doctor, Emergency Department

Entering a fast-paced and complex working environment, navigating a range of clinical situations and environments, and feeling anxious about making a good impression, can often make it challenging for junior doctors to speak up and ask questions.

Thanks to a philanthropic partnership with the Victorian Medical Insurance Agency Ltd (VMIAL), we are developing a cutting-edge program to combat these issues.

The program provides psychological safety training for junior doctors and will play a positive role in building leadership and excellence, while supporting their personal growth.

VMIAL is committed to supporting and progressing the medical careers of junior doctors. They hope that through this partnership they can help junior doctors at a critical stage of their career by building their confidence and developing resilience.

Funding from VMIAL has also enabled the creation of a Medical Simulation Lead. This role will support the program and provide leadership and governance for the advancement of inter-professional simulation education. It is envisaged this will play a key role in promoting a ‘speaking up for safety’ culture.

Helping dementia patients to feel more at home

Austin Health provides dementia care and support for over 500 patients with dementia and their families each year.

Thanks to the generous support of the Danks Trust we’ve been able to improve the hospital living environment for dementia patients. The upgrade to the living environment uses evidence-based, dementia-friendly design principles to make the environment feel more like home.

The new design aims to provide a sense of comfort for people who may become distressed or agitated in unfamiliar surroundings.

The re-designed living environment promotes meaningful engagement with patients, and increases accessibility and safety for staff, patients, and families.

Thank you to our generous major donors and supporters

Major Donors and Corporate Supporters

- Mrs Beverley Briese OAM
- Mr Peter Little
- Advent Security Services
- Blue Illusion
- Cintel Australia Pty Ltd
- Cook Medical Australia Pty Ltd
- Jemena
- Liberty Medical Pty Ltd
- Medtronic Australasia Pty Ltd
- Pfizer Australia
- Pink Boots Hire
- Ventia Pty Limited
- Victorian Medical Insurance Agency Ltd

Trust and Foundations and Grants

- David and Wilma Keath Family Prescribed Private Fund
- Davies Family Foundation
- Department of Premier and Cabinet
- Department of Veterans’ Affairs
- Dry July Foundation

- Gaudry Foundation
- H.T. Pamphilon Fund
- McIntyre Family Foundation
- Nelson Alexander Charitable Foundation
- Robert C Bulley Charitable Fund
- The Evelyn Margaret Waterworth Endowment
- The Isabel & John Gilbertson Charitable Trust

Community Supporters

- Friends of Austin Health
- Lower Plenty Senior Citizens Club
- NSAA Inc-Northern District Sub Branch
- RSL Combined Tramways & East Melb Sub Branch
- Vietnam Veterans Association of Australia Victorian Branch
- War Widows Guild of Australia (Vic) Inc

Gifts in Will

- Estate of Ellen Dorothy O’Brien
- Estate of Gwyneth Smith
- Estate of Joyce Winifred Kelly
- Estate of Libuse Walden
- Estate of Neville Mears Hatten
- Estate of Paul Raymond Wade
- Estate of Reginald Glenn Wotherspoon
- Estate of Ronald Earl Page
- Estate of Stuart David Caldwell
- Estate of Harry Robinson

Our thanks to Olivia

As visionary founding champion for the ONJ Centre, Dame Olivia Newton-John AC DBE has made an incredible contribution to people living with cancer. Olivia is a big supporter of our Wellness Walk and Research Run. Despite the event being impacted by COVID this year, we are grateful to Olivia for the ongoing hope and support she provides to help patients win over cancer.

Governance and Board

Austin Health Board

Austin Health's Board comprises directors who are appointed by the Victorian Government. The Board leads the strategic direction for the management, administration and control of Austin Health, its funds and facilities. Directors are appointed for a term of up to three years and may be re-appointed to serve for up to nine years.



Ross Cooke
Board Chair

February 2021 to current



Chris Altis
Director

July 2015–current

Member: Finance & Resources Committee, Audit & Risk Committee, Governance & Remuneration Committee



Julie Bignell
Director

July 2015–current

Chair: Community Advisory Committee
Member: Clinical Safety & Quality Committee



Dr Christine Bessell
Director

July 2016–current

Chair: Primary Care & Population Health Advisory Committee

Member: Clinical Safety & Quality Committee, Community Advisory Committee



Joel Chibert
Director

July 2020 to current

Chair: Finance & Resources Committee

Member: Audit & Risk Committee



Dr Bruce Cohen
Director

July 2020 to current

Member: Audit & Risk Committee, Clinical Safety & Quality Committee, Community Advisory Committee.



Mary Draper AM
Director

July 2014–current

Chair: Clinical Safety & Quality Committee

Member: Community Advisory Committee Primary Care & Population Health Advisory Committee.



Fi Slaven
Director

July 2018–current

Member: Finance & Resources Committee, Primary Care & Population Health Advisory Committee.



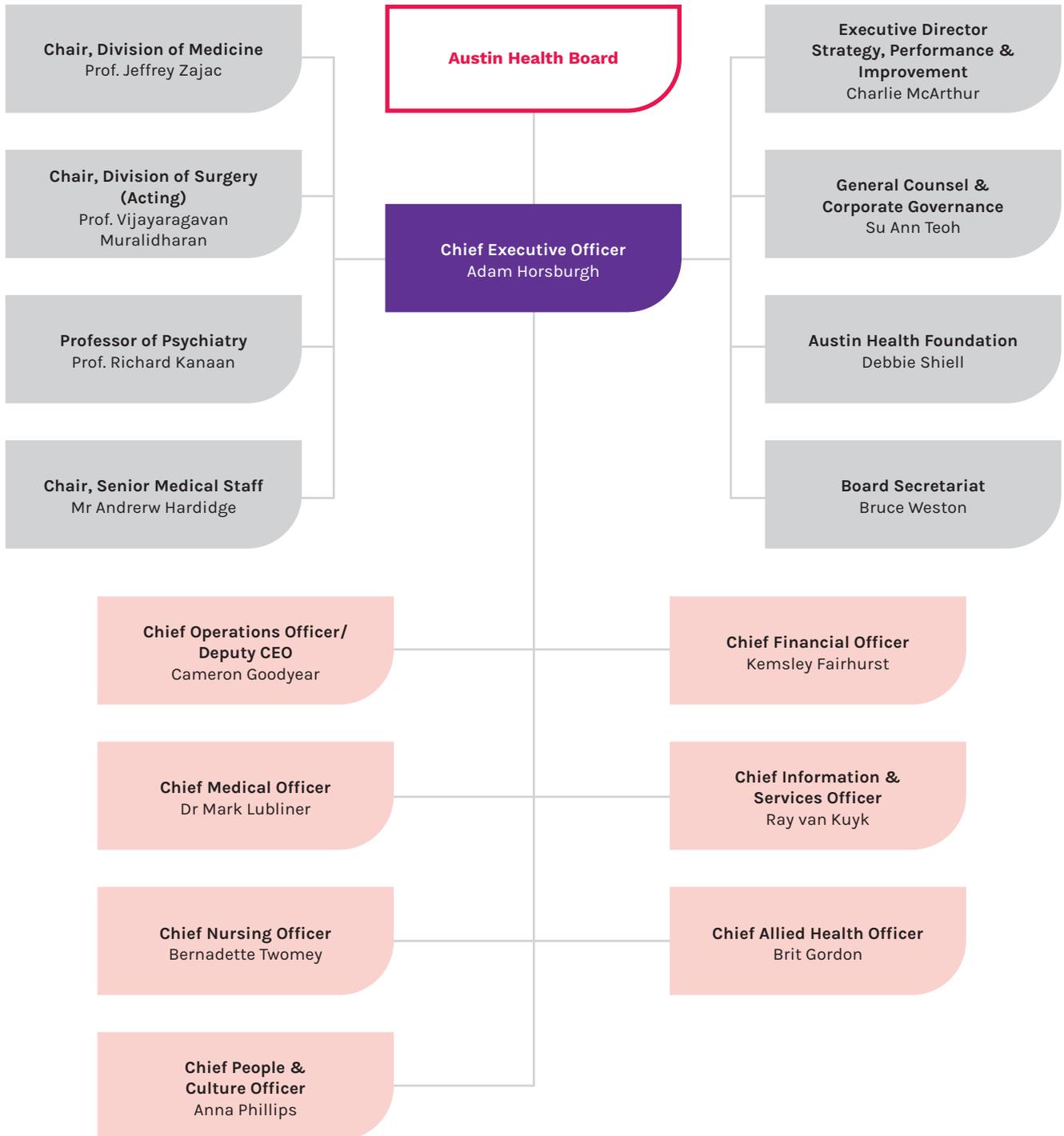
Helen Thornton
Director

August 2017–current

Chair: Audit & Risk Committee

Member: Finance & Resources Committee, Governance & Remuneration Committee

Organisational chart (at 30 June 2021)



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
Melbourne, 8 September 2021

Responsible Bodies Declaration

In accordance with the Financial Management Act 1994, I am pleased to present the report of operations for Austin Health for the year ending 30 June 2021.



Ross Cooke, Board Chair
Melbourne, 8 September 2021

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
Melbourne, 8 September 2021

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
Melbourne, 8 September 2021

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
Melbourne, 8 September 2021

Complying with legislation

Public Interest Disclosures Act, 2012

Austin Health is committed to the aims and objectives of the Public Interest Disclosures Act 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 2003

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

The Local Jobs First Policy objectives are to: promote employment and

business growth by expanding market opportunities for local industry; provide contractors with increased access to, and raised awareness of, local industry capability; expose local industry to world's best practice in workplace innovation, e-commerce and use of new technologies and materials; develop local industry's international competitiveness and flexibility in responding to changing global markets by giving local industry a fair opportunity to compete against foreign suppliers. Local Jobs First takes into account and is consistent with the following principles relating to procurement, tendering and the provision of financial assistance by the State:

- the provision of open, clear and accountable tendering mechanisms and processes
- value for money considerations in purchasing and supply decisions over the life of a good, service or construction project.

During 20-21, Austin Health had one project commence where LJF applied:

Local Jobs First	Jobs				Apprentice			
	Created		Retained		Created		Retained	
	Plan	Achieve	Plan	Achieve	Plan	Achieve	Plan	Achieve
Completed:								
ONJ Centre MRI Simulator	1	9	10	66	0	2	0	9
ONJ Centre MRI Linac	2	10	33	104	0	3	0	11
<i>Subtotal</i>	<i>3</i>	<i>19</i>	<i>43</i>	<i>170</i>	<i>0</i>	<i>5</i>	<i>0</i>	<i>20</i>
Commenced								
Austin CSSD Upgrade (Stage 1)	6		23		0		0	
Total	9	19	66	170	0	5	0	20

Patient car parking

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

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.

Building Act 1993 and building regulations 2006

Austin Health obtains building permits, certificates of occupancy or certificates of final inspection for all completed projects. We engage registered building practitioners for all new or major refurbishment works.

In order 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've identified areas that required rectification. In line with the Department of Health Fire Risk Management Guidelines, Austin Health is required to complete a comprehensive

fire audit every five years. Our last audit was completed in 2016 and recommendations have been actioned. Our next audit will be conducted in 2021.

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.

Asset Management Accountability Framework (AMAF) maturity assessment

Austin Health has implemented an Asset Management Plan (AMP) that details a single approach to AMAF compliance. It describes the strategy, objectives and key activities of improving asset management across the three major asset categories in operation at Austin Health. The AMP has been approved by the Board and submitted to the Victorian Health Building Authority at the Department of Health.

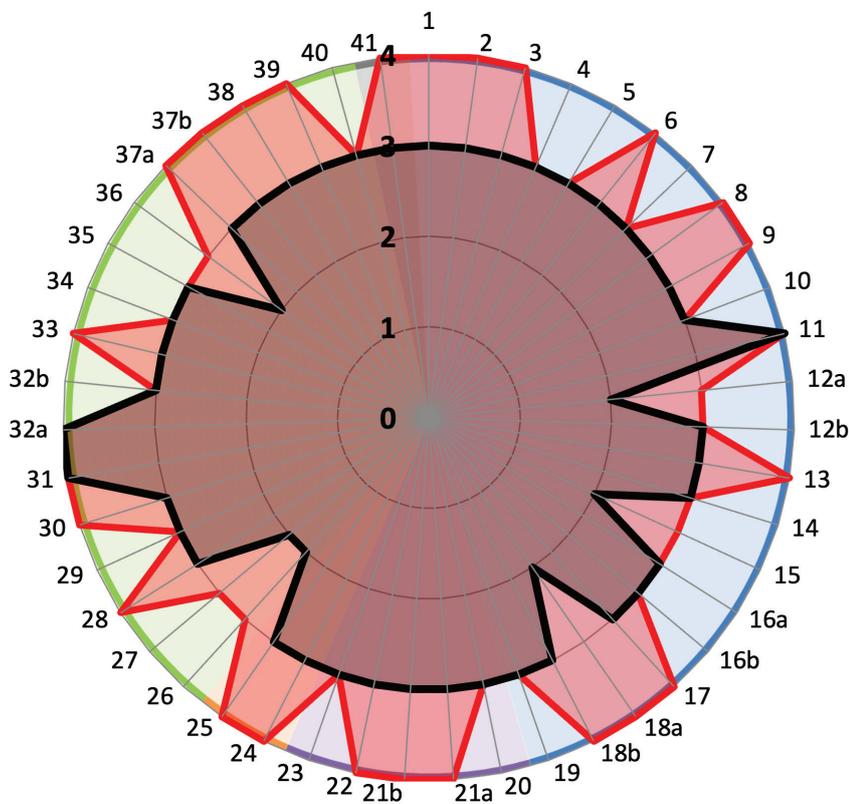
The annual AMAF compliance assessment completed as part of Ministerial Standing Directions requirements for 2020-21, confirmed that Austin Health is fully compliant in two of the three major asset categories i.e. Buildings & Plant and

Information & Technology Assets. Austin Health achieved partial compliance in the Medical Equipment category, with six reported non-material non-compliances. There are adequate controls in place related to medical equipment asset management. Activities remain in progress as the health service works towards attaining full AMAF compliance.

A further requirement of the AMAF Standing Directions is that Austin Health conduct a self-assessment of the level of asset management maturity every three years, commencing in 2020-21. The outcome of the maturity assessment aligns with the AMAF compliance assessment and has been presented using the Department of Treasury reporting tool below.

Compliance and maturity rating tool

Asset management maturity



■ Target
■ Current Assessment

Status	Scale
Not applicable	N/A
Innocence	0
Awareness	1
Developing	2
Compliant - Competence	3
Compliant - Optimising	4

Transparent operations

ICT Expenditure

The total ICT expenditure incurred during 2020-21 is 33.1m.

Business as usual Expenditure	Non-business as usual ICT expenditure	Operational expenditure	Capital expenditure
26.4m	6.7m	2.4m	4.3m

Freedom of Information (FOI)

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 July 1 2021, the FOI application fee is \$30.10. 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 1,478 requests received for Financial Year 20/21 - 1,162 were personal requests (including applications from patients, family members, lawyers) and 316 were non personal requests (such as application from insurance companies, Workcover and TAC).

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

You can also contact the FOI Officer directly:

Phone: (03) 9496 3103

Email: foi@austin.org.au

Mail: Freedom of Information Officer,
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.

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.

Freedom of Information applications 2020-2021	
Number of request received	1,478
Granted in Full	1,155
Granted in Part	51
Denied	5
Other	
Withdrawn	23
Not proceeded with	26
Not Processed	0
No Documents	81
In progress	137

Consultancies engaged during 2020-21

In excess of \$10,000 per consultancy

Consultant	Purpose of consultancy	Start Date	End Date	Total approved project fee	Expenditure 2020-21 (Excl GST)	Future expenditure (Excl GST)
Social Ventures Australia Limited	Austin Health NDIS Business Case Project	Oct 20	Jan 21	\$58,919	\$58,919	
HFRM Pty Ltd	End-to-End Endoscopy Patient Journey	Sep 20	Dec 20	\$34,775	\$34,775	
Metis Pathways	APU and Leadership MHD Health Check Analysis	Jul 20	Oct 20	\$14,435	\$14,435	
GenderWorks Australia	Gender Equality Action Plan	Mar 21	Jun 21	\$14,400	\$14,400	\$14,400
Centre for Health Leadership	Medical Engagement Survey	Jul 20	Feb 21	\$14,000	\$14,000	
Kadar & Bradley Pty Ltd	Feasibility Study: Pathology Cut-up Room	Jan 21	Jan 21	\$12,500.	\$12,500	
Triple Connect Pty Ltd	Psychological Safety Program	Oct 20	Oct 20	\$12,000	\$12,000	
Totals					\$161,030	\$14,400

Number of consultancies - 7

Less than \$10,000 per consultancy

There were 11 consultancies engaged in 2020/21 of less than \$10,000 per consultancy at a total cost of \$43,850 and no future costs.

Workforce data

Hospital labour category	June current month FTE		Average Monthly FTE	
	2020	2021	2020	2021
Nursing	2,518	2,730	2,416	2,675
Administration and Clerical	888	1,056	869	967
Medical Support	736	876	716	791
Hotel and Allied Services	589	680	578	639
Medical Officers	170	172	172	172
Hospital Medical Officers	560	623	544	600
Sessional Clinicians	158	172	148	164
Ancillary Staff (Allied Health)	506	525	489	502
TOTAL	6,125	6,834	5,932	6,510

Occupational health and safety – Occupational violence data

Occupational health and safety statistics	2020-21	2019-20	2018-19
The number of reported hazards/incidents for the year per 100 FTE	35.03	28.60	33.29
The number of 'lost time' standard WorkCover claims for the year per 100 FTE	0.77	0.76	0.86
The average cost per WorkCover claim for the year	\$102,070	\$66,553	\$45,279

FTE = Full Time Equivalent

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

Occupational violence statistics	2020-21
Workcover accepted claims with an occupational violence cause per 100 FTE	0.10
Number of accepted Workcover claims with lost time injury with an occupational violence cause per 1,000,000 hours worked.	0.71
Number of occupational violence incidents reported	1,189
Number of occupational violence incidents reported per 100 FTE	18.26
Percentage of occupational violence incidents resulting in a staff injury, illness or condition	45%

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 2020-21.
- 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.

Our environmental performance

	2016-17	2017-18	2018-19	2019-20	2021-21	% change
Austin Health general statistics						
Occupied Bed Days (OBD)	357,581	372,369	369,851	283,373	286,720	1.2%
Inpatient admissions	106,177		114,324	110,363	111,076	0.7%
Outpatient attendances	263,380		279,152	286,262	314,473	9.9%
Emergency attendances	83,900		89,675	86,498	86,740	0.3%
Greenhouse gas emissions						
Scope 1 (tCO2e)	48,905	16,279	17,028	16,066	12,392	-22.9%
Scope 2 (tCO2e)	48,300	47,590	52,915	48,407	48,126	-0.6%
Total (tCO2e)	97,205	0	69,942	64,473	60,518	-6.1%
Total tCO2e per building m2	0.2	0.2	0.3	0.2	0.2	-8.3%
Energy consumption						
Electricity (GJ)	159,524	158,634	176,381	161,357	160,420	-0.6%
Natural Gas (GJ)	306,187	309,231	323,729	305,330	235,481	-22.9%
Diesel (GJ)	579	767	579	386	579	50.0%
Total energy (GJ)	466,290	468,633	500,690	467,073	396,480	-15.1%
Electricity per m2 (GJ)	0.6	0.4	0.7	0.6	0.6	-0.2%
Natural Gas per m2(GJ)	1.1	0.8	1.2	1.1	0.9	-22.8%
Water consumption						
Drinking water (kL)	0	254,756	249,288	229,893	208,511	-9.3%
Drinking water per m2 (kL)	0.9	0.7	0.9	0.8	0.8	-8.3%
Recycled water (kL)	2,695	2,695	0	7,184	0	-100.0%
Waste generation and disposal						
General waste (tonnes)	-	-	1,601	1,771	1,701	-3.9%
General waste per OBD (kg)	-	-	4.3	6.3	5.9	-5.0%
Clinical waste (tonnes)	-	-	335	356	393	10.4%
Clinical waste per OBD (kg)*	-	-	0.9	1.3	1.4	9.0%
Recycling (tonnes)	-	-	456	230	86	-62.5%
Recycling per OBD (kg)*	-	-	1.2	0.8	0.3	-63.1%
Total waste (tonnes)	-	-	2,392	2,358	2,181	-7.5%
Total waste per OBD (kg)	-	-	6.5	8.3	7.6	-8.6%

*Occupied Bed Days

Statement of Priorities

Statement of Priorities - Strategic Priorities

Strategic priority	Outcome
<p>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>	<p>Achieved</p> <p>Austin Health remains COVID ready, with robust processes in place to deliver high quality hospital care to people with COVID or suspected COVID. In partnership with our community partners, the COVID positive pathway program delivers care to support the clinical, social and wellbeing needs of COVID positive patients in our region. Onsite COVID testing capability and local drive-through surge testing remain available.</p> <p>Austin Health is vaccinating over 6,500 people each week, and is distributing over 25,000 doses of the vaccine to our Health Service Partners each week. The Community in-reach program has been established to support the vaccination of vulnerable people in our community. Austin Health is one of two vaccination allergy programs supported by the Victorian Specialist Immunology Group, receiving over 500 referrals each week.</p>
<p>Engage with our community to address the needs of patients, especially our vulnerable Victorians whose care has been delayed by the pandemic and provide the necessary catch-up care to support them to get back on track.</p>	<p>In Progress</p> <p>Through the North East Metropolitan Health Service Partnership, Austin Health has received 'Deferred Care' funding to support additional elective surgery and endoscopy activity for people in our community whose care has been delayed due to the pandemic.</p> <p>Through a range of initiatives, including partnerships with other health services and establishment of a super clinic to streamline access to catch-up care and ensure higher risk and vulnerable patients are optimised prior to their surgery, Austin Health has delivered an additional 574 surgical and endoscopy procedures in 2020-21, and will deliver an additional 1,796 surgeries in 2021-22.</p>

Strategic priority	Outcome
<p>As providers of care, respond to the recommendations of the Royal Commission into Victoria’s Mental Health System and the Royal Commission into Aged Care Quality and Safety.</p>	<p>In Progress</p> <p>Our Mental Health services are working closely with key stakeholders to support the Mental Health reforms as recommended in the final report of the Royal Commission into Victoria’s Mental Health System. Early progress includes working with the Department of Health to identify and progress priority areas for Austin Health, and the appointment of new roles to support key elements of the reform including workforce support and reform. Active discussions are also being held with other mental health services and community mental health providers to explore opportunities for collaboration.</p> <p>Mary Guthrie House is a state-wide specialist unit providing care to clients under the age of 65 years who experience traumatic brain injury and mental illness. It is classified as an Aged Care facility. The unit has maintained accreditation under both the Aged Care Accreditation Standards and the National Safety and Quality Health Services Standards, while being supported by a well-developed governance framework with the Mental Health Division of Austin Health. This has ensured that many of the issues highlighted in the aged care sector have not occurred at Mary Guthrie House.</p> <p>Austin Health is engaging with stakeholders to work through the implications of Recommendation 74 of the Royal Commission into Aged Care Quality and Safety, which concerns younger people in residential aged care, as Mary Guthrie House primarily provides stream psychosocial rehabilitation for clients under the age of 65 years.</p>
<p>Develop and foster our local health partner relationships, which have been strengthened during the pandemic response, to continue delivering collaborative approaches to planning, procurement and service delivery at scale. This extends to prioritising innovative ways to deliver health care through shared expertise and workforce models, virtual care, co-commissioning services and surgical outpatient reform to deliver improved patient care through greater integration.</p>	<p>In Progress</p> <p>As chair of the North East Metropolitan Health Service Partnership, Austin Health is collaborating with other health services in the Health Service Partnership to support the implementation and delivery of the four priority areas:</p> <ul style="list-style-type: none"> - Better at Home - Elective surgery and emergency access - Mental health reform - Pandemic response. <p>As the Health Service Partnerships strengthen and mature, it is expected that health services will explore additional opportunities to achieve service delivery transformation and greater potential for integration through partnerships and collaboration between health services and other providers.</p>

Statement of Priorities (continued)

Strategic priority	Outcome
<p>As a service hosting a Local Public Health Unit (LPHU), work collaboratively with the Department of Health, 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>	<p>Achieved</p> <p>The North-Eastern Public Health Unit (NEPHU) was established in late 2020. Led by Austin Health, it has developed a networked structure in collaboration with Northern Health and Eastern Health to deliver COVID-19 case, contact and outbreak management for North Eastern Melbourne. In the first months of operation, NEPHU delivered effective operational responses and evolved its structure, systems and processes in collaboration with the Department of Health and other local public health units (LPHUs).</p> <p>In response to the COVID-19 outbreaks in May and June, NEPHU worked collaboratively with the Department of Health, other LPHUs, local government, partner health services and community health and service organisations to achieve rapid and effective identification and management of cases and contacts. This enabled delivery of a coordinated approach to contact tracing interviews and notifications, facilitation of rapid testing and case finding, monitoring and support for quarantined individuals and families and management of exposure sites. The NEPHU has achieved integration with the health services' COVID positive pathways programs to monitor the needs of affected individuals and link them with appropriate supports and services, and is continuing to build and develop these local networks through its engagement strategy.</p>

Statement of Priorities Part B- Performance Priorities (Quarter 4 results)

High quality and safe care

Key performance indicator	Target	2020-21 Result
Infection prevention and control		
Compliance with the Hand Hygiene Australia program	83%	89.4%
Percentage of healthcare workers immunised for influenza ¹	90%	90%
Patient experience		
Victorian Healthcare Experience Survey - percentage of positive patient experience responses	95%	No surveys conducted in 2020-21
Victorian Healthcare Experience Survey - percentage of very positive responses to questions on discharge care	75%	No surveys conducted in 2020-21
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	Achieved
Rate of patients with Staphylococcus Aureus Bacteraemia (SAB) per 10,000 occupied bed days	≤ 1	0.7
Mental Health		
Percentage of adult acute mental health inpatients who are readmitted within 28 days of discharge	14%	19%
Rate of seclusion events relating to a child and adolescent acute mental health admission ²	≤ 10/1,000 occupied bed days	5/1,000 occupied bed days
Rate of seclusion events relating to an adult acute mental health admission	≤ 10/1,000 occupied bed days	3/1,000 occupied bed days
Percentage of child and adolescent acute mental health inpatients who have a post-discharge follow-up within seven days	80%	86%
Percentage of adult acute mental health inpatients who have a post-discharge follow-up within seven days	80%	72.8%
Continuing care		
Functional independence gain from an episode of rehabilitation admission to discharge relative to length of stay	≥ 0.645	0.578

Timely access to care

Key performance indicator	Target	2020-21 Result
Emergency care		
Percentage of patients transferred from ambulance to emergency department within 40 minutes	90%	52%
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%	76%
Percentage of emergency patients with a length of stay in the emergency department of less than four hours	81%	47%
Number of patients with a length of stay in the emergency department greater than 24 hours	0	0

¹ Reporting period April 2020 - August 2020

² This data relates to the Adolescent Inpatient Unit only

Statement of Priorities (continued)

Key performance indicator	Target	2020-21 Result
Elective surgery		
Percentage of urgency category 1 elective surgery patients admitted within 30 days	100%	100%
Percentage of urgency category 1, 2 and 3 elective surgery patients admitted within clinically recommended time	94%	76%
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	34.6%
Number of patients on the elective surgery waiting list as at 30 June 2021	4,854	5,065
Number of hospital-initiated postponements per 100 scheduled elective surgery admissions	≤ 7 /100	5.7/100
Number of patients admitted from the elective surgery waiting list	10,455	10,878
Specialist clinics		
Percentage of urgent patients referred by a GP or external specialist who attended a first appointment within 30 days	100%	51.2%
Percentage of routine patients referred by GP or external specialist who attended a first appointment within 365 days	90%	74.7%

Effective financial management

Key performance indicator	Target	2020-21 Result
Finance		
Operating result (\$m)	0.00	0.04
Average number of days to pay trade creditors	60 days	39 days
Average number of days to receive patient fee debtors	60 days	50 days
Public and Private WIES activity performance to target	100%	94.7%
Adjusted current asset ratio	0.7 or 3% improvement from health service base target	0.55
Actual number of days of available cash, measured on the last day of each month	14 days	2.5 days
Variance between forecast and actual Net result from transactions (NRFT) for the current financial year ending 30 June	Variance ≤ \$250,000	\$91.7m

Statement of Priorities Part C - Activity and funding

Funding type	2020-21 activity achievement
Acute Admitted	
Acute WIES	81,067
WIES DVA	594
WIES TAC	435
Acute Non-Admitted	
Home Enteral Nutrition	1,117
Home Renal Dialysis	65
Radiotherapy WAUs Public	81,861
Radiotherapy WAUs DVA	608
Specialist Clinics (WASE)	176,459
Total Parenteral Nutrition	132
Subacute & Non-Acute Admitted	
Subacute WIES - Rehabilitation Public	1,347
Subacute WIES - Rehabilitation Private	314
Subacute WIES - GEM Public	920
Subacute WIES - GEM Private	313
Subacute WIES - Palliative Care Public	354
Subacute WIES - Palliative Care Private	105
Subacute WIES - DVA	62
Transition Care - Bed days	3,769
Transition Care - Home days	10,843
Subacute Non-Admitted	
Health Independence Program - Public	63,530
Mental Health and Drug Services	
Mental Health Ambulatory	60,495
Mental Health Inpatient - Available bed days	38,688
Mental Health Inpatient - Secure Unit	9,125
Mental Health Service System Capacity	1
Mental Health Sub-acute	16,425
Drug Services	N/A
Other	
NFC - Transplants - Paediatric Liver	4.05

³ 9 transplants

Financial summary

Austin Health's main financial strategic objective is to provide the necessary resources to meet anticipated activity levels, address essential capital needs and ensure cash sustainability.

Austin Health's operations were impacted by the COVID-19 pandemic during the financial year and the Department of Health provided additional grant revenue to support Austin Health's ability to respond to the pandemic.

The key financial performance measure monitored by the Department of Health and Austin Health Management is the Operating Result. Austin Health achieved a surplus Operating Result of \$41k in 2020-21 which is in line with the Statement of Priorities breakeven target.

	2021	2020	2019	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Result*	41	204	(5,964)	121	1,076
Total Revenue	1,230,943	1,101,200	1,023,589	985,341	894,047
Total Expenses	(1,274,067)	(1,171,864)	(1,061,819)	(1,006,778)	(892,971)
Net Result from Transactions	(43,124)	(70,664)	(38,229)	(21,437)	1,076
Other Economic Flows	7,362	(5,064)	331,212	118,157	(42,315)
Net Result	(35,762)	(75,728)	292,982	96,719	(41,239)
Total Assets	1,654,558	1,645,893	1,648,554	1,341,211	1,235,753
Total Liabilities	410,419	396,951	310,676	296,314	287,575
Net Assets/Total Equity	1,244,139	1,248,942	1,337,879	1,044,897	948,178

* The Operating Result is the result which the health service is monitored against in its Statement of Priorities

Reconciliation of Net Result from Transactions and Operating Result:

	2021
	\$'000
Operating Result	41
Capital and other income	54,083
COVID-19 State Supply Arrangements	
- Assets received free of charge or for nil consideration	14,239
- State supply items consumed up to 30 June 2021	(7,567)
Assets provided free of charge	30
Expenditure for capital and other purpose	(3,293)
Depreciation and amortisation	(100,656)
Net Result from Transactions	(43,124)

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 22I	Manner of establishment and the relevant Ministers	2
FRD 22I	Purpose, functions, powers and duties	4-5
FRD 22I	Nature and range of services provided	4-5
FRD 22I	Activities, programs and achievements for the reporting period	4-19
FRD 22I	Significant changes in key initiatives and expectations for the future	6-7
Management and structure		
FRD 22I	Organisational structure	21
FRD 22I	Workforce data/employment and conduct principles	27
FRD 22I	Occupational Health and Safety	28
Financial information		
FRD 22I	Summary of the financial results for the year	36
FRD 22I	Significant changes in financial position during the year	36
FRD 22I	Operational and budgetary objectives and performance against objectives	29-35
FRD 22I	Subsequent events	36
FRD 22I	Details of consultancies under \$10,000	27
FRD 22I	Details of consultancies over \$10,000	27
FRD 22I	Disclosure of ICT expenditure	26
Legislation		
FRD 22I	Application and operation of Freedom of Information Act 1982	26
FRD 22I	Compliance with building and maintenance provisions of Building Act 1993	24
FRD 22I	Application and operation of Public Interest Disclosure Act (Updated 2020-2021)	23
FRD 22I	Statement on National Competition Policy	23
FRD 22I	Application and operation of Carers Recognition Act 2012	24
FRD 22I	Summary of the entity's environmental performance	29
FRD 22I	Additional information available on request	26
Other relevant reporting directives		
FRD 25D	Local Jobs First Act disclosures	23
SD 5.1.4	Financial Management Compliance attestation	22
SD 5.2.3	Declaration in report of operations	38
Attestations		
Attestation on Data Integrity		38
Attestation on managing Conflicts of Interest		38
Attestation on Integrity, fraud and corruption		38
Other reporting requirements		
Reporting of outcomes from Statement of Priorities 2020-21		30-35
Occupational Violence reporting		28
Gender Equality Act		24
Asset Management Accountability Framework		25
Reporting obligations under the Safe Patient Care Act 2015		24
Reporting of compliance regarding Car Parking Fees		24

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 2021 and the financial position of Austin Health at 30 June 2021.

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

We authorise the attached financial statements for issue on this date.



Ross Cooke,
Board Chair

Melbourne, 20 September 2021



Adam Horsburgh
Chief Executive Officer

Melbourne, 20 September 2021



Kemsley Fairhurst
Chief Financial Officer

Melbourne, 20 September 2021

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 2021 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • board 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 2021 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>
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>
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>

Other Information (continued) If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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
30 September 2021



Dominika Ryan
as delegate for the Auditor-General of Victoria

Contents

Austin Health Financial Statements and Notes

Notes	Table of contents	Page No
	Comprehensive operating statement	42
	Balance Sheet	43
	Statement of Changes in Equity	44
	Cash flow statement	45
1.	1. Basis of preparation	46
2.	2.1 Revenue and Income from transactions	50
	2.2 Fair value of assets and services received free of charge or for nominal consideration	52
3.	3.1 Expenses from transactions	54
	3.2 Employee benefits in the Balance Sheet	56
	3.3 Superannuation	58
	3.4 Other economic flows	59
4.	4.1 Property, plant and equipment	62
	4.1 (a) Gross carrying amount and accumulated depreciation	62
	4.1 (b) Reconciliation of carrying amount by class of asset	64
	4.1 (c) Fair value measurement hierarchy for assets	68
	4.1 (d) Reconciliation of level 3 Fair Value measurement	69
	4.1 (e) Fair Value determination	70
	4.1 (f) Property, Plant and Equipment Revaluation Surplus	72
	4.2 Depreciation and amortisation	72
5.	5.1 Receivables and contract assets	75
	5.1 (a) Movement in allowance for impairment losses of contractual receivables	75
	5.2 Payables and contract liabilities	77
	5.2 (a) Deferred capital grant revenue	78
	5.2 (b) Contract liabilities	78
	5.3 Other liabilities	79
6.	6.1 Borrowings	81
	6.1 (a) Lease liabilities	82
	6.2 Cash and cash equivalents	84
	6.3 Commitments for expenditure	85
	6.4 Non-cash financing and investing activities	86
7.	7.1 Financial Instruments	87
	7.2 Financial risk management and objectives and policies	89
	7.3 Contingent assets and contingent liabilities	93
8.	8.1 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	94
	8.2 Responsible persons	95
	8.3 Remuneration of executives	97
	8.4 Related parties	98
	8.5 Remuneration of auditors	99
	8.6 Ex gratia expenses	100
	8.7 Events occurring after the Balance Sheet date	100
	8.8 Jointly Controlled Operations	100
	8.9 Equity	102
	8.10 Economic dependency	102

Comprehensive operating statement for the Financial Year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income from Transactions			
Operating Activities	2.1	1,230,936	1,101,186
Non-operating Activities	2.1	7	14
Total Income from Transactions		1,230,943	1,101,200
Expenses from Transactions			
Employee Expenses	3.1	(877,415)	(806,208)
Supplies and consumables	3.1	(162,641)	(153,759)
Finance costs	3.1	(2,036)	(1,979)
Other Administrative expenses	3.1	(61,833)	(52,105)
Other Operating expenses	3.1	(69,486)	(66,408)
Depreciation and Amortisation	4.2	(100,656)	(91,405)
Total Expenses from Transactions		(1,274,067)	(1,171,864)
Net Result from Transactions - Net Operating Balance		(43,124)	(70,664)
Other Economic Flows included in Net Result			
Net gain/(loss) on non-financial assets	3.4	941	7
Net gain/(loss) on financial instruments	3.4	(1,102)	(2,862)
Other gain/(loss) from other economic flows	3.4	7,523	(2,209)
Total Other Economic Flows included in Net Result		7,362	(5,064)
Net Result for the year		(35,762)	(75,728)
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Changes in Property, Plant and Equipment Revaluation Surplus	4.1 (f)	30,959	-
Total Other Comprehensive Income		30,959	-
Comprehensive result for the year		(4,803)	(75,728)

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

Balance Sheet as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current Assets			
Cash and Cash Equivalents	6.2	98,312	77,208
Receivables	5.1	32,602	40,100
Inventories		11,809	10,479
Other Financial Assets		16,335	6,614
Total Current Assets		159,058	134,401
Non-Current Assets			
Receivables	5.1	59,799	55,337
Property, Plant and Equipment	4.1 (a)	1,434,877	1,455,421
Intangible Assets		527	520
Prepayments and Other Assets		297	214
Total Non-Current Assets		1,495,500	1,511,492
Total Assets		1,654,558	1,645,893
Current Liabilities			
Payables	5.2	113,998	82,749
Borrowings	6.1	5,014	40,973
Provisions	3.2	229,231	205,460
Other Liabilities	5.3	359	578
Total Current Liabilities		348,602	329,760
Non-Current Liabilities			
Payables	5.2	400	-
Borrowings	6.1	34,078	36,854
Provisions	3.2	27,340	30,337
Total Non-Current Liabilities		61,818	67,191
Total Liabilities		410,420	396,951
Net Assets		1,244,139	1,248,942
Equity			
Property, Plant and Equipment Revaluation Surplus	4.1 (f)	1,193,862	1,162,903
Restricted Specific Purpose Surplus	SCE	7,316	7,425
Contributed Capital	SCE	534,384	534,384
Accumulated Deficits	SCE	(491,423)	(455,770)
Total Equity		1,244,139	1,248,942

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

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

	Property, Plant and Equipment Revaluation Surplus \$'000	Restrictd Specific Purpose Surplus \$'000	Contributed Capital \$'000	Accumulated Deficits \$'000	Total \$'000
Balance at 30 June 2019	1,162,903	7,465	531,696	(364,185)	1,337,879
Effect of adoption of AASB 15, 16, and 1058	-	-	-	(15,897)	(15,897)
Restated balance at 30 June 2019	1,162,903	7,465	531,696	(380,082)	1,321,982
Net result for the year	-	-	-	(75,728)	(75,728)
Other comprehensive income for the year	-	-	-	-	-
Transfer (from)/to contributed capital	-	-	2,688	-	2,688
Transfer from/(to) accumulated deficits	-	(40)	-	40	-
Balance at 30 June 2020	1,162,903	7,425	534,384	(455,770)	1,248,942
Net result for the year	-	-	-	(35,762)	(35,762)
Other comprehensive income for the year	30,959	-	-	-	30,959
Transfer (from)/to contributed capital	-	-	-	-	-
Transfer from/(to) accumulated deficits	-	(109)	-	109	-
Balance at 30 June 2021	1,193,862	7,316	534,384	(491,423)	1,244,139

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

Cash flow statement for the Financial Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash Flows from Operating Activities			
Operating Grants from government		1,011,450	893,334
Capital grants from government - State		36,703	13,341
Capital grants from government - Commonwealth		517	738
Patient Fees Received		48,921	36,213
Private Practice Fees Received		17,198	17,729
Donations and Bequests Received		16,086	12,723
Net GST Received from ATO		-	6
Interest and Investment Income Received		352	667
Recoupment from Private Practice for use of Hospital Facilities		42,836	44,576
Other Receipts		83,252	74,308
Total Receipts		1,257,315	1,093,634
Employee Expenses Paid		(844,731)	(790,551)
Payments for Supplies and Consumables		(162,641)	(153,759)
Payments for Medical Indemnity Insurance		(8,724)	(8,314)
Payments for Repairs and Maintenance		(44,875)	(40,899)
Net GST Paid to ATO		(1,266)	-
Finance Costs		(2,036)	(1,979)
Other Payments		(95,758)	(57,106)
Total Payments		(1,160,030)	(1,052,609)
Net Cash Flows from/(used in) Operating Activities	8.1	97,285	41,025
Cash Flows from Investing Activities			
Purchase of Non-Financial Assets		(33,150)	(34,487)
Purchase of Intangible Assets		(1,174)	(236)
Proceeds from Disposal of Non-Financial Assets		3	16
Net Cash Flows from/(used in) Investing Activities		(34,321)	(34,707)
Cash Flows from Financing Activities			
Proceeds from Contributed Capital		-	2,688
Proceeds from Borrowings		-	36,230
Repayment of Borrowings		(38,121)	(1,793)
Repayment of Lease Liabilities		(3,694)	(2,867)
Net Cash Flows from/(used in) Financing Activities		(41,815)	34,258
Net Increase/(Decrease) in Cash and Cash Equivalents Held		21,149	40,577
Cash and Cash Equivalents at Beginning of Year		77,163	36,586
Cash and Cash Equivalents at End of Year	6.2	98,312	77,163

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

Notes to the Financial Statements for the Financial Year Ended 30 June 2021

Note 1: Basis of preparation

Structure

- 1.1 Basis of preparation of the financial statements
- 1.2 Impact of COVID-19 pandemic
- 1.3 Abbreviations and terminology used in the financial statements
- 1.4 Joint arrangements
- 1.5 Key accounting estimates and judgements
- 1.6 Accounting standards issued but not yet effective
- 1.7 Goods and Services Tax (GST)
- 1.8 Reporting Entity
- 1.9 Correction of a prior period error
- 1.10 Change in accounting estimate

These annual financial statements represent the audited general purpose financial statements for Austin Health for the year ended 30 June 2021. The report provides users with information about Austin Health's stewardship of resources entrusted to it.

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

Note 1.1 Basis 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 (FRD's) issued by the Department of Treasury and Finance (DTF), and relevant Standing Directions (SD's) 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.

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

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 20 September 2021.

Note 1.2 Impact of COVID-19 pandemic

In March 2020 a state of emergency was declared in Victoria due to the global coronavirus pandemic, known as COVID-19. Since this date, to contain the spread of COVID-19 and prioritise the health and safety of our community, Austin Health was required to comply with various restrictions announced

by the Commonwealth and State Governments, which in turn, has continued to impact the way in which Austin Health operates.

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

- introducing restrictions on non-essential visitors
- greater utilisation of telehealth services
- implementing reduced visitor hours
- deferring elective surgery and reducing activity
- transferring inpatients to private health facilities
- performing COVID-19 testing
- administering COVID-19 vaccinations
- implementing work from home arrangements where appropriate.

As restrictions have eased towards the end of the financial year, Austin Health has been able to revise some measures where appropriate including visitors and elective surgery.

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

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

Note 1.3 Abbreviations and terminology used in the financial statements

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

Reference	
AASB	Australian Accounting Standards Board
AASs	Australian Accounting Standards, which include interpretations
DoH	Department of Health
DTF	Department of Treasury and Finance
FMA	Financial Management Act 1994
FRD	Financial Reporting Direction
SD	Standing Direction
VAGO	Victorian Auditor General's Office
VCCC	Victorian Comprehensive Cancer Centre
WIES	Weighted Inlier Equivalent Separation

Note 1.4 Joint arrangements

Interests in joint arrangements are accounted for by recognising in Austin Health's financial statement, 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.

Notes to the Financial Statements (continued)

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 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current	Reporting periods on or after 1 January 2022	Adoption of this standard is not expected to have a material impact.
AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments	Reporting periods on or after 1 January 2022	Adoption of this standard is not expected to have a material impact.
AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform Phase 2	Reporting periods on or after 1 January 2021	Adoption of this standard is not expected to have a material impact.

There are no other accounting standards and interpretations issued by 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 associated 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 or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flow.

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

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

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

Telling the COVID-19 story

Revenue recognised to fund the delivery of our services increased during the financial year which was partially attributable to the COVID-19 pandemic and its impact on our economy and health of our community.

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

This was offset by funding provided by the Department of Health to compensate for lost revenue and to cover certain direct and indirect COVID-19 related costs.

Additional funding provided included:

- COVID-19 grants
- State repurposed grants
- Stability funding for maintaining business as usual operations
- Additional elective surgery funding
- Local public health unit (LPHU) funding for the North East Public Health Unit
- Mental health capacity funding.

Personal protective equipment

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

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

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 revenue to be recognised as or when Austin Health 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	<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>
Determining of capital grant income recognition	<p>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.</p>

Notes to the Financial Statements (continued)

Note 2.1: Revenue and Income from Transactions

	2021 \$'000	2020 \$'000
Operating activities		
Revenue from contracts with customers		
Government grants (State) - Operating	947,212	831,434
Government grants (Commonwealth) - Operating	59,660	58,448
Patient and Resident Fees	36,309	37,544
Private Practice Fees	42,836	44,576
Commercial Activities ¹	77,578	71,327
Total revenue from contracts with customers	1,163,595	1,043,329
Other sources of income		
Government grants (State) - Capital	32,991	16,281
Government grants (Commonwealth) - Capital	517	738
Other capital purpose income	3,478	2,532
Capital donations	30	87
Assets received free of charge or for nominal consideration	14,239	1,466
Other Revenue from Operating Activities (including non-capital donations)	16,086	36,752
Total other sources of revenue	67,341	57,856
Total revenue and income from operating activities	1,230,936	1,101,186
Non-operating activities		
Income from other sources		
Capital Interest	7	14
Total Income from other sources	7	14
Total Revenue and Income from Transactions	1,230,943	1,101,200

¹ Commercial activities represent business activities which Austin Health enter into to support their operations.

Note 2.1: Revenue and Income from Transactions (continued)

How we recognise revenue and income from transactions

Government Operating Grants

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

When both 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 is satisfied its performance obligations, at the time or over time when services are rendered.

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

Types of government grants recognised under AASB 15 *Revenue from Contracts with Customers* includes :

Government Grant	Performance Obligation
Activity Based Funding (ABF) paid as Weighted Inliner Equivalent Separation (WIES) casemix.	Activity Based Funding (ABF) paid as Weighted Inliner Equivalent Separation (WIES) casemix.
Deferred Care (elective surgery funding)	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 Department of Health in the annual Statement of Priorities.
North East Public Health Unit	The performance obligations for the North East Public Health Unit are to support COVID-19 case management, contact tracing and outbreak management in accordance with the targets agreed to with the Department of Health in the annual Statement of Priorities.

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

	2021 \$'000	2020 \$'000
Plant and Equipment	5,088	87
Personal protective equipment	9,180	1,466
Total Fair value of assets and services received free of charge or for nominal consideration	14,268	1,554

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 when the performance obligation is satisfied.

Personal protective equipment

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

The general principles of the State Supply Arrangement were that 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 an agent 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

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

Non-cash contributions from the Department of Health

The Department of Health 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 set out in the relevant Department of Health Hospital Circular.

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 Employee benefits in the Balance Sheet
- 3.3 Superannuation
- 3.4 Other Economic Flows

Telling the COVID-19 story

Expenses incurred to deliver our services increased 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.

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 and additional equipment purchases
- implement COVID-19 safe practices throughout Austin Health including increased cleaning, increased security and 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 additional equipment purchased.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring and classifying employee benefit liabilities	<p>Austin Health applies significant judgement when measuring and 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> <p>Austin Health also applies judgement to determine when it expects its employee entitlements to be paid. With reference to historical data, if the health service does not expect entitlements to be paid within 12 months, the entitlement is measured at its present value. All other entitlements are measured at their nominal value.</p>

Notes to the Financial Statements (continued)

Note 3.1: Expenses from Transactions

	Note	2021 \$'000	2020 \$'000
Salaries and Wages		684,989	627,875
On-costs		170,319	156,764
Agency Expenses		10,703	10,673
Fee for Service Medical Officer Expenses		2,775	2,733
Workcover Premium		8,629	8,163
Total Employee Expenses		877,415	806,208
Drug Supplies		68,529	66,030
Medical and Surgical Supplies (including Prostheses)		65,123	63,852
Diagnostic and Radiology Supplies		15,037	10,715
Other Supplies and Consumables		13,952	13,162
Total Supplies and Consumables		162,641	153,759
Finance Costs		2,036	1,979
Total Finance Costs		2,036	1,979
Other Administrative Expenses		61,833	52,105
Total Other administrative expenses		61,833	52,105
Fuel, Light, Power and Water		12,595	13,418
Repairs and Maintenance		19,681	15,575
Maintenance Contracts		25,193	25,324
Medical Indemnity Insurance		8,724	8,314
Expenses Related to Short Term and Low Value Leases		3,143	1,294
Expenditure for Capital Purposes		150	2,483
Total Other Operating Expenses		69,486	66,408
Depreciation and Amortisation	4.2	100,656	91,405
Total Other Non-Operating Expenses		100,656	91,405
Total Expenses from Transactions		1,274,067	1,171,864

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 Department of Health 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 outside the normal operations such as depreciation and amortisation.

Notes to the Financial Statements (continued)

Note 3.2: Employee benefits in the Balance Sheet

	2021 \$'000	2020 \$'000
Current Provisions		
Accrued Days Off		
Unconditional and expected to be settled wholly within 12 months ⁱ	2,242	2,110
Annual leave		
Unconditional and expected to be settled wholly within 12 months ⁱ	67,662	56,293
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	11,373	9,568
Long Service Leave		
Unconditional and expected to be settled wholly within 12 months ⁱ	67,269	61,497
Unconditional and expected to be settled wholly after 12 months ⁱⁱ	57,091	54,855
Provisions related to Employee Benefit On-Costs		
Unconditional and expected to be settled within 12 months ⁱ	15,652	13,664
Unconditional and expected to be settled after 12 months ⁱⁱ	7,942	7,473
Total Current Provisions	229,231	205,460
Non-Current Provisions		
Conditional Long Service Leave	24,498	27,203
Provisions related to Employee Benefit On-Costs	2,842	3,134
Total Non-Current Provisions	27,340	30,337
Total Provisions	256,571	235,797

ⁱ The amounts disclosed are nominal amounts.

ⁱⁱ The amounts disclosed are discounted to present values.

(a) Employee Benefits and Related On-Costs

	2021 \$'000	2020 \$'000
Unconditional long service leave entitlements	138,786	129,849
Unconditional annual leave entitlements	88,203	73,501
Unconditional accrued days off	2,242	2,110
Total Current Employee Benefits and Related On-Costs	229,231	205,460
Conditional long service leave entitlements	27,340	30,337
Total Non-Current Employee Benefits and Related On-Costs	27,340	30,337
Total Employee Benefits and Related On-Costs	256,571	235,797
Movement in On-Costs Provision		
Balance at start of year	24,271	22,490
Additional provisions recognised	12,216	11,099
Unwinding of discount and effect of changes in discount rate	(873)	256
Amounts incurred during the year	(9,178)	(9,574)
Balance at end of year	26,436	24,271

Note 3.2: Employee benefits in the Balance Sheet (continued)

How we recognise employee benefits

Employee Benefit Recognition

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

Provisions

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

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

Annual Leave and Accrued Days Off

Liabilities for annual leave and accrued days off are 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 the 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 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.

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 3.3: Superannuation

	Paid Contribution for the Year		Contribution Outstanding at Year End	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Defined Benefit Plansⁱ				
Aware Super	1,027	1,158	152	204
Commonwealth Superannuation Scheme	1,633	1,802	52	59
ESS Super	82	96	3	2
Defined Contribution Plans:				
Aware Super	32,464	30,605	5,437	4,559
Hesta	23,715	22,100	4,136	3,488
Other	6,089	4,715	955	724
Total	65,010	60,476	10,735	9,036

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.

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 3.4: Other economic flows

	2021 \$'000	2020 \$'000
Assets recognised this year	951	-
Net gain/(loss) on disposal of property, plant and equipment	(10)	7
Total net gain/(loss) on non-financial assets	941	7
Bad Debts written off	(2,347)	(1,654)
(Increase)/decrease in allowance for impairment of contractual receivables	1,245	(1,208)
Total net gain/(loss) on financial instruments	(1,102)	(2,862)
Net gain/(loss) arising from revaluation of long service liability	7,523	(2,209)
Total other gains/(losses) from other economic flows	7,523	(2,209)
Total other gains/(losses) from economic flows	7,362	(5,064)

Note 3.4: Other economic flows included in net result (continued)

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

Net gain / (loss) on non-financial assets

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

- Revaluation gains / (losses) of non-financial physical assets (Refer to Note 4.1 Property, Plant and Equipment)
- Net gain / (loss) on disposal of non-financial assets
- Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal.

Net gain / (loss) on financial instruments

Net gain / (loss) on financial instruments includes:

- realised and unrealised gains and losses from revaluations of financial instruments
- impairment and reversal of impairment for financial instruments at amortised cost
- disposals of financial assets and derecognition of financial liabilities.

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 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.

Structure

- 4.1 Property, Plant and Equipment
- 4.2 Depreciation and amortisation

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.

Key judgements and estimates

This section contains the following key judgements and estimates:

Key judgements and estimates	Description
Measuring fair value of property, plant and equipment and investment properties	<p>Austin Health obtains independent valuations for its non-current assets at least once every five years.</p> <p>If an independent valuation has not been undertaken at balance date, Austin Health estimates possible changes in fair value since the date of the last independent valuation with reference to Valuer-General of Victoria indices.</p> <p>Managerial adjustments are recorded if the assessment concludes a material change in fair value has occurred. Where exceptionally large movements are identified, an interim independent valuation is undertaken.</p>
Estimating useful life and residual value of property, plant and equipment	<p>Austin Health assigns an estimated useful life to each item of property, plant and equipment, whilst also estimating the residual value of the asset, if any, at the end of the useful life. This is used to calculate depreciation of the asset.</p> <p>Austin Health reviews the useful life, residual value and depreciation rates of all assets at the end of each financial year and where necessary, records a change in accounting estimate.</p>
Estimating useful life of right-of-use assets	<p>The useful life of each right-of-use asset is typically the respective lease term, except where the 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 restoration costs at the end of a lease	<p>Where a lease agreement requires Austin Health to restore a right-of-use asset to its original condition at the end of a lease, the health service estimates the present value of such restoration costs. This cost is included in the measurement of the right-of-use asset, which is depreciated over the relevant lease term.</p>
Estimating the useful life of intangible assets	<p>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.</p>
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. 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>

Notes to the Financial Statements (continued)

Note 4.1: Property, Plant and Equipment

(a) Gross carrying amount and accumulated depreciation

	2021 \$'000	2020 \$'000
Crown Land at Fair Value	59,665	45,581
Freehold Land at Fair Value	99,839	88,657
Total Land at Fair value	159,504	134,238
Right of use Freehold Land	134,202	127,558
Less Accumulated Depreciation	(11,214)	-
Total Right of use Land	122,988	127,558
Buildings at Fair Value	1,184,067	1,183,828
Less Accumulated Depreciation	(146,841)	(73,399)
	1,037,226	1,110,429
Buildings under construction	21,744	12,303
	21,744	12,303
Right of use Buildings	2,470	2,498
Less Accumulated Depreciation	(1,252)	(415)
	1,218	2,083
Leasehold Improvements at Cost	7	7
Less Accumulated Depreciation	(2)	(2)
	5	5
Total Buildings	1,060,193	1,124,820
Plant and Equipment at Fair Value	39,726	39,600
Less Accumulated Depreciation	(32,407)	(30,203)
Total Plant and Equipment	7,319	9,397
Motor Vehicles at Fair Value	1,050	1,024
Less Accumulated Depreciation	(1,032)	(1,024)
Total Motor Vehicles	18	-
Medical Equipment	127,319	122,909
Less Accumulated Depreciation	(113,050)	(108,451)
Total Medical Equipment	14,269	14,458

	2021 \$'000	2020 \$'000
Computers and Communication Equipment at Fair Value	25,695	25,006
Less Accumulated Depreciation	(24,884)	(23,711)
Total Computers and Communication Equipment	811	1,295
Furniture and Fittings at Fair Value	2,627	2,557
Less Accumulated Depreciation	(2,462)	(2,372)
Total Furniture and Fittings	165	185
Other Equipment at Fair Value	17,714	17,555
Less Accumulated Depreciation	(17,070)	(16,491)
	644	1,064
Equipment under construction	61,748	35,171
	61,748	35,171
Total Other equipment	62,392	36,235
Right of use Plant, Equipment and Vehicles	11,826	9,377
Less Accumulated Depreciation	(4,608)	(2,142)
Total Right of use Plant, Equipment and Vehicles	7,218	7,235
Total Property, Plant and Equipment	1,434,877	1,455,421

Notes to the Financial Statements (continued)

Note 4.1: Property, Plant and Equipment (continued)

(b) Reconciliations of carrying amount by class of asset

	Note	Land	Right of use Land	Buildings	Righ of use Buildings	Plant & Equipment
		\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019		134,238	127,558	1,186,729	1,668	10,032
Additions		-	-	9,402	830	1,808
Disposals		-	-	-	-	-
Net Transfers between classes		-	-	-	-	-
Assets provided free of charge		-	-	-	-	-
Revaluation increments/(decrements)		-	-	-	-	-
Depreciation	4.2	-	-	(73,399)	(415)	(2,443)
Balance at 30 June 2020	4.1(a)	134,238	127,558	1,122,732	2,083	9,397
Additions		-	951	9,681	-	126
Disposals		-	-	-	(236)	-
Net Transfers between classes		(5,693)	5,693	-	-	-
Assets provided free of charge		-	-	-	-	-
Revaluation increments/(decrements)		30,959	-	-	-	-
Depreciation	4.2	-	(11,214)	(73,444)	(629)	(2,204)
Balance at 30 June 2021	4.1(a)	159,504	122,988	1,058,969	1,218	7,319

Land and Buildings and Assets Carried at Valuation

The Valuer-General Victoria undertook to re-value all of Austin Health's owned and leased 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 parties in an arm's length transaction.

The valuation was based on independent assessments. The effective date of the valuation was 30 June 2019.

Motor Vehicles	Lease hold Improvement	Medical	Computers & Comm Equipment	Furniture & Fittings	Other Equipment	Equipment under Construction	Right of use Plant, Equipment & Vehicles	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
-	7	16,749	1,608	180	1,393	16,389	6,270	1,502,821
-	-	5,289	1,486	91	422	18,782	3,107	41,217
-	-	(8)	(1)	-	-	-	-	(9)
-	-	-	-	-	-	-	-	-
-	-	87	-	-	-	-	-	87
-	-	-	-	-	-	-	-	-
-	(1)	(7,659)	(1,798)	(86)	(751)	-	(2,142)	(88,694)
-	6	14,458	1,295	185	1,064	35,171	7,235	1,455,421
-	-	2,337	774	70	182	26,577	2,449	43,147
-	-	(13)	-	-	-	-	-	(249)
-	-	-	-	-	-	-	-	-
26	-	5,062	-	-	-	-	-	5,088
-	-	-	-	-	-	-	-	30,959
(8)	(2)	(7,575)	(1,258)	(90)	(602)	-	(2,466)	(99,491)
18	5	14,269	811	165	644	61,748	7,218	1,434,877

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.

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

Subsequent measurement

Items of property, plant and equipment (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 below.

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

An adjustment is recognised if the assessment concludes that the fair value of land and buildings has changed by 10% or more since the last revaluation (whether that be the most recent independent valuation or managerial valuation). Any estimated change in fair value of less than 10% is deemed immaterial to the financial statements and no adjustment is recorded. Where the assessment indicates there has been an exceptionally material movement in the fair value of land and buildings since the last independent valuation, being equal to or in excess of 40%, 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 at 30 June 2021 indicated an overall increase in fair value of land of 23% (\$30.9m).

As the cumulative movement was greater than 10% for land since the last revaluation a managerial revaluation adjustment was required as at 30 June 2021. No managerial adjustment was required for buildings as the cumulative movement was less than 10% since last revaluation.

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 reserve 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.

Impairment

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

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

How we recognise right-of-use assets

Where 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

Presentation of right-of-use assets

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

Initial recognition

When a contract is entered into, 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; and
- An estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

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 asset at cost. Refer to Note 6.1(a) 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 cost less accumulated depreciation and accumulated impairment losses where applicable. Right-of-use assets are also adjusted for certain re-measurements of the lease liability (for example, when a variable lease payment based on an index or rate becomes effective).

Impairment

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

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

Notes to the Financial Statements (continued)

Note 4.1: Property, Plant and Equipment (continued)

(c) Fair value measurement hierarchy for assets

	Note	Fair value measurement at the end of the reporting period using:			
		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 Building 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
Other Equipment	4.1(a)	644	-	-	644
Computers and Communication Equipment	4.1(a)	811	-	-	811
Furniture and Fittings	4.1(a)	165	-	-	165
Total Plant, Equipment, Vehicles, Furniture and Fittings at Fair Value		23,226	-	-	23,226
Total Property, Plant and Equipment		1,219,956	-	-	1,219,956
	Note	Total \$'000	Level 1 ⁱ \$'000	Level 2 ⁱ \$'000	Level 3 ⁱ \$'000
Balance at 30 June 2020					
Specialised Land		134,238	-	-	134,238
Total Land at Fair Value	4.1(a)	134,238	-	-	134,238
Specialised Buildings		1,110,429	-	-	1,110,429
Total Building at Fair Value	4.1(a)	1,110,429	-	-	1,110,429
Plant and Equipment	4.1(a)	9,397	-	-	9,397
Medical Equipment	4.1(a)	14,458	-	-	14,458
Computers and Communication Equipment	4.1(a)	1,295	-	-	1,295
Furniture and Fittings	4.1(a)	185	-	-	185
Other Equipment	4.1(a)	1,064	-	-	1,064
Total Plant, Equipment, Vehicles, Furniture and Fittings at Fair Value		26,399	-	-	26,399
Total Property, Plant and Equipment		1,271,066	-	-	1,271,066

ⁱ Classified in accordance with the fair value hierarchy.

Note 4.1: Property, Plant and Equipment (continued)

(d) Reconciliation of level 3 Fair Value measurementⁱ

Total	Note	Land	Buildings	Plant & Equipment	Motor Vehicles	Medical Equipment	Computers & Comm Equipment	Furniture & Fittings	Other Equipment	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019		134,238	1,125,840	10,032	-	16,749	1,608	180	1,393	1,290,039
Additions	4.1(b)	-	9,402	1,808	-	5,289	1,486	91	422	18,498
Disposals		-	-	-	-	(8)	(1)	-	-	(9)
Net Transfers between classes		-	48,586	-	-	-	-	-	-	48,586
Assets provided free of charge	4.1(b)	-	-	-	-	87	-	-	-	87
Gains/(Losses) recognised in Net Result:										
- Depreciation and Amortisation	4.2	-	(73,399)	(2,443)	-	(7,659)	(1,798)	(86)	(751)	(86,137)
Items recognised in Other Comprehensive Income:										
- Revaluation		-	-	-	-	-	-	-	-	-
Balance at 30 June 2020		134,238	1,110,429	9,397	-	14,458	1,295	185	1,064	1,271,067
Additions	4.1(b)	-	240	126	-	2,337	774	70	182	3,730
Disposals		-	-	-	-	(13)	-	-	-	(13)
Net Transfers between classes		(5,693)	-	-	-	-	-	-	-	(5,693)
Assets provided free of charge	4.1(b)	-	-	-	26	5,062	-	-	-	5,088
Gains/(Losses) recognised in Net Result:										
- Depreciation and Amortisation	4.2	-	(73,444)	(2,204)	(8)	(7,575)	(1,258)	(90)	(602)	(85,183)
Items recognised in Other Comprehensive Income:										
- Revaluation		30,959	-	-	-	-	-	-	-	30,959
Balance at 30 June 2021		159,504	1,037,226	7,319	18	14,269	811	165	644	1,219,956

i. Classified in accordance with the fair value hierarchy, refer Note 4.1(c).

Note 4.1: Property, Plant and Equipment (continued)

(e) Fair Value determination

Asset class	Asset class	Significant inputs (Level 3 only)
Land	Market approach	Community Service Obligations (CSO) adjustments ⁽ⁱ⁾
Buildings	Depreciated replacement cost approach	Cost approach using best available evidence from recognised building cost indicators and/or Quantity Surveyors and examples of current costs
Plant and Other Equipment (includes Plant and Equipment, Motor Vehicles, Computers, Other Equipment, Furniture and Fittings)	Depreciated replacement cost approach	Cost per unit and the useful life of the asset
Medical Equipment	Depreciated replacement cost approach	Cost per unit and the useful life of the asset

⁽ⁱ⁾ A Community Service Obligation (CSO) was applied to specialised land classified in accordance with the fair value hierarchy. A CSO of 20% was applied in 2019 with the exception of the Austin Site which, which had a 50% CSO discount applied due to a Queen's caveat.

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.

For the purpose of fair value disclosures, Austin Health has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

In addition, 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 have been no transfers between levels during the period. In the prior year, there is a transfer between non-specialised land and specialised land to reflect the correct fair value as per the independent revaluation in 2019.

The Valuer-General Victoria (VGV) is Austin Health's independent valuation agency.

The estimates and underlying assumptions are reviewed on an ongoing basis.

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.

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.

Consideration of highest and best use (HBU) for non-financial physical assets

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 and cultural assets

Non-specialised land, 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 the valuation 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, 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 their fair value.

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

The CSO adjustment 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 the valuation is 30 June 2019.

Motor Vehicles

The 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 who set relevant depreciation rates during use to reflect the consumption of the vehicles. As a result, the fair value of vehicles does not differ materially from the carrying amount (depreciated cost).

Furniture, fittings, plant and equipment

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

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

Notes to the Financial Statements (continued)

Note 4.1: Property, Plant and Equipment (continued)

(f) Property, Plant and Equipment Revaluation Surplus

	Note	2021 \$'000	2020 \$'000
Balance at the beginning of the reporting period		1,162,903	1,162,903
Revaluation Increment:			
- Land	4.1(b)	30,959	-
- Buildings	4.1(b)	-	-
Balance at the end of the reporting period*		1,193,862	1,162,903
* Represented by:			
- Land		267,299	236,340
- Buildings		926,563	926,563
		1,193,862	1,162,903

Note 4.2: Depreciation and amortisation

	2021 \$'000	2020 \$'000
Depreciation		
Buildings	73,444	73,399
Plant and Equipment	2,204	2,443
Leasehold Improvements	2	1
Motor Vehicles	8	-
Medical Equipment	7,575	7,659
Computers and Communication Equipment	1,258	1,798
Furniture and Fittings	90	86
Other Equipment	602	751
Right of use assets		
- Right of use Land	11,214	-
- Right of use Buildings	629	415
- Right of use Plant, Equipment and Vehicles	2,466	2,142
Total Depreciation	99,491	88,694
Amortisation		
Intangible Assets	1,165	2,711
Total Amortisation	1,165	2,711
Total Depreciation and Amortisation	100,656	91,405

Note 4.2: Depreciation and amortisation

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.

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.

	2021	2020
Buildings		
- Shell / Structure	45 to 60 years	45 to 60 years
- Siteworks / Site Services	20 to 30 years	20 to 30 years
- Siteworks / Site 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	7 to 15 years	7 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
Right of use assets		
- Right of use Land	21 to 45 years	-
- Right of use Buildings	2 to 5 years	2 to 5 years
- Right of use Plant, Equipment and Vehicles	1 to 7 years	1 to 7 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 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.
Classifying a sub-lease arrangement as either an operating lease or finance lease	<p>Austin Health applies significant judgement to determine if a sub-lease arrangement, where the health service is a lessor, meets the definition of an operating lease or finance lease. Austin Health considers a range of scenarios when classifying a sub-lease. A sub-lease typically meets the definition of a finance lease if:</p> <ul style="list-style-type: none"> - The lease transfers ownership of the asset to the lessee at the end of the term - The lessee has an option to purchase the asset for a price that is significantly below fair value at the end of the lease term - The lease term is for the majority of the asset’s useful life - The present value of lease payments amount to the approximate fair value of the leased asset - The leased asset is of a specialised nature that only the lessee can use without significant modification. <p>All other sub-lease arrangements are classified as an operating lease.</p>
Measuring deferred capital grant income	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. 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.
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.

Note 5.1: Receivables and Contract assets

	Note	2021 \$'000	2020 \$'000
Current Contractual			
Inter-hospital Debtors		3,776	3,206
Trade Debtors		8,782	6,732
Patient Fees		7,376	21,089
Provision for impairment	7.2(a)	(1,390)	(5,382)
Accrued Revenue		10,335	12,213
		28,879	37,858
Statutory			
GST Receivable		3,724	2,242
		3,724	2,242
Total Current Receivables and Contract Assets		32,602	40,100
Non-Current Contractual			
Long Service Leave - Department of Health		59,799	55,337
Total Non-Current Receivables		59,799	55,337
Total Receivables		92,401	95,437
(i) Financial assets classified as receivables and contract assets (Note 7.1(a))			
Total receivables and contract assets		92,401	95,437
Provision for impairment		1,390	5,382
GST Receivable		(3,724)	(2,242)
Total financial assets		90,067	98,577

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

	2021 \$'000	2020 \$'000
Balance at beginning of year	5,382	4,173
Amounts written off during the year	(2,347)	(1,654)
Increase/(decrease) in allowance written off during the year	(400)	1,656
Increase/(decrease) in allowance recognised in the net result	(1,245)	1,208
Balance at end of year	1,390	5,382

How we recognise receivables

Receivables consist of:

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 counter-party or any group of counter-parties 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 7.1(a) for Austin Health's contractual impairment losses.

Note 5.2: Payables and contract liabilities

	Note	2021 \$'000	2020 \$'000
Current Contractual			
Inter-hospital Creditors		-	78
Trade Creditors		11,005	4,594
Accrued Salary and Wages		24,276	27,848
Accrued Interest		334	351
Accrued Expenses		29,024	20,280
Deferred grant revenue	5.2(a)	17,959	12,956
Contract Liabilities - income received in advance	5.2(b)	13,440	1,717
Salary Packaging		2,952	1,750
Department of Health		-	819
Other		700	132
		99,690	70,525
Statutory			
GST Payable		646	430
Pay As You Go Withholding		2,926	2,757
Superannuation Payable		10,736	9,037
		14,308	12,224
Total Payables and contract liabilities		113,998	82,749
Non-Current			
Contract Liabilities - income received in advance	5.2(b)	400	-
Total Non-Current		400	-
Total Payables		114,398	82,749
(i) Financial liabilities classified as payables and contract liabilities (Note 7.1(a))			
Total payables and contract liabilities		114,398	82,749
Deferred Grant income		(17,959)	(12,956)
Contract Liabilities		(13,840)	(1,717)
Other		(14,308)	(12,224)
Total financial liabilities		68,291	55,852

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 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.

Note 5.2: Payables and contract liabilities (continued)

(a) Deferred capital grant revenue

	2021 \$'000	2020 \$'000
Opening balance of deferred grant income	12,956	15,897
Grant consideration for capital works received during the year	37,220	14,078
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	(32,217)	(17,020)
Closing balance of deferred grant consideration received for capital works	17,959	12,956

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.

(b) Contract liabilities

	2021 \$'000	2020 \$'000
Opening balance of contract liabilities	1,717	-
Adjustment for initial adoption of AASB 15	-	2
Payments received for performance obligations not yet fulfilled	986,939	850,558
Revenue recognised for the completion of a performance obligation	(974,816)	(848,843)
Total contract liabilities*	13,840	1,717
*Represented by		
- Current contract liabilities	13,440	1,717
- Non-current contract liabilities	400	-
Total contract liabilities	13,840	1,717

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

	2021 \$'000	2020 \$'000
Current		
Monies Held in Trust		
- Patient Monies Held in Trust	54	45
- Other Monies Held in Trust	305	533
Total Current	359	578
Total Other Liabilities*	359	578
*Represented by:		
- Cash Assets	359	578
	359	578

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, Austin Health had to utilise precommitted and tied cash reserves (capital, research and donations for specified purposes) 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	Austin Health applies significant judgement to determine if a contract is or contains a lease by considering if the health service: <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 - 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	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.
Discount rate applied to future lease payments	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.
Assessing the lease term	The lease term represents the non-cancellable period of a lease, combined with periods covered by an option to extend or terminate the lease if Austin Health is reasonably certain to exercise such options. Austin Health determines the likelihood of exercising such options on a lease-by-lease basis through consideration of various factors including: <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; and - The health service considers historical lease durations and the costs and business disruption to replace such leased assets.

Note 6.1: Borrowings

	2021 \$'000	2020 \$'000
Current		
Department of Health ⁽ⁱ⁾	436	36,750
TCV Loan ⁽ⁱⁱ⁾	1,457	1,373
Lease Liability ⁽ⁱⁱⁱ⁾	3,121	2,850
Total Current Borrowings	5,014	40,973
Non-current		
Department of Health ⁽ⁱ⁾	-	433
TCV Loan ⁽ⁱⁱ⁾	28,627	30,084
Lease Liability ⁽ⁱⁱⁱ⁾	5,451	6,337
Total Non-Current Borrowings	34,078	36,854
Total Borrowings	39,092	77,827

(i) These are secured loans which bear no interest.

(ii) These are secured loans with a weighted average interest rate of 6.70% (2020 6.7%) for the initial loan in 2008 and 4.75% (2020 4.75%) for the additional loan in 2013.

(iii) Secured by the assets leased.

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 the 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.

Notes to the Financial Statements (continued)

Note 6.1 (a) : Lease Liabilities

Lease Liabilities

Austin Health's lease liabilities are summarised below:

	2021 \$'000	2020 \$'000
Total undiscounted lease liabilities	8,619	9,477
Less unexpired finance expenses	(47)	(291)
Net Lease liabilities	8,572	9,186

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

	2021 \$'000	2020 \$'000
Not later than one year	3,184	3,006
Later than 1 year and not later than 5 years	5,436	6,438
Later than 5 years	-	33
Minimum future lease liability	8,619	9,186
Less future charges	(47)	(291)
Present value of lease liability*	8,572	9,186
*Represented by:		
- Current borrowings lease liability	3,121	2,850
- Non-current borrowings lease liability	5,451	6,337
Total	8,572	9,186

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	Description of payment
Low value lease payments	Leases where the underlying asset's fair value, when new, is no more than \$10,000	Photocopiers, IT equipment
Short-term lease payments	Leases with a term less than 12 months	Portable washer

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 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.

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.	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 St, Heidelberg	The leased land is used for the purpose of delivering health services to the community.	Lease payments of \$104 per annum are required. Lease commenced in 2011 and has a lease term of 10 years.
Land - Law St, Heidelberg	The leased land is used for the purpose of delivering health services to the community.	Lease payments of \$104 per annum are required. Lease commenced in 2015 and has a lease term of 10 years.

Notes to the Financial Statements (continued)

Note 6.2: Cash and cash equivalents

	Note	2021 \$'000	2020 \$'000
Cash on Hand (excluding monies held in trust)		66	67
Cash at Bank (excluding monies held in trust)		6,714	3,797
Cash at Bank - CBS (excluding monies held in trust)		91,146	72,280
Deposits at Call		27	486
Total Cash held for Operations		97,953	76,630
Cash at bank - CBS (monies held in trust)		359	578
Total Cash held as monies in trust		359	578
Total Cash and cash equivalents	7.1(a)	98,312	77,208

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 short term

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

	2021 \$'000	2020 \$'000
Capital expenditure commitments		
Less than 1 year	59,218	41,700
Longer than 1 year but not longer than 5 years	5,337	7,411
Total capital expenditure commitments	64,555	49,111
Non-cancellable short term and low value lease commitments		
Less than 1 year	2,650	1,006
Longer than 1 year but not longer than 5 years	9,764	125
Longer than 5 years	-	-
Total non-cancellable short term and low value lease commitments	12,414	1,130
Total commitments for expenditure (inclusive of GST)	76,969	50,242
Less GST recoverable from the Australian Tax Office	(6,997)	(4,567)
Total commitments for expenditure (exclusive of GST)	69,972	45,675

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.

Notes to the Financial Statements (continued)

Note 6.4: Non-cash financing and investing activities

	2021 \$'000	2020 \$'000
Assets (Provided)/Received Free of Charge	5,088	87
Acquisition of Assets through DoH Indirect Contributions	-	1,801
Total Non-cash financing and investing activities	5,088	1,888

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

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 2021				
Financial Assets				
Cash and Cash Equivalents	6.2	98,312	-	98,312
Receivables and contract assets	5.1	90,067	-	90,067
Total Financial Assetsⁱ		188,379	-	188,379
Financial Liabilities				
Payables	5.2	-	68,291	68,291
Other Liabilities	5.3	-	359	359
Borrowings (including lease liabilities)	6.1	-	39,092	39,092
Total Financial Liabilitiesⁱ		-	107,742	107,742

	Note	Financial Assets at Amortised Cost \$'000	Financial Liabilities at Amortised Cost \$'000	Total \$'000
30 June 2020				
Financial Assets				
Cash and Cash Equivalents	6.2	77,208	-	77,208
Receivables and contract assets	5.1	98,577	-	98,577
Investments and Other Financial Assets		2	-	2
Total Financial Assetsⁱ		175,786	-	175,786
Financial Liabilities				
Payables	5.2	-	55,852	55,852
Other Liabilities	5.3	-	578	578
Borrowings (including lease liabilities)	6.1	-	77,827	77,827
Total Financial Liabilitiesⁱ		-	134,257	134,257

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

How we categorise financial instruments

Categories of financial assets

Financial assets are recognised when 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
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interest.

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

Austin Health recognises the following assets in this category:

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

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 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 risks 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 2020-21.

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.

Notes to the Financial Statements (continued)

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 select the expected credit loss rate based on the Austin Health's past history, 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 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

Contractual receivables at amortised cost (continued)

	Current	30 Days	60 Days	90 Days	120 Days	150 Days	180+ Days	Total
30 June 2020								
Diagnostic								
Expected loss rate	2%	5%	9%	40%	42%	56%	23%	
Gross carrying amount of contractual receivables	1,830	725	887	441	581	471	2,869	
Loss allowance	36	34	76	176	244	261	674	1,501
Inpatients								
Expected loss rate	3%	10%	26%	26%	20%	17%	35%	
Gross carrying amount of contractual receivables	1,365	922	535	193	156	400	1,926	
Loss allowance	36	93	137	50	31	66	669	1,082
Sundry								
Expected loss rate	0%	0%	0%	1%	4%	5%	19%	
Gross carrying amount of contractual receivables	3,428	711	370	381	63	79	222	
Loss allowance	3	1	1	5	3	4	42	59
Sundry Other								
Expected loss rate	100%	0%	0%	0%	0%	0%	0%	
Gross carrying amount of contractual receivables	2,740	-	-	-	-	-	-	
Loss allowance	2,740	-	-	-	-	-	-	2,740
Total Loss allowance	2,815	128	214	231	278	331	1,385	5,382

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 counter-party'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.

Notes to the Financial Statements (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 tradable 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.

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 2021							
Financial Liabilities							
<i>At amortised cost</i>							
Payables	5.2	114,398	113,945	53	-	400	-
Borrowings Interest Bearing	6.1	30,084	231	360	866	6,784	21,843
Borrowings DoH	6.1	436	-	-	436	-	-
Borrowings Lease Liability	6.1	8,573	134	401	2,603	5,436	-
Other Financial Liabilities ⁱ							
- Monies held in Trust	5.3	359	305	54	-	-	-
Total Financial Liabilities		153,850	114,615	868	3,905	12,619	21,843
30 June 2020							
Financial Liabilities							
<i>At amortised cost</i>							
Payables	5.2	70,525	70,525	-	-	-	-
Borrowings Interest Bearing	6.1	31,457	69,706	339	818	6,390	23,694
Borrowings DoH	6.1	37,183	-	-	36,750	433	-
Borrowings Lease Liability	6.1	9,186	146	439	2,131	6,438	33
Other Financial Liabilities ⁱ							
- Monies held in Trust	5.3	578	544	34	-	-	-
Total Financial Liabilities		148,930	71,432	812	39,699	13,261	23,727

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 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.

Notes to the Financial Statements (continued)

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

	Note	2021 \$'000	2020 \$'000
Net Result for the Year		(35,762)	(75,728)
Non-Cash Movements:			
Depreciation and Amortisation	4.2	100,656	91,405
Allowance for Impairment Losses on Contractual Receivables		(3,592)	2,862
Net (Gain)/Loss Revaluation of Long Service Leave	3.4	7,523	(2,209)
Resources - Assets Received Free of Charge	2.2	(14,268)	(1,554)
DoH Indirect Contribution		-	(1,801)
Net (Gain)/Loss on non-financial assets	3.4	(941)	(7)
Movements in Assets and Liabilities:			
(Increase)/Decrease in Receivables	5.1	3,036	3,395
(Increase)/Decrease in Prepayments		(10,241)	22
(Increase)/Decrease in Inventories		(1,330)	(2,115)
Increase/(Decrease) in Payables	5.2	31,649	6,996
Increase/(Decrease) in Provisions	3.4	20,774	19,432
Increase/(Decrease) in Other Liabilities	5.3	(220)	329
Net Cash from Operating Activities		97,285	41,026

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 Martin Foley:	
Minister for Mental Health	01/07/2020 - 29/09/2020
Minister for Health	26/09/2020 - 30/06/2021
Minister for Ambulance Services	26/09/2020 - 30/06/2021
Minister for Coordination of Health and Human Services: COVID-19	26/09/2020 - 09/11/2020
The Honourable Jenny Mikakos:	
Minister for Health	01/07/2020 - 26/09/2020
Minister for Ambulance Services	01/07/2020 - 26/09/2020
Minister for Coordination of Health and Human Services: COVID-19	01/07/2020 - 26/09/2020
The Honourable Luke Donnellan:	
Minister for Child Protection	01/07/2020 - 30/06/2021
Minister for Disability, Ageing and Carers	01/07/2020 - 30/06/2021
The Honourable James Merlino:	
Minister for Mental Health	29/09/2020 - 30/06/2021
The Austin Health Board	
Mr Ross Cooke (Chair)	09/02/2021 - 30/06/2021
Dr Christine Bessell (Chair Interim)	01/07/2020 - 09/02/2021
Dr Christine Bessell	09/02/2021 - 30/06/2021
Mr Chris Altis	01/07/2020 - 30/06/2021
Ms Julie Anne Bignell	01/07/2020 - 30/06/2021
Mr Joel Chibert	01/07/2020 - 30/06/2021
Dr Bruce Cohen	01/07/2020 - 30/06/2021
Ms Mary Draper AM	01/07/2020 - 30/06/2021
Ms Helen Thornton	01/07/2020 - 30/06/2021
Ms Fiona Slaven	01/07/2020 - 30/06/2021
Accountable Officers	
Mr Adam Horsburgh (Chief Executive Officer)	01/07/2020 - 30/06/2021

Notes to the Financial Statements (continued)

Remuneration of responsible persons

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

Income Band	2021 \$'000	2020 \$'000
\$1,000 - \$10,999	-	1
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	7	7
\$50,000 - \$59,999	-	2
\$60,000 - \$69,999	1	-
\$220,000 - \$239,999	-	1
\$270,000 - \$279,999	-	1
\$430,000 - \$439,999	1	-
Total Numbers	10	12

	2021 \$'000	2020 \$'000
Total remuneration received or due and receivable by Responsible Persons from the reporting entity amounted to:	835	915

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 Department of Parliamentary Services' 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)

	2021 \$'000	2020 \$'000
Short-term Benefits	2,162	2,004
Post-employment Benefits	141	126
Other Long-term Benefits	68	12
Termination Benefits	-	160
Total Remunerationⁱ	2,371	2,302
Total Number of Executives	9	8
Total Annualised Employee Equivalent ⁱⁱ	8	6

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.

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

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.

Notes to the Financial Statements (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.

Executive	
Mr Adam Horsburgh	Chief Executive Officer
Mr Cameron Goodyear	Chief Operating Officer (from Feb 21 to Jun 21)
Mr John Ferraro	Chief Operating Officer - Interim (from Jul 20 to Feb 21)
Mr Kemsley Fairhurst	Chief Financial Officer (from Nov 20 to Jun 21)
Ms Sophie Dixon	Chief Financial Officer - Interim (from Jul 20 to Nov 20)
Mr Mark Lubliner	Chief Medical Officer
Ms Anna Phillips	Chief People and Culture Officer
Mr Ray Van Kuyk	Chief Information and Services Officer
Ms Bernadette Twomey	Chief Nursing Officer

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 for the 2020/21 Reporting Year

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

Austin Health Board	
Mr Ross Cooke	Board Chair
Dr Christine Bessell	Board Chair Interim
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
Ms Fiona Slaven	Board Member

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

Compensation - KMPs

	2021 \$'000	2020 \$'000
Short-term Employee Benefits ⁱ	2,929	2,860
Post-employment Benefits	196	186
Other Long-term Benefits	82	12
Termination Benefits	-	160
Total	3,207	3,217

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.

Significant Transactions with Government Related Entities

Austin Health received funding from the Department of Health of \$980m (2020: \$848m). This amount includes Long Service Leave provision of \$4.4m (2020: \$3.4m). 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 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 2021 (2020: none).

There were no related party transactions required to be disclosed for Austin Health Board of Directors, Chief Executive Officer and Executive in 2021 (2020: 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

	2021 \$'000	2020 \$'000
Victorian Auditor-General's Office		
Audit of the Financial Statements	203	203
Total Remuneration of auditors	203	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 2019/2020) 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 transferrable 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 objects similar to VCCC.

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

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:

	2021 \$'000	2020 \$'000*
Current Assets		
Cash and Cash Equivalents	559	607
Receivables	12	30
Investments and Other Financial Assets	-	450
Prepayments	8	14
Total Current Assets	579	1,101
Non-Current Assets		
Investments and Other Financial Assets	-	2
Property, Plant and Equipment	17	17
Total Non-Current Assets	17	19
Total Assets	596	1,120
Current Liabilities		
Payables	15	37
Accrued Expenses	27	63
Provisions	34	41
Other Liabilities	15	21
Total Current Liabilities	91	162
Non-Current Liabilities		
Provisions	9	10
Total Non-Current Liabilities	9	10
Total Liabilities	100	172
Net Assets	496	948
Equity		
Accumulated Surpluses/(Deficits)	496	948
Total Equity	496	948

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

Notes to the Financial Statements (continued)

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

	2021 \$'000	2020 \$'000
Revenue		
Grants	555	872
Other Income	286	245
Interest Income	2	14
Total Revenue	843	1,131
Expenses		
Employee Benefits	537	502
Other Expenses from Continuing Operations	751	1,129
Depreciation	6	7
Total Expenses	1,294	1,638
Net Result	(451)	(507)

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

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.

Specific restricted 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 8.10: Economic dependency

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

The Department of Health 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 30 September 2022. On that basis, the financial statements have been prepared on a going concern basis.

This page left blank intentionally

**Austin Hospital
Olivia Newton-John Cancer Wellness
and Research Centre**

Wurundjeri Country
145 Studley Road
Heidelberg Victoria 3084
P. 03 9496 5000
F. 03 9458 4779

Heidelberg Repatriation Hospital

Wurundjeri Country
300 Waterdale Road
Ivanhoe Victoria 3079
P. 03 9496 5000
F. 03 9496 2541

Royal Talbot Rehabilitation Centre

Wurundjeri Country
1 Yarra Boulevard
Kew Victoria 3101
P. 03 9490 7500
F. 03 9490 7501

Austin Health acknowledges the Traditional Custodians of the land and pays its respects to Elders past, present and emerging.

Austin Health celebrates, values and includes people of all backgrounds, genders, sexualities, cultures, bodies and abilities.

www.austin.org.au

